

SCHOOL OF ACCOUNTING & COMMERCIAL LAW

ACCY 316 ADVANCED TAXATION

Trimester Two 2006

COURSE OUTLINE

Contact Details

<i>Course Coordinator /Lecturer</i>	Assoc Prof Andrew Smith Email:	RH 620 Phone: 463 6707 andrew.smith@vuw.ac.nz
<i>Lecturer</i>	Professor Kevin Holmes Email:	RH 618 Phone: 463 5968 kevin.holmes@vuw.ac.nz
<i>Administrative</i>	Ms Marina Dobrovolskaya Email:	RH 708 Phone: 463 5775 marina.dobrovolskaya@vuw.ac.nz

Class Times and Room Numbers

Lectures are scheduled for Tuesday and Thursday, 8.30 – 9.20am and Wednesday 9.30 – 10.20am. All lectures will be held in RH LT2.

In addition, there will be eight weekly tutorials commencing on Monday, 24 July. You can sign up for tutorials on Blackboard during the first week of lectures.

There will a terms test held on Monday, 4 September and a 3-hour final examination which will be scheduled during the examination period 16 October to 10 November.

Course Objectives

On successful completion of the course, you will be able to:

1. Comprehend tax policy behind international tax legislation;
2. Demonstrate an extensive knowledge at an advanced level of contemporary international tax issues;
3. Demonstrate an ability to analyse complex tax law;
4. Discuss, orally and in writing, alternative interpretations of the tax law on the topics identified above;
5. Observe general commercial events and identify relevant international tax ramifications.

While not directly taught in this course, you have the opportunity to improve your writing and oral expression skills, which are critical when dealing with matters of a legal nature such as taxation. This course will be particularly useful to you if you are planning a career in tax advice or administration, or in the international corporate or banking sector.

Course Content

In this course we will examine selected aspects of the rules for taxing income across the New Zealand border, including tax residence and source, the taxation of interest, dividends and royalties, double taxation agreements, non-resident withholding tax, foreign tax credits, foreign companies, trans-Tasman taxation and investment strategies, transfer pricing and thin capitalisation. Some reference will be made to other countries' income tax regimes and also to recent international tax policy reforms and proposals.

Expected Workload

Students should expect to spend, on average, 12 hours per week on the course. How this time is made up will vary somewhat from week to week, but would typically comprise four hours preparing and revising notes and four hours working on assignments and tutorial questions.

Unless you keep up with the course work, you are likely to face considerable problems catching up to be adequately prepared for the Terms Test and Final Examination.

Readings

The following textbook and materials are required for this course:

1. Alley et al, *New Zealand Taxation 2006: Principles, Cases and Questions*, 2006, Thomson Brookers, Wellington.
2. NZ Income Tax Legislation –Abridged Set, Brookers 2006 or CCH Legislation Set.
3. ACCY 316 Double Tax Agreements Publication.

The first two publications listed above were specified for ACCY 305 this year. The third publication will be issued to students during the course at no additional charge.

The tax legislation and double tax agreements publication will be permitted to be taken into the terms test and final examination. Students should not write in the text other than by way of underlining or emphasis marks. With respect to using this legislation in the terms test and final examination, please note:

1. The tax legislation will be checked at the beginning of the test and final examination.
2. Legislation containing notes of any kind will **not** be allowed to be used. Only emphasis marks by a highlighter pen or by underlining are permitted.
3. The indexing of the legislation by tabs whether by use of “Post-it” notes or any other means is prohibited.
4. Any student who does not have tax legislation to use in the test(s) because his/her text did not meet the above conditions or the student forgot to bring their legislation will

not be able to borrow a replacement copy from the examiners or to share a copy with another student.

The following texts are recommended reading:

1. CCH New Zealand, *New Zealand Master Tax Guide 2006*; and
2. *International Tax Primer (2nd edition 2002)*, B.J. Arnold and M.J. McIntyre (Kluwer Law International).

The second of the above texts is held on closed reserve in the Law Library.

If you are missing course handouts, spare copies are located on the 6th floor from the shelves outside Room 623. The lecturers do not hold spare copies of handouts in their offices. Students are requested to take only one copy of each handout provided.

Materials and Equipment

Electronic calculators are permitted to be used in the Terms Test and Final Examination. Calculators must be battery powered and silent in operation. Calculators with alphanumeric keyboards and programming functions will not be permitted. If you are in doubt you should check with the Course Coordinator as to whether your calculator meets these requirements.

Assessment Requirements

The final grade awarded for this course will be determined on the following basis:

The weighted average of the following two pieces of assessment:

Terms Test – Monday, 4 September, 5.30pm (90 minutes)	35%
Final Examination (To be scheduled by Registry)	<u>65%</u>
Total:	<u>100%</u>

The date for the final exam will be announced by the University Registry during the course.

All of the assessment in ACCY 316 is based on each student's own work. There is no group assessment of any kind and no group work can be submitted for assessment.

If your performance during the course is affected by sickness or other personal difficulties (eg bereavement of close relative), you should contact the Course Coordinator as soon as possible. You should not delay this until the end of the course or when final results are posted. In case of sickness, it is essential that you see a registered medical practitioner as soon as possible while you are sick and obtain a medical certificate that certifies that in the opinion of the doctor you are sick and the extent of disability suffered by you during the period of sickness. Medical certificates which simply state "student X visited me and told me they were sick last week", etc do not contain any professional assessment or opinion of the doctor and are of no value.

Mandatory Course Requirements

To meet the mandatory requirements of the course students are required to:

- (1) complete and submit by the required deadline 3 out of the 4 assignments set for the course; *and*
- (2) sit the Terms Test on Monday, 4 September.

Assignments

There will be four assignments that will form an integral part of the course. The Terms Test and Final Examination are set assuming that all assignments have been completed. Assignments are due as follows:

Assignment No:	Due Thursday:
1.	3 August
2.	17 August
3.	21 September
4.	5 October

Assignments are to be handed in by 5.00pm on the respective due dates. They should be placed in the ACCY 316 box on the Mezzanine floor of Rutherford House. Please ensure that all pages are stapled and that your name and tutorial number are clearly visible on the first page.

In the absence of genuine and credible reasons, late assignments will not be accepted. In no circumstances can assignments be accepted for grading after that assignment has been returned to students or assignment answers have been distributed. It is not possible for lecturers to set special assignment questions to accommodate students who miss assignment deadlines.

Communication of Additional Information

Additional information concerning this course will be posted on Blackboard and on the Accountancy noticeboard on the Mezzanine Floor of Rutherford House.

Faculty of Commerce and Administration Offices

Railway West Wing (RWW) - FCA Student and Academic Services Office

The Faculty's Student and Academic Services Office is located on the ground and first floors of the Railway West Wing. The ground floor counter is the first point of contact for general enquiries and FCA forms. Student Administration Advisers are available to discuss course status and give further advice about FCA qualifications. To check for opening hours call the Student and Academic Services Office on (04) 463 5376.

Easterfield (EA) - FCA/Education/Law Kelburn Office

The Kelburn Campus Office for the Faculties of Commerce and Administration, Education and Law is situated in the Easterfield Building - it includes the ground floor reception desk (EA005) and offices 125a to 131 (Level 1). The office is available for the following:

- Duty tutors for student contact and advice.

- Information concerning administrative and academic matters.
- Forms for FCA Student and Academic Services (e.g. application for academic transcripts, requests for degree audit, COP requests).
- Examinations-related information during the examination period.

To check for opening hours call the Student and Academic Services Office on (04) 463 5376.

General University Policies and Statutes

Students should familiarise themselves with the University's policies and statutes, particularly the Assessment Statute, the Personal Courses of Study Statute, the Statute on Student Conduct and any statutes relating to the particular qualifications being studied; see the Victoria University Calendar available in hard copy or under 'About Victoria' on the VUW home page at www.vuw.ac.nz.

Student 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 are to be taken if there is a complaint. For information about complaint procedures under the Statute on Student Conduct, contact the Facilitator and Disputes Advisor or refer to the statute on the VUW policy website at 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.

Academic Grievances

If you have any academic problems with your course you should talk to the tutor or lecturer concerned; class representatives may be able to help you in this. If you are not satisfied with the result of that meeting, see the Head of School or the relevant Associate Dean; VUWSA Education Coordinators are available to assist in 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 at 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. The University defines plagiarism as follows:

The presentation of the work of another person or other persons as if it were one's own, whether intended or not. This includes published or unpublished work, material on the Internet and the work of other student or staff.

It is still plagiarism even if you re-structure the material or present it in your own style or words.

Note: It is however, perfectly acceptable to include the work of others as long as that is acknowledged by appropriate referencing.

Plagiarism is prohibited at Victoria and is not worth the risk. Any enrolled student found guilty of plagiarism will be subject to disciplinary procedures under the Statute on Student Conduct and may be penalised severely. Consequences of being found guilty of plagiarism can include:

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

Find out more about plagiarism, and how to avoid it, on the University's website at www.vuw.ac.nz/home/studying/plagiarism.html.

Students with Impairments

The University has a policy of reasonable accommodation of the needs of students with disabilities. The policy aims to give students with disabilities the same opportunity as 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, 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 (DSS) to discuss your individual needs and the available options and support on a confidential basis. DSS are located on Level 1, Robert Stout Building, telephone (04) 463 6070, email disability@vuw.ac.nz. The name of your School's Disability Liaison Person is in the relevant prospectus or can be obtained from the School Office or DSS.

Student Support

Staff at Victoria want students to have positive learning experiences at the University. Each Faculty has a designated staff member who can either help you directly if your academic progress is causing you concern, or quickly put you in contact with someone who can. Assistance for specific groups is also available from the Kaiwawao Māori, Manaaki Pihipihinga or Victoria International.

In addition, the Student Services Group (email student-services@vuw.ac.nz) is available to provide a variety of support and services. Find out more at www.vuw.ac.nz/st_services/.

VUWSA employs 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 (tel. 04 463 6983 or 04 463 6984, email education@vuwsa.org.nz) is located on the ground floor, Student Union Building.

Manaaki Pihipihinga - Maori and Pacific Mentoring Programme (Faculty of Commerce and Administration)

This is a mentoring service for Maori and Pacific students studying at all levels. Weekly one hour sessions are held at the Kelburn and Pipitea Campuses in the Mentoring Rooms, 14 Kelburn Parade, and Room 210 and 211, Level 2, Railway West Wing. Sessions cover drafting and discussing assignments, essay writing, and any questions that may arise from tutorials and/or lectures. A computer suite networked to Cyber Commons is available for student use.

To register with Manaaki Pihipihinga, please contact one of the following:

Puawai Wereta
Room 210, Level 2
Railway West Wing
Tel. (04) 463 8997
Email: Puawai.Wereta@vuw.ac.nz

Fa'afai Seiuli
Room 109 B
14 Kelburn Parade
Tel. (04) 463 5842
Email: Faafoi.Seiuli@vuw.ac.nz

ACCY 316: LECTURE PROGRAMME 2006

<i>Wk</i>	<i>Date</i>	<i>Lecturer</i>	<i>Lecture Topic</i>	<i>Assign- ment</i>	<i>Tutorial</i>
1	July 11	KH	<u>Introduction</u>		
	July 12	KH	Tax Residency		
	July 13	KH	Source		
2	July 18	KH			
	July 19	KH	<u>Taxation of New Zealand Residents</u>		
	July 20	KH	Foreign Tax Credits		
3	July 25	KH	Controlled Foreign Company (CFC)		No. 1
	July 26	KH	regime		KH
	July 27	KH	Foreign Investment Fund (FIF)		
4	Aug 1	KH	regime		No. 2
	Aug 2	KH	FDWP		KH
	Aug 3	KH		No. 1 KH	
5	Aug 8	KH	<u>Taxation of Non-Residents</u>		No. 3
	Aug 9	KH	NRWT –Interest/AIL		KH
	Aug 10	KH			
6	Aug 15	AS	FITC/NRWT Dividends		
	Aug 16	AS			
	Aug 17	AS		No. 2 KH	
Mid Trimester Break					
7	Sept 4		TERMS TEST		
	Sept 5	AS	Double Tax Agreements		
	Sept 6	AS			
	Sept 7	AS	Guest Lecture		
8	Sept 12	AS	Transfer Pricing		No. 4
	Sept 13	AS	Thin Capitalisation		AS
	Sept 14	AS			
9	Sept 19	AS			No. 5
	Sept 20	AS			AS
	Sept 21	AS		No. 3. AS	
10	Sept 26	AS			No. 6
	Sept 27	AS			AS
	Sept 28	AS			
11	Oct 3	KH	Case Studies		No. 7
	Oct 4	KH			KH
	Oct 5	KH		No. 4. AS	
12	Oct 10	AS	Tax Recovery Agreements		No. 8
	Oct 11	AS	Current Issues in International Tax		AS
	Oct 12	AS			

AS = Assoc Professor Andrew Smith

KH = Professor Kevin Holmes