

ICB



The Institute of Certified Bookkeepers

**ICB Level 4 Certificate in
Corporation Tax
for Micro and Small Businesses**

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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 Corporation Tax for Micro and Small Businesses

The Level 4 Certificate in Corporation 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 relates to preparing tax computations and returns for limited liability entities which do not require an audit, reporting under either FRS105 (The Financial Reporting Standard applicable to the Micro-Entities Regime) and FRS 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland) Section 1A.

3. Qualification Aims

On successful completion of this qualification a candidate will be able to identify the duties and responsibilities of a tax agent and the elements of a corporation tax return. The candidate will be able to understand the administration and payment deadlines involved in corporation tax as well as calculate adjusted trading profits, relevant capital allowances and taxable total profits. The qualification will provide the skills to complete relevant sections of a corporation tax return and calculate gains, losses and available reliefs.

This qualification will enable the candidate to carry out the role of an employed or self-employed bookkeeper, and/or tax agent, submitting relevant documents to both Companies House and HMRC on behalf of clients or employers for limited liability entities in accordance with FRS105 and FRS102 Section 1A.

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 the Certificate in Corporation Tax may be taken in isolation. However, ICB recommends completing the ICB Level 4 Certificate in Financial Statements for Micro and Small Businesses before this module.

5. Qualification Structure

The Level 4 Certificate in Corporation Tax is made up of six topics:

- Underpinning Knowledge
- Calculation of Adjusted Trading Profits
- Capital Allowances
- Calculation of Profits Chargeable to Corporation Tax
- Gains, Losses and Reliefs
- Payment and Administration

The learning outcomes for each topic are listed below:

Topic 1 – Underpinning Knowledge

Learning Outcomes:

- 1.1 Understand the duties and responsibilities of a Tax Agent
- 1.2 Understand what is meant by an accounting period for Corporation Tax purposes

Topic 2 – Calculation of Adjusted Trading Profits

Learning Outcomes:

- 2.1 Understand the purpose of adjusted trading profits and identify disallowable expenditure
- 2.2 Compute adjusted trading profit for the period

Topic 3 – Capital Allowances

Learning Outcomes:

- 3.1 Understand the nature and purpose of capital allowances
- 3.2 Prepare a computation for capital allowances

Topic 4 – Calculation of Profits Chargeable to Corporation Tax

Learning Outcomes:

- 4.1 Understand Taxable Total profits
- 4.2 Determine the Corporation Tax Liability
- 4.3 Complete a CT Return

Topic 5 – Gains Losses and Reliefs

Learning Outcomes:

- 5.1 Understand the procedure for determining gains and losses
- 5.2 Apply reliefs, deferrals and exemptions
- 5.3 Distinguish between Trading and Non-Trading Losses

Topic 6 – Payment and Administration

Learning Outcomes:

- 6.1 Understand the process of payment and administration

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. The exam will consist of a series of tasks, some of which will involve entering amounts into screens that closely replicate screens from relevant online forms. Other tasks involve calculations and require the candidate to demonstrate an understanding of the nature of the calculation of corporation tax, capital allowance, corporation tax on chargeable gains 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 Corporation Tax for Micro and Small Businesses – detailed syllabus

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

Topic 1 - Underpinning knowledge	
Learning Outcome	Assessment Criteria
1.1 Understand the duties and responsibilities of a Tax Agent	On successful completion the candidate will be able to: <ul style="list-style-type: none"> • Demonstrate an understanding that the ICB expects its members to maintain a high ethical standard • Identify the requirements needed to act as a tax agent online with HMRC • Demonstrate an understanding of the developments that are taking place within HMRC under the introduction of Making Tax Digital
1.2 Understand what is meant by an accounting period for Corporation Tax purposes	On successful completion the candidate will be able to: <ul style="list-style-type: none"> • Identify when an accounting period starts and when an accounting period finishes

Topic 2 – Calculation of Adjusted Trading Profits	
Learning Outcome	Assessment Criteria
2.1 Understand the purpose of adjusted trading profits and identify disallowable expenditure	On successful completion the candidate will be able to: <ul style="list-style-type: none"> • Demonstrate how profits are adjusted • Identify expenditure considered disallowable • Correctly compute the treatment of hire purchase and lease charges • Identify income in the accounts that is not taxable as trading profit
2.2 Compute adjusted trading profit for the period	On successful completion the candidate will be able to: <ul style="list-style-type: none"> • Correctly compute adjusted trading profit for accounting periods

Topic 3 – Capital Allowances

Learning Outcome	Assessment Criteria
3.1 Understand the nature and purpose of capital allowances	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Distinguish between depreciation and capital allowances • Identify qualifying expenditure • Identify the main types of capital expenditure and the capital allowances available
3.2 Prepare a computation for capital allowances	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Prepare a computation for the following capital allowances: <ul style="list-style-type: none"> - Main pool - Special rate pool - FYA – First Year Allowance - AIA – Annual Investment Allowance - WDA – Writing Down Allowances - Balancing Charges and Balancing Allowances - Motor Vehicle v Motor Cars - Short life assets, long life assets and integral features • Calculate capital allowances in the opening and closing years of business

Topic 4 – Calculation of Profits Chargeable to Corporation Tax

Learning Outcome	Assessment Criteria
4.1 Understand Taxable Total Profits	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Identify adjusted profit and capital allowances • Determine the treatment of dividends paid • Determine the treatment of interest received and interest paid • Determine the treatment of: <ul style="list-style-type: none"> - Dividend Income - Property Income
4.2 Determine the Corporation Tax Liability	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Calculate taxable total profits • Apply relevant tax rates
4.3 Complete a CT Return	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Complete elements of a CT Return

Topic 5 – Gains, Losses and Reliefs

Learning Outcome	Assessment Criteria
5.1 Understand the procedure for determining gains and losses	On successful completion the candidate will be able to: <ul style="list-style-type: none"> • Apply Indexation Allowance • Calculate a chargeable gain or allowable loss • Apply the following special rules: <ul style="list-style-type: none"> - Enhancement expenditure - Part-disposals - Non-wasting chattels
5.2 Apply reliefs, deferrals and exemptions	On successful completion the candidate will be able to: <ul style="list-style-type: none"> • 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
5.3 Distinguish between Trading and Non-Trading Losses	On successful completion the candidate will be able to: <ul style="list-style-type: none"> • Determine adjusted trading losses • Apply types of loss relief: <ul style="list-style-type: none"> - Current year relief - Carry back relief - Carry forward relief - Terminal loss relief • Calculate: <ul style="list-style-type: none"> - Non-Trading Losses - Capital Losses

Topic 6 – Payment and Administration

Learning Outcome	Assessment Criteria
6.1 Understand the process of payment and administration	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none">• Demonstrate the process of Corporation Tax Self-Assessment• Demonstrate an understanding of how to:<ul style="list-style-type: none">- File the return- Amend the return- Deal with errors- Identify interest on late payment- Identify interest on tax overpaid• Apply the penalty process• Demonstrate an understanding of HMRC powers of enquiry• Identify the records which companies must keep and the timescales for keeping them

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.



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