

School of Accounting and Commercial Law

ACCY 316 ADVANCED TAXATION

Trimester Two 2009

COURSE OUTLINE

Names and Contact Details

| | | |
|--|---|---|
| <i>Course Co-ordinator/ Lecturer</i> | Andrew Smith Email: Office hours: | RH 620 463 6707 andrew.smith@vuw.ac.nz To be advised |
| <i>Lecturer</i> | David White Email: Office hours: | RH 703 463 5705 david.white@vuw.ac.nz To be advised |
| <i>Administrator</i> | Danielle Van Resseghem Email: | RH708 463 7465 danielle.vanresseghem@vuw.ac.nz |

Trimester Dates

Teaching Period: Monday 13 July to Friday 16 October 2009

End of Year Study Period: Monday 19 October to Monday 26 October 2009

Examination Period: Tuesday, 27 October to Saturday 14 November 2009 (inclusive)

Note: Students who enrol in courses with examinations should be able to attend an examination at the University at any time during the formal examination period.

If you wish to withdraw from the course after enrolling, information is available via:
<http://www.victoria.ac.nz/home/admisenrol/payments/withdrawlsrefunds.aspx>

Class Times and Room Numbers

Lecture classes will be held on Mondays, Tuesdays and Thursdays from 4.40 pm to 5.30pm in room RH LT 3.

In addition, there are 8 tutorials of 50 minutes each, commencing in the week beginning Monday 27 July. Further details about the tutorials appear later in this Course Outline.

Course Content

The course essentially comprises 2 broad components:

- (a) New Zealand's international tax policy, law and practice; *and*
- (b) Double tax agreements.

The first component is further broken down into two general categories:

- (i) The taxation of non residents entering into both active and passive economic activities in New Zealand; *and*
- (ii) The taxation of New Zealand residents entering into both active and passive economic activities overseas.

While the focus of component (a) above is on New Zealand, the topics are still relevant if you are an international student, or a New Zealand student who anticipates working overseas, because New Zealand's international tax regime has common elements with those of other countries.

The component on double tax agreements concentrates on applications in various countries of the OECD and United Nations model double tax treaties, including New Zealand.

A lecture outline, which lists the topics covered in the course, is set out on page 8. Some topics may be addressed in a different week from that shown in the outline. Further information will be provided by lecturers.

Course Learning Objectives

By the end of this course, students should be able to:

1. explain how New Zealand residents will be taxed in New Zealand on income earned outside New Zealand;
2. explain how non-residents will be taxed in New Zealand on income derived from New Zealand sources;
3. explain and critique the tax policies behind New Zealand's international tax regime;
4. discuss contemporary international tax issues at an advanced level;
5. discuss, orally and in writing, alternative interpretations of the tax law on key international tax issues;
6. identify international tax ramifications of general commercial events.

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. To assist you in this respect, we advise you to purchase or refer to a copy of Fleet, W., Summers, J. and Smith, B., (2004) *Communication Skills Handbook for Accounting*, Wiley, Milton.

This course will be particularly useful to you if you are planning a career in international corporate or banking sectors, tax advisory, public policy or revenue administration.

Course Delivery

Formal instruction in this course will include 36 fifty-minute lectures over 12 weeks and 8 small group tutorials also of 50 minutes each.

IMPORTANT NOTICE

The lectures, tutorials and the four assignments in the course form an integral whole. The course assessment is based on the assumption that students have attended all lectures and tutorials as well as having completed all assignments. Students who do not attend all lectures and tutorials and fail to complete all the assignments will be at a disadvantage.

Course Workload

You should expect to spend on average 14 hours per week on the course (*excluding* time to study for the Course Test and Final Examination). How this time is made up varies from week to week, but typically comprises:

- 3 hours in scheduled lectures;
- 3 hours preparing for, and participating in, tutorials;
- 4 hours preparing and writing assignments; *and*
- 4 hours reading for lectures, and revising lecture and tutorial notes.

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

Group Work

All of the assessment in this course is based on your own work. There is no group assessment of any kind and **no group work can be submitted for assessment**: see also under *Academic Integrity and Plagiarism* and *Notice of Turnitin Use* on pages 6 and 7.

Readings

The following legislation and materials are required for this course:

1. *New Zealand Taxation 2009 Legislation Handbook*, Thomson Brookers, 2009 or *CCH Income Tax Legislation 2009 – Student edition*. This is the same legislation as that specified for ACCY 305 this year.
2. Alley et al, *New Zealand Taxation 2009: Principles, Cases and Questions, 2009*, Thomson Brookers, Wellington or CCH New Zealand, *New Zealand Master Tax Guide 2009*. Again the first of these texts was specified for ACCY 305 this year.
3. ACCY 316 Double Tax Agreements publication (which is issued to you free of charge during the course).
4. ACCY 316 Course Materials Book (this will also be issued to you free of charge during the course).

The following texts are recommended for this course:

1. Arnold, B.J. and M.J. McIntyre, *International Tax Primer*, 2002, Kluwer Law International, 2nd edition. This book is held on closed reserve in the Law Library and available for 3-day issue in the Commerce Library in RWW. (Call mark is K4562 A752 I61)
2. Kevin Holmes, *International Tax Policy and Double Tax Treaties: An Introduction to Principles and Application*, IBFD Publications, Amsterdam, 2007. This book is held on closed reserve in the Law Library. (Call mark is K4475.4 H751 I 2007)

3. Barry Larking (editor), *International Tax Glossary*, Revised 4th edition, IBFD Publications, Amsterdam, 2001. This book is held in the Commerce Library in RWW as a Reference book. (Call mark is K4459.3 I61 4ed)

Additional reading material will be provided in lectures and on Blackboard.

You are allowed to take the tax legislation and double tax agreements publication into the Course Test and Final Examination. We strongly recommended that you do so. If you want to take this tax legislation and double tax agreements publication into the Course Test and Final Examination, you must not write in them other than to place underlining or emphasis marks or to highlight parts of the text.

With respect to using the legislation and double tax agreement publication in the Course Test and Final Examination, you should note that:

1. they will be checked at the beginning of the Course Test and Final Examination.
2. if they contain notes of any kind, you will **not** be allowed to use them. Remember that only emphasis marks by a highlighter pen or by underlining are permitted.
3. the use of tabs, whether “Postit” notes/stickers or any other kind of tab, is prohibited.
4. if you are unable to take the tax legislation and double tax agreements publication into the Course Test or Final Examination because your copies do not meet the above conditions or you forgot to bring them to the test or exam, you **cannot** borrow replacement copies from the examiners or share copies with another student.

Please ensure that you take the legislation and double tax agreement publication to the relevant lectures.

Materials and Equipment

Most course materials can be downloaded from *Blackboard* or found in the Course Materials Book. Lecturers do not hold spare copies of any course materials. If you are having any trouble obtaining course materials, please contact the Course Administrator in RH 708, who is available Monday to Friday from 8.30am to 5.00pm.

Electronic calculators and non-electronic foreign language dictionaries may be used in the Course Test and Final Examination. Calculators with alphanumeric keyboards and programming functions, or which store or display anything other than Arabic numbers, are **not** permitted. Calculators **must** be battery powered and silent in operation. Mobile phones are **not** permitted in the Course Test or Final Examination. If you are in doubt, check with the Course Coordinator.

Assessment Requirements

There are 2 assessment points, which make up your final grade for this course, as follows:

| | |
|--|-----|
| Course Test (75 minutes) Monday, 14 September at 4.30pm | 30% |
| Final Exam (3 hours) During examination period October/November (Date to be advised by Registry during the course) | 70% |

To pass this course you must obtain a weighted average mark of 50% or more over the Course Test and Final Examination. In addition, you must meet the mandatory course requirements (see below). *If you obtain a weighted average mark of 50% or more but fail to meet the mandatory requirements, you will **FAIL** the course and be given a 'K' grade.*

Note: Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning objectives as required for accreditation and audit purposes. The findings may be used to inform changes aimed at improving the quality of FCA programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.

If your performance is affected by sickness or other personal difficulties (e.g. bereavement of a close relative), you must contact the Course Coordinator as soon as possible. You should not delay this until the end of the course or when final results are published. 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.

Examinations

Students who enrol in courses with examinations should be able to attend an examination at the University at any time during the formal examination period.

Examination dates for trimester two in 2009: Friday 19 October to Saturday 14 November 2009.

Mandatory Course Requirements

In addition to the *Assessment Requirements* above, to pass the course you **must** complete to a satisfactory standard and submit for grading on time level at least **3** of the **4** assignments.

Assignments

There are four assignments which are an integral part of the course. As mentioned above, the Course Test and Final Examination will be set assuming that students have completed all assignments.

Assignments are due as follows:

Assignment No:

- 1.
- 2.
- 3.
- 4.

Due 5.30pm:

- Thursday, 6 August 09
Thursday, 20 August 09
Thursday, 24 September 09
Thursday, 8 October 09

Assignment questions will be posted on *Blackboard* at least one week before the relevant assignment due date. Suggested solutions to the assignments will also be posted on *Blackboard* after the assignments have been graded.

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 the suggested solutions have posted on *Blackboard* or otherwise released. It is not possible for lecturers to set special assignment questions to accommodate you if you miss assignment deadlines. If you have concerns about a late assignment, you should contact the Course Coordinator.

Tutorials

The course contains 8 tutorials, all of which you are strongly advised to attend and actively participate. You need to fully prepare answers to the tutorial questions beforehand so that you can knowledgeably contribute to the tutorial discussions.

Tutorial questions are posted on *Blackboard* at least 1 week before the relevant tutorial. Written answers to tutorial questions are **not** posted on *Blackboard* or otherwise distributed. Tutorials take place in the following weeks:

| <i>Tutorial</i> | <i>Week beginning</i> |
|-----------------|-----------------------|
| Tutorial 1 (DW) | 27 July 2009 |
| Tutorial 2 (AS) | 3 August 2009 |
| Tutorial 3 (AS) | 10 August 2009 |
| Tutorial 4 (AS) | 17 August 2009 |

Mid-trimester break

| | |
|-----------------|-------------------|
| Tutorial 5 (AS) | 7 September 2009 |
| Tutorial 6 (DW) | 28 September 2009 |
| Tutorial 7 (DW) | 5 October 2009 |
| Tutorial 8 (DW) | 12 October 2009 |

Tutorial signup is online (<https://signups.vuw.ac.nz>) and will start from 9am Wednesday, 15 July. Detailed instructions on how to signup are found at the end of this Course Outline. Places in tutorials are allocated on a “first come, first served” basis.

Communication of Additional Information

This Course Outline is available, along with other information and materials relating to the course, on *Blackboard*. You are expected to have access to *Blackboard* to participate in this course. All announcements and notices are posted in the *Announcements* section of *Blackboard*. If you have problems accessing *Blackboard*, you should contact Student Computing Services or the Course Administrator. Where applicable, copies of slides presented in lectures will generally be made available on *Blackboard*.

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 students 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 <http://www.victoria.ac.nz/home/study/plagiarism.aspx>

Use of Turnitin

Student work provided for assessment in this course may be checked for academic integrity by the electronic search engine <http://www.turnitin.com>. Turnitin is an on-line plagiarism prevention tool which compares submitted work with a very large database of existing material. At the discretion of the Head of School, handwritten work may be copy-typed by the School and subject to checking by Turnitin. Turnitin will retain a copy of submitted materials on behalf of the University for detection of future plagiarism, but access to the full text of submissions will not be made available to any other party.

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.

For the following important information, follow the links provided:

General University Policies and Statutes

<http://www.victoria.ac.nz/home/about/policy/academic.aspx>

Faculty of Commerce and Administration Offices

<http://www.victoria.ac.nz/fca/studenthelp/Contactus.aspx>

Manaaki Pihipihinga Programme

http://www.victoria.ac.nz/st_services/mentoring/

ACCY 316 COURSE PROGRAMME

2009

| <i>Wk</i> | <i>Date</i> | <i>Lecturer</i> | <i>Lecture Topic</i> | <i>Assign-ment</i> | <i>Tutorial</i> |
|----------------------------|-------------|-----------------|--|--------------------------|-----------------|
| 1 | July 13 | DW | <u>Introduction</u> | | |
| | July 14 | DW | Tax Residency | | |
| | July 16 | DW | Source | | |
| 2 | July 20 | AS | Foreign Tax Credits | | |
| | July 21 | AS | | | |
| | July 24 | AS | <u>Taxation of Non-Residents</u> | | |
| 3 | July 27 | AS | NRWT –Interest/AIL | | No. 1 DW |
| | July 28 | AS | FITC/NRWT Dividends | | |
| | July 30 | AS | Other income derived by non-residents. | | |
| 4 | Aug 3 | AS | Double Tax Agreements | No. 1 (DW/AS) | No. 2 AS |
| | Aug 4 | AS | | | |
| | Aug 6 | AS | | | |
| 5 | Aug 10 | AS | | | No. 3 AS |
| | Aug 11 | AS | | | |
| | Aug 13 | AS | | | |
| 6 | Aug 17 | AS | | No. 2 (AS) | No. 4 AS |
| | Aug 18 | AS | | | |
| | Aug 20 | AS | | | |
| Mid Trimester Break | | | | | |
| 7 | Sept 7 | DW | Transfer Pricing | | No. 5 AS |
| | Sept 8 | DW | | | |
| | Sept 10 | DW | | | |
| 8 | Sept 14 | | Course Test 4.30pm | | |
| | Sept 15 | DW | Thin Capitalisation | | |
| | Sept 17 | DW | <u>Taxation of Residents</u> | | |
| 9 | Sept 21 | DW | Controlled Foreign Companies (CFCs) Foreign Investment Funds (FIFs) | No. 3 (AS/DW) | |
| | Sept 22 | DW | | | |
| | Sept 24 | DW | | | |
| 10 | Sept 28 | DW | | | No. 6 DW |
| | Sept 29 | DW | | | |
| | Oct 1 | DW | | | |
| 11 | Oct 5 | DW | | No. 4 (DW) | No. 7 DW |
| | Oct 6 | DW | | | |
| | Oct 8 | DW | | | |
| 12 | Oct 12 | AS | Tax Recovery Agreements | | No. 8 DW |
| | Oct 13 | AS | Current Issues | | |
| | Oct 15 | AS | | | |

AS = Associate Professor Andrew Smith

DW = Associate Professor David White

Tutorial Sign-Up Instructions

ACCY 316 Tutorial Sign-Up will start at 9.00am, Wednesday 15 July.

To sign up for your ACCY 316 tutorial you need to follow the instructions below. Read these instructions carefully and take your time to follow the procedure step by step.

1. Go to the signup web site at: <https://signups.victoria.ac.nz>
2. Enter your SCS username and password to login to the system.
3. The Signup Home page opens. It displays all courses you are enrolled for and that use the SCubed Tutorial & Workshop Signup system. Click on ACCY 316.
4. The ACCY 316 course page opens. It shows the course contact and brief details of the signup instructions. A KEY is provided at the bottom that explains all buttons and what they do.
5. The schedule of tutorials includes the day/time, location, maximum group size, and spaces left in the tutorials.
6. If there are spaces left in a particular tutorial, you will see the ENROL button next to it. Click this button to enrol yourself in that tutorial.
7. If there are no more spaces left in a particular tutorial, you will see the JOIN WAITLIST button, if a wait list is available. Click this button to join the waitlist for that tutorial. (Note that if you do this, you will be removed from any other waitlist that you may have joined earlier). If somebody withdraws from this tutorial, you will automatically be moved up the waitlist or, if you are already at the top of it, you will be enrolled in the tutorial. An email will be sent to you if you are enrolled in the tutorial from the waitlist.
8. Note that you can only join a waitlist if you have already enrolled in one of the other available tutorials. In other words, you must first enrol in one tutorial and then you can choose to join the waitlist for another preferred tutorial.
9. You can choose to WITHDRAW from a tutorial you have already enrolled in. You can also choose to CANCEL WAITLIST to remove yourself from a particular waitlist.
10. A FULL button indicates that all seats and the waitlist are full for that tutorial. You must choose another tutorial.
11. More details on the various buttons are available in the KEY section at the bottom of the signup page.
12. You should enrol in only ONE tutorial and may join the waitlist for only ONE other tutorial.
13. This online signup system is available around the clock over the internet. You can log in and sign up (or change your signup) anytime before the closing date of the tutorial signup. You will NOT be able to sign up or change your choice after the tutorial signups have closed. Any requests after this date are manually handled by the Course Administrator. You must submit a written application stating why you were not able to sign up on time using the online system, along with other relevant documentation, such as medical certificate, etc.
14. You can view/confirm details of the tutorials that you are enrolled in and waitlisted for, such as the day, time and location, by clicking on My Signups on the left hand menu.
15. Click on Support on the left hand menu if you are having problems.

Finally, you must always attend the tutorials that you have signed up for. If you attend a different tutorial, your attendance may not be recorded.