



CAF-2: TAX PRACTICES

Syllabus Ref.	Grid	Weightage
A	Objective, System and Historical Background, Constitutional Provisions and Ethics	5-10
B	Income Tax Laws	60-75
C	Sales Tax Laws	20-30
	Total	100

Grid	Content	Topics	Marks
A	Objective, System & Historical Background, Constitutional provision & Ethics	<ul style="list-style-type: none"> • Chapter # 1 • Chapter # 2 • Chapter # 3 	5-10
B	Income Tax	Chapters 4 to 16	60-75
C	Sales Tax	<ul style="list-style-type: none"> • Chapter 17 to chapter 19 	20-30

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Key Examinable Technical Competencies

Syllabus Ref.	Learning Outcomes	Proficiency levels	Testing levels
A.	Objective, System and Historical Background, Constitutional Provisions and Ethics		
a	Basic Concepts of taxation and Constitutional Provisions		
1	Discuss the implication of direct and indirect taxation.	P 1	T1
b	Federal and Provincial Financial Procedures		
1	Describe Federal Consolidated Fund and Public Account.	P 1	T1
2	Describe Provincial Consolidated Fund and Public Account.	P 1	T1
3	Explain the provisions related to the distribution of revenues between the Federation and Provinces.	P 1	T1
4	Discuss taxes that can be raised under the authority of Parliament.	P 1	T1
5	Describe the powers of provincial assemblies in respect of provincial taxes.	P 1	T1
c	Ethics		
1	Discuss the objectives and rights of the state to tax its citizens.	P 1	T1
2	Discuss morality behind compliance with tax laws by taxpayers and tax practitioners.	P 2	T1
3	Describe the powers vs ethical responsibilities of tax implementation authorities	P 2	T1
4	Discuss pillars of tax administration, namely; fairness, transparency, equity and accountability.	P 2	T1





SyllabusRef.	Learning Outcomes	Proficiency levels	Testing levels
5	Explain the basic difference between evasion and avoidance of tax.	P 1	T1
B.	Income Tax Laws		
a	Central Concepts		
1	Describe the central concepts and scope of income	P 2	T2
b	Chargeability and Computation of Income and Tax		
1	Compute income, taxable income and tax thereon under various heads of income for non-corporates i.e. salary, income from property, income from business, capital gains and income from other sources.	P 2	T2
2	Apply the provisions relating to carry forward, deductible allowances, set-off of losses, tax credit and tax exemptions/concessions.	P 2	T2
c	Procedural Aspects: Returns, Assessments, Appeals and Records		
1	Explain tax compliance requirements and related submissions	P 2	T2
2	Identify persons required to furnish a return of income and wealth statement.	P 2	T2
3	Explain the provisions of law relating to the method of filing, revision, due dates for filing and extension in the date for filing of return/statement.	P 2	T2
4	Prepare return of income and wealth statement along with its reconciliation.	P 2	T2
5	Communicate with Inland Revenue Authorities (filing applications, representations and extensions).	P 2	T2
6	Explain the provisions of law relating to various types of assessment.	P 2	T2
7	Discuss the provisions of law relating to maintenance of records and audit of income tax affairs of a person.	P 2	T2
8	Describe procedure involved in appeals before various appellate authorities i.e. Commissioner (Appeals), Appellate Tribunal, High Court and Supreme Court.	P 2	T2





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9	State provisions of law relating to alternative dispute resolution.	P 2	T2
C.	Sales Tax Laws		
a	Scope and Payment of Tax		
1	Calculate sales tax (output and input) on taxable supplies(including zero-rated and exempt supplies).	P 2	T2

Syllabus Ref.	Learning Outcomes	Proficiency levels	Testing levels
2	Discuss the time and manner of sales tax liability and its payment.	P2	T2
3	Calculate apportionment of input tax and carry forward/refund thereof.	P2	T2
b	Registration		
1	Describe the types, requirements and procedures involved for registration, de-registration and returns.	P2	T2
c	Book Keeping and Invoicing Requirements		
1	List the records to be kept by a registered person and explain the related retention requirements and procedures involved in the audit.	P2	T2
2	State the significance of tax invoice, debit and credit notes and their related requirements.	P1	T1
3	Explain the procedure for the destruction of goods.	P2	T2

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Specific Examinable Knowledge Reference

1	Article 78 to 88 of the Constitution of Pakistan
2	Article 118 to 127 of the Constitution of Pakistan
3	Article 160 to 165A of the Constitution of Pakistan
4	Sections 43 to 53 in the Fourth Schedule attached to the Constitution.
5	Code of Ethics for Chartered Accountants (Revised 2019) Sections 604.1 to 604.6A1

	Income Tax Ordinance, 2001
6	Clauses of Section 2: (1, 3, 3C, 5, 5A, 8, 9, 10, 10A, 11A, 13AA, 16, 19, 19A, 20, 21, 22, 23, 29, 29A, 29C, 30AC, 30AE, 32, 33, 36, 38A, 41, 44A, 45, 46, 47, 49, 54, 63, 66, 68) and other definitions covered under relevant sections
7	Chapter II - (excluding Sections 4B, 5A, 5AA, 6, 7, 7A, 7C, 7D)
8	Chapter III - (excluding Sections 23B, 29A, 30, 31, 36, 49, 56A, 57A, 59AA, 59B, 64B, 65B, and 65E)
9	Chapter IV - (excluding Sections 78 and 79)
10	Chapter V - (excluding Part II Division III, Part IV and V)
11	Chapter VII - Part II only
12	Chapter IX – Section 113 only
13	Chapter X – [(Part I, II, III) and (Part VIII - Sections 174 and 177 only)]
14	Schedules: Relevant Parts of First, Second, Third and Sixth Schedules
	Income Tax Rules, 2002
15	Income tax rules related to the above provisions of the Income Tax Ordinance, 2001
	Sales Tax Act, 1990
16	Clauses of Section 2: 3, 5AA, 5AB, 7, 9, 9A, 11, 12, 13, 14, 16, 17, 19, 20, 21, 22A, 25, 27, 28, 29A, 31, 33, 35, 37, 39, 40, 41, 43, 44, 46, 47, 48
17	Chapters II, III, IV and V
18	Chapter X: Section 73
	Sales Tax Rules, 2006
19	Chapter I, II, III and IV





Schedule For CAF-2 (Tax)

Test #	Topic
1	Chapter 5 (Salary)
2	Chapter-1 & 6 (System of taxation in Pakistan) (Income from the property)
3	Chapter-7 & 8 (Income from business)
4	Chapter 9 (Capital gains)
5	Chapter 10 (Income from other sources)
6	Chapter 11 (Losses, deductible allowances, tax credits, and exemptions)
7	Chapter 12 (Taxation of individual and association of persons)
8	Chapters 4 & 13 (Basic concepts of taxation) (Foreign source income)
9	Chapters 2 & 3 (Constitutional provisions on taxes) (Ethics)
10	Chapters 14 & 15 (Returns) (Assessment, records and audit)
11	Chapter 16 (Appeals, references and petitions)
12	Sale Tax Complete theory)
13	Sale Tax Numerical
14	Complete Sale Tax (T+ N)
Final Mock	Full Book

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