



## Vision

**To be one of the foremost professional associations in Africa and beyond**

## Mission

**To build an institute which will be a citadel for the advancement of taxation in all its ramifications.**

## Motto

**Integrity and Service**

# PROFESSIONAL EXAMINATION SYLLABUS

## INTRODUCTION

The Chartered Institute of Taxation of Nigeria started on February 4, 1982 as Association of Tax Administrators and Practitioners. Thereafter, it metamorphosed into Nigerian Institute of Taxation, which was formally launched on February 21, 1982 and statutorily recognized on May 6, 1987 as a Company Limited by Guarantee. The Institute was chartered by the Federal Government of Nigeria through Decree number 76 of 1992 and was charged with the duty, among others of determining what standards of knowledge and skill are to be attained by persons seeking to become its members. Membership of the Institute cuts across such professions like Accounting, Law and other professionals who have acquired relevant tax experience.

## AIMS AND OBJECTIVES

The aims and objectives of the Institute as laid down in its enabling Act are, among others, as follows:

- i. To raise, maintain and regulate the standard of taxation practice amongst its members.
- ii. To promote professional ethics and efficiency in tax administration and practice.
- iii. To encourage, promote and co-ordinate research for the advancement of taxation in Nigeria.

## MEMBERSHIP

There are two main classes of membership of the Institute at the moment. These are Fellows and Associates.

### FELLOWS

Associates who wish to advance to fellowship may do so by submitting an acceptable thesis and then satisfying the council that his/her work has been closely connected with and of direct relevance to Nigeria Taxation for an unbroken period of at least five (5) years prior to such application as fellow. In the alternative, a total qualifying period of at least five (5) years prior to such application may be considered if it falls within a period not exceeding ten (10) years immediately prior to such application for admission as a fellow.

### ASSOCIATE MEMBERS

In accordance with the Charter and Rules and Regulations of the Institute, a person is admitted as an associate member on application, if he/she is a graduate member of the Institute and has acquired the relevant tax experience or has completed any of the recognized examinations of the Institute. Members of other professional bodies are admitted after they have served a specific period either in tax practice and administration.

## DESIGNATORY LETTERS

Every member of the Institute having been admitted at appropriate level is entitled to use the following designatory letters after his/her name.

**ACTI** – Representing Associate Member of the Chartered Institute of Taxation of Nigeria.

**FCTI** – Representing Fellow of the Chartered Institute of Taxation of Nigeria.

## MEMBERSHIP, FEES AND SUBSCRIPTION

Admission fees and annual subscription are payable by each member in accordance with the Rules and Registrations.

### ADDRESS OF THE SECRETARIAT

The Chartered Institute of Taxation of Nigeria  
3<sup>rd</sup> & 4<sup>th</sup> Floors  
11, Ikorodu Road,  
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### LIASON OFFICE

1, Bechar Street,  
Off Mambola Street,  
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Tel: (234) 09-670-5066, 09-873-3361  
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## **ENTRY REGULATIONS AND REGISTRATION**

### **A. REGISTRATION PROCEDURE:**

Application for admission to student membership must be made on the prescribed form. This requires an undertaking on the part of the applicant to abide by the rules laid down by the Council from time to time.

Every applicant shall produce satisfactory evidence of age, name, character and eligibility together with photocopies of his/her educational certificates. The Council reserves the right to grant or refuse any application or to terminate the registration of a candidate. A successful applicant shall be required to pay the prescribed registration and annual subscription fees for the year; upon which he shall be allocated a student number. This number must be quoted in full in all communications with the Institute.

### **B. CONDITIONS TO BE SATISFIED**

Every prospective candidate for admission to student membership must satisfy the Council that:

- He is not below the age of 18.
- He possesses the basic minimum educational qualification as set by Council.
- He is a fit and proper person to be registered.

### **C. ELIGIBILITY TO REGISTER**

An applicant shall be eligible to register as a student if he/she possesses a minimum of first degree, Higher National Diploma or its equivalent.

## **EXAMINATIONS**

### **1. Eligibility to Register for the Examination.**

Entry for the Institute's Examinations is open to all registered student members of the Institute. A registered student member is however expected to have paid the regular annual subscription and entry fees in force at the date of entry.

### **2. EXAMINATION RESULTS AND CREDIT SYSTEM**

The new credit system stipulates that candidate sits all the four papers at a particular level. That candidate must pass minimum of one (1) paper out of the four papers. Candidate will be credited with the paper(s) previously passed. There will be opportunity to re-write the remaining papers at subsequent examinations subject to limited period. Candidate writing the Professional Examinations would have a maximum of eight (8) years to pass all levels of examinations within which candidate will be credited with earlier passed papers, but start afresh if unable to satisfy this condition within the specified period. Any candidate who passes one paper out of all the papers written should be credited with that paper subject to the provision that the candidate must apply to sit for all papers he/she would have been eligible to participate in the diet.

### 3. CONVERSION

Since a credit system will be in operation when the new syllabus takes off, candidates who are unable to complete the examinations before the take-off date would only be credited with the relevant subjects/courses already passed in the old syllabus.

### 4. EXEMPTION

S/N	QUALIFICATION	EXEMPTION (NEW)
1.	TTS Graduates (ATT)	All Foundation Papers, Quantitative Techniques in PT 1
2.	ICAN(ACA)	All Foundation Papers, Quantitative Techniques, Income Tax in PT 1
3.	ANAN(CAN)	All Foundation Papers
4.	ACIB	All Foundation Papers
5.	ACS	All Foundation Papers
6.	ACIS	All Foundation Papers, Quantitative Techniques in PT 1
7.	MNIM	All Foundation Papers & Strategy, Risk & Ethics PT 2
8.	LLB, BL	General Principles of Law; Revenue Law
9.	HND/BSc (Accounting)	All Foundation Papers
10.	HND/BSc (Bus. Admin)	Accounting, Economics & General Principles of Law
11.	HND/BSc Taxation	All Foundation & PE 1 Papers
12.	HND/BSc Maths/Statistics	Economics, Quantitative Techniques
13.	BSc Economics	Economics & General Principles of Law, Quantitative Techniques
14.	HND/BSc Banking/Finance	Quantitative Techniques, Economics

## **5. Commencement Date of the new Syllabus**

This new syllabus will take effect for new students from April 2013.

## **6. Absence from and Misconduct in an Examination**

Examination entries cannot be withdrawn after the closing date for any reason whatsoever. Consequently, if a candidate decides not to attend or is unable to attend the examination, fees paid for the examination will not be returned or transferred to subsequent examinations. Any misconduct in an examination shall be referred to the Institute's Disciplinary Committee for necessary investigation and appropriate sanction.

Disciplinary actions as prescribed by the Council of the Institute will be taken against any candidate found guilty of Examination Malpractice or Misconduct.

The identity of candidate found guilty of either Examination Malpractice or Misconduct, the offence and disciplinary action meted against him/her will be published in the Institute's journal - Nigerian Taxation, CITN Newsletter and in some Daily Newspapers.

Such disciplinary actions include one or combinations of the following:

- i) Cancellation of results of the affected candidate;
- ii) Suspension of the affected candidate from the Institute's examination for one or more diets;
- iii) Blacklisting, in which case, the affected candidate will be banned from the Institute's examinations indefinitely;
- iv) Reporting the affected candidate to the member who sponsored the entry form for the examination;
- v) Reporting the affected candidate to his/her employer or guardians;
- vi) De-registration of the candidate;
- vii) Handing over the candidate to the law enforcement agents like Police;
- viii) Publishing the identity of the candidate, the offence and disciplinary actions in the Institute's journal, CITN Newsletter, newspapers, etc.

**DETAILS OF MALPRACTICES AND PENALTIES**

S / N	Malpractice	Penalties
1	Receiving or giving assistance from or to another candidate on matters relating to the paper during the course of the examination	i.Cancellation of that particular paper  ii.Cancellation of all papers of candidate for the particular examination  iii.Suspension for two diets.
2	Receiving or giving assistance not necessarily relating to the examination without permission	Cancellation of score relating to the particular paper
3	Copying from another candidate without the candidate's knowledge	i. Cancellation of all papers of candidate for the particular examination ii. Suspension for two diets
4	Receiving assistance from invigilators on matters relating to the examination	i. Cancellation of that particular paper ii. Invigilator to be referred to the Investigating panel
5	Taking away answer script	i. Written warning ii. Cancellation of that particular paper
6	Being rude to the Invigilator as a first offender	iii. Written warning
7	Presentation of forged certificate/document to register for or write the examination	Blacklisting of the candidate

## **PROFESSIONAL STAGE**

### **Foundation**

- i. Principles of Taxation
- ii. Accounting
- iii. General Principles of Law
- iv. Economics

### **Professional Taxation 1**

- i. Quantitative Techniques
- ii. Revenue Law
- iii. Income Taxation
- iv. Indirect Taxation

### **Professional Taxation 2**

- i. Taxation of E-commerce
- ii. Strategy, Risk and Ethics
- iii. Tax Audit and Investigation
- iv. International Taxation

### **Professional Taxation 3**

- i. Oil, Gas Taxation
- ii. Solid Minerals Taxation
- iii. Tax Management
- iv. Practical Cases in Taxation



# FOUNDATION

## PRINCIPLES OF TAXATION

### AIM

To examine the candidate's knowledge and ability to apply tax laws and principles.

### CONTENTS

#### 1. TAXATION PRINCIPLES

- Tax as a creation of law
- Chargeability to tax, income chargeable
- Tests of trade
- Definition of employment
- Differences between employment and engagement on contract
- Revenue Income/Expenses, Capital Income/Expense
- Principles of residence and permanent establishment
- Measurement of income
- Income recognition and accounting
- Fiscal year

#### 2. TAX ADMINISTRATION

- The constitutional powers
- The composition, rights, powers and functions of the various tax organs
- The Joint Tax Board
- Local Government Revenue Committee
- Joint State Revenue Committee
- Federal Inland Revenue Service
- State Board/Internal Revenue Service
- Body of Appeal Commissioners/Tax Appeal Tribunal
- Technical Committee of the Board (to include both Federal and State)
- The Judicial system

### RECOMMENDED TEXTBOOKS

Ogundele E. Afe	-	Elements of Taxation
Oni, I. O.	-	Nigerian Companies Income Tax: Law & Practice
Ochei, B. B.	-	The Nigerian Taxman's Book
Ojo, Seyi	-	Elements of Nigerian Taxation (Sagibra Publications)
Federal Government of Nigeria	-	National Tax Policy

CITN

- Tax Guide and Statutes

CITN

- Tax Series

# ACCOUNTING

## AIM:

To examine the candidates' knowledge and understanding of principles, processes, concepts, conventions and regulatory framework employed in preparing financial statements.

## CONTENTS:

1. NATURE OF ACCOUNTING:
  - Terminologies, concepts, conventions and purpose of accounting information
  - The role of accounting in the management of organizations.
  - Users of financial statements and their information requirements, objectives, adequacy and its usefulness.
  
2. ACCOUNTING PROCESSES:
  - Principles and practice of double entry book-keeping
  - Forms and contents of books of account
  - Books of prime entry
  - Sales and purchases ledgers and daybook
  - Cash book and petty cash book
  - General ledger.
  
3. TRIAL BALANCE:
  - Scope, uses and correction of errors
  - Use of suspense accounts
  - Preparation of Trial Balance from accounting records and lists of ledger balances
  - Book-keeping and maintenance of financial controls
  - Allocation of income and expenditure between capital and revenue.
  
4. ACCOUNTING TREATMENT OF ASSETS:
  - Fixed, current and intangible
  - Reasons and methods of depreciation and amortization
  - Provision for bad and doubtful debts
  - Stocks and their valuation
  - Prepayments
  - Liabilities (including accruals)
  - Provisions and reserves
  - Distinction between capital and revenue items
  - Contingencies and post balance sheet date events
  - Control accounts
  - Bank reconciliation statements
  
5. ACCOUNTS OF SOLE PROPRIETORSHIP:
  - Preparation of manufacturing, trading, profit and loss account and balance sheet for sole proprietorship
  - Preparation of final accounts and balance sheet from incomplete records
  - Accounts for Non-profit organizations
    - ✓ Receipt and Payment Account
    - ✓ Income and Expenditure Account
    - ✓ Statement of Affairs

6. ACCOUNTING FOR SPECIALIZED BUSINESSES AND TRANSACTIONS:
  - Hire purchase
  - Leasing account
  - Contract account
  - Solicitors' account
  - Insurance account
  - Underwriting account
  - Consignment account
  - Trustees account
  - Estate agents account
  - Royalties account
  
7. ACCOUNTS OF JOINT VENTURES AND PARTNERSHIP BUSINESSES:
  - Principles of joint venture in accounting
  - Preparation of joint venture account
  - Formation of partnership – general principles, practice and law
  - Accounting treatment of admission, retirement, removal and death of partners
  - Revaluation of assets and goodwill on admission, retirement, removal or death of partners
  - Preparation of final accounts
  - Limited liability company accounts
  - Preparation of simple final accounts and other financial statements of limited liability companies (excluding published accounts)
  - Issue of shares and debentures
  - Preparation of commencement period in financial statements, highlighting the treatment of pre & post incorporation items.
  
8. INTERPRETATION OF FINANCIAL STATEMENTS:
  - Ratio analysis
  - Cash flow statement
  - Value added statement
  
9. REGULATORY FRAMEWORK:
  - Detailed understanding of statements of accounting standards issued by the Nigerian Accounting Standard Board
  - Detailed understanding of International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) issued by the International Accounting Standards Board
  - Comparison of local & International standards
  
10. ELEMENTS OF COSTING:
  - Classifications of Cost
  - Cost Control and Valuation
  - Cost Terminologies
  - Cost Analysis and behavior
  - Cost Determination
  - Cost Apportionment
  - Cost Valuation methods

**RECOMMENDED TEXTBOOKS:**

- Akeju J. B. - Financial Accounting (Volume I & II) – JBA Associates Limited Lagos.
- Anao A.R. - An Introduction to Financial Accounting, Longman.
- Igben R.O. - Financial Accounting made simple (Volume I & II) ROI Publishers Lagos.
- Soyode A. - Accounting (Graham Burn).
- Spicer & Pegler - Book-keeping & Accounts.
- Inanga E.L. - Principles of Accounting.
- Jennings, A. - Financial Accounting I & II (MCgraw Hill)
- Frank Wood - Business Accounting I & II (Financial Times, London)

IASB – International Financial Reporting Standards.

NASB – Statements of Accounting Standards

- Mainoma M.A. & Adebayo P.A. - Financial Reporting Standards: Comparative Synthesis

# GENERAL PRINCIPLES OF LAW

## AIM:

To examine candidates' knowledge and understanding of the general principles of Law with particular reference to the aspects of the Nigerian Legal system and principles regulating business transactions; Principles of the Separation of Powers between the three tiers of government with complimentary provisions in the Constitution of the Federation of Nigeria.

## CONTENTS

1. Introduction to Revenue Law
2. Banking Law
3. Bankruptcy Law
4. Insurance Law
5. Labour Law
6. Law of Contract
7. Law of Agency
8. Sale of Goods
9. Hire Purchase, Leasing and Credit Sale
10. Partnership
11. Company Law
12. Introduction to Constitution

## Recommended textbook

- Igwe, K.I. - Nigerian Commercial Law (Malthouse)
- Okonkwo, Iloegbune & Ezejiofor - Nigerian Business Law (Spectrum)
- Okonkwo - An Introduction to Nigerian Law (Spectrum)
- Sagay, E.I. - Nigerian Law of Contract (Sweet & Maxwell)
- Hicks, Andrew - Nigerian Law of Hire Purchase (ABU-Zaria)
- Parks, A.E.W. - The Sources of Nigerian Law (African University Press)
- Obilade, A.O. - The Nigerian Legal System (Sweet & Maxwell)
- Yagba, Kanyip & Ekwo - Elements of Commercial Law (Tamaza Publishing Co. Ltd; Zaria)  
1994
- Uvieghara - Sale of Goods and Hire Purchase (Malthouse)
- Yerokun - Insurance Law
- Bakibinga - Partnership Law (O.A.U. Press)
- Adeniji - Banking Law
- Uvieghara - Trade Union Law
- Emiola - Labour Law
- Akanki (ed) - Essays on Company Law

# ECONOMICS:

## AIMS:

To examine the candidate's knowledge and understanding of basic economic principles and the main features of Nigerian economic system

## CONTENTS

### PART1: MICROECONOMICS

1. NATURE AND MEANING OF ECONOMICS
  - Fundamental concepts – Scarcity, choice, scale of preference and opportunity cost
  - Economic models and Economic methods
  - Microeconomics and macroeconomics
  - Economic system- Central problems of an economy
  - Production possibility curve and Resources allocation
  - Types and resources allocation under different economic system (Free market economy, centrally controlled economy, mixed economy)
2. ECONOMIC SYSTEM
  - Central problems of an economy
  - Production possibility curve
  - Types and resources allocation under different economic systems (Free market economy, command economy, mixed economy)
3. PRODUCTION AND COSTS
  - Factors of production and their rewards
  - Production functions
  - The law of diminishing returns
  - Isoquant and Isocost curves
  - Pricing of factors of production
  - Concepts of cost – Opportunity cost, sunk costs, explicit and implicit costs
  - Total cost, fixed cost, variable cost, average cost and marginal cost
  - Concept of revenue- Total, average and marginal
  - Cost minimization and profit maximization.
4. PRICE SYSTEM
  - Functions of price and price mechanism
  - Demand and supply – Laws of demand and supply, their exceptions and determinants
  - Types of demand and supply
  - Equilibrium and disequilibrium in demand and supply
  - Elasticity of demand and supply, types and their calculations
  - Factors affecting elasticity of demand and supply
  - Government Intervention through price control and its effects.
5. CONSUMER BEHAVIOUR
  - The basis of consumer demand –Utility
  - Utility analysis and indifference curve
  - Total and marginal utility concepts

- The law of diminishing marginal utility
- Cardinal utility and ordinal utility and their assumptions, utility maximization
- Consumer surplus

## 6. THEORY OF FIRMS AND LOCATION OF INDUSTRY

- Concepts of firm, industry and market
- The goals of the firms
- Market structure, pricing and output decision under the following markets- Perfect competition, monopoly, monopolistic and oligopoly
- Profit maximization and cost maximization
- Price discrimination under monopoly
- Location of industry – Reasons, advantages and problems of industrialization in Nigeria
- Localization of industry – Industrial concentration- advantages and disadvantages
- Industrial promotion policy in Nigeria
- Privatization, commercialization, mergers, e-Commerce and firms’ acquisition policy in Nigeria.

## PART 2: MACROECONOMICS

### 1. NATIONAL INCOME ANALYSIS

- Definition of national income
- The circular flow of Income
- National income measurement – Gross National Product (GNP), Net National Product (NNP) e.t.c
- Methods of measuring national income
- Factors influencing the national income
- Uses and problems of national income accounting
- Two and three sector models of income determination
- Consumption and savings functions, marginal and average propensities to consume(MPS), determinants and multiplier analysis
- Concept of investment and investment function, determinants and the accelerator principle.

### 2. MONEY, BANKING AND OTHER FINANCIAL INSTITUTIONS

- Definition, types, feature and its functions
- Demand and supply of money
- Motives, determinants for demand and supply of money
- Central Bank, Commercial Banks, Merchant Banks, Microfinance Banks their roles and functions
- Other financial institutions – Insurance, Bureau –de-change e.t.c
- The Capital market – Nigerian Stock Exchange (NSE) and Security and Exchange Commission (SEC)
- Roles of money and capital market in economic development.

### 3. PUBLIC FINANCE

- Concept of public finance
- Pattern of government expenditure and sources of government revenue
- Theory of taxation – Categories and classification of taxation, objectives and functions
- National Budgets – types and its roles, sources of financing deficit budget



- Economics of the public debts
- Fiscal and monetary stabilization policies – meaning, targets and investments.

#### 4. INFLATION AND UNEMPLOYMENT

- Inflation –
  - ✓ Definition
  - ✓ Types
  - ✓ Causes
  - ✓ Effects; and
  - ✓ control
- Unemployment –
  - ✓ Definition
  - ✓ Types
  - ✓ Causes
  - ✓ Consequences; and
  - ✓ Remedies

#### 5. GROWTH AND DEVELOPMENT

- Theories of economic growth and development
- Characteristics of developed and developing nations
- Problems of economic development in the third world countries
- Roles of government in economic growth and developmental processes in Nigeria
- Development planning

#### 6. INTERNATIONAL TRADE AND FINANCE

- International trade-Definition and reasons for it, internal and international distinction
- Advantages/disadvantages of international trade
- Theory of comparative cost advantage
- Terms of trade, balance of trade and payments
- Free trade and trade restrictions- Argument for and against
- Balance of payment equilibrium and disequilibrium, causes and corrections
- Foreign exchange market and its functions
- Currency devaluation, depreciation and appreciation and their implications.

#### 6. REGIONAL AND INTERNATIONAL ECONOMIC INTEGRATION

- Roles/functions and contributions of :
  - ✓ Economic Community of West African States (ECOWAS)
  - ✓ African Union (AU)
  - ✓ East African Community (EAC)
  - ✓ South African Development Community (SADC)
  - ✓ African Development Bank (ADB)
  - ✓ World Trade Organization (WTO)
  - ✓ Organization of Petroleum Exporting Countries (OPEC)

## RECOMMENDED TEXTBOOKS

- Adebayo, A. (1998) - Economics: A simplified Approach, Volumes 1 & 2, Lagos: African International Publishing limited 1998, 1999
- Ajayi, S.I. & Ojo, O.O. (1981) - Money and Banking Analysis and Policy in Nigerian Context (George Urwin and Allen)
- Divivedi, D.N. (1997) - Microeconomic Theory, Vikas Publishing House, New Delhi Kontsoyanmis, A. Modern Microeconomics and Macroeconomic Theory
- Nwankwo G.O. - Basic Economics for West African Students Paul Samuelson Economics
- Jhingan M. - Advanced Economic Theory
- Lipsey G.L. & C. Harbury - First Principles of Economics (2<sup>nd</sup> ed)
- Gregory, M. - Principles of Microeconomics (South-Western College publication) (2008)
- Lipsey G.L. - Introduction to Macroeconomics (University of Toronto Press)

# PROFESSIONAL TAXATION 1

## QUANTITATIVE TECHNIQUES SYLLABUS

### AIM:

To examine candidates' knowledge of quantitative methods which provide scientific basis for decision making.

### CONTENTS

#### PART 1:

#### 1. STATISTICS

- Nature and range of statistics
  - ✓ Definition
  - ✓ Methods
  - ✓ Types
  - ✓ Classification; and
  - ✓ Presentation of data
- Measures of averages/central tendency: -
  - ✓ Mean (arithmetic, weighted, geometric and harmonic)
  - ✓ Median; and
  - ✓ Mode
- Measures of Partition: -
  - ✓ Quartiles
  - ✓ Deciles; and
  - ✓ Percentiles
- Measures of variation/spread/dispersion:-
  - ✓ Range
  - ✓ mean deviation
  - ✓ standard deviation
  - ✓ variance; and
  - ✓ coefficient of variations
- Probability theory: -
  - ✓ Concept and meaning, rules (addition and multiplication rules, conditional probability)
  - ✓ Expectation
- Sampling: -
  - ✓ Purpose of sampling
  - ✓ Methods of sampling (simple random sampling, stratified, systematic, cluster and multistage)
  - ✓ Advantages and disadvantages of each
- Measures of relationship: -
  - ✓ Linear correlation (meaning, purpose, coefficient, types and interpretation)
  - ✓ Linear regression (meaning, purpose, least square method and interpretation)
- Index numbers:-
  - ✓ Price
  - ✓ quantity and value indices
  - ✓ simple index numbers

- Time series analysis:-
  - ✓ Meaning, purpose
  - ✓ Basic components (trend, seasonal, cyclical, irregular)
  - ✓ Methods of estimating components and use of time series components for forecasting

## 2. BUSINESS MATHEMATICS

- Functions: -
  - Definition
  - Types (linear, quadratic, exponential, logarithmic) and their evaluation including graphical representation
  - Functional equations (linear, simultaneous, quadratic) and their solutions including graphical methods
  - Simple linear inequalities involving not more than two variables
  - Applications involving - cost, revenue, profit functions, break-even analysis
  - Determination of break-even point in quantity and value

## 3. MATHEMATICS OF FINANCE

- Sequence and series
  - ✓ concept
  - ✓ meaning; and
  - ✓ type
- Simple and compound interests

## 4. MATRIX ALGEBRA

- Definition
  - ✓ Meaning
  - ✓ Types (identity, null, symmetric, triangular and square)
- Operations (addition, subtraction, multiplication and conditions under which these are possible.).

## 5. SET THEORY

- Concept and definition
- Types of sets (null, subset, finite, infinite, universal and equal sets)
- Cardinality - number of elements in a set and number of all possible sub-sets in a set
- Operations (union, intersection, difference and complement, Euler – Venn diagram using Euler Venn diagram in set theory
- Applications of set theory to solving business related problems

## 6. CALCULUS

### **PART 2: OPERATIONAL RESEARCH**

#### 1. LINEAR PROGRAMMING

- Concept and meaning
- Basic assumption
- Problem formulation
- Methods of solution (graphical method only)

2. NETWORK ANALYSIS
  - Concept and meaning
  - Network diagram - Activity-on—node network diagram
  - Activity on-arrow network diagram
  - Concept of the following terms, (float, slack, earliest time, latest time, e. t. c.
3. REPLACEMENT THEORY
  - Meaning and purpose
  - Replacement decisions (items that wear gradually and items that fail suddenly)
4. INVENTORY CONTROL
  - Meaning
  - Types/nature of inventory
  - Reason for holding stocks
  - Inventory management techniques
  - Stock cost (cost of holding, cost of obtaining, stock-out, cost of stock)
  - Types of control system (Reorder level system and periodic review system)
  - Advantages and disadvantages of each
5. GAMES THEORY
6. QUEUEING THEORY
7. TRANSPORTATION MODEL

RECOMMENDED TEXTBOOKS:

Adamu, S.O and Johnson T.L.	-	Statistics for Beginners, Evans, Nigeria
Barry, R. and Star R.M. (1997)	-	Quantitative Analysis for Management, New Jersey, Prentice- Hall Inc.
Inanga, E.L. and Osanyimwense I.,	-	Mathematics for Business, Onibonoje Press.
Lucey, T. (2002):	-	Quantitative Techniques 6 <sup>th</sup> Edition, (LLST) Educational low- Priced Sponsored Texts.
Oyesiku, O.K and Omitogun, O. (2004)	-	Basic Statistics for Social and Management Sciences, CESAP, OOU, Ago-Iwoye
Soyibo, A. and Adekanye, F.I.,	-	Linear Programming for Business and Finance, F & A Publishers Limited.
Spiegel, M.R.	-	Statistics: Theory and Problems, McGraw Hill Books Inc., Newyork.
Taha, H.A. (1997)	-	Operations Research - An Introduction, New Jersey; Prentice Hall Inc.
Nasir:	-	Operational Research

# REVENUE LAW

## AIM:

To examine the structure of Nigerian Revenue Law with emphasis on Tax Laws.

## CONTENTS:

### 1. DEFINITION, CLASSIFICATION AND SOURCES OF LAW

- Nigerian Legal System
- Sources of government revenue-Federation Account, Consolidated Revenue Fund
- Revenue Mobilisation, allocation and Fiscal Commission Act

### 2. GENERAL PRINCIPLES OF TAXATION

- Definition
- Objective and Functions
- Classification of Taxes
- Division of Taxing powers
- Interpretation of Taxing Statutes
- Tax Administration and Tax Payers' Rights
- Company Income Tax
- Federal Inland Revenue Service (FIRS)
- State Boards of Internal Revenue
- Local Government Revenue Committee
- Joint Tax Board (JTB)
- Tax Appeal Tribunal
- Companies Income Tax
- Petroleum Profit Tax Act
- Personal Income Tax
- Capital Gains Act
- Custom and Excise Management Act
- Stamp Duty Act
- Value Added Tax (VAT) Act
- Education Tax Act
- Technology Tax Act
- Traffic Acts
- Fiscal Responsibility Act
  - ✓ Land: Road and Rail
  - ✓ Air
  - ✓ Sea

### RECOMMENDED TEXTBOOKS

Ayua, I.A. (Spectrum)	-	Nigerian Tax Law	Value Added Tax (VAT) Act
Abdulrazaq, M.T. Law (Malthouse)	-	Nigerian Revenue	Education Tax Act
Abiola Sanni Tax Series)	-	Revenue Law (CITN	Technology Tax Act
Sulu, E.A. (ES Business Ltd)	-	Nigerian Tax Cases	Traffic Act
Custom & Excise Management Act			CITN Nigerian Tax Guide and Statutes
Stamp Duty Act			Company Income Tax Act
			Personal Income Tax Act
			Fiscal Responsibility Act

# INCOME TAXATION

## AIM

To examine the candidates' knowledge of the provisions of statutes and preparation of tax returns

1. TAX ADMINISTRATION
  - The constitutional powers to impose tax
  - The composition, rights, powers, and functions of the various tax organs
  - The Joint Tax Board
  - The Federal Inland Revenue Service
  - The State Internal Revenue Service
  - Joint State Revenue Committee
  - Local Government Revenue Committee
  - Joint State Revenue Committee
  - The Tax Appeal Tribunal/Body of Appeal Commissioners
  - Technical Committee of the Board (to include both Federal and State)
  - The Judicial System
  
2. TAXATION PRINCIPLES
  - Tax as a creation of law
  - Chargeability to tax, income chargeable
  - Definition of trade, business, profession and vocation. Tests of trade
  - Definition of employment
  - Difference between employment and engagement on contract
  - Revenue income/revenue expenses. Capital income/capital expenses
  - Principles of residence and permanent establishment
  - Non-resident individuals deriving income from Nigeria
  - Measurement of income
  - Income recognition and accounting
  - Fiscal year
  
3. TAXATION OF INCOME / PROFITS
  - Taxable income, investment income and others
  - Income exempted from tax
  - Allowable expenses
  - Qualifying capital expenditure
  - Capital allowances
  - Adjustment of income for tax purposes
  - Loss relief
  - Commencement rule, change of accounting date and cessation rule
  - Processing of income tax clearance certificate
  - Withholding taxes
  - Value Added Tax
  - Capital Gains Tax
  
4. COMPUTATION OF TAX LIABILITY OF INDIVIDUALS
  - Earned income
  - Unearned income

- Benefits-in-Kind
  - Reliefs, charges and statutory deductions
5. INCOME TAX ASPECTS OF TRUSTEESHIP, ETC.
- Trusts
  - Settlements
  - Estates
  - Partnerships
    - ✓ Existing partnership
    - ✓ Commencement of partnership
    - ✓ Dissolution of partnership
    - ✓ Admission of new partner(s)
    - ✓ Treatment of withholding taxes
  - Tax assessment and collection
  - Taxpayer Identification Number (TIN)
  - E-payment
  - Offences, penalties and tax enforcement
  - Objections/Appeals process
5. COMPANIES INCOME TAX
- Administration of companies income tax
  - Taxable income, investment income and others
  - Commencement rule, change of accounting date and cessation rule
  - Allowable expenses
  - Qualifying capital expenditure
  - Capital allowances
  - Non-taxable income
  - Adjustment of income for tax purposes
  - Loss relief
  - Processing of income tax clearance certificate
7. TAXATION OF COMPANIES IN SPECIAL CIRCUMSTANCES
- Insurance companies
  - Unit trusts
  - Mergers, acquisitions, takeovers and restructuring
  - Non-resident companies
  - Air transportation and shipping companies
  - Industrial Development (Pioneer legislation)
  - Banks and other financial institutions
  - Agricultural businesses
  - Export/free trade zone business
8. EDUCATION TAX
- Persons chargeable
  - Determination, assessment and collection of education tax
  - Objection/Appeal process
  - Different treatments under Companies Income Tax Act and Petroleum Profits Tax Act



9. ADMINISTRATION AND COMPUTATION OF CAPITAL GAINS TAX
10. ADMINISTRATION AND COMPUTATION OF WITHHOLDING TAX
11. ADMINISTRATION AND COMPUTATION OF DEFERRED TAXATION
12. NATIONAL TECHNOLOGY DEVELOPMENT AGENCY ACT (Information Technology Levy)
13. TREATMENT OF TAXATION IN COMPANIES ACCOUNTS

#### **RECOMMENDED TEXTBOOKS**

- |  |   |   |
|--|---|---|
| Ola, C. S. (Prof.)                         | - | Nigerian Income Tax in Practice (Macmillan)                     |
| Adesola, S. M.                             | - | Income Tax Law and Administration in Nigeria (O. A. U. Press)   |
| Ogundele, Afe                              | - | Elements of Taxation  |
| Ojo, Seyi                                  | - | Elements of Nigerian Taxation (Sagibra Publications)            |
| Fed. Inland Rev. Service                   | - | Information Circulars, etc.                                     |
| CITN                                       | - | Periodicals, Newsletters and Technical Releases                 |
| Abdulrazaq, M. T. (Prof.)<br>Publications) | - | Nigerian Tax Offences and Penalties (Batay Law<br>Publications) |
| Soyode, L. & Kajola, S. O.                 | - | Taxation: Principles and Practice in Nigeria                    |
| Oni, I. O.                                 | - | Nigerian Companies Income Tax: Law & Practice                   |
| Ochei, B. B.                               | - | The Nigerian Taxman's Book                                      |
| Federal Government of Nigeria              | - | National Tax Policy   |
| Abdulrazaq, M. T.                          | - | Taxation of Banking Business in Nigeria                         |
| Soyode, L. & Kajola, S. O.                 | - | Taxation: Principles and Practice in Nigeria                    |

# INDIRECT TAXATION

## AIM:

To examine the candidates' knowledge and understanding of the structure of Indirect tax system and procedures regulating it in Nigeria

## CONTENTS

### PART 1: CUSTOMS & EXCISE

- A. VALUATION
- B. TARIFF CLASSIFICATIONS
- C. PREFERENCES - IMPORT AND EXPORT
  - Meaning
  - Countries concerned
  - Eligibility and rules of origin
  - Free circulation
  - Warehousing
  - Documentation
  - Re-exporting
  - Transport rule
- D. EXPORTS OUTSIDE THE ECOWAS
  - Procedures
  - Effects
  - Community transit and simplified Procedures
- E. LICENSES
  - Licensing arrangements
  - Regulators
  - Notices to importers
  - Requirements
  - Official journal
  - Restrictions on imports
- F. TARIFF QUOTAS
  - The System
  - Regulators
  - Special provisions
  - Claims
  - How to claim
  - Customs checks
  - Critical quotas
  - Deferred claims
- G. DUTY RELIEFS
  - Permanent reliefs
  - Temporary importation
  - Type
  - Requirements to be met
  - Control
  - Inward processing relief

- ✓ Authorisation
- ✓ Suspension
- ✓ Drawback
- ✓ Compensatory interest
- ✓ Equivalence
- ✓ Using warehouses or free zones
- ✓ Aircraft
- End - use relief
  - ✓ Authorization
  - ✓ Imports
  - ✓ Records
  - ✓ Completion or transfers
  - ✓ Special procedures
- Outward processing relief
  - ✓ Authorization
  - ✓ Exporting goods
  - ✓ Importing goods
  - ✓ Information documents
- Returned goods relief
  - ✓ Introduction
  - ✓ Conditions for relief
  - ✓ Customs Duty
  - ✓ VAT
  - ✓ Export procedures
  - ✓ Re-importation

#### H. FREE ZONES

- Introduction
- Entering goods into a free zone
- Work carried out in the free zone
- Removal of goods from a free zone
- Payment of duty etc.
- Records required

#### PART 2: EXCISE DUTIES

- BETTING DUTIES
  - ✓ General betting duties
  - ✓ Registration and security
  - ✓ Records and accounts
  - ✓ Legal powers and penalties
  - ✓ Liability to duty
  - ✓ Notification and payment
  - ✓ Records and accounts
  - ✓ Other conditions
  - ✓ Rate and calculation of duty
  - ✓ Returns
  - ✓ Customs & Excise powers
  - ✓ Pool betting duty
  - ✓ Who pays duty
  - ✓ Definition
  - ✓ Permits

- ✓ Paying duty
- ✓ Records and accounts
- ✓ Amusement machine licence duty
- ✓ Duty liability rates
- ✓ Licences
- ✓ Payments
- ✓ Transfers
- ✓ Customs & Excise powers

PART 3: NIGERIAN TAXATION STANDARD

**RECOMMENDED TEXTS**

CITN - CITN Nigerian Tax Guide and Statutes Abdulrazaq, M.T.  
*Introduction to Nigerian Customs and Excise Duties (CITN)*

World Customs Organization, 2003, *Commercial Fraud Manual for Sr. Customs Officials*, Brussels

World Customs Organization, 2003, *Risk Management Guide*, Brussels ([www.wcoomd.org](http://www.wcoomd.org))

World Customs Organization, 2003, *Integrity Development Guide: Self-Assessment and Evaluation*, Brussels, ([www.wcoomd.org](http://www.wcoomd.org))

World Customs Organization, *Integrity Resource Center*, ([www.wcoomd.org](http://www.wcoomd.org))

World Customs Organization, *Integrity Information Sharing Forum* ([www.wcoomd.org](http://www.wcoomd.org))

World Customs Organization, *Revised Arusha Declaration*, Brussels ([www.wcoomd.org](http://www.wcoomd.org))

World Customs Organization, *Model Code of Conduct*, Brussels ([www.wcoomd.org](http://www.wcoomd.org))

World Customs Organization, 2005, *Customs Capacity Building Diagnostic*

*Framework*, Brussels, ([www.wcoomd.org](http://www.wcoomd.org))

World Trade Organization, 1994, *Agreement on the Implementation of Article VII of the General Agreement on Tariffs and Trade*, Geneva ([www.wto.org](http://www.wto.org))

World Trade Organization, 1994, *Annex IC: Agreement on Trade Related Aspects of Intellectual Property Rights*, Geneva ([www.wto.org](http://www.wto.org))

World Trade Organization, *Customs Valuation Agreement*, Geneva, ([www.wto.org](http://www.wto.org))

World Trade Organization, 1996, *Brief Guide to the Customs Valuation Agreement*, Brussels ([www.wto.org](http://www.wto.org))

World Trade Organization, *Capacity Building in Customs*, 2003, Council for Trade in Goods, G/C/W/467

World Trade Organization, *Agreement on Pre-shipment Inspection*, Geneva, ([www.wto.org](http://www.wto.org))

# PROFESSIONAL TAXATION 2

## TAXATION OF E-COMMERCE

### AIM

To test candidates' understanding of the nature of e-commerce and its tax implications

### CONTENTS

#### PART 1: e-COMMERCE

- Definition of e-commerce
- History of e-commerce
- Legal implications of e-commerce
- Legal issues and challenges of e-commerce
- Regulation of offshore e-commerce
  - ✓ Offshore e-commerce facilities
  - ✓ Offshore professional and financial services
  - ✓ Offshore e-commerce applications
- VAT and e-commerce
- Withholding tax and e-commerce payment
- Tax residence
- Double taxation treaties
- Income characterization
- Auditing of e-commerce taxation
  - ✓ Information bases
  - ✓ Website
  - ✓ Technology interface
  - ✓ Internet economy
- Complications of taxing e-commerce
  - ✓ Offline transactions
  - ✓ Online transactions
  - ✓ Encryption transactions
- Administration of tax technological challenges
- Challenges before tax authorities
- Judicial approach to taxation issues
  - ✓ Transaction test
  - ✓ Personal services principle
- 16. Legislative approach
- 17. Tax evasion and internet

#### PART 2: e-BUSINESS

- Definition of e-Business
- Impact of e-Business
- Tax implications of e-Business

- Integration of e-Business in companies

### PART3: INFORMATION SYSTEM

1. INTRODUCTION TO INFORMATION SYSTEM
  - What is an information system?
  - What are the roles in information system?
2. SYSTEM THEORY AND CONCEPTS
  - Definition of a system
  - Different levels in a system
  - Types of Systems
3. INFORMATION SYSTEMS CONCEPT
  - Data, Hardware, Software.
  - Factors affecting the value of information in organizations
4. INFORMATION PROCESSING CYCLE
  - Data input
  - Data Validation
  - Processing
  - Storage and retrieval
  - Output, Communication and Disposal
  - Uses of information systems in achieving organizational goals
5. TYPES OF INFORMATION SYSTEMS
  - Transaction Processing - types
  - Office Automation System – types
  - Management Information System
  - Executive Support System
6. INFORMATION SYSTEMS SOFTWARE AND HARDWARE
  - Operating Systems software
  - Applications Software
  - Enterprise Resource Package

### RECOMMENDED TEXTBOOKS

1. Dayana M.K.E (Miss) - e-commerce And Taxation
2. OECD - Guidelines on taxation of e-commerce

## STRATEGY, RISKS & ETHICS

### AIM:

To examine candidate's knowledge and understanding of the basic concept of strategy, risk and ethics and how they influence business decisions

### CONTENTS

1. DEFINITION OF CONCEPTS
  - a. Strategy
    - Change Management
    - Performance Management
    - Leadership
    - Succession & strategic planning
  - b. Operational management
    - Monitoring and evaluation
  - c. Risk Management
    - SWOT analyses
  - d. Ethics
    - Tax office Administration
    - Ethics & code of practice
    - Money laundering

### RECOMMENDED TEXTBOOKS

Osaze B. E. - Strategic Management (University of Benin Press)

Phillip Ricci - Can Ethics Be taught? A simulation tests traditional ethics pedagogy.  
State University of New York at Geneseo

CITN - Professional Rules and Practice Guidelines

CITN - Code of Conduct

# TAX AUDIT AND INVESTIGATION

## AIM

To examine the candidates' knowledge and understanding of the framework of tax audit/investigation and the ability to plan and carry out a tax audit/investigation engagement

## TAX

### 1. TAX AUDIT/INVESTIGATION PRINCIPLES

- Definition and nature of tax audit/investigation
- Rules and objectives of tax audit/investigation
- Difference between a tax audit and a tax investigation
- Reasons for tax audit and tax investigation
- Appointment of tax auditors
- Duties, rights and obligations of tax auditors
- Professional responsibilities

### 2. PLANNING TAX AUDIT AND INVESTIGATION

- Sources of taxpayers' financial and business information
- General consideration, nature of business, industry, business cycle and tax compliance history
- Audit/Investigation staffing and logistics
- Preparation of tax audit/investigation programmes
- Power of search and seizure under investigation

### 3. CONTROLLING AND RECORDING AN AUDIT/INVESTIGATION

- Review of accounting system
- Allocation and supervision of work
- Documentation of work done
- Management of working papers
- Evidence of proper review, conclusion and action steps
- Management of commencement and close-out meetings
- Preparation of audit report and investigation report
- Decision making after tax audit / investigation
- Conflicts resolution and settlement of tax controversies

### 4. INTERVIEW TECHNIQUES

- Preparation for interview
- Managing the interview process
- Documentation of minutes of meetings and interviews
- Human relation aspects of field interview

### 5. AUDIT EVIDENCE, TECHNIQUES AND PROCEDURES

- Nature of audit evidence
- Relevance and reliability of audit evidence
- Audit techniques, inspection, observation, enquiry
- Independent confirmation



- Computation and checks, sampling techniques
- Reliance on the work of other auditors, including statutory auditors

## 6. STATUTORY POWERS OF TAX AUDITORS

- Power to obtain information
- Power to enter premises
- Power to obtain third party confirmation from banks, etc

### RECOMMENDED TEXTBOOKS

Abdulrazaq, M. T. (Prof.)	-	Principles and Practice of Tax Planning and Management in Nigeria (Batay Law Publications)
Fasoto, Foluso	-	Nigerian Tax Companion (Hortosaf Associates Ltd)
Ojo, Seyi	-	Fundamental Principles of Nigerian Tax (Sagibra Tax Publications)
Arogundade, J. A.	-	Nigerian Income Tax and Its International Dimension (Spectrum Books Limited)
Soyode, L. & Kajola, S. O.	-	Taxation: Principles and Practice in Nigeria
Oni, I. O.	-	Nigerian Companies Income Tax: Law & Practice
Ochei, B. B.	-	The Nigerian Taxman's Book
CITN	-	Nigerian Tax Guide and Statutes

# INTERNATIONAL TAXATION

## AIM

To examine candidates' understanding of taxation from international and comparative viewpoints

## CONTENTS

### 1. INTERNATIONAL TAX POLICY

- International tax
- Objectives of international tax rules
- Taxation of inward investments
- Taxation of outward investments
- Non-resident withholding taxes
- Controlled foreign companies
- Active/Passive income distinction
- Portfolio investment
- Double Taxation
- Source and residence tax jurisdiction
- Juridical double taxation
- Source and residence conflict
- Methods of reliefs under juridical double taxation
- Economic double taxation
- Full integration of corporate profits and shareholders' income
- Methods of elimination of economic double taxation in an international tax context

### 2. DOUBLE TAX TREATY

- What is double tax treaty
- Purpose of double tax treaty
- Prevention of fiscal evasion
- History of double tax treaty
- Model of bilateral convention (OECD, UN)

### 3. STRUCTURE OF DOUBLE TAX TREATIES

- General framework
- Application articles
- Distributive rules
- Active income
- Passive income
- Other income
- Elimination of double taxation
- Prevention of tax avoidance and fiscal evasion
- Scheduler nature of distributive rules

- Ordering rules
  - Procedural aspects of double tax treaties
4. STAGES IN THE LIFE OF DOUBLE TAX TREATIES
  5. RESIDENCE
    - Individual residence
    - Ordinary residence
    - Domicile
    - Residence of corporations
    - Tax Havens
    - Dual residency
  6. EFFECTS OF OFFSHORE JUDICIAL DECISIONS
    - International judicial decisions
  7. FOREIGN TAX PAYERS AND THE NIGERIAN TAX SYSTEM
    - Place of business
    - Allocation of expenses
    - Capitalization
    - Debt conversion
  8. NIGERIAN MODEL DOUBLE TAX TREATY
    - Nigerian Tax Treaties and Reliefs
    - Typical clauses
    - Treaty relief by credit
    - Unilateral tax credit
    - Reforms and planning
  9. CONCEPT OF PERMANENT ESTABLISHMENT
    - Application of domestic laws
    - Business profits
    - Meaning of permanent establishment
    - Basic-rule permanent establishment
    - Examples of permanent establishment
    - Excluded activities
    - Dependent and independent agents
  9. THIN CAPITALISATION AND NIGERIAN TAXATION
  10. THE CONCEPT OF TRANSFER PRICING AND NIGERIAN TAXATION
    - Arms-length principles
    - Transfer pricing methods
      - ✓ comparable uncontrolled price methods (CUP)

- ✓ Resale price methods
- ✓ cost plus method
- Difficulties in applying traditional method
- Transactional net-merging methods (TNMM)
- Profit sprint method
- Global formulary apportionment method

#### 10. INTERNATIONAL TAX AVOIDANCE AND NIGERIAN TAXATION

- Tax evasion and avoidance
- Tax avoidance and tax planning
- General principles of domestic laws
- Tax savings
- Decided cases

#### RECOMMENDED TEXTBOOKS

- |                       |   |  |
|-----------------------|---|--|
| Arogundade, J. A.     | - | Nigerian Income Tax and Its International Dimension (Spectrum Books Limited) |
| Federal Govt. Press   | - | National Tax Policy  |
| Prof. M.T. Abdulrazaq | - | Revenue Law (Malthouse)  |
| CITN                  | - | Principles of International Taxation   |
| CITN                  | - | Tax Incentives in a Globalised Economy                                       |
| CITN                  | - | Tax Guide and Statutes   |

# PROFESSIONAL TAXATION 3

## OIL & GAS TAXATION

AIM:

To examine the candidates'

- Knowledge and understanding of oil and gas industry business arrangements and taxation;
- Ability to apply the law and the practice to the taxation of solid minerals businesses;
- Appreciation of the provisions of the statutes and their interpretations in practice
- Knowledge of tax computations, provisioning, adjustments, filing of returns and method of payment of taxes;
- Understanding of ethical issues including the operations of the Nigerian Extractive Industry Transparency Initiatives

### 1. UPSTREAM OIL & GAS INDUSTRY – CONCEPTUAL FRAMEWORK

#### i. The business arrangement

- a. Participation of foreign controlled companies
- b. The Nigerian Content and Indigenous Companies
- c. Concept of Subsidiary, Affiliates and permanent establishment / fixed bases of operations

#### ii. All aspects of Petroleum Profits Tax, Cap P13 LFN 2004 in respect of upstream operations, including:

- Definition of terms
  - ✓ Petroleum operation
  - ✓ Chargeable profits
  - ✓ Chargeable tax
  - ✓ Assessable profits
  - ✓ Assessable tax
  - ✓ Adjusted profits
  - ✓ Oil prospective license
  - ✓ Oil mining lease
  - ✓ Intangible profit
  - ✓ Intangible drilling cost
  - ✓ Associated and non associated gas
  - ✓ Accounting period
  - ✓ Non-productive rent
  - ✓ Royalties
- The nature and classification of income
- The nature and classification of costs
- The concept and computation of posted prices
- Computation of adjusted profit and imposition of costs
- Allowable and non-allowable deductions
- Assessable profit and loss
- Computation of capital allowance

- Tax offsets, petroleum investment allowance, computation of chargeable profit, chargeable tax and the concept of additional tax
  - Computation of assessable profits and payment of tax due
  - Processing of income tax clearance certificate
  - Offences and penalties
  - Incentives available to companies engaged in the utilization of associated gas and objectives for the incentives
2. FISCAL REGIME
- Concept of :
    - Joint Venture Arrangement (JVC) and
    - Production Sharing Contract (PSC)
    - Service Contract
    - Sole Risk Operations
    - Marginal Fields
    - Hybrids
 as they apply to petroleum operations;
  - Memorandum of Understanding (MOU)
  - Fiscal arrangements: rent, royalty, taxes , profits and compensation
3. REGULATORY AGENCIES IN THE OIL AND GAS INDUSTRIES
- Agencies for control of petroleum upstream operations
  - Impact of Organization of Petroleum Exporting Countries (OPEC)
4. COMPANIES INCOME TAX
- Incentives available to companies engaged in the utilization of associated gas & objectives for the incentives
  - Downstream operations – computation of companies income tax payable and payment procedure
  - Agencies for control of downstream operations – (DPR, PPMC, PPPRA, NNPC, e.t.c.)

#### RECOMMENDED TEXTBOOKS

Oremade, B.T.O.	-	Petroleum Profit Tax in Nigeria, Evans Brothers
CITN Tax Series Federal Government press	-	Petroleum Taxation Petroleum Profit Tax Act – Law of the Federation of Nigeria
Ani, A.A.	-	Companies Income Tax and Petroleum Profits Tax in Nigeria, UPC
Uche, R.U.	-	Petroleum Accounting and Taxation in Nigeria, Alexander Books Associates
Federal Government Press	-	National Tax Policy
Foluso Fasoto	-	Nigerian Tax Companion (Hortosaf Associates Ltd)
Arogundade	-	Nigerian Income Tax & International Dimensions

# SOLID MINERALS TAXATION

## AIM

To test candidates understanding of solid minerals Industries and related tax legislation and concepts

## CONTENTS

### 1. TAXATION OF MINERAL SECTOR

- Definition of Mineral taxation
- Evolution of mineral taxation

### 2. MINING ROYALTY INSTRUMENTS

- Purpose of mineral royalties
- Type of royalties and assessment methods
- Comparison of royalties selected nations
- Private party royalties

### 3. FISCAL REGIMES AND TYPES OF TAXES

- Direct Tax Instruments
  - ✓ Corporate Income tax
  - ✓ Withholding tax
  - ✓ Resource rent tax
  - ✓ Progressive profit tax
- Indirect Tax Instruments
  - ✓ Royalties
  - ✓ Import duties
  - ✓ Value Added Tax
- Non-Tax Instruments
  - ✓ Fixed fees and bonus payments
  - ✓ Production sharing
  - ✓ State equity

### 4. THE CHOICE BETWEEN TAX AND NON-TAX INSTRUMENTS

### 5. IMPACT OF TAXES

- Neutrality
- Risks

### 6. KEY CHARACTERISTICS OF FISCAL MINERAL RELIEFS IN SELECTED DEVELOPING COUNTRIES

### 7. APPLICABLE PROVISIONS OF THE NIGERIAN MINERALS AND MINING ACT, 2007 (MORE DETAILS TO BE PROVIDED)

8. APPLICABLE PROVISIONS OF THE NIGERIAN INCOME TAX ACT, 2007 (MORE DETAILS TO BE PROVIDED)
9. TAX INCENTIVES, TAX CONCESSIONS AND TAX AVOIDANCE
10. PECULIARITIES OF THE INDUSTRY AND APPLICABLE TAX LEGISLATION
11. TRANSPARENCY, GOVERNANCE AND MANAGEMENT OF REVENUE STREAMS
  - The case of transparency
  - General Principles of Disclosure and Reporting
  - Key challenges in disclosure
  - The Extractive Industries Transparency Initiative Emerging Lessons
  - Emerging lesson

#### **RECOMMENDED TEXTBOOKS**

- Thomas Baungaard - A prima on Mineral taxation (IMP working papers)
- James M. Otto - Mining Taxation in Developing Countries (a study was prepared for UNCTAD)
- James Otto et al - Mining Royalties – A global study of their impact on investors, Government and Civil Society
- Robert Conrad, Malcolm Gillis & Glenn Jenkins - Taxation and the Development of the Mining Sector in Developing Countries ([jenkins@econ.queensu.ca](mailto:jenkins@econ.queensu.ca)) (Queen's University, Kingston, On, Canada)
- Jaime Consiglieri, Joan Kuyek and Rodrigo Pizarro - Mining Royalties. Published by the Mining Policy Research Initiative (MPRI) International Development Research Centre (IDRC)



# TAX MANAGEMENT

## AIM:

To test candidates knowledge and use of the tax laws in the application and solution to real time business tax problems.

1. STRATEGIC TAX PLANNING
  - Definition of tax planning
  - Tax planning and management strategies
  - Taxation and present value analysis
  - Basic principles of tax planning
  - Factors affecting tax planning
  
2. TAX STRATEGIES FOR NEW BUSINESS
  - Organizational forms for business entities, corporate formation, partnership formation, single proprietor formation
  - Basic tax consequences of entity choice
  - Sale or lease of property to controlled entities
  - Other strategies for transferring property to controlled entities
  - Employee compensation strategies:
    - ✓ Proprietor compensation, employee compensation, fringe benefits
    - ✓ Deferred compensation, equity based compensation, employee stock plans/option;
    - ✓ Partnership interest as payment for services
  
3. TAXATION AND BUSINESS OPERATING STRATEGIES
  - Profit Measurements and Reporting
  - The Entity's Accounting Year, Tax Accounting Methods
  - Differences (permanent and temporary) Between Book Profit and Taxable Profit
  - Accounting for Income Taxes: Deferred Tax Assets and Liabilities, Corporate Tax Payment Requirements
  - Tax Incentive Provisions:
    - ✓ Tax Incentives and After-Tax Business Value, Criticisms of Tax Incentives; and
    - ✓ Restrictions on their Benefits
  
4. DISTRIBUTIONS TO BUSINESS OWNERS
  - Corporate Distributions, Partnership Distributions, Sole
  - Proprietor Distributions
  - Anti-Avoidance Schemes
  
5. STRATEGIES FOR BUSINESS GROWTH AND EXPANSION
  - Multiple-Entity Business Structures
  - Business Reasons for Multiple Entity Structures
  - International Business Expansion
  
6. Taxation and Capital Marketing Activities
  - Disposition of Equity Interest in Business Entities

- Sales and Exchanges of Corporate Stock, Stock Redemptions, Tax effects of Stock
- Disposition on the Stock Market
- Corporate Acquisitions, Mergers and Divisions
- Overview of Corporate Acquisitions – Assets or Stock? Purchase of Targets Assets
- Limitation on use of Target’s Tax Attributes, Corporate Divisions – Spin-Offs
- Split-Offs and Split-Ups

9. USE OF HOLDING COMPANIES

10. FINANCING ACTIVITIES

- Choice between debt and equity
- Use of intra-group financing companies
- Asset financing

11. DERIVATIVE INSTRUMENTS

- Definition of derivative
- Main types, features, e.t.c.
- Tax treatment of derivatives
- Derivatives and tax planning

12. Intellectual Property Management

- Creation of intellectual property
- Management of intellectual property
- Migration of intellectual property

**Recommended textbooks**

1. CITN: Nigeria Tax Guide and Statutes
2. Federal Government Press - National Tax Policy
3. Arogundade - Nigerian Income Tax and International Dimensions
4. Soyode L. & Kajola S.O - Taxation: Principles & Practice in Nigeria
5. Abdulrazaq, M.T. (Prof.) - Principles and Practice of Tax Planning and Management in Nigeria (Batay Law Publications)

## **PRACTICAL CASES STUDY**

### **AIM**

To examine the candidates' ability to analyze practical business cases with the aim of providing solution to critical tax issues.

- i. Candidates are required to advise on Taxation and Tax Management matters arising in a particular situation
  
- iii. Every question will require the consideration of the interaction of all aspects of this syllabus, especially as it relates to tax matters.

### **Recommended textbooks**

1. All relevant Tax laws like Company Income Tax Act, Personal Income Tax Act, Federal Inland Revenue Establishment Act, Education Tax, Value Added Tax, Consumption Tax Act, Petroleum profit Tax Act, etc.
2. E.N. Osemene: Tax Cases
3. CITN: Tax Statutes and Guide
4. Sulu E.A: Nigerian Tax Cases (E.S. Business Limited)