

School of Accounting and Commercial Law

## ACCY 316 ADVANCED TAXATION

Trimester Two 2010

### COURSE OUTLINE

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#### Names and Contact Details

<i>Course Co-ordinator/</i>	David White	RH 703	463 5705
<i>Lecturer</i>	Email:	<a href="mailto:david.white@vuw.ac.nz">david.white@vuw.ac.nz</a>	
	Office hours:	To be advised	
<i>Lecturer</i>	David Dunbar	RH 610	463 7422
	Email:	<a href="mailto:david.dunbar@vuw.ac.nz">david.dunbar@vuw.ac.nz</a>	
	Office hours:	To be advised	
<i>Administrator</i>	Rainet Mutandwa	RH708	463 5383
	Email:	<a href="mailto:rainet.mutandwa@vuw.ac.nz">rainet.mutandwa@vuw.ac.nz</a>	
	Office hours:	Monday-Friday 8.30am-5pm.	
	Office is closed:	10.30-10.45am and 3.30-3.45pm.	

#### Trimester Dates

**Teaching Period:** Monday 12<sup>th</sup> July – Friday 15<sup>th</sup> October 2010

**Study Period:** Monday 18<sup>th</sup> October – Thursday 21<sup>st</sup> October 2010

**Examination Period:** Friday 22<sup>nd</sup> October – Saturday 13<sup>th</sup> November 2010 (inclusive)

#### Withdrawal from Courses:

Your fees will be refunded if you withdraw from this course on or before **23 July 2010**.

The last date for withdrawal from this course is the three-quarter point of the teaching period, i.e. **Friday 24 September 2010**. After that date, withdrawal requires the permission of the Associate Dean (Students) as set out in section 8 of the Personal Courses of Study Statute.

<http://policy.vuw.ac.nz/Amphora!~policy.vuw.ac.nz~POLICY~000000001743.pdf>

To apply for permission, fill in the Late Withdrawal form available from either of our Student Customer Service Desks.

#### Class Times and Room Numbers

Lecture classes will be held on Tuesdays and Wednesdays from 4.40 pm to 5.30pm in room GB LT 4 and on Fridays from 3.40 pm to 4.30pm in room GB LT 4.

In addition, there are **8 tutorials** of 50 minutes each, commencing in the week beginning Monday 26 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 below. Some topics may be addressed in a different week from that shown in the outline. Further information will be provided by lecturers.

# ACCY 316 COURSE PROGRAMME

**2010**

<i>Wk</i>	<i>Date</i>	<i>Lecturer</i>	<i>Lecture Topic</i>	<i>Assignment</i>	<i>Tutorial</i>
<b>1</b>	July 13	DW	<u>Introduction</u> Tax Residency Source		
	July 14	DW			
	July 16	DW			
<b>2</b>	July 20	DD	Foreign Tax Credits  <b><u>Taxation of Non-Residents</u></b>		
	July 21	DD			
	July 23	DD			
<b>3</b>	July 27	DD	NRWT –Interest/AIL FITC/NRWT Dividends Other income derived by non-residents.		No. 1 DW
	July 28	DD			
	July 30	DD			
<b>4</b>	Aug 3	DD	Double Tax Agreements	<b>No. 1 (DW/DD)</b>	No. 2 DD
	Aug 4	DD			
	Aug 6	DD			
<b>5</b>	Aug 10	DD			No. 3 DD
	Aug 11	DD			
	Aug 13	DD			
<b>6</b>	Aug 17	DD		<b>No. 2 (DD)</b>	No. 4 DD
	Aug 18	DD			
	Aug 20	DD			
<b>Mid Trimester Break</b>					
<b>7</b>	Sept 7	DD	Double Tax Agreements		No. 5 DD
	Sept 8	DD			
	Sept 10	DD			
<b>8</b>	Sept 14		<b>Course Test 4.40pm</b> Transfer Pricing Thin Capitalisation		
	Sept 15	DW			
	Sept 17	DW			
<b>9</b>	Sept 21	DW	<b><u>Taxation of Residents</u></b>	<b>No. 3 (DD/DW)</b>	
	Sept 22	DW			
	Sept 24	DW			
<b>10</b>	Sept 28	DW	Controlled Foreign Companies (CFCs) Foreign Investment Funds (FIFs)		No. 6 DW
	Sept 29	DW			
	Oct 1	DW			
<b>11</b>	Oct 5	DW		<b>No. 4 (DW)</b>	No. 7 DW
	Oct 6	DW			
	Oct 8	DW			
<b>12</b>	Oct 12	DW			No. 8 DW
	Oct 13	DW			
	Oct 15	DW			

DD = Associate Professor David Dunbar      DW = Associate Professor David White

*This is a general lecture outline only. Some topics may be addressed in a different week from that shown here.*

## 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.

## Expected 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 page 8 and 9.

## Readings

The following legislation and materials are required for this course:

1. *New Zealand Taxation 2010 Legislation Handbook*, Thomson Brookers, 2010 or *CCH Income Tax Legislation 2010– Student edition*. This is the same legislation as that specified for ACCY 305 this year.
2. Alley et al, *New Zealand Taxation 2010: Principles, Cases and Questions, 2010*, Thomson Brookers, Wellington or CCH New Zealand, *New Zealand Master Tax Guide 2010*. Again the first of these texts was specified for ACCY 305 this year.
3. ACCY 316 Course Materials Book can be purchased from Vic Books Pipitea Campus.

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 4<sup>th</sup> 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 into the Course Test and Final Examination. We strongly recommend that you do so. If you want to take the tax legislation 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 in the Course Test and Final Examination, you should note that:

1. it will be checked at the beginning of the Course Test and Final Examination.
2. if it contains notes of any kind, you will **not** be allowed to use it. 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 into the Course Test or Final Examination because your copy does not meet the above conditions or you forgot to bring it to the test or exam, you **cannot** borrow a replacement copy from the examiners or share a copy with another student.

Please ensure that you take the legislation 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 (50 minutes)

Tuesday, 14 September at 4.40pm 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.*

*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.

The final examination for this course will be scheduled at some time during the period **Friday 22nd October – Saturday 13th November 2010 (inclusive)**

## Penalties

No assignments will be accepted after the deadline of 4.00 pm, unless accompanied by certification by a doctor or a similar person or authority. You are advised to see the Course Coordinator as soon as you have obtained such certification.

## 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 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:	Due 4.00pm:
1.	Thursday, 5 August 2010
2.	Thursday, 19 August 2010
3.	Thursday, 23 September 2010
4.	Thursday, 7 October 2010

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 4.00pm 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 accompanying certification by a doctor or a similar person or authority, late assignments will **not** be accepted. In no circumstances can assignments be accepted for grading after the suggested solutions have been 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:

<b><i>Tutorial</i></b>	<b><i>Week beginning</i></b>
Tutorial 1 (DW)	26 July 2010
Tutorial 2 (DD)	2 August 2010
Tutorial 3 (DD)	9 August 2010
Tutorial 4 (DD)	16 August 2010

***Mid-trimester break***

Tutorial 5 (DD)	6 September 2010
Tutorial 6 (DW)	27 September 2010
Tutorial 7 (DW)	4 October 2010
Tutorial 8 (DW)	11 October 2010

Tutorial signup is online (<https://signups.vuw.ac.nz>). 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.

**Class Representative**

A class representative will be elected in the first class, and that person’s name and contact details will be available to VUWSA, the Course Coordinator and the class. The class representative provides a communication channel to liaise with the Course Coordinator on behalf of students.

**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*.

**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.



**For the following important information follow the links provided:**

**Academic Integrity and Plagiarism**

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

**General University Policies and Statutes**

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

**AVC (Academic) Website: information including: Conduct, Academic Grievances, Students with Impairments, Student Support**

[http://www.victoria.ac.nz/home/about\\_victoria/avcacademic/Publications.aspx](http://www.victoria.ac.nz/home/about_victoria/avcacademic/Publications.aspx)

**Faculty of Commerce and Administration Offices**

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

**Manaaki Pihipihinga Programme**

[http://www.victoria.ac.nz/st\\_services/mentoring/](http://www.victoria.ac.nz/st_services/mentoring/)

## ACCY 316 Tutorial Sign-Up Instructions

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 website at: <https://signups.victoria.ac.nz>
2. Enter your SCS username and password to login the system.
3. The “Signup Home” page opens. It displays all courses you are enrolled for and that use the S-Cubed Tutorial & Workshop Signup system. Click on the course you wish to sign up for.
4. The selected course page opens. It will show 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 tutorial sessions.
6. If there are spaces left in a particular session, you will see the “ENROL” button next to it. You can click this button to enrol yourself into that tutorial session.
7. If there are NO more spaces left in a particular session, you will see the “JOIN WAITLIST” button, if available. You can click this button to join the waitlist for that tutorial session. Please note that you will be removed from any other waitlist you may have joined earlier. If somebody withdraws from this session, you will automatically be moved up the waitlist or enrolled into the session. In this case you are enrolled in the session; an email will be sent to you if you are enrolled into the session from a waitlist.
8. You can only “JOIN WAITLIST” if you have already enrolled in one of the other available sessions. In other words, “ENROL” in one session and then you can choose to join the waitlist for another preferred session.
9. You can choose to “WITHDRAW” from a session you have already enrolled for. You can also choose to “CANCEL WAITLIST” to remove yourself from a particular waitlist.
10. A “FULL” button indicates all seats and waitlist are full for that tutorial session. You must choose another session.
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 session and may “JOIN WAITLIST” for only ONE other tutorial session.
13. You can login and signup (or change your signup) anytime before the **closing date of the tutorial group sessions’ signup. You will NOT be able to sign up or change your choice after the tutorial group sessions’ signup has closed.**
14. You can view/confirm details of the sessions you are enrolled and waitlisted for, such as 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.

This online signup system is available around the clock over the internet. Any requests after this date will need to be manually handled by the course administrator. You will need to submit a written application stating the reason why you were not able to sign up on time using the online system, along with other relevant documentation such as medical certificate etc.

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