



Master in Accounting
(MAcc)



COURSE OUTLINE

ACCT 5123 Advanced Taxation

Summer 2015

1.0 COURSE COORDINATOR, INSTRUCTOR AND TIMING

François BROUARD, DBA, FCPA, FCA
Associate Professor and Director SCSE-CSES

Room 1725, Dunton Tower

email: francois.brouard@carleton.ca

Twitter@ProfBrouard

Twitter@SCSE_CSES

Phone (613) 520-2600, ext. 2213

<http://sprott.carleton.ca/~fbrouard/>

Lectures: 3 hours per session for 12 sessions (see schedule)

2.0 COURSE DESCRIPTION

Canadian taxation and financial planning issues regarding personal and business decisions involving individuals, corporations, partnerships and trusts.

Prerequisite: ACCT 5120 with a minimum grade of B-.

3.0 COURSE OBJECTIVES

Accountants cannot make intelligent business decisions without first considering the tax implications of the choices. An understanding of Canadian taxation is therefore necessary in order to make those decisions.

The focus of BUSI 3005 (Taxation I) is on fundamental principles and personal income tax. The focus of BUSI 4005 (Taxation II) is on corporate income tax and some specialized topics. During this advanced taxation course ACCT 5123 (Advanced Taxation), the focus is on tax and financial planning and decisions.

ACCT 5123 is designed to achieve the following objectives:

- (1) to explain the theoretical concepts behind the specific provisions of the law,
- (2) to interpret the tax law, taking into account the specific wording of the provisions, judicial decisions and the Canada Revenue Agency's (CRA) position,
- (3) to apply the tax law in practical problems and case settings, and
- (4) to apply tax planning concepts through cases application.

In addition to specific technical taxation CPA competencies and knowledge (see Appendix A from the CPA Competency Map and Appendix B from the CPA Competency Map Knowledge Supplement – at the elective level), the course will integrate and focus on some enabling competency areas (see Appendix C for a description):

- Professional and Ethical Behaviour
- Problem Solving and Decision Making
- Communication

The objective of this course is to equip candidates with the competencies necessary to provide taxation services and guidance. The scope includes assisting individual and corporate entities to minimize taxes and meet their objectives while remaining in compliance with tax laws and regulations. The candidate learns to address compliance and tax-planning issues for both individuals and corporate entities, as well as, to a lesser extent, partnerships and trusts. Candidates also learn to go beyond the presenting issues and consider the broader circumstances and risk tolerance of all stakeholders involved. In addition, candidates develop competence in the areas of tax governance, controls, and risk management, in recognizing the interrelationship between financial reporting decisions and taxation, and in recognizing the importance of taking taxes into account when making business and investment decisions.

4.0 METHOD OF INSTRUCTION

The format of the course consists generally of twelve 170-minute class meetings over a number of weeks. Due to time constraints not all topic material will be covered in class. Students are responsible for the entire content of each topic as well as all additional topics discussed in class, except for those areas specifically excluded by the instructor.

Class sessions entail a mixture of lecture, case study, problem analysis, and class discussion. The content of any class presumes and expects you have carefully prepared the cases and studied the assigned reading. It requires active learning, which means that the student must take responsibility for the learning that takes place. You must prepare the cases (ex: previous CFE/UFE questions, instructor's cases) and readings assigned to be ready for each class. You are encouraged to ask questions and to stimulate discussion on topics that you have difficulty understanding.

5.0 GRADING SCHEME

Your grade for the course will depend on both individual work and group work outside of the class, and classroom contributions, as outlined below:

Individual Class Participation	10	(see section 5.1)
Case preparation and assignments	40	(see section 5.2)
Final Exam (three hours)	* 50	(see section 5.3)
TOTAL	** 100	

* **To pass the course, students must obtain at least 45% on the final examination in addition to other requirements.**

** Satisfactory In-term Performance

- 1) The requirement for Satisfactory In-term Performance is set at 50% of all, not each, pre-final term work (i.e. assignments, participation marks, quizzes, etc.).
- 2) Unsatisfactory In-term Performance in this course will lead to
Failure in this course (regardless of the performance at the Final exam)
FND (Failure, no deferral) grade in this course (in case of missed Final exam)

The grading scale used to calculate your final grade will be the one listed in the Carleton University Graduate Calendar:

A+	90 - 100	B+	77 - 79	C+	67 - 69	D+	57 - 59
A	85 - 89	B	73 - 76	C	63 - 65	D	53 - 56
A-	80 - 84	B-	70 - 72	C-	60 - 62	D-	50 - 52

5.1 Individual Class Participation:

The intent is to have a very interactive class. Students are expected to contribute to class discussions on a constructive and regular basis. Much of your learning will occur during class and cases discussions. Points will be awarded for contributions to the class. Class participation points are not awarded exclusively for "good" answers to questions. Contributions to the class also include asking thoughtful questions, helping to understand complicated ideas, suggesting reasonable alternatives, and being willing to try out new ideas. Individuals may also be asked to present from time to time as part of the individual participation component. Participation also includes occasional announced and unannounced quizzes.

5.2 Cases preparation and assignments:

One of the most important requirements for this course is a thorough preparation and analysis of the assigned cases and reading material. Each student is expected to prepare cases before each class. Cases are to be completed individually.

Students' working papers (answers to be submitted) will attest the attempts made by the student to learn the concepts and solve the cases. The learning will focus more on the thought process in identifying (including priority), analyzing and solving taxation situation. In order to derive maximum benefit from the cases, it is essential that you mentally 'get inside' the case situation.

From all the cases to prepare, some cases (5) will be selected as assignments and the best 4 out of 5 cases selected as assignments will be counted towards the final grade.

Hand-in Assignment at the beginning of each class to the instructor. If it is not handed-in before the due date, it will be considered late and subject to a 100% PENALTY

More information on the content of the cases will be provided in cuLearn as the course progress. As an advanced course in taxation, assignments will build on all taxation knowledge at the entry and core level with a focus on topics for the elective taxation course. Self-study problems in the textbook will also provide students with additional opportunity to practice the course material.

**NO LATE ASSIGNMENTS WILL BE ACCEPTED.
MAKE-UP ASSIGNMENTS ARE NOT PROVIDED.**

Answers must be submitted as a paper copy using Securexam (or a word processor) with clear identification of the case name (left top corner) and student name (right top corner).

ACCT5123 - CASE CORPO

Line TRUDEAU

Assumption that the content of the cover page (see model on the course website) is signed by each student with the statement indicating that each student has respected plagiarism rules..

Be sure to keep a copy for yourself of all your cases prepared and submitted. The time limit for revision of the assignments is equal to 2 weeks after the date of return.

Graded assignments involve both technical aspects and judgment aspects. Consequently, the grading of these cases has both objective and subjective components. The course instructor is committed in providing you with adequate feedback on subjective components of your grades. Additional feedback from your instructor is always available through consultations during scheduled office hours or by arrangement.

For interested students, it is possible to replace the marks of some assignments with the mark on the production of a paper in a competition on a tax subject. However, a written agreement should take place between students and the instructor in the first week of the class. A strong commitment is required. The substitution will add to student's workload. The grade on the research assignment will replace the assignments.

CTF (Canadian Tax Foundation)

Student paper award

<http://www.ctf.ca/> (under About CTF and CTF Writing Awards)

5.3 Final Exam:

A three-hour Final Exam will be scheduled on August 27, 2015. Final time and place to be announced. No exceptions will be made for students with conflicting travel plans during the exam time. Material covered by the CPA Competency Map is subject to be on the final examination.

No books or papers shall be permitted in the examination room. A Tax Appendix with some information will be provided by the instructor as part of the final exam.

6.0 OFFICE HOURS

Instructors office hours (without and with appointment) will be posted on the course website.

7.0 COURSE MATERIALS

7.1 Required Texts

- BEAM, R.E., LAIKEN, S.N., BARNETT, J.J. Introduction to Federal Income Taxation in Canada and Introduction to Federal Income Taxation in Canada – Study Guide, 2015-2016, 36th ed., Toronto, CCH. ISBN 978-1-55496-806-0
 - (with CD-ROM) Cantax Research Library, Problems Sets with Solutions and Cantax Software for Individual (T1) and corporate (T2) tax return

- Federal Income Tax Act, 13th ed., CICA, 2015. [FITA]
Note: FITA is sold by CICA with the book Ernst & Young Guide to Tax Research and Writing (2014) and a CD as gifts.
or
Canadian Income Tax Act with Regulations, 99th ed., CCH, 2015. [CITA]
or
Practitioner's Income Tax Act, 47th ed., Carswell, March 2015. [PITA]

- BROUARD, F. Exams Preparation Guide in Taxation for CPA (2015 edition), Ottawa, IPSO FACTO consultants inc. (available from the professor in the first class).

- BROUARD, F. Canadian Tax Summary of Knowledge (2015 edition), Ottawa, IPSO FACTO consultants inc. (available from the professor in the first class).

7.2 Course Web page

The instructor will make extensive use of the Internet to post course materials and other announcements. A CuLearn page is used for announcements and posting of course materials. You could find the course CuLearn page:

<http://www.carleton.ca/culearn>

See also

<http://sprott.carleton.ca/~fbrouard/linkstax.html>

7.3 Carleton Library Tax References

CPA Canada Tax Suite (Virtual Professional Library)

CCH TaxWorks - Income Tax Collection

You must obtain username and passwords from the Library Information Desk. The Library subscription is restricted to Carleton University members only.

7.4 Supplemental References

See Bouard, F. (2015). *Note on Tax References List / Bibliographie en fiscalité*, 9p.

7.5 Other Carleton University resources

Carleton University websites

Carleton University

<http://www.carleton.ca/>

Sprott School of Business

<http://www.sprott.carleton.ca/>

Carleton University Library

<http://www.carleton.ca/library>

Sprott Business Students' Society (SBSS)

<http://www.sbsscouncil.ca/>

Sprott Accounting Students' Association (SASA) <http://www.cusasa.com/>

Sprott Paper Writing Guidelines

http://www.sprott.carleton.ca/student-services/resources/printable/documentation_guide.pdf

Note: A syllabus is a tool to help you plan your time. Course outline may be revised depending upon the actual flow of the course. All changes will be posted in announcements on the course web page.

ADDITIONAL INFORMATION

Required calculator in BUSI course examinations

If you are purchasing a calculator, we recommend any one of the following options: Texas Instruments BA II Plus (including Pro Model), Hewlett Packard HP 12C (including Platinum model), Staples Financial Calculator, Sharp EL-738C & Hewlett Packard HP 10bII

Group work

The Spratt School of Business encourages group assignments in the school for several reasons. They provide you with opportunities to develop and enhance interpersonal, communication, leadership, follower-ship and other group skills. Group assignments are also good for learning integrative skills for putting together a complex task. Your professor may assign one or more group tasks/assignments/projects in this course. Before embarking on a specific problem as a group, it is your responsibility to ensure that the problem is meant to be a group assignment and not an individual one.

In accordance with the Carleton University Undergraduate Calendar (p 34), the letter grades assigned in this course will have the following percentage equivalents:

A+ = 90-100	B+ = 77-79	C+ = 67-69	D+ = 57-59
A = 85-89	B = 73-76	C = 63-66	D = 53-56
A - = 80-84	B - = 70-72	C - = 60-62	D - = 50-52
F = Below 50			

WDN = Withdrawn from the course

ABS = Student absent from final exam

DEF = Deferred (See above)

FND = (Failed, no Deferred) = Student could not pass the course even with 100% on final exam

Academic Regulations, Accommodations, Etc.

University rules regarding registration, withdrawal, appealing marks, and most anything else you might need to know can be found on the university's website, here:

<http://calendar.carleton.ca/undergrad/regulations/academicregulationsoftheuniversity/>

Requests for Academic Accommodations

For Students with Disabilities:

The Paul Menton Centre for Students with Disabilities (PMC) provides services to students with Learning Disabilities (LD), psychiatric/mental health disabilities, Attention Deficit Hyperactivity Disorder (ADHD), Autism Spectrum Disorders (ASD), chronic medical conditions, and impairments in mobility, hearing, and vision. If you have a disability requiring academic accommodations in this course, please contact PMC at 613-520-6608 or pmc@carleton.ca for a formal evaluation. If you are already registered with the PMC, contact your PMC coordinator to send me your **Letter of Accommodation** at the beginning of the term, and no later than two weeks before the first in-class scheduled test or exam requiring accommodation (*if applicable*). After requesting accommodation from PMC, meet with me to ensure accommodation arrangements are made. The deadlines for contacting the Paul Menton Centre regarding accommodation for final exams for the June 2015 exam period is June 5, 2015 and for the August 2015 exam period is July 24, 2015.

For Religious Obligations:

Students requesting academic accommodation on the basis of religious obligation should make a formal, written request to their instructors for alternate dates and/or means of satisfying academic requirements. Such requests should be made during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist, but no later than two weeks before the compulsory event.

Accommodation is to be worked out directly and on an individual basis between the student and the instructor(s) involved. Instructors will make accommodations in a way that avoids academic disadvantage to the student.

Students or instructors who have questions or want to confirm accommodation eligibility of a religious event or practice may refer to the Equity Services website for a list of holy days and Carleton's Academic Accommodation policies, or may contact an Equity Services Advisor in the Equity Services Department for assistance.

For Pregnancy:

Pregnant students requiring academic accommodations are encouraged to contact an Equity Advisor in Equity Services to complete a letter of accommodation. The student must then make an appointment to discuss her needs with the instructor at least two weeks prior to the first academic event in which it is anticipated the accommodation will be required.

Academic Integrity

Violations of academic integrity are a serious academic offence. Violations of academic integrity – presenting another’s ideas, arguments, words or images as your own, using unauthorized material, misrepresentation, fabricating or misrepresenting research data, unauthorized co-operation or collaboration or completing work for another student – weaken the quality of the degree and will not be tolerated. Penalties may include expulsion; suspension from all studies at Carleton; suspension from full-time studies; a refusal of permission to continue or to register in a specific degree program; academic probation; and a grade of Failure in the course, amongst others. Students are expected to familiarize themselves with and follow the Carleton University Student Academic Integrity Policy which is available, along with resources for compliance at: <http://www2.carleton.ca/sasc/advisingcentre/academic-integrity/>.

Sprott Student Services

The Sprott student services office, located in 710 Dunton Tower, offers academic advising, study skills advising, and overall academic success support. If you’re having a difficult time with this course or others, or just need some guidance on how to successfully complete your Sprott degree, please drop in any weekday between 830am and 430pm. Our advisors are happy to discuss grades, course selection, tutoring, concentrations, and will ensure that you get connected with the resources you need to succeed! <http://sprott.carleton.ca/students/undergraduate/support-services/>

Be in the know with what’s happening at Sprott: Follow @SprottStudents and find us on Facebook SprottStudents Sprott.

Important Information:

- Students must always retain a hard copy of all work that is submitted.
 - All final grades are subject to the Dean’s approval.
 - For us to respond to your emails, we need to see your full name, CU ID, and the email must be written from your valid CARLETON address. Therefore, it would be easier to respond to your inquiries if you would send all email from your Carleton account. If you do not have or have yet to activate this account, you may wish to do so by visiting <http://carleton.ca/ccs/students/>
-

**ACCT 5123 – ADVANCED TAXATION – SUMMARY SCHEDULE
Summer 2015**

	Lecture (9h00-12h00)		Room	Topics
L1	Tu	August 4	RB1201	Introduction to Course General concepts and Principles of Taxation Net Income, Taxable Income, Tax Payable
L2	We	August 5	RB1201	Legal Form and Structures Trusts Partnership Stakeholder Relationships
L3	Th	August 6	RB1201	Personal Financial Planning GST/HST
L4	Mo	August 10	RB1201	Sources and Computation of Taxable Income a) Sources and types of income Income from an Office or Employment
L5	Tu	August 11	RB1201	Income from a Business Income from Property b) Capital Cost Allowance c) Cumulative Eligible Capital d) Taxable capital gains and allowable capital losses e) Other Income and Other Deductions Deferred Income Plans
L6	We	August 12	RB1201	Computation of Taxes Payable - Tax Payable for Individuals - Tax Payable for Corporations
L7	Th	August 13	RB1201	Tax Planning for Corporations and Individuals a) Owner-manager tax planning b) Business structure planning Succession and Estate Planning
L8	Mo	August 17	RB1201	Tax Planning and Integration
L9	Tu	August 18	RB1201	Tax Planning and Integration
L10	We	August 19	RB1201	Tax Planning and Integration
L11	Th	August 20	RB1201	Tax Planning and Integration
L12	Mo	August 24 (8h00-11h00)	RB1201	Tax Planning and Integration
	Th	August 27 (9h00-12h00)	DT 328 ?	Final Exam

ACCT 5123 – TOPICS, COMPETENCIES AND ACTIVITIES IN TAXATION

Topics (including competencies and knowledge)	CPA Competencies	Activities
General concepts and Principles of Taxation Net Income, Taxable Income, Tax Payable	6.1.1 6.2.1 6.2.5 6.2.6 6.3.1	Case studies Readings Quiz
Legal Form and Structures Stakeholder Relationships	6.1.1 6.2.1 6.2.4	Case studies Readings Quiz
Sources and Computation of Taxable Income Income from an Office or Employment	6.2.1 6.2.2 6.2.4	Case studies Readings Quiz
Income from a Business Income from Property	6.1.2 6.1.3 6.2.1 6.2.2 6.2.4	Case studies Readings Quiz
Capital Cost Allowance Cumulative Eligible Capital	6.1.2 6.1.3 6.2.1 6.2.2	Case studies Readings Quiz
Taxable capital gains and allowable capital losses Other Income and Other Deductions	6.2.1 6.2.2	Case studies Readings Quiz
Computation of Taxes Payable Tax Payable for Individuals	6.2.1 6.2.2 6.2.3 6.2.6	Case studies Readings Quiz
Computation of Taxes Payable Tax Payable for Corporations	6.1.1 6.1.2 6.1.3 6.2.6	Case studies Readings Quiz
Tax Planning for Corporations and Individuals Owner-manager tax-planning	6.1.1 6.1.4 6.2.4	Case studies Readings Quiz
Tax Planning for Corporations and Individuals Business structure planning	6.1.1 6.1.4 6.1.5 6.1.6 6.2.4	Case studies Readings Quiz
Succession and Estate Planning Trusts Partnership	6.1.3 6.1.4 6.1.6 6.2.3 6.2.5	Case studies Readings Quiz
Deferred Income Plans GST/HST	6.1.1 6.2.2 6.2.4	Case studies Readings Quiz

Note: - See Appendix A for CPA Competency Map and Appendix B for CPA Competency Map Knowledge for more information about CPA competencies and knowledge in Taxation
 - Details of Cases studies and Assignments will be posted in cuLearn

**APPENDIX A – TAXATION TECHNICAL COMPETENCIES
(EXTRACTS FROM CPA COMPETENCY MAP)**

SECTION 6: TAXATION

Related CPA Competency	Level E4 Tax	Outcomes
6.1 Corporate Tax		
6.1.1 Assesses a corporate tax entity's general tax issues	A	a) Interprets and applies the Income Tax Act (ITA) and various references sources to the entity's tax issues b) Determines a corporation's <ul style="list-style-type: none"> - legal form and structure; - type of corporation (e.g. private, CCPC, public); - residency and liability for tax (income tax, HST/GST); - sources and types of income; - stakeholders and relationships (e.g., non-arm's length, related persons, associated or connected corporations, and affiliated persons) - risk tolerance; - and tax filing requirements
6.1.2 Determines taxes payable for a corporation in routine situations	A	a) Classifies and calculates the different sources and types of income for a corporation b) Reconciles accounting income to income for tax purposes c) Determines adjustments necessary to calculate taxable income d) Identifies and explains the elements of taxes payable e) Calculates instalments and final tax payments and advises on due dates
6.1.3 Determines taxes payable for a corporation in non-routine situations	B	a) evaluates the impact of non-routine situations on a corporation's income and tax payable; for example: <ul style="list-style-type: none"> - flow-through of partnership income to a corporate partner - financially troubled businesses - scientific research & experimental development
6.1.4 Advises on tax consequences or specific tax planning opportunities for shareholders and their closely held corporations	A	a) Analyzes the entity's and its shareholders' tax profiles to identify, evaluate, and recommend possible tax-planning opportunities b) Identifies alternative courses of action, and evaluates and recommends planning opportunities with corresponding risks (e.g., salary versus dividends, loans to shareholders, succession and estate planning, benefits and compensation)
6.1.5 Analyzes the tax consequences or planning opportunities for complex corporate transactions	B	a) Analyzes more complex situations and identifies tax-planning opportunities b) Advises on optimal corporate structure to meet the objectives of the corporation (e.g., use of holding companies, business expansion structures, creditor protection) c) Recommends tax strategies that can be used to achieve

Related CPA Competency	Level E4 Tax	Outcomes
		<p>the optimal corporate structure on a tax-deferred basis (e.g., section 85 elections, section 86 reorganization of share capital, section 51 convertible property, and section 85.1 share for share exchange).</p> <p>d) Identifies, analyzes, and explains the impact of transferring assets to a corporation</p> <p>e) Analyzes and advises on the tax consequences on the sale or acquisition of shares versus assets, including the possible acquisition of control</p>
6.1.6 Describes the tax consequences of other corporate and partnership restructuring transactions	C	<p>a) Explains the tax consequences of a wind-up of a subsidiary into its parent corporation;</p> <ul style="list-style-type: none"> - the amalgamation of multiple corporations; and - transactions between a partnership and its partners
6.2 Personal Tax		
6.2.1 Assesses general tax issues for an individual	A	<p>a) Interprets and applies the ITA and various reference sources to the individual's tax issues</p> <p>b) Determines an individual's</p> <ul style="list-style-type: none"> - residency and liability for tax; - sources and types of income; - stakeholders and relationships (e.g., non-arm's length, related persons, and affiliated persons); and - tax filing requirements
6.2.2 Determines income taxes payable for an individual in routine situations	A	<p>a) Identifies and classifies the different sources and types of income for an individual (employment, business, property, capital gains, and other income)</p> <p>b) Calculates the inclusions and deductions for each source of income</p> <p>c) Determines deductibility of other items (e.g., rrsP contributions)</p> <p>d) Determines adjustments necessary to calculate taxable income</p> <p>e) Identifies and explains the elements of taxes payable (e.g., dividend tax credits and personal tax credits)</p> <p>f) Calculates instalments and final tax payments and advises on due dates</p>
6.2.3 Determines income taxes payable for an individual in non-routine situations	B	<p>a) Evaluates the impact of non-routine situations on an individual's income and tax payable; for example:</p> <ul style="list-style-type: none"> - the allocation of income/loss from a partnership to be recorded on the individual's tax return - the returns for a deceased individual <p>b) Determines income tax payable for inter vivos and testamentary trusts</p> <p>c) Determines impact of distributions from trusts on beneficiary</p>

Related CPA Competency	Level E4 Tax	Outcomes
6.2.4 Advises on specific tax-planning opportunities for individuals	A	<ul style="list-style-type: none"> a) Analyzes the individual's profile to identify, evaluate, and recommend possible tax-planning opportunities (e.g., income splitting and TFSA, RRSP, RESP, and RDSP) b) Identifies alternative courses of action, and evaluates and recommends planning opportunities with corresponding risks for executives and other employees (e.g., salary versus fringe benefits, stock-based compensation, bonus plans, and pension plans) c) Identifies and explains the tax advantages and disadvantages of self-employment versus being an employee d) Identifies, analyzes, and explains the impact of incorporating a non-incorporated business
6.2.5 Analyzes estate-planning opportunities for individuals	B	<ul style="list-style-type: none"> a) Identifies and explains the role of trusts and deferred income plans as planning tools b) Identifies and explains tax-planning opportunities related to estate planning c) Designs a plan for transition of family wealth d) Plans for the tax consequences of the death of an individual and the subsequent distribution of the estate
6.2.6 Analyzes tax consequences for non-residents	B	<ul style="list-style-type: none"> a) Identifies and explains the taxation of Canadian sources of income for non-residents (e.g., tax payable under Part i and Part Xiii) b) Identifies and explains the taxation of part-year residents (e.g., deemed acquisitions or dispositions and tax payable under Part i) c) Identifies the possible impact of tax treaties and conventions
6.3 Assessments and Appeals		
6.3.1 Advises taxpayers with respect to assessment, notice of objection, and appeals	B	<ul style="list-style-type: none"> a) Explains <ul style="list-style-type: none"> - filing deadlines for objections and appeals; and - consequences of missing filing deadlines b) Discusses the need for, and how to, access CRA documents to assess risks and support the entity's position c) Analyzes the strength of a possible objection d) Outlines a course of action, considering probability of success and taxpayer's appetite for pursuing an appeal (i.e., professional fees, reputation, and public disclosure of information) e) Prepares information to respond to assessments and to file objections and appeals

**APPENDIX B – TAXATION KNOWLEDGE
(EXTRACTS FROM CPA COMPETENCY MAP KNOWLEDGE SUPPLEMENT)**

SECTION 6: TAXATION

Taxation: Includes tax compliance and reporting, and tax planning and implementation strategies for both corporate and personal tax payers, and an understanding of the administrative processes in Canadian taxation.

Topics	Entry	Core	Elective
General Concepts and Principles of Taxation			
a) Structure and interpretation of ITA	C	B	A
b) General anti-avoidance rule	C	B	A
c) Filing deadlines and requirements	B	B	B
d) Notice of assessment, interest and penalties, failures and omission	C	C	B
e) Objections to assessments and appeal process	C	C	B
f) Existence of tax conventions and treaties	C	B	B
g) Concept of residency, deemed resident, part-year resident	-	C	B
h) Attribution rules	B	B	A
i) Other types of taxation (HST/GST, etc.)	B	B	A
j) Integration under ITA	C	B	A
Stakeholder Relationships			
a) Non-arm's length and related persons	B	B	A
b) Associated or connected corporations	B	B	A
c) Affiliated persons	B	B	A
d) Personal service business	B	B	A
Legal Form and Structures			
a) Sole proprietorship	B	B	A
b) Corporation (e.g., private, CCPC, public)	B	B	A
c) Joint ventures	C	B	A
d) Partnerships	C	B	A
Sources and Computation of Taxable Income			
a) Sources and types of income <ul style="list-style-type: none"> • Office or employment <ul style="list-style-type: none"> ○ Taxable benefits ○ Deductions allowed and limitations • Employee or self-employed, personal services business • Business or property income <ul style="list-style-type: none"> ○ Types of income: active business income, property income, interest income, dividend income, rental properties, capital gain/loss ○ Basic rules and principles ○ Inclusions ○ Deductions — limitations 	B	B	A
b) Capital cost allowance (CCA)	C	B	A

Topics	Entry	Core	Elective
<ul style="list-style-type: none"> • Non-arm's length sale of shares • Acquisition of control • Purchase and sale of assets versus shares • Use of holding companies • Transfer pricing taxation issues 	C	C	A
	-	C	B
	-	C	B
	-	C	B
	-	C	B
Succession and Estate Planning			
a) Transfer of property to spouse	C	C	A
b) Transfer of property to children	C	C	A
c) Income splitting and attribution rules	C	C	A
d) Capital losses in estate	-	C	B
e) Deemed disposition on death	-	C	B
f) Returns of a deceased individual <ul style="list-style-type: none"> • Basic rules • Reserves for year of death • Elective returns 	-	C	B
Trusts			
a) Types of trusts (inter vivos and testamentary trusts)	-	C	B
b) Distributions from trusts on beneficiary	-	-	B
c) Income and taxes payable for inter vivos and testamentary trusts	-	-	B
d) Impact of distributions from trusts to beneficiary	-	-	B
Partnership			
a) Transactions between a partnership and its partners	-	-	C
b) Limited partnership — at-risk rules	-	-	C
c) Transfer of property to partnership	-	-	C
d) Admission or withdrawal of a partner	-	-	C
e) Termination of a partnership	-	-	C
f) Flow-through of partnership income to a corporate partner	-	-	B
g) Allocation of income/loss from a partnership to be recorded on the individual's tax return	-	-	B
Deferred Income Plans			
a) RRSP	C	C	A
b) TFSA	C	C	A
c) RESP	C	C	A
d) RDSP	C	C	A
GST/HST			
a) Liability for tax	B	B	A
b) Input tax credits	B	B	A
c) Registration	B	B	A
d) Collection and remittance	B	B	A

APPENDIX C – CPA ENABLING COMPETENCIES (EXTRACTS FROM CPA COMPETENCY MAP)

- Professional and Ethical Behaviour

CPAs draw on their ability to act with honesty, integrity, credibility, self-confidence, and independence, while coping with ambiguity, conflicts of interest, and the need to protect the public interest. CPAs do more than adhere to the rules of professional conduct, through ethical behavior that exemplifies and enhances the reputation of the profession.

- 1.1 Uses and ethical reasoning process
- 1.2 Adopts the profession's values
- 1.3 Maintains a stakeholder focus
- 1.4 Adheres to laws, professional standards, and policies when exercising professional judgment

- Problem Solving and Decision Making

CPAs draw on strong analytical and problem solving skills and their capacity for innovative and integrative thought, as well as their ability to both connect and dissect “parts” and “wholes”, identify and manage priorities, and adopt a broad view to arrive at a recommend solution.

- 2.1 Demonstrates a cohesive process for using professional judgment to solve problems and make decisions

- Communication (both written and oral)

CPAs must communicate effectively through listening, understanding, speaking, and writing with clarity, and through the art of persuasion and negotiation. CPAs must be able to clearly communicate complex matters to all levels of an entity.

- 3.1 Obtains accurate and relevant information through listening, interviewing, and discussing
- 3.2 Writes and speaks to enhance work performed
- 3.3 Adapts communications to meet audience needs