

Tax Knowledge & Skills Syllabus

(ACA CTA Joint Programme candidates)

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Overview

Introduction

The candidate will be required to complete the Tax Knowledge & Skills exam as an accredited substitute for ICAEW's Tax Compliance and Planning (TCP) paper and instead of the CTA Tax Knowledge and Tax Landscape exams¹. The assessment is set at the equivalent of Level 6 on the Regulated Qualifications Framework (RQF).

As an accredited substitute for ICAEW's TCP paper the Tax Knowledge and Skills exam is required to incorporate all of the learning outcomes from TCP (as set out in the Appendix). In addition, it prepares candidates for their final CTA specialist paper.

Two variants of the Tax Knowledge and Skills exam are available:

- Owner-managed businesses / Larger companies and groups (Direct route)
- Indirect taxation (Indirect route)

Aim of the Tax Knowledge & Skills exam

To enable candidates to develop their knowledge of a range of areas of tax such that they can satisfy the requirements of ICAEW to progress to qualify as a Chartered Accountant and be suitably prepared to progress to the final stage of the Chartered Tax Adviser qualification.

Prior experience

It is recommended that candidates have at least 12 months' practical experience of tax and they must have completed ICAEW's Tax Fundamentals paper.

Learning outcomes

On completion of the Tax Knowledge & Skills exam, you will:

- Know and understand the key principles of the relevant areas of taxation in the UK
- Be able to interpret key documentation as it applies to the relevant area of taxation in the UK
- Be able to evaluate relevant tax rules, laws and guidance and be able to apply them to particular scenarios to provide solutions to practical problems
- Be able to calculate tax liabilities for UK residents as appropriate to the area of taxation
- Be able to communicate options and recommendations in given scenarios
- Analyse the policy objectives of taxation
- Understand the typical structure of a tax system and the structure of UK tax law
- Understand the role of the UK's tax authorities in administering tax law
- Explore the ethical dimensions of taxation
- Understand recent developments in the tax landscape and be aware of the impact of technology on the practice of taxation, and
- Undertake research and evaluate a range of sources.

¹ The CTA Tax Knowledge and Tax Landscape exams are due to be introduced with changes to the CTA qualification anticipated from the May 2028 examination session. In the short term, the Tax Knowledge & Skills exam will replace the requirement for a second Advanced Technical or Application and Professional Skills paper.

Assessment of the knowledge

Knowledge and understanding

On successful completion of this stage of the qualification, the candidate will be able to demonstrate advanced knowledge and understanding of UK taxation in accordance with the defined syllabus areas. The candidate will be able to critically analyse, interpret and evaluate relevant information and concepts and create solutions to practical problems in contexts where there are many interacting factors.

Assessment criteria

The candidate can:

- Describe and explain the key principles of the relevant area of taxation
- Describe and explain the key legislation, case law and other rules and documentation as it applies to the relevant area of taxation
- Identify from the facts in a complex scenario the relevant area of taxation that applies
- Evaluate the relevant tax rules and apply them to the facts in a complex scenario
- Calculate resulting tax liabilities
- Communicate options and recommendations
- Undertake research and evaluate sources of outputs for their currency, relevance and accuracy including established and emerging technologies in use in the workplace
- Analyse facts and read and interpret rules (i.e. tax law including case law) and other tax principles
- Identify options for consideration and provide reasoned conclusions
- Demonstrate clear and effective written communication skills, and
- Apply the codes, rules and ethical principles that apply to a trainee tax adviser.

Rubric – technical marks

The table below provides a candidate with grade descriptors and criteria which will be applied to the technical marks. This is designed to assist candidates in understanding the required standard of submission to meet each grade. It is not a mark scheme.

Criteria	Distinction (75% +)	Good Pass (60% - 74%)	Pass (50% - 59%)	Borderline fail (45% - 49%)	Fail (0% - 44%)
Depth and breadth of knowledge	Comprehensive understanding, exceptional knowledge across all relevant areas	Strong understanding with only minor gaps in coverage	Adequate understanding with noticeable gaps in coverage	Basic understanding but lacks depth in key areas	Limited or incorrect understanding of key areas
Application of knowledge	Effective application of knowledge to facts of complex scenarios, using examples and providing clear reasoning	Applies knowledge to complex scenarios with some depth, occasional lack of complexity	Applies knowledge but with limited depth or reasoning	Limited application of knowledge, lacks clarity of application	Fails to apply knowledge to scenarios or misapplication of knowledge to the facts
Critical thinking and analysis	Insightful analysis with well-supported arguments and deep understanding of multiple perspectives	Strong critical thinking with clear argument through analysis, may lack depth in parts	Basic analysis, some critical thinking applied, but lacks depth	Limited critical thinking, weak analysis, superficial responses	Lacks critical thinking, incorrect analysis
Evaluation and synthesis	Integration of material to reach sound conclusions, demonstrating advanced understanding of the issues arising	Uses relevant knowledge to provide an integrated response but may lack some sophistication	Some integration although sometimes may be of limited relevance	Weak or minimal integration of material, which may be irrelevant at times	Lacks integration of material, little or no support for conclusions drawn
Accuracy of calculation	Calculations are accurate and complete	Calculations are mostly accurate and missing only minor elements	Calculations are generally accurate but may include some errors	Calculations are inaccurate and include key errors in application	Calculations are missing or contain substantial errors
Clarity and structure	Ideas are well-organised and clearly expressed. Coherent response throughout	Well-structured response, clear communication with some minor organisational weaknesses	Adequate structure with some ideas being unclear or disconnected at times	Poor structure and unclear expression of ideas. Response may be difficult to follow	Lacks structure and has significant issues in relation to clarity and coherence

Rubric – skills marks

This rubric provides the assessment criteria and grade descriptors used to assess skills performance.

Criteria	Distinction	Pass	Borderline fail	Fail
Introduction	Clear, focused and comprehensive. Effective introduction of the issues.	Introduces the case well, may lack some clarity or depth in introduction of the issues.	Provides a basic overview of the issues but lacks clarity, detail or depth in introduction of the issues.	Incomplete or unclear introduction, fails to identify the context for the case.
Analysis and application	Deep and insightful analysis of facts to tax law and principles which are effectively applied to the facts of the case.	Provides sound analysis with some evidence of core tax law and principles applied to support discussion.	Basic analysis with some application of core tax law and principles but lacks depth.	Lacks analysis and misapplies core tax law and principles, matters raised are unconnected to the case.
Critical thinking and synthesis	Excellent critical thinking, synthesising information seamlessly.	Good critical thinking with effective synthesis of information, some gaps of integration.	Some evidence of critical thinking but limited or unclear synthesis.	Minimal or no evidence of critical thinking, lacks depth and synthesis.
Evidence and support	Strong identification and use of tax law and principles relevant to the facts of the case. Sources are credible and support the discussion.	Evidence generally supports discussion with minor gaps.	Evidence is basic or only partially relevant, sources may lack credibility.	Lacks sufficient evidence, sources are weak.
Structure and organisation	Clear, logical structure with smooth flow. Cohesive submission.	Well structured with good organisation of issues, some areas of transition could be improved.	Some structure but lacks flow with some elements missing.	Disorganised or unclear structure, sections may be missing or not well developed.
Conclusion	Strong identification of options and recommendations which fully address the issues of the case.	Clear conclusion which addresses the main points of the case, may lack some depth.	Basic conclusion which describes the issues. May lack depth.	Incomplete or irrelevant conclusion which fails to address the issues raised by the case.
Presentation and writing	Clear, concise writing style; well-structured with almost no grammatical or spelling errors.	Few grammatical or spelling errors, generally clear writing style.	Some grammatical and spelling errors. Writing is at times unclear.	Grammatical and spelling errors. Writing is unclear and/or hard to follow.

Method of assessment

Assessment is via a 3.5 hour written examination with a pass mark of 50%, comprising two sections:

	Section A	Section B
Format	<ul style="list-style-type: none"> A mix of short-form questions of between 3 and 10 marks each 	<ul style="list-style-type: none"> Single case study style question Broken down, guided requirements with a clear mark allocation to facilitate focus and time management
Pre-seen	<ul style="list-style-type: none"> No 	<ul style="list-style-type: none"> Yes Designed to require prior research and analysis of relevant tax law, case law, thought leadership and practice Candidates can bring research into exam
Marks	<ul style="list-style-type: none"> 50 technical marks 	<ul style="list-style-type: none"> 50 technical marks 20 skills marks
Recommended time allocation	<ul style="list-style-type: none"> 1.5 hours 	<ul style="list-style-type: none"> 2 hours
Minutes per mark	<ul style="list-style-type: none"> Technical marks – 1.8 minutes per mark 	<ul style="list-style-type: none"> Technical marks – 1.8 minutes per mark Skills marks – 1.5 minutes per mark
Level/breadth of technical knowledge (see also technical grids, below)	<ul style="list-style-type: none"> Knowledge at no more than level and breadth required for TCP Required specialist knowledge per TCP learning outcomes not already tested in Section B, i.e. could include specialist knowledge for that route to ensure overall syllabus coverage for each route satisfies ICAEW requirements 	<ul style="list-style-type: none"> Knowledge may be up to same level and breadth as required for CTA Technical Knowledge Level (Level A+ as defined below) Could include Section A topics e.g. could have elements of corporation tax in Section B for Indirect Route Most likely that both interaction and planning would be tested in Section B, but could test a discrete topic in Section A for up to 10 marks e.g. planning considerations of a gift with reservation of benefit
Research	<ul style="list-style-type: none"> Not applicable 	<ul style="list-style-type: none"> A key objective of this exam is to ensure that candidates have the skills to research, understand and apply taxes and duties that are relevant to them that may not have been part of the knowledge syllabus of their professional qualifications This could mean that a topic is tested that is not in the knowledge grids and therefore not in the learning materials provided to candidates thereby forcing them to research for themselves Where a topic is going to be tested in the exam this will be clearly indicated as a potential issue in the pre-seen and guidance will be given to limit the scope of the research required For example the Indirect Route could require students to research the Climate Change Levy

The technical focus of each section is:

	Direct Route	Indirect Route
Section A	<ul style="list-style-type: none">• Administration• IHT• VAT• Stamp taxes	<ul style="list-style-type: none">• Administration• IHT• Income tax & NIC• Gains• Corporate tax
Section B	<ul style="list-style-type: none">• Income tax & NIC• Gains• Corporate tax	<ul style="list-style-type: none">• VAT• Other indirect taxes• Stamp taxes

Technical knowledge grids (FA2025 for exams in 2026)

The tables contained in this section show the technical knowledge required in the discipline of taxation for the ACA tax exams and the CTA Tax Knowledge & Skills exam.

The level of knowledge detailed is that for Tax Fundamentals at Certificate Level, Tax Compliance and Planning (TCP) at Professional Level, and the two routes of the Tax Knowledge & Skills exam. The ACA tax exam requirements are included to allow ease of comparison between the Tax Knowledge and Skills exam and TCP.

The knowledge levels are defined as follows:

LEVEL C

A general knowledge with a basic understanding of the subject matter and training in its application thereof sufficient to identify significant issues and evaluate their potential implications or impact.

LEVEL B

A working knowledge with a broad understanding of the subject matter and a level of experience in the application thereof sufficient to apply the subject matter in straightforward circumstances.

LEVEL A

A thorough knowledge with a solid understanding of the subject matter and experience in the application thereof sufficient to exercise reasonable professional judgement in the application of the subject matter in those circumstances generally encountered by chartered accountants.

LEVEL A+

A thorough knowledge equivalent to that required in the CTA Knowledge Level modules.² Students should have a solid understanding of the subject matter and experience in the application thereof sufficient to exercise reasonable professional judgement in the application of the subject matter in those circumstances generally encountered by a trainee chartered tax adviser preparing to progress to the final stages of the CTA qualification.

² The CTA Tax Knowledge exam is due to be introduced with changes to the CTA qualification anticipated from the May 2028 examination session.

Topic	TAX FUNDAMENTALS	TAX COMPLIANCE AND PLANNING	TAX KNOWLEDGE & SKILLS – DIRECT	TAX KNOWLEDGE & SKILLS – INDIRECT
LEGAL AND ETHICAL FRAMEWORK				
Anti-money laundering & counter terrorist financing guidance	C	B	A+	A+
Devolution of taxes		C	B	B
General and specific anti-avoidance rules in UK tax law, including the general anti-abuse rule (GAAR) and targeted anti-avoidance legislation		C	A+	A+
HMRC	B	B	A+	A+
Objectives of taxation	C	C	A+	A+
Professional Conduct in Relation to Taxation (PCRT)		B	A+	A+
Standards for Tax Planning		B	A+	A+
Structure of UK tax law	C	B	A+	A+
Tax planning, tax evasion and tax avoidance	C	B	A+	A+
The tax gap, its causes and potential solutions			A+	A+
ADMINISTRATION				
Administration	B	A	A	A
Appeals	C	C	C	C
Apprenticeship levy		B	B	B
Digital accounts and digital record keeping	B	B	B	B
PAYE/NIC	B	A	A	A
Payments	B	A	A	A
Penalties and interest	B	B	B	B
Self-assessment	B	A	A	A
CAPITAL GAINS TAX				
Chargeable gains				
Annual exempt amount	B	A	A	A
Chargeable assets	C	B	A+	B
Chargeable disposals (ss 21-24 TCGA 1992)	C	B	A+	B
Chargeable persons	C	B	A+	B
Chattels: wasting and non-wasting	B	B	B	B
Connected persons	B	A	A	A
Converted trading losses		B	B	B
Costs of acquisition and disposal	C	B	B	B
Nil gain/nil loss transfers		A	A	A
Part disposals		B	B	B
Qualifying corporate bonds		B	A+	B
Rate of tax	B	A	A	A
Relief for capital losses		A	A+	A
Shares and securities (including bonus and rights issues)		B	A+	B
Spouses and civil partners	C	B	B	B
Chargeable gains reliefs				
Business asset disposal relief		B	A+	B
Gift relief		B	A+	B
Incorporation relief		B	B	B
Investors' relief		B	A+	B
Letting relief		A	A	A
Private residence relief		A	A	A
Roll-over relief		B	A+	B

Topic	TAX FUNDAMENTALS	TAX COMPLIANCE AND PLANNING	TAX KNOWLEDGE & SKILLS – DIRECT	TAX KNOWLEDGE & SKILLS – INDIRECT
Overseas aspects of capital gains tax				
Arising basis		B	B	B
Deemed domicile		B	B	B
Domicile		B	B	B
Double tax relief		A	A	A
Gains on foreign assets		B	B	B
Remittance basis		B	B	B
Residence		C	C	C
UK taxation of non-domiciled individuals		B	B	B
INCOME TAX				
Trading profits				
Accrual basis of accounting	B	A	A	A
Adjustments to profits	B	A	A+	A
Badges of trade	B	A	A+	A
Capital allowances	B	A	A+	A
Cash basis of accounting	B	A	A	A
Pension contributions		A	A	A
Pre-trading expenditure		A	A	A
Unincorporated businesses				
Basis of assessment	B	A	A	A
Partnerships (including LLPs)	B	A	A	A
Trading losses		A	A	A
Treatment of terminal losses		A	A	A
Employment income				
Allowable deductions against employment income		A	A+	A
Close company implications		A	A	A
Deemed employment payments		A	A+	A
Employment income	B	A	A+	A
Statutory Mileage Rates Scheme		A	A	A
Taxable and exempt benefits	B	A	A	A
Termination payments		B	A+	B
Other income/expenditure				
Dividends from UK companies	B	A	A	A
Investment income	B	A	A	A
ISAs	B	B	B	B
Miscellaneous income		A	A	A
Property income	C	B	B	B
Savings income	B	A	A	A
Taxation of income received from trusts (basic principles)			A	A
Overseas aspects of income tax				
Arising basis		B	B	B
Deemed domicile		B	B	B
Domicile		B	B	B
Double tax relief		A	A	A
Income on foreign assets / foreign employment		B	B	B
Remittance basis		B	B	B
Residence		B	B	B
UK taxation of non-domiciled individuals		B	B	B

Topic	TAX FUNDAMENTALS	TAX COMPLIANCE AND PLANNING	TAX KNOWLEDGE & SKILLS – DIRECT	TAX KNOWLEDGE & SKILLS – INDIRECT
Income tax computation				
Exempt income	B	A	A+	A
Gifts of assets and cash to charity	B	A	A	A
Income tax liability and income tax payable	B	A	A+	A
Income tax charge on child benefit		B	B	B
Independent taxation and jointly owned assets		B	A+	B
Limit on income tax reliefs		A	A+	A
Marriage allowance	B	A	A	A
Pension contributions – provisions for retirement		B	A+	B
Pension contributions – tax reliefs		B	A+	B
Personal allowances	B	A	A	A
Qualifying interest payments		B	A+	B
Rates of taxation	B	A	A	A
Taxable persons	C	A	A	A
INHERITANCE TAX				
Fundamental principles of inheritance tax				
Chargeable persons	B	A	A	B
Chargeable property	B	A	A	B
Excluded property	B	B	B	B
Inter-spouse transfers	B	A	A	B
Rates of taxation	B	A	A	B
Related property		B	B	B
Seven-year accumulation period	B	A	A	B
Transfers of value	B	A	A	B
Trusts		C	C	C
Valuation	B	A	A	B
Inheritance tax on lifetime transfers	B	A	A	B
Relevant property trusts	B	A	A	B
Potentially exempt transfers	B	A	A	B
Inheritance tax on death				
Death estate	B	A	A	B
Deeds of variation		B	B	B
Lifetime transfers	B	A	A	B
Overseas aspects of inheritance tax				
Deemed domicile		C	C	C
Domicile		C	C	C
Double tax relief		A	A	B
Lex-situs rules		A	A	B
Reliefs and exemptions from inheritance tax				
Annual exemption	B	A	A	B
Business property relief		B	B	B
Fall in value relief		A	A	B
Gifts to charities and political parties	B	A	A	B
Gifts with reservation of benefit		A	A	B
Inter-spouse transfers	B	A	A	B
Marriage/civil partnership exemption	B	A	A	B
Normal expenditure out of income	B	A	A	B
Quick succession relief		B	B	B

Topic	TAX FUNDAMENTALS	TAX COMPLIANCE AND PLANNING	TAX KNOWLEDGE & SKILLS – DIRECT	TAX KNOWLEDGE & SKILLS – INDIRECT
Small gifts exemption	B	A	A	B
Taper relief	B	A	A	B
NATIONAL INSURANCE CONTRIBUTIONS				
Class 1				
- calculation	A	A	A	A
- directors		B	B	B
- earnings	C	B	B	B
- employment allowance	A	A	A	A
Class 1A				
- calculation	A	A	A	A
- earnings	C	B	B	B
Class 1B			B	B
Class 4				
- calculation	A	A	A	A
- earnings	C	B	B	B
Maximum contributions		C	C	C
CORPORATION TAX				
Chargeable gains				
Chargeable assets	C	B	A+	B
Chargeable disposals (ss 21-24 TCGA 1992)	C	B	A+	B
Chargeable persons	C	B	A+	B
Chattels: wasting and non-wasting	B	B	B	B
Costs of acquisition and disposal	C	B	B	B
Indexation		A	A	A
Nil gain/nil loss transfers		A	A	A
Part disposals		B	B	B
Purchase of own shares		A	A	A
Qualifying corporate bonds		B	A+	B
Relief for capital losses		A	A+	A
Rollover relief		B	A+	B
Shares and securities (including bonus and rights issues)		B	A+	B
Substantial shareholding exemption		C	A+	C
Trading profits				
Adjustments to profits	B	A	A+	A
Badges of trade	B	A	A+	A
Capital allowances – plant and machinery	B	A	A+	A
Capital allowances – structures and buildings		A	A+	A
Long periods of account	C	A	A	A
Pension contributions		B	B	B
Taxable total profits				
Chargeable gains	B	A	A	A
Intangible fixed assets		C	A+	C
Loan relationships	B	B	A+	B
Miscellaneous income	B	A	A+	A
Property income (excluding lease premiums)		B	A+	B
Qualifying donations	B	A	A	A
Research and development expenditure		A	A+	A

Topic	TAX FUNDAMENTALS	TAX COMPLIANCE AND PLANNING	TAX KNOWLEDGE & SKILLS – DIRECT	TAX KNOWLEDGE & SKILLS – INDIRECT
Trading losses – post April 2017		B	A+	B
Trading profits	B	A	A+	A
Use of deficit on non-trading loan relationships – post April 2017		B	A+	B
Corporation tax computation				
Accounting periods	C	B	A+	B
Close companies		B	A+	B
Corporation tax liability	B	A	A+	A
Distributions		B	A+	B
Double tax relief (including underlying tax & withholding tax)		B	B	B
Liquidation		B	B	B
Provision of services through a company		B	B	B
Rates of taxation	B	A	A	A
Residence	C	B	B	B
Groups				
Associated companies	C	B	A+	B
Capital gains groups		B	A+	B
Degrouping charges		B	B	B
Group loss relief		B	A+	B
Group relationships		A	A+	A
Non-coterminous accounting periods		B	A+	B
Overseas companies and branches		C	A+	C
Pre-acquisition gains and losses		B	A+	B
Roll-over relief		B	A+	B
Transfer of assets		B	A+	B
STAMP TAXES				
Basic principles	C	B	B	B
Chargeable occasions	C	B	B	B
Exemptions	C	B	B	B
Stamp taxes for groups		B	B	B
VAT				
Scope of VAT and the charge to tax				
Taxable person	A	A	A	A+
Business / economic activity				A+
Transactions within the scope of VAT	C	B	B	A+
Territorial scope of VAT		B	B	A+
VAT rates	B	A	A	A+
Taxable person				
Business and non-business activities		B	B	A+
Employment status				A+
Agents and principals				A+
Single taxable persons (VAT groups)		A	A	A+
Supply and consideration				
Classification of supplies	C	B	B	A+
Single and multiple supplies		B	B	A+
Distinction between goods and services	C	C	C	A+
Deemed supplies	B	B	B	A+
Deemed intra-Community supplies (NI)		B	B	A+
Self-supplies	B	B	B	A+

Topic	TAX FUNDAMENTALS	TAX COMPLIANCE AND PLANNING	TAX KNOWLEDGE & SKILLS – DIRECT	TAX KNOWLEDGE & SKILLS – INDIRECT
Transfer of a business as a going concern		B	B	A+
Output VAT	A	A	A	A+
Valuation				
Value of supplies – general provisions (s.19 VATA 1994)		B	B	A+
Bad debt relief	C	B	B	A+
VAT registration				
Registration and deregistration	A	A	A	A+
Group registration		A	A	A+
Registration of partnerships				A+
Registration of unincorporated bodies				A+
Tax points				
Time of supply – general provisions (s.6 VATA 1994)	C	B	B	A+
Time of supply – specific provisions (regs 81-95 SI 1995/2518)				A+
Right to deduct				
Scope of the right to deduct input tax	C	B	B	A+
Inputs and input VAT	C	A	A	A+
Disallowing and “blocked” input VAT	C	B	B	A+
Partial exemption		B	B	A+
Capital goods scheme		B	B	A+
Place of transactions				
Place of supply of goods		A	A	A+
Place of supply of services		A	A	A+
Place of “belonging”				A+
Scope and application of the reverse charge within ss.8 and 9A VATA 1994		B	B	A+
Reliefs and exemptions				
Exempt supplies	C	B	B	A+
Zero-rated supplies	C	B	B	A+
Reduced rated supplies	C	B	B	A+
Exports and intra-Community supplies of goods (NI)		B	B	A+
Accounting and administration				
Penalties and interest	A	A	A	A+
Special VAT accounting schemes (e.g. margin schemes, flat-rate scheme)	A	A	A	A+
VAT records, accounts and digital reporting	A	A	A	A+
Application in specific circumstances				
Property transactions including the option to tax		B	B	A+
OTHER INDIRECT TAXES				
Customs duties (excluding Northern Ireland except where indicated)				
Scope and overview of customs duties				A
Tariff classification and rate of duty (including preference)				A
Customs valuation (awareness only)				B
Reliefs (inward processing and customs warehousing only)				A
Union Customs Code (awareness only)				B
GB to NI requirements (awareness only)				C
Insurance premium tax				
Scope of IPT and the charging provisions				A
Tax points				A

Topic	TAX FUNDAMENTALS	TAX COMPLIANCE AND PLANNING	TAX KNOWLEDGE & SKILLS – DIRECT	TAX KNOWLEDGE & SKILLS – INDIRECT
Rates				A
Registration				A
Accounting and administration				A
Other excise duties				
Awareness of other excise duties not listed above				C

Appendix – ICAEW Tax Compliance & Planning Syllabus (FA2025 for exams in 2026)

Module aim

To enable students in straightforward scenarios to:

- prepare tax computations for individuals and companies;
- understand the tax implications of a course of action;
- explain potential tax treatments of transactions;
- resolve taxation issues that arise in the context of preparing tax computations; and
- advise on tax-efficient strategies for businesses and individuals.

On completion of this module, students will be able to:

- recognise the ethical issues arising in the course of performing tax work and identify the obligations the UK system of taxation imposes on taxpayers and the implications for taxpayers of non-compliance;
- calculate the amount of VAT owed by or owed to businesses;
- calculate the amount of stamp taxes due in straightforward transactions;
- calculate the capital gains tax payable by individuals;
- calculate the amounts of inheritance tax due on lifetime transfers and transfers on death by individuals, personal representatives and trustees;
- calculate the corporation tax liabilities of companies;
- calculate the amounts of income tax owed by or owed to individuals;
- calculate the amounts of national insurance payable by individuals, businesses & companies;
- advise on tax-efficient strategies for businesses and individuals in simple scenarios;
- explain and evaluate alternative tax treatments in simple scenarios; and
- give due consideration to the interaction between taxes.

Ethics and professional scepticism

Ethical behaviour in relation to tax is paramount. Students will be expected to apply the ICAEW Code of Ethics and the Professional Conduct in Relation to Taxation. Appropriate and trustworthy calculations and explanations must be provided, being mindful of tax planning, tax avoidance, tax evasion and money laundering. Students will be required to explain key ethical issues; make appropriate judgements being mindful of professional scepticism; and make recommendations in a sound and trustworthy manner.

Specification grid

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each.

Syllabus area	Weighting (%)
1 Ethics, Law and Administration	10-20
2 Indirect taxes	10-20
3 Capital taxes	15-30
4 Corporation tax	15-30
5 Income tax and NIC	25-40

Approximately 20% of the exam will cover planning and/or interaction of taxes.

This grid provides guidance on the relative weighting between knowledge and skills:

	Weighting (%)
Knowledge	45-55
Skills	45-55

Learning outcomes

The following learning outcomes should be read in conjunction with the relevant sections of the technical knowledge grids above.

1 Ethics, law and administration

Students will be able to recognise ethical, legal and regulatory issues arising in the course of tax work and identify the administrative obligations under the UK system of tax.

In the assessment, students may be required to:

- a. identify the five fundamental principles and guidance given in the IESBA Code of Ethics for Professional Accountants and the ICAEW Code of Ethics as well as other relevant guidance, including Professional Conduct in Relation to Taxation (PCRT), in relation to a tax practice with regard to:
 - the threats and safeguards framework
 - confidentiality and disclosure of information
 - conflicts of interest
 - professional scepticism;
- b. identify the law and the guidance in the ICAEW Code of Ethics as well as other relevant guidance, including Professional Conduct in Relation to Taxation (PCRT), with regard to:
 - new client procedures
 - regulatory requirements for tax practices
 - exchange of client information with HMRC
 - HMRC errors
 - anti-money laundering and counter-terrorist financing
 - tax planning, tax avoidance and tax evasion;
- c. identify legal and ethical issues arising from tax work undertaken, including disengagement procedures, explain the significance of these issues and suggest appropriate actions or responses;
- d. recognise and explain the relevance, importance and consequences of ethical legal and regulatory issues;
- e. recommend and justify appropriate actions where ethical dilemmas arise in a given scenario;
- f. design and evaluate appropriate ethical safeguards;
- g. identify in relation to income tax, NIC, capital gains tax and corporation tax:
 - key features of the self-assessment system
 - reporting to HMRC
 - determining due dates for returns, payments and elections
 - calculating interest and penalties;
- h. identify in relation to indirect taxes and inheritance tax:
 - reporting to HMRC
 - determining due dates for returns, payments and elections
 - calculating interest and penalties; and
- i. identify the key features of the PAYE system in relation to UK- and non-UK resident employees.

2 Indirect taxes

Students will be able to calculate the amount of VAT owed by or owed to businesses and calculate the amount of stamp taxes due in straightforward transactions including when these amounts must be reported and paid.

In the assessment, students may be required to:

- a. explain the VAT consequences of property transactions;
- b. explain the VAT consequences of group registration for VAT;
- c. explain the VAT consequences of the option to tax;
- d. explain the VAT consequences of a transfer of a business as a going concern;
- e. explain and calculate the VAT consequences of the capital goods scheme;
- f. calculate the VAT due to or from HMRC for both wholly taxable and partially exempt traders;
- g. explain the VAT consequences of transactions involving goods and services to and from VAT registered and non-VAT registered persons;
- h. explain the classification of supplies and the distinction between goods and services;
- i. identify and explain the differing VAT treatment of single and multiple supplies;
- j. identify common situations in which a liability to Stamp Duty Land Tax, Stamp Duty Reserve Tax, and Stamp Duty arises;
- k. identify situations where there is an exemption from stamp taxes;
- l. calculate the amount of stamp taxes due in straightforward transactions;
- m. identify and explain the interaction of Stamp Duty Land Tax and VAT; and
- n. explain the consequences of being in a group for stamp tax purposes.

3 Capital taxes

Students will be able to calculate the capital gains tax payable by individuals. Students will also be able to calculate the amounts of inheritance tax due on lifetime transfers and transfers on death by individuals, personal representatives and trustees, including when these amounts must be reported and paid.

In the assessment, students may be required to:

- a. calculate the chargeable gains and losses on assets, including shares and securities;
- b. describe the circumstances in which the following reliefs apply and calculate the effect of full or partial relief available in a given situation:
 - letting relief
 - private residence relief
 - gift relief
 - incorporation relief
 - rollover relief
 - business asset disposal relief
 - investors' relief;
- c. explain the impact of an individual's residence, domicile and deemed domicile on their capital gains tax liability;
- d. calculate total taxable gains and tax payable thereon, using available reliefs and losses to reduce the liability, including the computation of double tax relief where appropriate;
- e. explain the principles of inheritance tax and identify the different classes of taxpayer liable to pay inheritance tax;
- f. calculate the inheritance tax payable on lifetime transfers, using available reliefs and exemptions;
- g. calculate the value of an individual's estate at death and the inheritance tax due on death, using available reliefs and losses to reduce the liability, including the computation of double tax relief where appropriate;
- h. explain the impact of an individual's domicile and deemed domicile on their inheritance tax liability;
- i. explain when it is appropriate to use and the impact of a deed of variation;
- j. explain gifts with reservation of benefit and calculate the resulting inheritance tax; and
- k. describe the circumstances in which the following inheritance tax reliefs apply and calculate the amount of relief available in a given situation:
 - fall in value relief
 - business property relief

- quick succession relief
- taper relief.

4 Corporation tax

Students will be able to calculate the corporation tax liabilities of companies, including when these liabilities must be reported and paid.

In the assessment, students may be required to:

- calculate trading profits or losses after adjustments and allowable deductions (including capital allowances on plant and machinery and on structures and buildings);
- calculate the chargeable gains and losses on disposal of assets, including shares and securities;
- describe the circumstances in which rollover relief applies and calculate the effect of full or partial relief available in a given situation;
- recognise the effect of the following issues on corporation tax payable:
 - having a period of account less than or more than 12 months in length
 - having one or more associated companies;
 - being a member of a group;
- explain and illustrate how losses may be used effectively by a company or group;
- calculate the taxable total profit and the tax payable or repayable for companies including using losses to reduce the tax liability and the computation of double tax relief where appropriate;
- calculate and advise on overseas issues including double taxation relief, and overseas branches and subsidiaries; and
- identify and evaluate the impact of close companies on the taxation of companies and individuals.

5 Income tax and NIC

Students will be able to calculate the amounts of income tax owed by or owed to individuals as well as the amounts of national insurance payable by employees, employers and the self-employed, including when these amounts must be reported.

In the assessment, students may be required to:

Trading profits

- calculate trading profits or losses after adjustments and allowable deductions (including capital allowances on plant and machinery and on structures and buildings) using either the accrual basis or cash basis of accounting;

Unincorporated businesses

- calculate the assessable trading profits or losses of a partnership including after a change in the profit sharing ratio or change in partners, and allocate the profits or losses to each partner including the allocation of notional profits and losses;
- calculate the assessable trading profits or losses for an unincorporated business which is commencing, continuing or ceasing to trade;
- explain and illustrate the possible uses of trading losses in a new or continuing business or a business ceasing to trade;

Taxation of income

- calculate assessable employment income for an employee or director, taking into account expenses, allowable deductions and assessable benefits;
- advise on the tax implications of remuneration packages including, termination payments;
- calculate taxable savings, income from property, dividend income, taxed income and investment income;

- h. describe and calculate the principal aspects of the taxation of property income, including interest relief, rent-a-room relief, and the application of the cash basis;
- i. explain the alternative ways in which an individual can provide for retirement and calculate the tax relief available;
- j. explain the impact of an individual's residence, domicile and deemed domicile;
- k. calculate total taxable income and the income tax payable or repayable for employees, company directors, partners and self-employed individuals including the computation of double tax relief where appropriate;

National insurance contributions

- l. identify the different classes of national insurance contributions;
- m. calculate the national insurance due on employment income and the assessable trading profits of the self-employed; and
- n. calculate the total national insurance contributions payable by employees, employers and self-employed individuals.

6 Tax planning and interaction of taxes

Students will be able to advise on alternative tax treatments to defer or minimise tax liabilities. Students will also be able to understand the interaction of taxes in given scenarios and to identify and discriminate between tax evasion, tax avoidance and tax planning.

In the assessment students may be required to:

- a. identify legitimate tax planning measures to achieve a taxpayer's stated objectives;
- b. explain the fundamentals of tax efficient strategies and tax planning in simple scenarios;
- c. evaluate the tax implications of alternative courses of action;
- d. identify legitimate tax planning measures to minimise tax liabilities and to and mitigate penalties and interest;
- e. recognise the significance for tax purposes of changes in an individual's circumstances such as marriage and death;
- f. evaluate the tax implications of the choice of business structures, including provision of services through a company;
- g. explain the most appropriate method of extracting profits from a business;
- h. explain the tax implications of a company purchase of own shares;
- i. explain the tax implications of a business transformation/ cessation (including liquidation); and
- j. identify and communicate ethical and professional issues in giving tax planning advice.

Skills assessed

1 Assimilating and using information

Understand the situation and the requirements:	Identify and use relevant information:	Identify and prioritise key issues and stay on task:
<ul style="list-style-type: none"> Demonstrate understanding of the business context. Identify the needs of customers and clients. Identify risks within a scenario. Identify elements of uncertainty within a scenario. Identify ethical issues including public interest and sustainability issues within a scenario. 	<ul style="list-style-type: none"> Interpret information provided in various formats. Evaluate the relevance and accuracy of information provided. Filter information provided to identify critical facts. 	<ul style="list-style-type: none"> Prioritise key issues. Work effectively within time constraints. Operate to a brief in a given scenario.

How skills are assessed

Students may be required to:

- explain the implications of proposed transactions in any of the following ways:
 - calculation of tax liabilities and reliefs available;
 - written description of tax treatments;
 - explanation of tax treatments in light of unstructured information relating to individuals, partnerships or companies;
 - description of the availability and values of tax reliefs within the context of numerical questions;
 - explanation of alternative tax treatments;
 - identify and evaluate inconsistencies and/or inaccuracies in information provided from multiple sources; and
 - explanation of ethical issues within given scenarios.

2 Structuring problems and solutions

Structure data:	Develop solutions:
<ul style="list-style-type: none"> Present analysis in accordance with instructions and criteria. Identify any information gaps. Frame questions to clarify information. Use a range of data types and sources to inform analysis and decision-making. 	<ul style="list-style-type: none"> Identify and apply relevant technical knowledge and skills to analyse a specific problem. Use structured information to identify evidence-based solutions. Identify and anticipate problems that may result from a decision. Identify ethical dimensions of possible solutions. Select appropriate courses of action using an ethical framework. Identify the solution which is the best fit with acceptance criteria and objectives.

How skills are assessed

Students may be required to:

- calculate tax liabilities from a given scenario;
- provide descriptive analysis and explanations;
- demonstrate relevant technical knowledge;
- perform relevant, accurate calculations in a logically structured way;
- identify different business entities and their tax status (eg, company, sole trader, partnership), and understand the tax implications thereof;
- integrate verbal descriptions with calculations;

- use calculations to illustrate an answer;
- identify further information or clarify existing arrangements with a client;
- consider the impact of delaying or modifying future decisions; and
- provide relevant legal and ethical information in the context of a tax scenario.

3 Applying judgement

Apply professional scepticism and critical thinking:	Relate issues to the environment:
<ul style="list-style-type: none"> Recognise bias and varying quality in data and evidence. Identify assumptions or faults in arguments. Identify gaps in evidence. Identify inconsistencies and contradictory information. Exercise ethical judgement. 	<ul style="list-style-type: none"> Appreciate when more expert help is required. Identify related issues in scenarios. Assess different stakeholder perspectives when evaluating a tax strategy. Appraise the effects of alternative future scenarios. Appraise ethical, public interest & regulatory issues.

How skills are assessed

Students may be required to:

- critically evaluate the quality, completeness and integrity of information put forward by tax payers;
- select between appropriate options
- identify omissions in the information;
- evaluate inconsistencies in information;
- evaluate the effects of future events; and
- assess the legality of options and the consequences of various courses of action with regard to:
 - new client procedures;
 - regulatory requirements for tax practices
 - HMRC errors;
 - anti-money laundering and counter-terrorist financing;
 - tax planning, tax avoidance and tax evasion.

4 Concluding, recommending and communicating

Conclusions:	Recommendations:	Communication:
<ul style="list-style-type: none"> Apply technical knowledge to support reasoning and conclusions. Use valid and different technical skills to formulate opinions, plans, solutions, options and reservations. 	<ul style="list-style-type: none"> Present recommendations in accordance with instructions and defined criteria. Formulate opinions, advice, recommendations, and reservations based on valid evidence. Make evidence-based recommendations which can be justified by reference to supporting data and other information. 	<ul style="list-style-type: none"> Present analysis and recommendations in accordance with instructions. Communicate clearly to a specialist or non-specialist audience in a manner suitable for the recipient. Prepare the advice, report, or notes required in a clear and concise style.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- identify legitimate tax planning measures to achieve a taxpayer's stated objectives;
- explain the fundamentals of tax efficient strategies and tax planning in simple scenarios;
- evaluate the tax implications of alternative courses of action;
- identify legitimate tax planning measures to minimise tax liabilities;
- determine the tax implications of scenarios and proposals to provide a recommendation to meet a given individual or corporate objective or goal;

- formulate and recommend a reasoned conclusion from structured calculations;
- justify a conclusion made using knowledge of the existing tax regime;
- advise on the ethical considerations;
- explain the limitations of conclusions or recommendations;
- present an answer in a suitable format for the recipient in response to a specific technical or ethical issue and in accordance with client requirements;
- present a justification of a specific recommended action when a variety of options are available;
- identify further information required to complete tax computations and finalise tax advice; and
- give advice which is appropriate, technically correct, and within the law and the ICAEW Code of Ethics as well as other relevant guidance, including the Professional Conduct in Relation to Taxation (PCRT).