

Course Title

Fundamentals of Tax, VAT & Public Financial Management (TPF)

Knowledge Pillar	Level	Course Title	Course Code	Total Marks
Governance, Laws & Taxation [GLT]	Intermediate level II	Fundamentals of Tax, VAT & Public Financial Management (TPF)	LT234	100

Syllabus Structure

The syllabus comprises the following main topics with the relative study weightings:

Segment	Segment Title	Weight
A	Direct Taxes	40%
B	Indirect Taxes	30%
C	Public Financial Management	30%

Course Description

This course is designed to comprise the direct and indirect taxes of the country along with the knowledge domain of public financial management to develop technical competence, professional skills, values and ethics among aspiring professional accountants. In the direct tax segment, this course focuses on the fundamental provisions of the income tax and the gift tax so that the candidates can develop an intermediate level of proficiency about the topics to apply the knowledge in identification and evaluation of the given situation in a straightforward way. Besides, this module covers the basic provisions of the Value Added Tax (VAT) and the Customs Duties as an indirect tax to develop technical knowledge. Besides, this course includes The Fundamentals of Public Financial Management so that the candidates can gain an elementary idea about the financial management of the government and its process.

Course Objectives

The course aims to provide candidates with a fundamental understanding of the taxation and financial management system of Bangladesh so that they can develop their knowledge of the subject matters and able to identify and evaluate the implication of tax provisions and the government's financial management process on individuals and business entities.

Course Learning Outcomes

Upon successful completion of the course, the aspiring professional accountants should be able to:

1. understand the concepts in issues related to the tax structure in Bangladesh;
2. determine assessable income and allowable deductions for individuals and body corporate;
3. identify the provisions relating to advance payment of tax, submission of returns and assessment procedures for preparation of appropriate tax strategy;
4. understand the tax administration procedures including power and authority for imposition of penalty;
5. develop and apply working knowledge in the areas VAT as per the VAT law;

6. aware of the basic concepts of the customs law, gift tax, travel tax, excise duty and baggage rules of the country; and
7. gain fundamental concepts of public financial management of Bangladesh.

DETAILED CONTENTS

Parts	Topics	Level of study required	Subtopics	Learning outcomes of topics	Probable weight
A. Direct Taxes (40 Marks)	A1. Tax Structure of Bangladesh and Professional Ethics	R, U, E	<ul style="list-style-type: none"> • Principles of Taxation, Taxation System in Bangladesh & Emerging Issues in Taxation: Principles/ canons of taxations; Impact, incidence and effect of taxation; Objective of taxation; Rights and obligations of taxpayers; Scope and Structure of tax system in Bangladesh; Current trend and recent update in taxation; Potential impact of emerging issue in taxation; • Tax Administration, Power of Authorities, & Imposition of Penalty: Appointment of Income Tax Authorities; Administrative and Judicial Authority; Delegation of powers; Appointment; Subordination; Power to call for information, inspection, survey, enquiry, search and seizure; Penalty for non-maintaining accounts, failure to file return, fake TIN, advance tax, concealment of income, fake audit report and others; • Ethics and Professional Skepticism: Ethical Behavior; Principles of IESBA Code of Ethics; ICMAB Code of Ethics; Threats and Safeguard; Conflict of Interest; Tax Avoidance and Evasion; Ethical Conflict Resolution; Confidentiality. 	<p>Upon successful completion, students shall be able to:</p> <ol style="list-style-type: none"> 1. describe general principles and objectives of a good tax system 2. comment on the Bangladesh tax structure 3. identify the current developments and ethical issues in taxation and its potential impacts. 4. understand the tax administration system along with their roles & responsibilities and advise to remain complaint 	30%
	A2. Income Tax Assessment and Payment	R, U, AP, E, D	<ul style="list-style-type: none"> • Statutory Heads of Income, Computation of Income Tax & Set-off and Carry-Forward of Losses: Scope of 	<ol style="list-style-type: none"> 5. apply relevant provisions of tax law in computing 	60%

Parts	Topics	Level of study required	Subtopics	Learning outcomes of topics	Probable weight
			<p>Total Income; Deemed Income; Statutory Heads of Income and Tax Computation (Salaries, Interest on Securities, House Property Income, Agricultural Income, Income from Business or Profession, Capital Gains, Other Sources); Non-assessable Income; Tax-free Income; Unearned and Earned Incomes; Domestic and Foreign Incomes; Regular and Casual Incomes; Income Subject to Regular Tax Rate and Income Subject to Special Tax Rate ; Charge of Income Tax; Set-off and carry-forward of Losses; Unabsorbed depreciation;</p> <ul style="list-style-type: none"> • Payment of Tax before Assessment: Understanding the concept of Advance Tax and Tax Deducted at Source (TDS); Benefits of AT and TDS; TDS deducting authority; TDS rates and procedure; Consequence of failure to deduct/ collect tax source; Collection and Payment procedures of TDS and AT to government treasury; Minimum tax u/s 82C; Computation and payment of Advance Tax; Consequence of Failure to Pay Advance Tax; Payment of tax on the basis of return; • Return Submission & Assessment Provisions: Return of Income and Withholding Tax and Timeline; Audit of Withholding Tax; Notice for Filing Return; Revised Return; Statement of Assets, Liabilities and Lifestyle; Obligation of furnishing information regarding salary and Return filing, interest and dividend; Forms and templates of various returns.; Definition and cycle of assessment; Assessment Provisions (Provisional assessment, Universal Self-Assessment, Minimum Tax, Spot 	<p>taxable income and determining tax liabilities both for individual and company;</p> <p>6. describe the provisions related to set-off and carry-forward of losses and advance; payment of tax</p> <p>7. fill-up income tax return;</p> <p>8. illustrate the issues concerning income tax assessment, payment and consequence of failure.</p>	

Parts	Topics	Level of study required	Subtopics	Learning outcomes of topics	Probable weight
B. Indirect Taxes (30 Marks)			(Provisional assessment, Universal Self-Assessment, Minimum Tax, Spot assessments, Assessment after Hearing, Best judgment assessment, Assessment in case of income escaping income, person leaving Bangladesh, deceased person and limitation for assessment).		
	A4. Gift Tax and Others	R, U, AP	<ul style="list-style-type: none"> • Fundamentals of Gift Tax, Travel Tax, Baggage Rules and Excise Duty: Gift and Scope of Gift Tax; Exemptions; Valuation of Gift; Imposition of Gift Tax Rates; Travel Tax; Baggage Rules. 	9. determine tax liability understanding the fundamental provisions of gift tax; 10. describe provisions related to excise duty, travel tax, and baggage rules.	10%
	B1. Introduction to Value Added Tax (VAT)	R, U	<ul style="list-style-type: none"> • Overview of VAT System in Bangladesh and Introduction to VAT Law & Rules: Nature of Value Added Tax; Supply Cycle; Characteristics of Value Added Taxes; Consumption based Tax System; Income Based Tax System; Indirect Tax & Direct Tax; History of Value Added Tax; Introduction of VAT System in Bangladesh; Success of Bangladesh VAT System in Revenue Collection; Function of VAT System; Variants of Value Added Tax; Theory of Value Added Taxes; VAT Chain; VAT Imposition; Tax Rate; VAT Exemption; HS Code & Service Code in VAT; Time of Payment of VAT; Input Credit System; Self-Assessment Procedure; VAT Accounting and Auditing; Return Submission; Deviation of VAT System in Bangladesh; Introduction of VAT Law-2012 & Rule-2016; Difference between the VAT Act 1991 and VAT & SD 	11. understand the concepts of VAT and the VAT System in Bangladesh; 12. describe the background and potentials of new VAT law of the country; 13. explain the registration and enlistment provisions.	30%

Parts	Topics	Level of study required	Subtopics	Learning outcomes of topics	Probable weight
			Act 2012; Advantage of New VAT & SD Act 2012; • Registration and Enlistment: VAT Registration; Registration Threshold; Enlistment Threshold; Type of Registration (Central VAT Registration Vs Unit Registration); Persons to Be Registered /Enlisted; Mandatory Registration; Use of Business Identification Number.		
	B2. VAT Assessment, Filing and Record Keeping	U, AP, E, D	• Imposition of VAT, VAT Collection System and Input Out Co-efficient: Imposition VAT in Different Stage; Output Rate; Persons Liable to Pay VAT; Zero Rated Goods /Service Supply VAT; Manner of VAT Collection; VAT on Import; Advance Tax (AT); Calculation of VAT, SD, RD, AT And AIT At Import Stage; Net VAT Calculation; The Input Output Co-Efficient; Importance of Input Output Co-efficient; • VAT Return: Type of Return; Submission/Filing of Return; Output-Supply; Input-Purchase; Increasing Adjustment; Decreasing Adjustment; • Record Keeping and Accounting in VAT: Importance of Record Keeping In VAT; Obligation & Record Keeping; Types of Records; Mushak Forms and its Practical Application; VAT Accounting and Payment Procedures; Dual accounting System in VAT Law.	14. describe vat imposition procedures and its collection system; 15. explain vat Return and its filling procedures; 16. describe books of records under VAT laws and its importance.	50%
	B3. Customs Tax and Others	R, U, AP	• Basics of Customs Tax: Objectives; Prohibited Goods; Regulatory Duty; Countervailing Duty; Antidumping Duty; Safeguard Duty; Valuation for Import Duty; Assessment; Duty Drawback; Bonded Warehouse; World Customs Organization	17. explain various provisions of customs duty and its implications.	20%

Parts	Topics	Level of study required	Subtopics	Learning outcomes of topics	Probable weight
C. Public Financial Management (PFM) (30 Marks)			(WCO); World Trade Organization (WTO); Excise Duty;		
	C1. Basic Concepts of PFM	R, U, E	<ul style="list-style-type: none"> • Definition and objectives of PFM; • Attributes of a good Financial Management system; • Key processes of Public Financial Management System (Macroeconomic forecasting, Budget preparation, Budget Execution, Accounting and Fiscal reporting, Cash Management, Debt management, Revenue Administration, Auditing); • Broad understanding of the key processes; • Issues associated with PFM; • Constitutional Mandate and Laws on PFM; • Types of Government Entities; • Responsible Authorities Engaged in PFM; • Responsibilities of the Authorities Engaged in PFM; • Committees of Parliament Members on PFM; • Background to the PFM Strategy 2016-21. 	18. understand basic concepts of PFM with its objectives and attributes; 19. explain the key processes associated with PFM.	35%
	C2. Economic Planning in Bangladesh	R, U	<ul style="list-style-type: none"> • History of Development Planning in Bangladesh; • Perspective Plan of Bangladesh (2010-2021): Making Vision 2021 a Reality; • Priorities of Vision 2021; • Seventh Five Year Plan Targets; • SDG and Seventh Plan; • Annual Development Program; • Vision 2041. 	20. describe development planning of Bangladesh and its key insights.	15%
C3. Mobilization of Financial Resources	R, U	<ul style="list-style-type: none"> • Budget and its Dimensions; • Budget Classification: Why It Is Important; 13-digit Classification Structure & its limitation; • New Classification Structure; • Benefits of New Classification; 	21. explain conceptual and regulatory framework of government budgeting in Bangladesh.	15%	

Parts	Topics	Level of study required	Subtopics	Learning outcomes of topics	Probable weight
			<ul style="list-style-type: none"> • Medium Term Budget Framework; • MTBF Approach; • Regulatory Framework of Budget; • Public Moneys and Budget Management Act, 2009; • External Aid, Loans; • Foreign Aid and Budget Accounts (FABA). 	22. understand the budgeting approaches use by various department of government.	
	C4. Management and Execution of Public Expenditure	U, E	<ul style="list-style-type: none"> • Legal Framework of Public Procurement- Salient features of the PPA 2006 and the PPR 2008; • Budgeting and Accounting Classification System (BACS); • Integrated Budgetary and Accounting System (iBAS++); • Supplementary Rules (SR); • Management of Public Procurement- Key risks in public procurement and mitigation; • Procurement Management under Public Private Partnership (PPP); • Public Procurement Reform Project II (PPRP-II); • Digitizing Implementation Monitoring and Public Procurement Project (DIMAPPP). 	23. describe the legal framework of public procurement in Bangladesh; 24. understand various public procurement reforms and DIMAPPP.	20%
	C5. Supreme Audit Institution (SAI) of Bangladesh	U, E	<ul style="list-style-type: none"> • Institutional Models of Supreme Audit Institutions; Comptroller and Auditor General (C & AG) of Bangladesh; • Authorities and Responsibilities of C & AG; • Audits of SAI; • International Public Sector Accounting Standards (IPSAS); • International Organization of Supreme Audit Institutions (INTOSAI); • International Standards of Supreme Audit Institutions (ISSAIS); • Asian Association of Supreme Audit Institutions (ASOSAI) 	25. explain and evaluate the auditing procedures in public sector of Bangladesh; 26. evaluate the institutional model of SAI; 27. describe different types of audit and usefulness of audit report.	15%

Parts	Topics	Level of study required	Subtopics	Learning outcomes of topics	Probable weight
			<ul style="list-style-type: none"> Public Expenditure and Financial Accountability (PEFA); Public Access to the Information of PFM. 		

Here, R = Remembering; U = Understanding; AP = Applying; AN = Analyzing; E = Evaluating; C = Creating; D = Decision making; are the seven levels of learning developed based on the Bloom's Taxonomy.

Recommended Books and Learning Materials

Primary Textbook

- ICMAB. (2021). ICMAB Learning Manual for Fundamentals of Tax, VAT & Public Financial Management.

Recommended Textbook (Latest Edition)

- Shil, N. C., Masud, M. Z., & Alam, M. F. (2021). *Bangladesh income tax: Theory and practice*. (14th ed.). Shams Publications.
- Rauf, A. (2020). *Shahoj vasai notun VAT ain*. Liton Publication.
- Islam, A. S. M. S. (2021). *Basic issues of private investment and business-Bangladesh perspective*. (2nd ed.).

Reference Books/Other Learning Materials (Latest Edition)

- Adhikary, L. B. (2020). *Income tax manual (Part 1 and 2)*. Supreme Prakashani.
- The Income Tax Ordinance, 1984 and Rules 1984* (Bangladesh)
- Value Added Tax & SD Act 2012* (Bangladesh)
- Value Added Tax & SD Rule 2016* (Bangladesh)
- Public Financial Management (PFM) Reform Strategy 2016-2021*. (2016) Ministry of Finance: Government of the People's Republic of Bangladesh.
- Cangiano, M., Curristine, T. & Lazare, M. (2013). *Public financial management and its emerging architecture*. (1st ed.). Washington: International Monetary Fund.
- Asian Development Bank. (2018). *Public financial management systems - Bangladesh key elements from financial management perspective*.

TPF Course Mapping

PrOs	POs	POs	CLOs	CLOs	TLOs
PrO1	-	PO1	-	CLO1	1, 2, 3
PrO2	2, 4	PO2	1, 2, 4, 6	CLO2	4, 5, 6, 7
PrO3	-	PO3	3, 4	CLO3	6, 7, 11
PrO4	-	PO4	5	CLO4	2, 7, 10
PrO5	7	PO5	-	CLO5	10, 11, 12, 13, 14, 15
PrO6	-	PO6	-	CLO6	8, 9, 16
PrO7	3	PO7	3	CLO7	17, 18, 19, 20, 21, 22, 23, 24, 25, 26

Here, PrOs = Program Objectives; POs = Pillar Objectives; CLOs = Course Learning Outcomes; TLOs = Topic Learning Outcomes