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| Unit Title: | Understanding the tax issues affecting corporate entities |
| OCR unit number: | 18 |
| Credit value: | 8 |
| Level: | 4 |
| Guided learning hours: | 71 |
| Unit reference number: | A/504/1326 |

Unit aim and purpose

The aim of this unit is to enable the learner to be able to calculate a company's corporation tax liability. The learner will also have a sound understanding of the tax issues relating to different types of corporate structures throughout their business lifecycle, including incorporation, extraction of funds, operating as a group or overseas, and on their eventual disposal. The learner will also have a sound understanding of when a corporate business's tax liability must be reported and paid.

| Learning Outcomes | Assessment Criteria |
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| <p>The Learner will:</p> <p>1 Be able to calculate a company's corporation tax liability</p> | <p>The Learner can:</p> <p>1.1 Demonstrate how to calculate a company's trading income</p> <p>1.2 Calculate capital allowances for a company</p> <p>1.3 Calculate a company's chargeable gains</p> <p>1.4 Demonstrate how losses incurred by a company may be relieved</p> <p>1.5 Calculate a company's taxable total profits</p> <p>1.6 Calculate a company's corporation tax liability</p> |
| <p>2 Understand the tax implications of incorporating a company</p> | <p>2.1 Explain the tax implications of incorporating a company</p> |
| <p>3 Understand the tax implications of extracting profits from a company</p> | <p>3.1 Explain the tax implications of extracting profits from a company for both a company and its owner(s)</p> |
| <p>4 Understand the tax implications of disposing of a business or a share of a business</p> | <p>4.1 Explain the tax implications of disposing of a business or a share of a business</p> <p>4.2 Calculate the chargeable gain(s) arising on a disposal of a business or a share of a business</p> <p>4.3 Calculate the tax payable on the chargeable gain(s) arising on a disposal of a business or a share of a business</p> <p>4.4 Explain the reliefs available to reduce or defer the tax payable on the chargeable gain(s) arising on a disposal of a business or a share of a business</p> |

| Learning Outcomes | Assessment Criteria |
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| 5 Understand the tax implications of corporate group structures | 5.1 Identify the number of associated companies within a group structure 5.2 Identify which companies are members of a loss relief or a chargeable gains group 5.3 Demonstrate how a corporate group can minimise its overall corporation tax liability 5.4 Explain the tax implications for a corporate group of a member joining or leaving the group |
| 6 Understand the corporation tax implications of trading abroad | 6.1 Explain the corporation tax implications of trading abroad |
| 7 Understand the tax implications of different types of companies and corporate structures | 7.1 Explain the tax implications of operating as a limited liability partnership 7.2 Explain the tax implications of operating as a close company 7.3 Explain the tax implications of operating as a personal service company |
| 8 Understand the compliance obligations affecting a corporate business | 8.1 Explain the compliance obligations affecting corporate businesses 8.2 Explain relevant VAT compliance issues 8.3 Explain relevant national insurance compliance issues |

Assessment

Assessment for this unit is through examinations set by the Association of Taxation Technicians (ATT).

Candidates can only claim this qualification after they have achieved the Association of Taxation Technicians (ATT) qualification; which is assessed by through an ATT examination, subject to ATT conditions.

Evidence requirements

Candidates are required to submit a digital copy of their achievement which will be confirmed by ATT.

Additional information

For further information regarding administration for this qualification, please refer to the OCR document 'Admin Guide: Vocational Qualifications' (A850) on the OCR website www.ocr.org.uk.