

Course Title:

Advanced Income Tax & VAT (ATV)

Knowledge Pillar	Level	Course Title	Course Code	Total Marks
Governance, Laws & Taxation [GLT]	Advanced Level II	Advanced Income Tax & VAT (ATV)	LT453	100

Syllabus Structure

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

Segment	Title	Weight
A	Advanced Income Tax	50%
B	Advanced Value Added Tax (VAT)	50%

Course Description

This course is designed comprising the advanced aspects of the income tax law and the value added tax to develop professional competence among the aspiring professional accountants so that they can apply the technical knowledge of the topic areas, professional skills, values and ethics to identify and resolve complex taxation issues that raise from individual and business taxation. In the segment of advanced income tax, the course focuses on ascertaining income tax liability and compliance requirements of persons including individuals, companies and partnership firms to develop a thorough knowledge so that the aspiring professionals can apply such knowledge and skills for tax planning, regulatory compliance and strategy setting both for corporate and personal taxpayers. Likewise, the advanced VAT covers the areas of VAT imposition, assessment, deduction at source, return submission, audit and investigation, offense and punishment, administration including appeal and revision so that the aspiring professionals can able to adhere to VAT regulations and apply such knowledge to address various VAT issues arising from different types of business-like trading, importing, manufacturing and service enterprises.

Course Objectives

The course aims to provide the aspiring professional candidates a thorough understanding regarding the income tax and VAT laws of the country so that they can able to develop professional competence and skills on the subject matters and can apply critical thinking with professional judgment to identify and evaluate the alternative aspects of taxation issues for tax planning, compliance and strategy setting both for individuals and corporate entities.

Course Learning Outcomes

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

1. determine tax liability for individuals and partnership firms and able to address complex tax issues arising from individual and partnership assessment;
2. determine corporate tax liability and able to address complex tax issues arising in corporate transactions;
3. demonstrate the assessment and appeal procedures in the taxation process;

4. explain the process of VAT assessment, computation and payment of VAT as applicable on different types of business including VAT administration, offense, punishment and appeal procedures;
5. discuss the provisions related to VAT deduction at source;
6. evaluate and comment on the issues relating to international tax planning; and
7. analyze, evaluate and apply critical thinking and professional judgment for alternative perspectives of taxation issues for tax planning, regulatory compliance and strategy setting both for individuals and business entities.

DETAILED CONTENTS

Parts	Topics	Level of study required	Subtopics	Learning outcomes of topics	Probable weight
A. Advanced Income Tax (50 Marks)	A1. Income Tax Profile of Individuals and Individual Tax Planning	R, U, AP, AN, E, D	<ul style="list-style-type: none"> • Scope and Source of Total Income of an individual (salary, interest on securities, house property income, agricultural income, capital gain – sale of land, sale of flat, sale of share; income from other sources, salary, commission, interest income from partnerships, income of spouse, foreign income); • Non-assessable income; • Tax credit income or investment allowance; • Deduction of tax at source; • Tax rebate calculation based on individual income; • Personal tax structure; • Tax rates - male-female, senior citizen, Freedom Fighter, Physically Challenged People; • Implication of Resident and Non-resident Status; • Individual Tax Planning – Tax Avoidance, Tax Evasion, Investment Credit; Design of Salary Structure; • Salary Tax Certificate; • TDS Challan; • Minimum Tax; • Tax Refund; • Filling Income Tax Return for Individual; 	<p>Upon successful completion, students shall be able to:</p> <ol style="list-style-type: none"> 1. analyse the individual's profile, sources of income and deductions to identify, evaluate and recommend possible tax-planning opportunities; 2. design salary structure to avoid tax burden; 3. identify compliance requirements and risks for non-compliance or tax evasion for individuals; 4. prepare suitable advice to individuals with interpretation based on underlying calculation. 	30%
	A2. Income Tax Profile of Body	R, U, AP, AN, E, D	<ul style="list-style-type: none"> • Scope and Source of Total Income of Company (Income from Business or Profession 	<ol style="list-style-type: none"> 5. analyse the corporation's tax profile in reconciling 	30%

Parts	Topics	Level of study required	Subtopics	Learning outcomes of topics	Probable weight
	Corporate and Corporate Tax Planning		<p>Other Income, Capital Gain, Allowable deductions, Inadmissible expenses, methods of accounting, depreciation allowance);</p> <ul style="list-style-type: none"> • Accounting Income vs Taxable Income; • Tax rebate for corporate organizations; • Condition of exemption and tax rebate on CSR related expenditure; • Charge of minimum tax; Charge of surcharge; • Charge of additional tax; • Unexplained investment or expenditure deemed as income; • Stock dividend tax; • Retained earnings, reserve and surplus tax; Difference between business loss and unabsorbed depreciation; • Tax holiday income; • Various Corporate Tax Rate; • Computation of Income at reduced rate; • Provident Fund; • Computation of Income of Bank and Insurance; • Corporate Tax Planning; • Tax Avoidance; • Tax Evasion; • Advance Payment of Tax; • Source Tax Deduction; • Compliance Requirements and Penalty for Non-compliance; • Tax Governance, Control and Corporate Reporting; • Filing Income Tax Return for Companies. 	<p>accounting income to taxable income;</p> <ol style="list-style-type: none"> 6. evaluate and advise on tax strategies to meet business objectives; 7. advise on alternative tax treatments in a given scenario; 8. identify compliance requirements and risks for non-compliance or tax evasion for companies. 	
	A3. Income Tax Profile of Partnership Business & Tax Planning	U, AP, AN	<ul style="list-style-type: none"> • Partner and Partnership; • Special provision for assessment of a firm; • Procedures of assessment of Firm and partners; • Set-off and Carry-forward of Firm's Losses; • Share of Spouse or Minor Child; • Computation of Partner's Share of Profit or Loss. 	<ol style="list-style-type: none"> 9. analyse the partnership firm's tax profile to identify, evaluate and recommend possible tax-planning opportunities; 10. identify legitimate tax planning measures to minimise tax liability of partners. 	10%

Parts	Topics	Level of study required	Subtopics	Learning outcomes of topics	Probable weight
B. Advanced Value	A4. Assessment, offence & Appeal	U, AP, AN, E	<ul style="list-style-type: none"> Individual assessment (Assessment procedures under Universal Self-Assessment, Assessment after Hearing, Acknowledgement Receipt, Income Tax Certificate, Best Judgment Assessment); Company assessment (Assessment procedures under Universal Self-Assessment, Assessment after Hearing, Acknowledgement Receipt, Income Tax Certificate, Assessment Order – IT 88, Tax Computation – IT 30 and Demand Notice – IT 15, Best Judgment Assessment, Assessment u/s 82C); Imposition of penalty, Offences and Prosecution; Appeal procedures for First Appeal, Second Appeal and Reference to High Court Division and Reference to Appellate Division; Alternative Dispute Resolution (ADR). 	11. understand the requirement of filling income tax return and procedures for tax assessment; 12. evaluate and analyse the assessment order and advise possible alternatives if aggrieved; 13. understand the appeal procedures and advise on merit of the assessment and appellate order; 14. explain the offence and penalties for non-compliance.	20%
	A5. International Tax Planning	R, U, AP	<ul style="list-style-type: none"> Transfer pricing; Computation of Arm's Length Price; Statement International Transactions; Penalty for Non-Compliance; Double Taxation, Double Tax Avoidance Agreement (DTAA); Implications of DTAA; Relief in respect of Income Arising outside Bangladesh; Methods of Avoiding Double Taxation; Introduction to Tax Havens; Anti-Tax Haven Policy; Tax Planning Strategies of Multinational Groups. 	15. understand the concepts of transfer pricing; 16. apply the concept of arms' length price in calculating income; 17. identify instance and procedure for transfer pricing compliance; 18. recognise the implications of double tax treaties and advise on double taxation relief.	10%
	B1. VAT Imposition & Collection,	U, AP	<ul style="list-style-type: none"> Preparation of Input Output Co-efficient (Mushk_4.3) for Manufacturing and 	19. demonstrate the process of VAT imposition and	20%

Parts	Topics	Level of study required	Subtopics	Learning outcomes of topics	Probable weight
Added Tax (VAT) (50 Marks)	Supplementary Duty (SD) and Turnover Tax		Commercial Importer, Traders; <ul style="list-style-type: none"> • Fair market Value and it's Different Valuation method; • VAT Imposition; • VAT Agent for Non residence person; • VAT on reverse charged to recipient; • Zero Rated Goods Goods/Service Supply; • VAT on Supply of goods and service under international Tender; • VAT, SD, Turnover Tax Collection Method; • Export for re-import; Import for re-export; • Advance tax (AT); • Refund of advance tax; • Determination of value of taxable supply; • Declaration of the value of supply; • Time of payment of VAT; • Sale of running business VAT determination in cancelled transaction; 	collection including SD and Turnover Tax.	
	B2. VAT Deduction at Source (VDS)	R, U, E	<ul style="list-style-type: none"> • Procurement provider under VDS; • VDS in case of payment through local letter of credit against service; • VDS Against import of service from outside the geographical area of Bangladesh; • Deduction of VAT at source in case of miscellaneous fees, royalty, charge, etc; • Deposit of withheld VAT by the VAT registered withholding entity; • Depositing code; • Content of treasury challan (T.R. form No.-6) for VDS; • To do by the accounts Officer for VDS; • Timeline for issuing certificate to the supplier; 	20. identify the transaction on which VDS is applicable and its rate; 21. describe the process of VDS and its deposit; 22. evaluate and advise to remain complaint.	10%

Parts	Topics	Level of study required	Subtopics	Learning outcomes of topics	Probable weight
			<ul style="list-style-type: none"> Decreasing adjustment by the supplier; Interest for non-deduction of VAT at source; Personal penalty for non-deposit of withheld VAT Penalty for non-issuance of VDS certificate by the withholding entity & Law clauses. 		
	B3. Net Tax Assessment and Payment	U, E	<ul style="list-style-type: none"> Input; Input Tax Credit; Turnover Tax; Input Tax and Input Tax Paid on Import; Output Tax; Adjustments; Input Tax Credit-Conditions; Input Tax Credit Not Allowed under Certain Circumstances; Partial Input Tax Credit; Net tax Assessment; Negative Balance; Documents Required for Input Tax Credit; Penalty for Non-Compliance; Ex-Current Account Balance; Ex-Current Account Balance Adjustment Net Tax Payable-Calculation after Input Tax Credit; 	23. understand and evaluate area of net tax assessment and payment.	20%
	B4. Return Submission, Carry forward and Refund	U, E	<ul style="list-style-type: none"> Model Vat Return; Tax Base & Determination of Assessable Value for VAT; Different Kinds of Value; Declaration & Calculation of Value; Carry Forward & Refund; Total Payable Output Tax (Vat) & SD; Application of The Refunded Money; Vat Refund & Procedure of Refund Duty Drawback & Function of DEDO; 	24. describe VAT return, its filling procedure, submission, carry forward of VAT and the refund system.	20%

Parts	Topics	Level of study required	Subtopics	Learning outcomes of topics	Probable weight
	B5. VAT at Import, Manufacturing, Service and Trade Point	U, AN	<ul style="list-style-type: none"> • Tax Liability; • Value Addition; • Vat-Able Products and Services; • Vat Exemption & Tax Rate; • Turnover Tax; • ECR, EFD, SDC & Advance VAT; • Value Calculation & Payment of Tax; • Excise Duty & Obligation of VAT Unit; • VAT on Banking & Insurance Sector, Hotel, Restaurant, Construction Firms and Building Developer • AVT System on Export and Deemed Export. 	25. analyse practical insight of VAT in the areas of import, manufacturing, service, trading and export.	10%
	B6. Tax Determination, VAT Authority, Notice, Audit & Investigation, Arrear VAT Recovery	R, U	<ul style="list-style-type: none"> • Tax Determination; • VAT Authority; • Notice & Record; • Audit by VAT Department; • Audit by Professional Accountant; Recovery of Arrear VAT 	26. identify the VAT authority and their functions.	10%
	B7. Offence, Trail, Punishment, Appeal, Revision & Miscellaneous	R, U, AP	<ul style="list-style-type: none"> • Offences and Penalty Under VAT Act; • Offences for Adjudication; • Power of Adjudication; • Imposition of Penalties; • Adjudication and Appeal; • Adjudication Procedure; • Trial by Special Judge; • Appeal procedure; • Alternative Dispute Resolution (ADR); • VAT Consultant; • VAT Agent; • Replying of Departmental Notices Under VAT Act-A Sample cases; • Operation of VAT Portal-A Walkthrough • VAT Computerization; 	27. understand offence, trail and punishment. Describe appeal, revision and other issues.	10%

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

1. ICMAB. (2021). ICMAB Learning Manual for Advanced Income Tax & VAT.

Recommended Textbook (Latest Edition)

1. Shil, N. C., Masud, M. Z. & Alam, M. F. (2021). *Bangladesh income tax: Theory and practice*. (14th ed.). Shams Publications.
2. Rauf, A. (2020). *Shahoj vasai notun VAT ain*. Liton Publication.

Reference Books/Other Learning Materials (Latest Edition)

1. Adhikary, L. B. (2020). *Income tax manual (Part 1 and 2)*. Supreme Prakashani.
2. *The Income Tax Ordinance, 1984. and Rules 1984*.
3. *Value Added Tax & SD Act 2012* (Updated).
4. *Value Added Tax & SD Rule 2016* (Updated).

ATV Course Mapping

PrOs	POs	POs	CLOs	CLOs	TLOs
PrO1	1	PO1	1, 2	CLO1	1, 2, 3, 4, 9, 10
PrO2	1, 2, 4	PO2	1, 2, 3, 4	CLO2	5, 6, 7, 8,
PrO3	-	PO3	1, 2, 6, 7	CLO3	11, 12, 13, 14
PrO4	-	PO4	4, 5	CLO4	19, 20, 21, 22, 23, 24, 25, 26, 27
PrO5	7	PO5	-	CLO5	20, 21, 22
PrO6	-	PO6	-	CLO6	15, 16, 17, 18
PrO7	3	PO7	7	CLO7	1, 2, 3, 4, 7, 10, 18

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