

ICB



The Institute of Certified Bookkeepers

ICB Level 4 Certificate in Self-Assessment Tax

Contents

1. About ICB	3
ICB Objectives	3
ICB Principles	3
2. Introduction to ICB Level 4 Certificate in Self-Assessment Tax	3
3. Qualification Aims	4
4. Pre-requisites	4
5. Qualification Structure	5
6. Assessment	7
7. Grading	7
8. Level of Membership	7
9. CPD	7
10. Level 4 Certificate in Self-Assessment Tax – detailed syllabus	8
11. Diversity and Equality Policy	16
12. Customer Service Statement	16
13. Reasonable Adjustments and Special Considerations Policy and Procedure	16
14. Enquiries and Appeals Policies	16

1. About ICB

The Institute of Certified Bookkeepers (ICB) is the largest bookkeeping institute in the world. It promotes and maintains the standards of bookkeeping as a profession through the establishment of relevant qualifications and the award of grades of membership that recognise academic attainment, working experience and competence.

In ICB's role as a membership body it provides ongoing support to members to ensure they are knowledgeable and up to date with the latest legislation, mindful of their ethical obligations, and best-placed to provide a trusted and exemplary service to business.

ICB Objectives:

- to promote bookkeeping as a profession
- to increase recognition for bookkeeping as an integral part of the financial profession
- to promote education and learning
- to enable the achievement of a recognised bookkeeping qualification
- to provide a trusted benchmark for the profession
- to improve the career prospects of ICB members

ICB Principles

ICB believes that sound financial management can have a profound effect on society at a personal, professional and global level. ICB is passionate about empowering students of all ages and backgrounds to learn new skills, find fulfilling employment or set up their own businesses. By creating a pool of highly qualified bookkeeping talent ICB endeavours to help business owners take control of their finances at the right cost and, in turn, support the economy as a whole.

2. Introduction to ICB Level 4 Certificate in Self-Assessment Tax

The Level 4 Certificate in Self-Assessment Tax is a stand-alone qualification. It is also an option module (certificate) for the ICB Level 4 Diploma in Advanced Bookkeeping and Accounting.

This qualification comprises both personal and business taxation and relates to preparing tax computations and returns for individuals and businesses (Sole Traders and Partnerships). Note: It specifically excludes income from Trusts.

3. Qualification Aims

On completion of this qualification a candidate will be able to understand the duties and responsibilities of a bookkeeper / tax agent when completing self-assessment tax returns and identify the types of returns that may be completed and the sources of assistance available from the GOV.UK website. The candidate will be able to identify the rules for determining residence and identify and calculate income, reliefs, deductions and taxation for an individual including property income, adjusted trading profit for un-incorporated businesses including the calculation of capital allowances and how these will be reported.

The candidate will understand the nature of, and calculate the tax due, on various gains and be able to complete the various returns for an individual earning foreign income and calculate income tax due.

Candidates will also be able to explain:

- the various ways of dealing with brought forward and/or carried forward losses for un-incorporated businesses
- the purpose of Simpler Income Tax for the Simplest Small Business and complete the Self-Assessment Return
- the nature of and calculate National Insurance Contributions for both employed and self-employed persons
- the procedure for payment and administration of both tax and National Insurance Contributions

On successful completion of this qualification, candidates will be able to offer self-assessment services for individuals, sole traders and partnerships. Note: this qualification does not cover the submission of a trust and estate self-assessment tax return.

4. Pre-requisites

ICB Level 4 qualifications have been designed for bookkeepers, building on the core knowledge and skills developed in the ICB Level 2 Certificate in Bookkeeping and Level 3 Certificate in Bookkeeping and Accounts. Candidates for this module should be a full Member (MICB) of ICB or be able to provide evidence of recent relevant qualifications and/or work experience equivalent to the Level 2 Certificate in Bookkeeping and Level 3 Certificate in Bookkeeping and Accounts.

There is no mandatory order for attempting the modules within the ICB Level 4 Diploma in Advanced Bookkeeping and Accounting and this module can be completed in isolation.

5. Qualification Structure

The Level 4 Certificate in Self-Assessment Tax is made up of six topics:

- Underpinning Knowledge
- Entering Details of Personal Income onto a Self-Assessment Return
- Entering Details of Business Income and Expenditure for Unincorporated Businesses onto the Relevant Returns
- Chargeable Gains
- Calculating Tax and National Insurance Contributions Due and Filing Returns
- Foreign Income and Residence Basis

The learning outcomes for each topic are listed below:

Topic 1 – Underpinning Knowledge

Learning Outcomes:

- 1.1 Duties and Responsibilities of the Bookkeeper / Tax Agent
- 1.2 Explain what is meant by the terms: Income Tax, Capital Gains Tax
- 1.3 Explain the principles of taxation appropriate to individuals, Sole Traders and Partnerships
- 1.4 Identify the main sources of Income and reliefs for an individual
- 1.5 Identify the types of returns that may be completed
- 1.6 Identify sources of assistance

Topic 2 – Entering Details of Personal Income onto a Self-Assessment Return

Learning Outcomes:

- 2.1 Identify the main sources of personal income
- 2.2 Identify the various types of tax reliefs that can be claimed
- 2.3 Identify the elements of Employment Income and allowable expenses, and complete the relevant pages
- 2.4 Explain the types of Income from property and allowable expenditure and complete the relevant pages

Topic 3 – Entering Details of Business Income and Expenditure for Unincorporated Businesses onto the Relevant Returns

Learning Outcomes:

- 3.1 Identify the returns that need to be completed by sole traders and partners
- 3.2 Explain the principle of basis periods applicable to sole traders and partnerships
- 3.3 Explain the purpose of, and determine, adjusted trading profits for sole traders and partnerships
- 3.4 Explain the purpose of Capital Allowances (Equipment, Motor Vehicles and Other)
- 3.5 Identify trading losses for individuals and partnerships
- 3.6 Complete the partnership return and the relevant section of the self-assessment return
- 3.7 Complete the relevant sections of the self-assessment return
- 3.8 Explain the purpose of Simpler Income Tax for the Simplest Small Business and complete the Self-Assessment Return

Topic 4 – Chargeable Gains

Learning Outcomes:

- 4.1 Explain the elements of capital gains tax
- 4.2 Apply relief's deferrals and exemptions
- 4.3 Explain the treatment of gains and losses

Topic 5 – Calculating Tax and National Insurance Contributions Due and Filing Returns

Learning Outcomes:

- 5.1 Determine taxable income and tax payable
- 5.2 Identify NI Contributions payable
- 5.3 Explain the procedure for payment and administration

Topic 6 – Foreign Income and Residence Basis

Learning Outcomes:

- 6.1 Explain how to treat foreign income
- 6.2 Explain the criteria for residence and remittance

6. Assessment

The testing of knowledge and skills for the qualification will comprise one online exam, taken in the candidate's home or place of work. The exam will be available to complete for a period of forty-eight hours and will consist of a series of tasks, some of which will involve entering amounts into screens that closely replicate screens from an online self-assessment return. Other tasks involve calculations that demonstrate an understanding of the nature of the calculation of tax, National Insurance Contributions, Capital Allowances, Capital Gains Tax and adjusted net profit.

7. Grading

The qualification will be graded at Distinction, Merit or Pass with grade boundaries as follows:

Distinction	95 -100%
Merit	90 - 94%
Pass	85 - 89%
Fail	0 - 84%

8. Level of Membership

This is a stand-alone qualification and, as such, does not lead directly to ICB membership. However, ICB full Members (MICB) of at least two years good standing will be invited to become a Fellow (FICB) upon completion of the Diploma in Advanced Bookkeeping and Accounting.

9. CPD

On successful completion of this qualification, those holding current ICB membership will automatically be credited with 15 structured and 15 unstructured points on their CPD record.

10. Level 4 Certificate in Self-Assessment Tax – detailed syllabus

The following detailed syllabus provides the Learning Outcomes and Assessment Criteria for each topic which makes up the Level 4 Certificate in Self-Assessment Tax qualification.

Topic 1 - Underpinning knowledge	
Learning Outcome	Assessment Criteria
1.1 Duties and Responsibilities of the Bookkeeper / Tax Agent	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Understand that the ICB expects its members to maintain a high ethical standard and to observe confidentiality • Explain the need for: <ul style="list-style-type: none"> - Professional clearance - Letter of engagement • Explain the need for retention of financial records
1.2 Explain what is meant by the terms: Income Tax, Capital Gains Tax	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Distinguish between Income Tax and Capital Gains Tax
1.3 Explain the principles of taxation appropriate to individuals, Sole Traders and Partnerships.	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Define the characteristics of: <ul style="list-style-type: none"> - Sole Traders: <ul style="list-style-type: none"> ○ No separate legal entity ○ Income tax and capital gains tax - Partnerships: <ul style="list-style-type: none"> ○ No separate legal entity ○ Income tax and capital gains tax

Topic 1 - Underpinning knowledge (continued)

Learning Outcome	Assessment Criteria
1.4 Identify the main sources of Income and reliefs for an individual	<ul style="list-style-type: none"> • Outline sources of income such as: <ul style="list-style-type: none"> - Employment income - Pension income - Investment income - Savings income - Property income • Identify reliefs and allowable expenses and deductions • Identify the benefits assessable on all employees and directors
1.5 Identify the types of returns that may be completed	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Identify the relevant sets of supplementary pages that need to be completed from the following: <ul style="list-style-type: none"> - Personal (SA100 and SA101) - Employment (SA102) - Self-Employment (SA103) - Partnership (SA104, SA800) - Property (SA105) - Foreign income (SA106) - Capital Gains (SA108) - Residence / Remittance basis (SA109) <p>Note: if any other supplementary pages are required they are not covered by this qualification and no part of the self-assessment form should be completed</p>
1.6 Identify sources of assistance	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Access the various help tools on the GOV.UK website

Topic 2 – Entering Details of Personal Income onto a Self-Assessment Return

Learning Outcome	Assessment Criteria
2.1 Identify the main sources of personal income	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Identify the main types of personal income including <ul style="list-style-type: none"> - interest received, gross and net - dividends received (tax credits) - Pensions, Annuities and Other State benefits - Other income not declared elsewhere
2.2 Identify the various types of tax reliefs that can be claimed	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Identify the main types of tax reliefs that can be claimed from: <ul style="list-style-type: none"> - Pension Schemes - Charitable Giving
2.3 Identify the elements of Employment Income and allowable expenses, and complete the relevant pages	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Identify the types of employment Income. <ul style="list-style-type: none"> - Wages and salaries - Tips - Benefits (such as company cars and fuel, private medical and dental insurance, vouchers, goods and assets, accommodation, interest free or low interest loans) • Identify the types of allowable expenses <ul style="list-style-type: none"> - Allowable expenses and deductions - Pension payments - Gift Aid – payroll giving • Complete the relevant areas of the Self-Assessment Return
2.4 Explain the types of Income from property and allowable expenditure and complete the relevant pages	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Distinguish between the types of property income (holiday lets, rent a room, and other) • Identify allowable expenditure • Treatment of furnished lettings • Complete the relevant sections of the Self-Assessment Return

Topic 3 - Entering Details of Business Income and Expenditure for Unincorporated Businesses onto the Relevant Returns

Learning Outcome	Assessment Criteria
3.1 Identify the returns that need to be completed by sole traders and partners	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Identify the relevant supplementary pages for completion by a sole trader (full or short) • Identify the return that needs to be completed by a partnership and decide if a full or short return can be made • Identify the relevant supplementary pages for completion by a partner as part of their personal return
3.2 Explain the principle of basis periods applicable to sole traders and partnerships	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Identify the tax period being submitted • Identify if the basis period is different to the accounting period and make appropriate adjustments • Apply opening year rules • Determine overlap profit • Identify any change of accounting date • Apply closing year rules • Identify if special arrangements apply • Explain the treatment for: <ul style="list-style-type: none"> - Existing partners - Partners joining - Partners leaving
3.3 Explain the purpose of, and determine, adjusted trading profits for sole traders and partnerships	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Identify relevant business income and expenditure • Explain how profits are adjusted by disallowable expenses • Complete adjusted trading profit for the period • Prepare adjustments to trading profit to include: <ul style="list-style-type: none"> - Private use of assets - Capital Allowances • Explain and identify when overlap relief may be used or carried forward and calculate amounts arising and useable • Identify CIS deductions where applicable

Topic 3 - Entering Details of Business Income and Expenditure for Unincorporated Businesses onto the Relevant Returns (continued)

Learning Outcome	Assessment Criteria
3.4 Explain the purpose of Capital Allowances (Equipment, Motor Vehicles and Other)	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Identify qualifying expenditure • Identify types of Capital Expenditure and allowances available • Calculate the following allowances: <ul style="list-style-type: none"> - FYA - AIA - WDA - Balancing charges - General and main pool • Prepare a Capital Allowance computation
3.5 Identify trading losses for individuals and partnerships	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Determine trading losses • Identify when losses may be carried back, brought forward or carried forward, or when they may be offset against other income for the year • Identify on-going business options available: <ul style="list-style-type: none"> - Relief against total income for all non-incorporated businesses - Future relief
3.6 Complete the partnership return and the relevant section of the Self-Assessment Return	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Calculate and enter the split of profits for a partnership • Complete the Partnership Return • Complete the supplementary pages for the Self-Assessment Return for a partner
3.7 Complete the relevant sections of the Self-Assessment Return	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Complete the supplementary pages of the Self-Assessment Return for a Sole Trader

Topic 3 - Entering Details of Business Income and Expenditure for Unincorporated Businesses onto the Relevant Returns (continued)

Learning Outcome	Assessment Criteria
3.8 Explain the purpose of Simpler Income Tax for the Simplest Small Business and complete the Self-Assessment Return	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Identify the purpose of the cash basis and simplified expenses • Identify the key principles determining eligibility for the cash basis • Identify types of receipt • Identify allowable expenses • Identify the treatment of capital expenditure. Loan interest and VAT • Identify the key principles of simplified expenses that include: <ul style="list-style-type: none"> - Expenditure on vehicles - Use of home for business purposes - Premises used for home and business purposes • Explain the transitional rules • Identify the principles of leaving the scheme • Complete the Self-Assessment Return

Topic 4 – Chargeable Gains

Learning Outcome	Assessment Criteria
4.1 Explain the elements of capital gains tax	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Define the terms: <ul style="list-style-type: none"> - Chargeable person - Chargeable disposal - Chargeable asset • Identify exempt assets. • Define the term annual exemption. • Identify the elements of a capital gains tax computation
4.2 Apply reliefs, deferrals and exemptions	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Explain the principle of Entrepreneurs' relief. • Identify qualifying business disposals qualifying ownership period; and apply the relief • Apply the principle of Rollover relief: <ul style="list-style-type: none"> - Conditions for relief - Partial reinvestment • Explain the principles of gift relief

Topic 4 – Chargeable Gains (continued)

Learning Outcome	Assessment Criteria
4.3 Explain the treatment of gains and losses	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Identify the elements of individual gains and losses • Treatment of part disposals • Define the term Chattels and rules that apply to their disposal: <ul style="list-style-type: none"> - Disposals between connected persons - Disposals between husband and wife and civil partners • Principal private residence exemption

Topic 5 - Calculating Tax and National Insurance Contributions Due and Filing Returns

Learning Outcome	Assessment Criteria
5.1 Determine taxable income and tax payable	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Identify the elements of an income tax computation and prepare a calculation of income tax and class 4 NICs payable for an individual (including the effect of personal allowances other than the basic) • Understand the principle of adjustment of coding to collect tax from prior year • Identify when it would be appropriate to pay tax and NICs due through a PAYE tax code for a later year • Identify and calculate payments on account where relevant
5.2 Identify NI contributions payable	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Identify reasons for exemptions from class 4 NICs being applicable • Identify and calculate NIC contributions payable as a Self-employed person (including partners)
5.3 Explain the procedure for payment and administration	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Explain the process of compliance checks • Understand the requirements involved in filing the Self-Assessment Return • Identify due dates for payment of Income Tax and class 4 NICs • Explain the purpose of interest and penalties, when penalties for failure to file a return, or pay tax and NICs are incurred, and how they are calculated

Topic 6 – Foreign Income and Residence basis

Learning Outcome	Assessment Criteria
6.1 Explain how to treat foreign income	On successful completion the candidate will be able to: <ul style="list-style-type: none">• Calculate and enter the following into the relevant section of the self-assessment return:<ul style="list-style-type: none">- interest from overseas savings- dividends from foreign companies- income from overseas pensions and property- foreign tax credit relief or special withholding tax
6.2 Explain the criteria for residence and remittance	On successful completion the candidate will be able to: <ul style="list-style-type: none">• Define the terms domicile, residence and nationality• Explain the requirements for:<ul style="list-style-type: none">- obtaining/retaining residence status- gaining relief from double taxation- completing details of the remittance section of the return

11. Diversity and Equality Policy

ICB is committed to ensuring fair and equal access to its qualifications, examinations, support materials and all other services. ICB strives to maintain professional standards for the benefit of all its students, members, suppliers, stakeholders and ICB staff.

Please refer to the ICB website for a copy of our Diversity and Equality policy.

12. Customer Service Statement

ICB is committed to providing a high standard of customer service and ensuring all customers are dealt with promptly and in a professional and helpful manner. To achieve this, ICB commits to ensure that:

- All customers are treated with courtesy and respect
- All customers are treated individually, equally and in a professional manner
- All customer information will be treated confidentially and only used in a way which has been agreed in advance, unless ICB is informed of something that places them or others at risk or harm

Please refer to the ICB website for a copy of our Customer Service Statement policy.

13. Reasonable Adjustments and Special Considerations Policy and Procedure

ICB is keen to ensure it provides a fair and consistent assessment process for all students. ICB recognises that there are sometimes circumstances beyond the control of the student that may have an impact on their level of ability whilst undertaking assessment. ICB will consider all appropriate Reasonable Adjustments and Special Consideration requests.

Please refer to the ICB website for a copy of our Reasonable Adjustment and Special Considerations policy.

14. Enquiries and Appeals Policies

ICB is continually working to uphold a high level of service by ensuring quality assurance standards are maintained at all times. ICB aims to ensure that all assessment outcomes are fair, consistent and reliable. However, occasions may arise where a student may wish to question a decision.

Please refer to the ICB website for a copy of our Enquiries and Appeals policies.



© The Institute of Certified Bookkeepers 2020

Patron: His Royal Highness Prince Michael of Kent GCVO

Vice President: Leslie T Ellis FICB

122-126 Tooley Street
London, SE1 2TU

+44(0)20 3405 4000

www.bookkeepers.org.uk