



## CAF-2 Taxation Principles and Compliance

### ICAP Syllabus Grid

Syllabus Ref.	Grid	Teaching Hours	Weightage
A	Objective, System, Constitutional Provisions and Ethics Provisions and Ethics	10-15	5-10
B	Income Tax Laws – Chargeability	55-65	50-60
C	Income Tax Laws – Administration and compliance	15-20	10-15
D	Sales Tax Laws	30-35	20-30
	Total	110-135	100

### Grid-wise Topics and Marks

Syllabus Ref.	Grid	Topics	Marks
A	Objective, System, Constitutional Provisions and Ethics	<ul style="list-style-type: none"> <li>• Basic Concepts of Taxation and Constitutional Provisions</li> <li>• Federal and Provincial Financial Procedures</li> <li>• Ethics</li> </ul> (ICAP book Chapters 1 to 4)	5-10
B	Income Tax Laws - Chargeability	<ul style="list-style-type: none"> <li>• Central Concepts</li> <li>• Chargeability and Computation of Income and Tax</li> </ul> (ICAP book Chapters 5 to 13)	50-60
C	Income Tax Laws - Administration and Compliance	<ul style="list-style-type: none"> <li>• Returns, Assessments, Appeals and Records</li> </ul> (ICAP book Chapters 14 to 16)	10-15
D	Sales Tax Laws	<ul style="list-style-type: none"> <li>• Scope and Payment of Tax</li> <li>• Registration</li> <li>• Bookkeeping and Invoicing Requirements</li> </ul> (ICAP book Chapters 17 to 19)	20-30

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## Key Examinable Technical Competencies

Syllabus Ref.	No.	Learning Outcomes	Proficiency levels	Testing levels
<b>A</b>		<b>Objective, System, Constitutional Provisions and Ethics</b>		
	<b>a</b>	<b>Basic Concepts of taxation and Constitutional Provisions</b>		
	1	Discuss the implication of direct and indirect taxation.	P1	T1
	<b>b</b>	<b>Federal and Provincial Financial Procedures</b>		
	1	Describe Federal Consolidated Fund and Public Account.	P1	T1
	2	Describe Provincial Consolidated Fund and Public Account.	P1	T1
	3	Discuss taxes that can be raised under the authority of Parliament.	P1	T1
	4	Describe the powers of provincial assemblies in respect of provincial taxes.	P1	T1
	<b>c</b>	<b>Ethics</b>		
	1	Discuss the objectives and rights of the state to tax its citizens excluding canons of taxation.	P1	T1
	2	Discuss morality behind compliance with tax laws by taxpayers and tax practitioners.	P1	T1
	3	Describe the powers vs ethical responsibilities of tax implementation authorities.	P1	T1
	4	Discuss pillars of tax administration, namely; fairness, transparency, equity and accountability.	P1	T1
	5	Explain the basic difference between evasion and avoidance of tax.	P1	T1
<b>B</b>		<b>Income Tax Laws – Chargeability</b>		
	<b>a</b>	<b>Central Concepts</b>		
	1	Describe the central concepts and scope of income	P2	T2
	<b>b</b>	<b>Chargeability and Computation of Income and Tax</b>		

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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.	P2	T2
2	Apply the provisions relating to carry forward, deductible allowances, set-off of losses, tax credit and tax exemptions / concessions.	P2	T2
<b>C</b>	<b>Income Tax – Administration and compliance</b>		
<b>a</b>	<b>Returns, Assessments, Appeals and Records</b>		
1	Explain tax compliance requirements and related submissions.	P2	T2
2	Identify persons required to furnish a return of income and wealth statement.	P2	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.	P2	T2
4	Prepare return of income and wealth statement along with its reconciliation.	P2	T2
5	Explain the provisions of law relating to various types of assessment.	P2	T2
6	Discuss the provisions of law relating to audit of income tax affairs of a person and retention period of records.	P2	T2
7	Describe procedure involved in appeals before various appellate authorities i.e. Commissioner (Appeals), Appellate Tribunal and High Court.	P2	T2
8	State provisions of law relating to alternative dispute resolution.	P2	T2
<b>D</b>	<b>Sales Tax Laws</b>		
<b>a</b>	<b>Scope and Payment of Tax</b>		
1	Calculate sales tax (output and input) on taxable supplies (including zero-rated and exempt supplies).	P2	T2
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>b</b>	<b>Registration</b>		
1	Describe the types, requirements and procedures involved for registration, de-registration and returns.	P2	T2
<b>c</b>	<b>Book Keeping and Invoicing Requirements</b>		
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

## Key Examinable Professional Skills

1	Evaluate data and information from a variety of sources and perspective through research, collaboration, integration and analysis.
2	Apply critical thinking skills to solve problems, form judgements, make informed decisions and reach well-reasoned conclusions.
3	Communicate clearly and concisely with a range of stakeholders.

## Key Examinable Professional Values, Ethics and Attitude

1	Apply an inquiring mind when collecting and assessing data and information
2	Apply critical thinking when identifying and evaluating alternatives to determine an appropriate course of action.
3	Identify threats to compliance with the fundamental principles of ethics.

## 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	Sections 43 to 53 in the Fourth Schedule attached to the Constitution.
4	Code of Ethics for Chartered Accountants (Revised 2024): Sections 604.1 to 604.10. Income Tax Ordinance, 2001
5	Clauses of Section 2: (1, 3, 3C, 5, 5A, 8, 9, 10, 10A, 11A, 13AA, 16, 19, 19A, 20, 21, 22, 29, 29A, 29C, 30AC, 30AE, 32, 33, 36, 38A, 44A, 45, 46, 47, 49, 54, 59A, 59AB, 62A, 63, 66, 68) and other definitions covered under relevant sections





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6	Chapter II - (excluding Sections 4B, 5A, 5AA, 6, 7, 7A, 7C, 7D)
7	Chapter III - (excluding Sections 15(5), 21(la), 23B, 29A, 30, 31, 36,44A , 49, 56A, 57A, 59AA, 59B, 64B, 65B, 65E and 65G )
8	Chapter IV - (excluding Sections 78 and 79)
9	Chapter V - (excluding Part II Division III, Part IV and V)
10	Chapter VII - Part II only
11	Chapter VIII – sections 108B and 110 only
12	Chapter IX – Section 113 only
13	Chapter X: Part I excluding section 114(1A) Part II excluding section 120B Part III Part V, Division III, sections 149, 150, 151, 155 and 156 only; and Part VIII Sections 174 and 177 only
14	Schedules: Relevant Parts of First, Second, Third and Sixth Schedules Income Tax Rules, 2002
15	3 to 6, 10, 11, 13A, 13B, 13D, 13L(1)(d), 13N(4), 13N(5), 13N(6), 13N(8), 14, 33, 231E, 231G Sales Tax Act, 1990
16	Clauses of Section 2: 1, 3, 5AA, 5AB, 7, 9, 11, 12, 13, 14, 16, 17, 19, 20, 21, 22A, 25, 27, 28, 29A, 31, 33, 35,36 , 37, 39, 40, 41, 43, 43A , 44, 46, 47, 48
17	Chapters II, III, IV and V excluding sections 3(7), 3(9AA), 6(1A), 8(5), 11F, 25AA
18	Chapter X: Section 73 Sales Tax Rules, 2006
19	Rule 2(1)(xlvii) and Chapters I, II, III, IV and XVII [excluding proviso to Rule 14(1) and proviso to Rule 18(9)]

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