



## SCHOOL OF ACCOUNTING & COMMERCIAL LAW

*Telephone 463 5365, Facsimile 463 5076. E-mail: sacl@vuw.ac.nz*

### ACCY 410 ADVANCED TAXATION

Trimester 1 2005

### COURSE OUTLINE

#### Course Lecturer Contact Details

	<u>Office</u>	<u>Telephone</u>	<u>Email</u>
Andrew Smith	RH 620	463 6707	<a href="mailto:andrew.smith@vuw.ac.nz">andrew.smith@vuw.ac.nz</a>
David Dunbar	RH 626	463 7422	<a href="mailto:david.dunbar@vuw.ac.nz">david.dunbar@vuw.ac.nz</a>

**Course Coordinator:** Andrew Smith

#### Class Times and Room Numbers

The class will meet on Wednesdays, 9.30am-11.20am in RLWY 314. The final examination for the course will be held during the mid-trimester examination period 30 May to 18 June. The exact time will be determined by the University Registry during the trimester.

Note on some days the class time will need to be extended to 3 hours. These times are noted on the Course Programme at the end of this Course Outline. In addition, two extra classes of around 1 hour will be needed to accommodate two additional essays.

#### Course Objectives

The New Zealand's international tax regime will be outlined and reviewed through a series of student essays and presentations on specific interrelated topics. Topics covered include tax residence, double taxation agreements, non-resident withholding tax, foreign tax credits, foreign trusts, transfer pricing and thin capitalisation. A particular emphasis is placed upon tax policy objectives, recent developments in tax and proposals/opportunities for tax reform.

Each student will prepare two essays on topics allocated at the first class. Each essay will be presented to the class on a specified date. In order so that other class members can participate

in a discussion of the essay, each essay will be copied and distributed to other class members ahead of the presentation date.

Because of the large number of students enrolled in ACCY 410 in 2005, it has been necessary to allocate two students to most topics. One student is to write the primary essay and the other a secondary essay. The primary essay will have a greater weighting of marks than the secondary one. The primary essay will cover the main issues on a particular topic, while the secondary essay should comment on residual matters relating to that topic. The course lecturer assigned to a particular essay topic will assist each student in defining the material to be covered in their essay.

Each essay and accompanying presentation are intended to explain the underlying New Zealand tax law on the topic, the implications of the law and its effects with reference to underlying policy objectives. For each topic it will be necessary to review relevant legislation, case authorities and Government discussion papers.

Each essay should be around 4,000-8,000 words. Any essay below 4,000 words is unlikely to be adequate given the weighting of each essay in determining the final grade for the course.

Students should maintain regular contact with the course lecturer assigned to supervise their essay. As other students in the course will be relying on that essay to learn about that particular topic, it is essential that each essay is factually correct. To meet this objective each essay must be checked and approved by the assigned supervisor before distribution to the rest of the class and the subsequent class presentation. Students should, therefore, allow themselves sufficient time for this checking process. Essays must be handed into the course lecturer by 5pm on the Thursday preceding the presentation. Necessary corrections must be made so that the final version of the paper is submitted to the supervising lecturer by 12 noon the Monday preceding the presentation.

Each essay should be typed with 1.5 line spacing and appropriately formatted. Students should ensure that each page of their essay is numbered and that it is carefully proofread before final submission.

Because a large number of students are enrolled in this course, it is essential that deadlines are adhered to as closely as possible. If you anticipate problems in meeting a deadline for an essay, please contact the Course Co-ordinator as soon as possible so that any resulting disruption can be minimised.

Plagiarism is not acceptable in any form in this course. Plagiarism includes:

1. Deliberately copying someone else's work;
2. Copying directly from textbooks and other sources without using quotation marks;
3. Not acknowledging the sources that you use in your work (ie. you must cite all references); and
4. Re-submitting an assignment used in one course as an original piece of work for another course.

Please read carefully the section Academic Integrity and Plagiarism later in this outline.

If you have any doubts whether your work meets these standards, or you are uncertain about the appropriate way to quote from other sources or to reference, please discuss it with the lecturer supervising your essay.

### **Course Content**

Refer to the schedule at the end of this outline.

### **Readings**

Students will require access to the Income Tax Act 1994 and either the 2003 or 2004 edition of the CCH Income Tax Legislation Set will suffice. Although a new Income Tax Act comes into effect from 1 April 2005, there is little point in purchasing a copy as the provisions are carried over largely the same. All references in essays to the Income Tax Act should be to the 1994 Act, not the new 2004 Act.

In addition, students may need to acquire:

1. ACCY 316 Course Notes 2004.
2. Selected Double Taxation Agreements Publication. (Copies will be available for all ACCY 410 students –free of charge.)

Students will be permitted to take both the Income Tax Legislation and the Selected Double Taxation Agreements Publication into the Final Examination.

Students must not write on these publications (other than underlining and emphasis marks) or mark pages with Post-It tabs.

Other relevant publications can be borrowed from the library or course lecturers.

The VUW web site and the worldwide web are also a good source of material:

- New Zealand Income Tax Act 1994 & *New Zealand Journal of Tax Policy and Law* - Brookers Online Library SMART Tax base at Victoria University <http://www.vuw.ac.nz/library/databases/alphabetical.html>
- Inland Revenue <http://www.taxpolicy.ird.govt.nz/> & <http://www.ird.govt.nz/>
- Treasury <http://www.treasury.govt.nz/tax/> & <http://www.treasury.govt.nz/workingpapers/>
- Tax Review 2001 <http://www.taxreview2001.govt.nz/>. In particular, I suggest that you look at the excellent Review 2001 Issues Paper. On that site, there are also the Review's Final Report and copies of most of the submissions.
- Report of the Committee of Experts on Tax Compliance 1998 <http://www.executive.govt.nz/96-99/compliance/index.html>
- Victoria University Centre for Accounting, Governance and Taxation Research <http://www.accounting-research.org.nz>
- Free lunch? Gareth Morgan has written provocatively on many tax policy issues - see <http://www.infometrics.co.nz/infom/forum/archive/taxation.html>
- CCH <http://www.cch.co.nz/tax/taxtoc.asp>
- Brookers - <http://www.brookers.co.nz/>

If you experience any difficulty in obtaining material for your essay, contact the lecturer supervising your essay as they usually can obtain material more quickly.

### **Materials and Equipment**

Apart from the printed materials listed above, there is no need for students to acquire any other equipment. A pocket calculator is not required.

### **Assessment Requirements**

Primary Essay & Presentation	30%
Secondary Essay & Presentation	20%
Final Exam (Registry) – Date to be advised	<u>50%</u>
	<u>100%</u>

In determining a mark for a particular essay, the quality of the student's presentation of their essay including their responses to questions raised and their contribution to the discussion of their essays will also be taken into account.

In respect of each essay, emphasis will be placed upon the following criteria:

1. The layout and scheme of the essay including the identification of the key issues pertaining to the topic.
2. Accurate and clear explanation of the underlying legislation.
3. Consideration of the main issues relating to the topic.
4. Identification and explanation of the effects of the tax law.
5. Identification of the underlying policy objectives and review of those objectives.

### **Penalties**

Work submitted late to the supervising lecturer after 12 noon on the Monday it is due, will suffer a penalty of 5% of the mark awarded for each day it is late. Thus an essay receiving an unadjusted mark of 70% but submitted two days late, will receive a final mark of 63%.

### **Mandatory Course Requirements**

The mandatory requirement of the course is to submit two essays on time as specified in the Assessment Section of this Course Outline. There are no terms requirements in this course.

### **Communication of Additional Information**

Any additional information will be announced during class on Wednesday. If a student does not attend, the course lecturer will attempt to contact the student either by email or telephone. If the matter is urgent and cannot be held over until the next class, all class members will be contacted either via email or telephone. In this regard could you please ensure that you have given the University's Registry your up-to-date contact details. The University cannot be responsible for any penalty arising by their failure to contact you because you did not maintain up-to-date contact details with the University.

## **General University Policies and Statutes**

Students should familiarise themselves with the University's policies and statutes, particularly those regarding assessment and course of study requirements, and formal academic grievance procedures.

## **Student Conduct and Staff Conduct**

The Statute on Student Conduct together with the Policy on Staff Conduct ensure that members of the University community are able to work, learn, study and participate in the academic and social aspects of the University's life in an atmosphere of safety and respect. The Statute on Student Conduct contains information on what conduct is prohibited and what steps can be taken if there is a complaint. For queries about complaint procedures under the Statute on Student Conduct, contact the Facilitator and Disputes Advisor. This Statute is available in the Faculty Student Administration Office or on the website at:

[www.vuw.ac.nz/policy/StudentConduct](http://www.vuw.ac.nz/policy/StudentConduct).

The policy on Staff Conduct can be found on the VUW website at:

[www.vuw.ac.nz/policy/StaffConduct](http://www.vuw.ac.nz/policy/StaffConduct).

## **Academic Grievances**

If you have any academic problems with your course you should talk to the tutor or lecturer concerned or, if you are not satisfied with the result of that meeting, see the Head of School or the Associate Dean (Students) of your Faculty. Class representatives are available to assist you with this process. If, after trying the above channels, you are still unsatisfied, formal grievance procedures can be invoked. These are set out in the Academic Grievances Policy which is published on the VUW website:

[www.vuw.ac.nz/policy/AcademicGrievances](http://www.vuw.ac.nz/policy/AcademicGrievances)

## **Academic Integrity and Plagiarism**

Academic integrity is about honesty – put simply it means *no cheating*. All members of the University community are responsible for upholding academic integrity, which means staff and students are expected to behave honestly, fairly and with respect for others at all times.

Plagiarism is a form of cheating which undermines academic integrity. Plagiarism is *prohibited* at Victoria.

The University defines plagiarism as follows:

Plagiarism is presenting someone else's work as if it were your own, whether you mean to or not.

*'Someone else's work' means anything that is not your own idea, even if it is presented in your own style. It includes material from books, journals or any other printed source, the work of other students or staff, information from the Internet,*

*software programmes and other electronic material, designs and ideas. It also includes the organization or structuring of any such material.*

***Plagiarism is not worth the risk.***

Any enrolled student found guilty of plagiarism will be subject to disciplinary procedures under the Statute on Student Conduct ([www.vuw.ac.nz/policy/studentconduct](http://www.vuw.ac.nz/policy/studentconduct)) and may be penalized severely. Consequences of being found guilty of plagiarism can include:

- an oral or written warning
- suspension from class or university
- cancellation of your mark for an assessment or a fail grade for the course.

*Find out more about plagiarism and how to avoid it, on the University's website at: [www.vuw.ac.nz/home/studying/plagiarism.html](http://www.vuw.ac.nz/home/studying/plagiarism.html).*

**Students with Disabilities**

The University has a policy of reasonable accommodation of the needs of students with disabilities. The policy aims to give students with disabilities an equal opportunity with all other students to demonstrate their abilities. If you have a disability, impairment or chronic medical condition (temporary, permanent or recurring) that may impact on your ability to participate, learn and/or achieve in lectures and tutorials or in meeting the course requirements, then please contact the Course Coordinator as early in the course as possible. Alternatively you may wish to approach a Student Adviser from Disability Support Services to confidentially discuss your individual needs and the options and support that are available. Disability Support Services are located on Level 1, Robert Stout Building, or phoning 463-6070, email: [disability@vuw.ac.nz](mailto:disability@vuw.ac.nz). The name of your School's Disability Liaison Person can be obtained from the Administrative Assistant or the School Prospectus.

**Student Support**

Staff at Victoria want students' learning experiences at the University to be positive. If your academic progress is causing you concern, please contact the relevant Course Co-ordinator, or Associate Dean who will either help you directly or put you in contact with someone who can.

The Student Services Group is also available to provide a variety of support and services. Find out more at [www.vuw.ac.nz/st\\_services/](http://www.vuw.ac.nz/st_services/) or email [student-services@vuw.ac.nz](mailto:student-services@vuw.ac.nz).

VUWSA employs two Education Coordinators who deal with academic problems and provide support, advice and advocacy services, as well as organising class representatives and faculty delegates. The Education Office is located on the ground floor, Student Union Building, phone 463 6983 or 463 6984, email [education@vuwsa.org.nz](mailto:education@vuwsa.org.nz).

# ACCY 410

## Course Programme 2005

23 February            Introductory Meeting

Topic 1. 16 March Residence (David Dunbar)

Primary Essay: Yan Yan Zhou

Secondary Essay: Hamish Mexted

Topic 2. 23 March Source of Income/Relief of Double Taxation (Andrew Smith)

Primary Essay: Jeannie Lum (Source)

Secondary Essay: Stephen Lang (Relief of Double Taxation)

*Note: This class will be for 3 hours.*

### MID-TRIMESTER BREAK

Topic 3. 13 April Double Tax Agreements I (Andrew Smith)

Primary Essay: Sarah Earnshaw

Secondary Essay: Yan Yan Zhou

Topic 4. 20 April Double Tax Agreements II (Andrew Smith)

Primary Essay: Richard Van Den Engel

Secondary Essay: Hemesh Kalidas

Topic 5. 27 April Taxation of Debt Investment by Non-Residents (David Dunbar)

Primary Essay: Malcolm Davidson

Secondary Essay: Mark Ross

Topic 6.                     Taxation of Equity Investment by Non-Residents (Andrew Smith)

Primary Essay: Stephen Lang

Secondary Essay: Yu (Yo Yo) Liu

*Note: This class will be for 3 hours to cover Topics 5 and 6..*

Topic 7. 4 May Controlled Foreign Companies (CFC) Regime (David Dunbar)

Primary Essay: Mark Ross

Secondary Essay: Jeannie Lum

Topic 8. 11 May Foreign Investment Fund (FIF) Regime (David Dunbar)

Primary Essay: Hamish Mexted

Secondary Essay: Sarah Earnshaw

- Topic 9. TBA Conduit Taxation (Andrew Smith)  
Primary Essay: Ping (Sarah) Ye
- Topic 10. 18 May Transfer Pricing (David Dunbar)  
Primary Essay: Yu (Yo Yo) Liu  
Secondary Essay: Malcolm Davidson
- Topic 11. 25 May Thin Capitalisation (Andrew Smith)  
Primary Essay: Hemesh Kalidas  
Secondary Essay: Richard Van Den Engel
- Topic 12. TBA Trusts (David Dunbar)  
Secondary Essay: Ping (Sarah) Ye