



ICAN SYLLABUS AND TECHNICAL KNOWLEDGE GRIDS

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OVERVIEW

1. The proposed syllabus aims to support the development of competent professionals capable of accepting the accounting and related responsibilities that business, government and regulatory authorities might demand of them. It seeks to develop the skills of accounting professionals in a measured way that reflects the values of public interest and a wider concern for the reputation and standards of a professional institute.
2. The syllabus is suited to those students working or seeking to work in the public or private sector, and in business and commerce. It facilitates advanced standing from candidates who qualify from recognised universities and meets the requirements of international bodies (IFAC), and international accounting and auditing standards.
3. The syllabus is comparable with modern standards employed by leading institutes across the world, including its coverage of developments in sustainability and technology, and reflects important characteristics of, and is designed to meet, specific business and government needs of Nepal.

Components

4. The ICAN Professional Qualification (PQ) comprises four integrated components:
 1. Sixteen accountancy, finance and business exams
 2. Ethics and professional scepticism
 3. Practical work experience
 4. Ongoing professional development

The components provide an in-depth understanding across accountancy, finance and business. Combined, they help build the technical knowledge, professional skills and practical experience needed to become a member of ICAN.

Each component is designed to complement each other, which means that students can put theory into practice and can understand and apply what they learn to their day-to-day work.

Purpose

The qualification seeks to promote and develop the skills and competencies that define what is meant by being a professional accountant. The professional accountant is a well-rounded advisor who:

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- Contributes real value in management of all types of organisations.
 - Acts in the public interest as well as that of their employer or client.
 - Delivers and demonstrates competencies that include sound knowledge and higher value technical skills expected of accountancy and finance professionals.
 - Delivers their technical knowledge and competencies in a practical and relevant way.
 - Delivers competencies in the private and public sectors through a deep understanding of their issues and environments.
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5. This expression of purpose sets the tone for the approach to syllabus development and helps student members of ICAN to firmly associate with the intentions of the qualification. The remainder of this document outlines a robust syllabus that meets with this purpose.

Outline syllabus, rationale and key benefits

6. In outline, the proposed qualification has a three-tier examination structure and an additional work experience requirement. This is outlined as:

Syllabus modules

Foundation Level	Application Level	Advisory Level
1 Accounting	1 Business Strategy	1. Advanced Financial Reporting
2 Business and Finance	2 Management	2. Advanced Assurance
3 Assurance and Information Systems	Accounting and Financial Management	3. Advanced Law
4 Law and Taxation	3 Financial Accounting and Reporting	4. Advanced Taxation
	4 Audit and Assurance	5. Advanced Business and Financial Management
	5 Applied Law	6. Advanced Management Accounting
	6 Applied Taxation	
EVIDENCED WORK EXPERIENCE		

7. The examination part of the qualification dovetails with the requirement for work experience, as indicated in the table above. To be qualified as a member of ICAN all elements of the qualification must be satisfied: that is, examinations must be passed, and evidence of acceptable work experience must be provided. The detail of the work experience framework is the subject of a different document.

Examinations syllabus

8. The rationale for the proposed syllabus structure is to:
- Achieve the expression of purpose
 - Create a clear link between syllabus content and learning materials.
 - Clearly identify how students progress from one level of the qualification to the next, which is measured in terms of skills acquired and competencies achieved via learning outcomes.
 - Enable students to progress from appropriately designed and credited university degrees to the PQ (IES1).
 - Adhere with IES2, 3, 4, 5 and 6 (technical competence, professional skills, professional values, ethics and attitudes, practical experience and assessment). Adherence is to the 2021 revisions of IESs.
 - Position students for lifelong professional development: IES7 (Continuing professional development).
 - Ensure that the PQ is sufficiently benchmarked with international qualifications to facilitate a degree of mutual recognition with other countries' professional qualifications.
 - Provide detail which is sufficiently localised to ensure that the competencies of ICAN members are relevant to the Nepal economy and environment.
9. The proposed structure reflects the following key changes to the existing syllabus:
- The syllabus is now competency-based which:
 - allows learning materials to be more easily aligned with the syllabus
 - facilitates improved assessments
 - offers better guidance to trainers
 - enables maximum engagement with work experience as part of the PQ
 - positions students to become lifelong learners through CPE
 - The programme of learning is more balanced through the levels, allowing better progression with the potential for improved pass rates.

- Passed modules should be credit-retained irrespective of passes in any other module. This does not alter the requirement that students should pass all modules within a level before proceeding to the next. Using the 4:6:6 framework in the qualification, the expected hours of study required to pass each level would be:
 - Foundation level: modules should be equalised at 300 hours of study giving a total of 1,200 hours effort to pass the level.
 - Application and Advisory level: all modules should be equalised at 320 hours of student effort giving a total of 1,920 hours effort to pass each of the levels
- The advantage of equalisation is to enable predictable and manageable student effort to be planned. The benefit is that the assessments themselves do not become a barrier to qualification: it is the skill and competence to be achieved and measured that is the barrier. Additionally, this will allow greater comparability between modules in that, at each level, similar cognitive effort should be required to pass each of the modules. Inherent difficulty between modules should be managed in terms of an appropriate mix of subject difficulty and task demands in the assessments.

Explanation of qualification levels

10. The levels in the qualification (Foundation, Application and Advisory) reflect the inherent difficulty of the subject matter in the modules and the requirements of progression to achieve professional competency that meets with the purpose of the qualification. At the lowest level tasks in an exam will provide straightforward and structured data and information. At the next level tasks will have straightforward but more complex data and information set in a more practical context. At the final level, there will be scenarios that are more professionally challenging, asking for development of professional advice.
11. In a competency-based framework these tasks are expressed in terms of competencies achievement of students. Competency achievement is developed into learning outcomes that specifically identify for students what they need to do in detail in order to demonstrate that a competency has been acquired. These learning outcomes are then reflected in assessments, via assessment criteria, to ensure that students evidence their acquisition of competencies.

Levels and learning outcomes
Learning outcomes are expressed in terms of tasks that use verbs such as <i>identify</i>, <i>explain</i>, <i>calculate</i>, <i>analyse</i>, <i>evaluate</i> and <i>advise</i> to specify the skill that has to be demonstrated. Modern accountancy qualifications use a hierarchy of verbs which recognise that students begin the learning process by being able to undertake the simpler tasks, as expressed in verbs such as '<i>identify</i>' and '<i>explain</i>', moving on to more difficult tasks such as '<i>calculate</i>' and '<i>analyse</i>', and ending-up with the higher-level tasks of '<i>evaluate</i>' and '<i>advise</i>'. This approach has long been used in modern accountancy qualifications and is based, in one form or another, on Bloom's taxonomy of verbs. This approach is in accordance with IES2, which describes what is involved in terms of 'proficiency' levels and demarcates competencies between different levels of modern accountancy qualifications.

Foundation level

12. The Foundation level provides a framework for learning which contains core competencies that prepare students for further and more advanced study. Further details of the subjects are shown in a table below:

1	Accounting	<i>Outline content:</i> Accounting is dealt with here as an introduction to both financial accounting as well as cost and management accounting, ensuring that students are familiar with both disciplines. In the financial accounting context students are introduced to the underlying bookkeeping skills and taken through to the production and extension of the trial balance. In the management accounting context, students are introduced to the basic cost accounting concepts and techniques, and the principles of budgeting and forecasting which will underpin their subsequent management accounting studies. <i>Progression to:</i> Financial Accounting and Reporting, Management Accounting and Financial Management
2	Business and Finance	<i>Outline content:</i> Students are introduced to the way in which businesses operate with a specific focus on the Nepal economy. Specifically, it looks at the objectives of business, their form and structure, financial information, governance and ethics. This information is placed within a broader economic environment to enable students to understand a broader perspective. <i>Progression to:</i> Business Strategy
3	Assurance and Information Systems	<i>Outline content:</i> Assurance is a core subject for the professional accountant. In this module it is paired with Information System, the techniques which enable management of an entity to engage in operations efficiently. The Assurance element introduces students to the concept of assurance and some of the key knowledge areas: different types of assurance, professional scepticism, responsibility for fraud, the concept of true and fair. In the MI system section students are introduced to the role and types of information system and the associated risks. <i>Progression to:</i> Audit and Assurance; the Information System section is relevant to the qualification as a whole
4	Law and Taxation	<i>Outline content:</i> In this module, law is paired with taxation. In the context of law, students are introduced with the Nepalese legal System and provisions of Nepalese commercial laws relating to the role and work of professional accountants which they may come across in the normal course of their professional work. In the taxation context, students are introduced with the fundamental principles of taxation, the Nepalese taxation system and tax administration. <i>Progression to:</i> Applied Law and Applied Taxation

Application level

13. The Application level builds on the foundation of competences already achieved and takes students into a higher level where their skills are developed and expanded and put into context. The emphasis is on competences being expressed in straightforward business situations. There is also a more rigorous development of knowledge in core subjects but used as a support to essential business and accounting skills.

1	Business Strategy	<i>Progression from:</i> Assurance and Information Systems and Business and Finance <i>Outline content:</i> The module provides focus to the introductory material dealt with in the Foundation level by looking at business objectives and its market positions and potential direction. It then goes onto investigate developing, choosing and implementing a strategy and how strategic performance may be subsequently monitored. <i>Progression to:</i> Advanced Business and Financial Management
2	Management Accounting and Financial Management	<i>Progression from:</i> Accounting <i>Outline content:</i> The first part of this module introduces management accounting and how cost and budgeting information is used to manage performance and make short-term decisions. The second part of the module introduces financial management and how long-term decisions about investment and financing are made. The module also introduces business and financial risk and the basics of how it can be managed. <i>Progression to:</i> Advanced Business and Financial Management; Advanced Management Accounting
3	Financial Accounting and Reporting	<i>Progression from:</i> Accounting <i>Outline content:</i> In this module, financial accounting from the Foundation level is developed in the context of financial reporting and more complex events and transactions with a greater emphasis on compliance with regulations including local

		and International Accounting Standards and generally accepted accounting practices. Students will be expected to demonstrate an understanding of and competence in financial statement analysis and analysis of choices in accounting treatments. <i>Progression to:</i> Advanced Financial Reporting
4	Audit and Assurance	<i>Progression from:</i> Assurance <i>Outline content:</i> <i>Audit and Assurance</i> develops understanding of managing assurance engagements incorporating a full understanding of the legal, regulatory, and ethical requirements. It then proceeds to accepting, planning, managing and reporting the outcome of engagements. <i>Progression to:</i> Advanced Assurance
5	Applied Law	<i>Progression from:</i> Law and Taxation <i>Outline content:</i> <i>Applied Law</i> module develops understanding of different types of business organisation and the laws and regulations governing them. It also introduces banking, insurance, securities, consumer welfare, social organizations and public procurement act that an accountant may encounter in their professional career. <i>Progression to:</i> Advanced Law
6	Applied Taxation	<i>Progression from:</i> Law and Taxation <i>Outline content:</i> <i>Applied Taxation</i> module deals with preparation of complete tax computations for natural persons, private firms, and entities in straight forward scenarios, understand and explain the tax implications of a course of action and explain the potential tax treatment of transactions. Students will be expected to demonstrate understanding of concepts of income tax, VAT, excise and customs laws and ethical issues, and the application of specified provisions of those laws in a straightforward scenario. <i>Progression to:</i> Advanced Taxation

Advisory level

14. The Advisory level positions students to meet the requirements of a professional accountant with knowledge and competencies recognisable across the world. The focus of the modules that comprise the Advisory level is to develop the skills of students to the point where they can make competent professional judgements and evaluations arising from an analysis of complex business situations. Students will be able to demonstrate analytical capabilities that require the linking of knowledge components, recognising alternatives, and identifying problems and issues that are not immediately apparent, but which nonetheless require resolution. In arriving at informed evaluations, students will then be able to draw conclusions and advise clients in an effective manner.

1	Advanced Financial Reporting	<i>Progression from:</i> Financial Accounting and Reporting <i>Outline content:</i> This module, in the context of both the private and public sectors, extends student knowledge of generally accepted accounting practices, deepens their understanding of financial reporting requirements, and extends their competencies to apply advanced accounting practices to complex situations. Students will be able to critically evaluate accounting alternatives, ensure compliance with generally accepted standards, and understand how reporting alternatives affect the results, financial position and risks disclosed by entities. <i>Reporting</i> extends student competencies to understanding organisation sustainability, corporate social responsibility reports and other financial reporting activities such as management commentaries.
2	Advanced Assurance	<i>Progression from:</i> Audit and Assurance <i>Outline content:</i> This module, in the context of both the private and public sectors, extends student knowledge of Standards on Auditing and other regulatory requirements. Important issues of practice and engagement management will be dealt with which will enable students to provide advice on a wide range of audit and assurance assignments. Engagement planning, execution, and reporting remain the focus of the module and a deep engagement with ethical issues and appropriate behaviour will inform much of the development of student abilities as they apply their skills to a variety of complex audit and assurance problems.
3	Advanced Business and Financial Management	<i>Progression from:</i> Management Accounting and Financial Management; Business Strategy <i>Outline content:</i> This module prepares students to be in a position to advise management on strategy in a complex business setting. At this level, it is

		important that decisions are made within a robust governance, risk and ethics framework. The focus is on advising management on strategic growth and how to evaluate propositions to expand organically as well as inorganically. It is also important at this stage for students to demonstrate that they understand that the viability of an investment proposition can be impacted upon by the way it will be financed. While students were introduced to risk management at the Application level, risk management in this module focuses on the more complex, market-based instruments which are used to cover exposure in complex international transactions or financing arrangements. Students will also need to demonstrate sufficient level of understanding of public financial management and its relevance not only to the Nepali public sector but also to business generally.
4	Advanced Management Accounting	<i>Progression from:</i> Accounting and Management Accounting and Financial Management <i>Outline content:</i> This is a comprehensive module which emphasises the strategic aspects of management accounting. The module starts with budgeting, budgetary control and the important role planning plays in performance management. However, at this level, the focus is on advising management of performance measurement and management in a complex business setting which comprises independent units doing business with each other as well as outsiders. It is also important at this level that, whether the student will work in the private or public sector, they understand how budgeting and budgetary control works in the public sector.
5	Advanced Law	<i>Progression from:</i> Applied Law <i>Outline content:</i> The Applied Law module extends student knowledge of various legal provisions they have studied at the previous two levels and prepares students to be in a position to apply the knowledge in the context of understanding legal issues, identifying problems, analysing data, exercising professional and ethical judgement and developing conclusions and recommendations. It also extends student competencies, technical knowledge and professional skills to identify, analyse, resolve and advise on legal and ethical issues that arise in the context of dealing with clients in relation to various acts.
6	Advanced Taxation	<i>Progression from:</i> Applied Taxation <i>Outline content:</i> This comprehensive module extends students competencies, technical knowledge and professional judgement to identify, explain and evaluate alternative tax treatments and to determine the appropriate solutions to taxation issues, giving due consideration to the needs of clients and the interaction between taxes. Students will also need to demonstrate sufficient level of understanding of the commercial context, impact of recommendations in making such judgements as well as ethical and legal issues.

Development of technical competence in a regulatory environment

15. This syllabus contains detailed specifications of the extent and depth of knowledge required of laws, regulations, codes and standards within relevant subjects. These specifications are updated annually as changes take place in the regulatory environment so that students know exactly what is and is not examinable.
16. Major periodic reviews are required to ensure sustained relevance and the extent of these will depend on a wider set of factors including, but not restricted to, substantial changes in the economic or regulatory environment, revised stakeholder requirements, and planned strategic developments in the professional qualification.

Integration of business and professional ethics and professional scepticism

17. Ethics is more than just knowing the rules around integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. It is about identifying

ethical dilemmas, understanding the implications, making judgements and behaving appropriately as well as using professional scepticism to build business trust.

18. Ethics is integrated throughout the ICAN qualification to develop students' ethical capabilities to make suitable decisions. Ethics is embedded into the ICAN qualification and develop students' ethical capabilities in three ways:
 1. Studying the **ICAN Code of Ethics for Professional Accountants** – detailed content is included in relevant modules.
 2. **Integration of ethical issues into all ICAN exams** – candidates are assessed on their understanding of, and reaction to, ethical dilemmas within the context of the subject matter of each module. Progression is made from identification of issues to judgements on perspectives, conflicts and responsibilities.
Elements of business and professional ethics are included in the syllabus *throughout the qualification*, as identified in the detailed syllabus.
 3. **Practical application** – having learnt the ethical principles and requirements and applied them in context within the ICAN exams, students develop and apply ethical skills and behaviours within their daily work experience supported by regular employer reviews and the ICAN professional development framework.
19. Culture and values are central to long-term success. How a business adopts an ethical approach towards its staff, shareholders, customers and regulators, as well as within its own operations, has a bigger impact than any performance measure or operational improvement. Demonstrating a clear commitment to ethical behaviour is one of the main drivers of better performance; it delivers an advantage when recruiting, it adds value to a brand, and it instils trust and confidence in partners, suppliers and others that the organisation is well run and resilient.
20. Achieving this is not a matter of simple knowledge. Few ethical challenges will have simple right and wrong responses. They require technical understanding, rigorous appraisal and skilful handling. Accountants must have the necessary skills to apply professional judgement in a given situation, taking into account what has been learned as an ICAN student about their ethical responsibilities as a Chartered Accountant.
21. None of this can happen without one critical element: **professionalism**. That goes beyond merely knowing the Code of Ethics: it means embodying the right behaviours and having the ability and willingness to push back against those who might compromise the integrity of the business. That confidence comes from a qualification that prioritises not only technical knowledge of the ethical framework but also challenges accountants with scenarios that accurately reflect the ethical dilemmas a Chartered Accountant may face in business.
22. **Professional scepticism** is a key professional skill that supports effective decision-making. Chartered Accountants must take an enquiring, questioning approach, not always accepting information at face value. The requirement to apply professional scepticism is embedded within exam questions; candidates can expect to have to apply this skill in one or more of the following ways:

- Obtain and understand information relevant for making reliable judgements based on facts and circumstances known to them

- Make informed challenges of views developed by others
- Be sensitive to the integrity of information, including the source of information and the appropriateness of its presentation
- Withhold judgement pending thoughtful consideration of all known and relevant available information
- Be alert to potential bias or other impediments to the proper exercise of professional judgement

Integration of sustainability

23. Finance and accounting professionals need to move beyond simply measuring and reporting the impact of climate change, environmental regulation, supply chain pressure and rising energy costs. They must focus on understanding those implications and integrating them into financial management and business planning. The ICAN qualification has been adapted to reflect that. We see its role as not simply integrating knowledge and understanding the broader implications of environmental, social and governance issues into organisations, but also seeding this thinking into the mindset of our members.
24. Our syllabus and ethical and professional development framework contribute toward creating Chartered Accountants who recognise that sustainability is at the core of what they do and are capable of actively using their business skills to analyse how to make the new sustainable economy work for their business.

Integration of technology

25. Rapid growth in technology has automated many compliance elements of accountancy. But, with technology also comes complexity and risk. Accountants need to adapt and develop new skills to manage these technological changes such as data analytics, automation and cyber security.
26. These and other innovations are likely to have a significant impact on the way that accountant's access, move and manage business finances. Technology can provide information more quickly and often more accurately than humans, but it cannot replicate human intelligence and quality decision-making. Therefore, chartered accountants hold a key role in data analytics, in validating the source of the data, interpreting and analysing the outputs. Technology provides opportunities for chartered accountants to use their professional skills to add value to their clients and/or the businesses in which they work.
27. As routine and compliance work reduces, there is greater focus on the development of skills which equip professionals to work with the outputs of automated processes, with other specialists, and in a changing world.
28. We believe that skills such as analysis, interpretation, professional scepticism, communication, collaboration, adaptability, resilience, and commerciality are essential for tomorrow's business leaders; these are imbedded throughout the ICAN exams and professional development framework.

Professional development

29. Chartered Accountants throughout the world are known for their professionalism and expertise. Professional development prepares students to successfully handle a variety of different

situations that they encounter throughout their career. The ICAN qualification improves students' ability and performance in seven key areas:

- **adding value** – add value to the organisation, team or role in order to achieve objectives
- **communication** – communicate effectively at all levels, using oral, written and presentational skills to achieve positive outcomes
- **decision-making** – gather, interpret and evaluate data to make effective decisions.
- **ethics and professionalism** – behave ethically and sustainably while respecting others to uphold the values of the organisation and the accountancy profession
- **problem solving** – analyse a problem, generate options and make recommendations to arrive at appropriate solutions
- **teamwork** – work collaboratively as a member or leader of a team to achieve shared goals
- **technical competence** – seek, learn and use technology and technical information to support the achievement of organisation or team goals

FOUNDATION LEVEL MODULES

Accounting

Module aim

To ensure that candidates have a sound understanding of the two key elements of accounting: financial accounting on the one hand and cost and management accounting on the other. In financial accounting, students will become proficient in techniques of double entry accounting and be able to apply its principles in recording transactions, adjusting financial records and preparing non-complex financial statements. In management accounting, students will gain basic proficiency in costing, budgeting and forecasting.

On completion of this module, candidates will be able to:

- apply double entry accounting techniques to record transactions in accounting records;
- prepare a trial balance from accounting records;
- make adjustments to accounting records and prepare a trial balance;
- identify and correct omissions and errors in accounting records;
- distinguish cost accounting from financial accounting, explain costing concepts and cost behaviour;
- demonstrate the ability to account for the cost of materials, labour and overheads;
- identify appropriate budgeting approaches and prepare basic budgets.

Ethics

Ethics is an overarching requirement for the professional accountant and students will be expected to recognise that the exercise of judgement is required in applying fundamental accounting concepts. Students will learn about the IESBA Code of Ethics for Professional Accountants – fundamental principles and the ICAN Code of Ethics and consider the merits of a principles-based code. Specific questions on this area are included within the 'Maintaining financial records' weighting in the specification grid.

Specification grid

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. Over time the marks available in the assessment will equate to the weightings below, while slight variations may occur in individual assessments to enable suitably rigorous questions to be set.

Syllabus area	Weighting (%)
1 Recording transactions in financial records	20
2 Preparing a trial balance	10
3 Making adjustments to accounting records	10
4 Correcting omissions and errors in accounting records	10
5 Costing concepts and cost behaviour	10
6 Accounting for materials, labour and overheads	20
7 Budgeting and forecasting	20

The following learning outcomes should be read in conjunction with the relevant sections of the technical knowledge grids.

Maintain financial records: LO1

1 Maintaining financial records

Candidates will be proficient in the use of double entry accounting techniques and the maintenance of accounting records.

In the assessment, candidates may be required to:

- a. specify why an entity maintains financial records and prepares financial statements;
- b. specify the ethical considerations for preparers of financial statements;
- c. identify the sources of information for the preparation of accounting records and financial statements;
- d. record and account for transactions and events resulting in income, expenses, assets, liabilities and equity in accordance with the appropriate basis of accounting and the laws, regulations and accounting standards applicable to the financial statements;
- e. record and account for changes in the ownership structure and ownership interests in an entity;

Prepare a trial balance: LO2

2 Preparing a trial balance

Candidates will be proficient in the production of a trial balance from accounting records.

In the assessment, candidates may be required to:

- a. prepare a trial balance from accounting records; and
- b. identify the uses of the trial balance.

Adjust accounting records: LO3

3 Adjustments to accounting records

Candidates will be able to identify and correct omissions and errors in accounting records and financial statements.

In the assessment, candidates may be required to:

- a. process adjustments to the trial balance relating to inventory
- b. process adjustments to the trial balance relating to allowances for receivables

Correct omissions and errors in accounting records: LO4

4 Correction of omissions and errors in the accounting records

In the assessment, candidates may be required to:

- a. identify omissions and errors in accounting records and financial statements and demonstrate how the required adjustments will affect profits and/or losses;
- b. correct omissions and errors in accounting records and financial statements using control account reconciliations and suspense accounts;

- c. prepare an extended trial balance; and
- d. prepare journals for nominal ledger entry and to correct errors in draft financial statements;
- e. consider the requirement for ethical behaviour in the maintenance of accounting records.

Understand and explain cost accounting concepts: LO5

5 Cost concepts

Candidates will be able to explain cost accounting, distinguish it from financial accounting and explain cost behaviour.

In the assessment, candidates may be required to:

- a. distinguish cost accounting from financial accounting
- b. recognise the use of cost information for different purposes;
- c. classify costs according to behaviour (fixed, variable, direct or indirect);

Account for the cost of materials, labour and overheads: LO6

6 Accounting for costs

Candidates will be able to establish the costs associated with the production of products and provision of services.

- a. calculate the unit cost and explain the treatment of:
 - i. direct materials
 - ii. direct labour
 - iii. overheads;
- b. Explain the treatment of overheads and calculate unit cost from information provided, using:
 - i. absorption costing;
 - ii. marginal costing and reconcile the differences between the costs obtained
- c. select the most appropriate method of costing for a given product or service.

Prepare budgets and forecasts: LO7

7 Budgeting and forecasting

Candidates will be able to select appropriate budgeting approaches and methods and prepare basic budgets.

In the assessment, candidates may be required to:

- a. Distinguish forecasting from budgeting and apply forecasting techniques to assist management in planning;
- b. Identify and explain the most appropriate of the following budgeting approaches and methods, taking into account their advantages and disadvantages :
 - i. bottom-up and top-down approaches to budgeting
 - ii. zero-based and incremental budgeting;
 - iii. product-based budgeting and activity-based budgeting
- c. prepare functional budgets, from information supplied;
- d. prepare a cash budget for a business which highlights cash surpluses and deficits

Business and Finance

Module aim

To provide candidates with an understanding of how businesses operate and how accounting and finance functions help businesses to achieve their objectives.

On completion of this module, candidates will be able to:

- Explain business objectives and functions
- Describe organisational structures
- Explain the role of finance
- Describe the role of the accounting profession
- Describe and identify the role of governance
- Explain the business economic environment
- Explain the ways in which technology can be used by the accountant

Ethics

Ethical thinking will be required across all areas of the syllabus. A specific weighting is given in the syllabus area 'Describe the role of the accountancy profession' which includes ethics and business ethics, in the table below. The policies and procedures necessary to promote an ethical culture will be emphasised. Candidates will be expected to apply professional scepticism. Additionally, under the syllabus area 'The external environment of business', students must demonstrate an awareness of the needs of different stakeholders, and in the 'Technology and data analysis' area they must be able to identify types of data bias, their causes and effects.

Specification grid

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. Over time the marks available in the assessment will equate to the weightings below, while slight variations may occur in individual assessments to enable suitably rigorous questions to be set.

Syllabus area	Weighting (%)
1 Business objectives and functions	10
2 Business and organisational structures	10
3 The role of finance and the finance function	25
4 Key issues for the accountancy profession and business (governance, sustainability, corporate responsibility and ethics)	20
5 The economic environment of business	15
6 Technology and data analysis	20

The following learning outcomes should be read in conjunction with the relevant sections of the technical knowledge grids.

Explain business objective and functions: LO1

1 Business objectives and functions

Candidates will be able to identify the general objectives of businesses and the functions and tasks that businesses perform in order to meet their objectives.

In the assessment, candidates may be required to:

- a. state the general objectives of businesses;
- b. state the general objectives of strategic management and specify the strategic management process and interrelationship between a business's vision, mission and strategic objectives;
- c. identify the functional areas within businesses (marketing, operations/production, procurement, HR, IT and finance) and show how the functions assist the achievement of business objectives;
- d. identify the nature and functions of management, and show how these are influenced by human behaviour;
- e. Describe the characteristics of an effective leader;
- f. Explain the difference between management, leadership and supervision;
- g. Define motivation and explain why it is important for management and employees;
- h. identify the relationship between a business's overall strategy and its functional strategies and the nature and purpose of strategic plans, business plans and operational plans including how a strategic plan is converted into fully integrated business and operational plans;
- i. identify the main components of the risk management process and show how they operate; and
- j. identify the key issues in relation to crisis management, business resilience, business continuity planning and disaster recovery.

Describe business and organisational structures: LO2

2 Business and organisational structures

Candidates will be able to specify the nature, characteristics, advantages and disadvantages of different forms of business and organisational structure.

In the assessment, candidates may be required to:

- a. identify the differences between businesses carried out by sole traders, partnerships, limited liability partnerships, alliances and groups, and show the advantages and disadvantages of each of these business structures;
- b. identify different organisational structures and specify their advantages and disadvantages;
- c. describe the organisational structure relating to public sector entities

Explain the role of finance: LO3

3 The role of finance

Candidates will be able to identify the purpose of financial information produced by businesses, specify how accounting and finance functions support business operations, including the measurement of risk, and identify sources and methods of finances for businesses.

In the assessment, candidates may be required to:

- a. specify the role of financial information prepared by finance functions in:

- supporting businesses in pursuit of their objectives, including business partnering
 - i. providing for accountability of management to shareholders and other stakeholders
 - ii. reflecting business position and performance
 - iii. supporting users in making decisions
- b. identify the main considerations in establishing and maintaining accounting and financial reporting functions and financial control processes;
- c. identify, in the context of accounting and other systems, key aspects of:
 - i. information processing
 - ii. information security
 - iii. information management;
- d. specify why the management of a business require performance measurements including in relation to sustainability, natural capital and climate change;
- e. identify the accountant's role in preparing and presenting information for the management of a business;
- f. specify types of risk and techniques for measuring risk, including: measures of central tendency (mean, mode, median, range); measures of spread (range, standard deviation, variance, co-efficient of variation); the normal distribution; skewness
- g. specify the relationship between a business and its bankers and other providers of financial products and services;
- h. identify the characteristics, terms and conditions and role of alternative short, medium and long-term sources of finance available to different businesses;
- i. identify the processes by which businesses raise equity, capital and other long-term finance including green finance;
- j. identify appropriate methods of financing exports, including:
 - iv. bills of exchange
 - v. letters of credit
 - vi. export credit insurance;
- k. identify the key sources of finance for public sector entities

Describe the role of the accounting profession: LO4

4 The role of the accountancy profession

Candidates will be able to specify the importance and attributes of the accountancy profession. Candidates will be able to identify the role that governance plays in the management of a business and how a business can promote corporate governance, sustainability, corporate responsibility and an ethical culture.

In the assessment, candidates may be required to:

- a. identify the importance of the accountancy profession to the public interest and to the effectiveness of capital markets, and the links between the public interest, technical competence and professional responsibility, including the attributes of professional scepticism, professional judgement and the public trust;
- b. specify the key features of the regulatory framework within which professional accountants work including the basics of how anti-money laundering requirements affect them;
- c. state the reasons why governance is needed and identify the role that governance plays in the management of a business;
- d. identify the key stakeholders and their governance needs for a particular business;

- e. identify and show the distinction between the roles and responsibilities of those charged with corporate governance and those charged with management, including the basics of the Nepal corporate governance code;
- f. specify how differences in legal systems and in national and business cultures affect corporate governance;
- g. identify the roles and responsibilities within a business of the executive board, any supervisory board, the audit committee and others charged with corporate governance, the internal audit function and those responsible for the external audit relationship;
- h. specify the nature of ethics, business ethics, sustainability and corporate responsibility; and
- i. specify the policies and procedures a business should implement in order to promote good corporate governance, sustainable practices, corporate responsibility and an ethical culture within its operations.

Explain the business economic environment: LO5

5 Economic environment

Candidates will be able to explain the basic principles of micro- and macro-economics and specify the impact on a business of the environment in which it operates.

In the assessment, candidates may be required to:

- a. specify the signalling, rewarding and allocating effects of the price mechanism on business (including the concept of price elasticity);
- b. specify the potential types of failure of the market mechanism and their effects on business;
- c. identify the key macro-economic factors that affect businesses;
- d. specify the principal effects of national and international regulation upon businesses;
- e. show how the needs of different stakeholders in a business (e.g., shareholders, the local community, employees, suppliers, customers) impact upon it; and

Explain the use of technology and data analysis: LO6

6 Technology and data analysis

Candidates will be able to specify key issues in relation to data and its collection, visualisation and analysis, and identify key features, benefits and risks of different technologies.

In the assessment, students may be required to:

- a. specify the purpose of data, the different types and sources of data, the importance of data comparability and the role of professional scepticism in relation to data collection, analysis and visualisation;
- b. specify principles in relation to the collection and analysis of data, including populations, surveys, presentation of simple frequency distributions, basic sampling and data ethics;
- c. identify types of error in data and types of data bias, including their causes and effects;
- d. identify issues in relation to the use of spreadsheets and the visualisation and interpretation of data in graphs, charts etc;
- e. identify the characteristics of big data;
- f. specify uses of data science and data analytics by organisations;
- g. specify different types of cyber risk and attack and the steps organisations can take to improve cyber security;
- h. specify the features and uses of cloud accounting, the internet of things, digital assets, blockchain, distributed ledger technology and fintech; and

- i. identify the effect of technology developments, including those relating to artificial intelligence, machine learning and robotic process automation, on the accountancy profession.

Assurance and Information Systems

Module aim

To ensure that candidates understand the assurance process and fundamental principles of ethics and to ensure that candidates understand the need for the provision of information to the management of a business.

To enable candidates to prepare essential financial information for the management of a business.

On completion of this module, candidates will be able to:

- explain the concept of assurance
- explain the regulatory and professional environment governing those who carry out an assurance engagement in the private or public sector
- describe and illustrate the importance of ethical behaviour to a professional
- explain the role and importance of management information systems
- describe the main types of management information system
- explain the impact of financial technology on the role of the accountant

Specification grid

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. Over time the marks available in the assessment will equate to the weightings below, while slight variations may occur in individual assessments to enable suitably rigorous questions to be set.

Syllabus area	Weighting (%)
1 The concept of assurance	10
2 The regulatory and professional framework	15
3 Ethics	25
4 The role of information systems	10
5 Types of information system	15
6 Financial technology (FinTech)	15
7 Data security	10

The following learning outcomes should be read in conjunction with the relevant sections of the technical knowledge grids.

Explain the concept of assurance: LO1

1 The concept of assurance

Candidates will be able to explain the concept of assurance, why it is required and the reasons for assurance qualifications being carried out by appropriately qualified professionals

In the assessment, candidates may be required to:

- a. define the concept of assurance;
- b. explain why users desire assurance reports and provide examples of the benefits gained from them such as to assure the quality of an entity's published corporate responsibility or sustainability report;
- c. compare the functions and responsibilities of the different parties involved in an assurance engagement;
- d. compare the purposes and characteristics of, and levels of assurance obtained from, different assurance engagements;
- e. identify the issues which can lead to gaps between the outcomes delivered by the assurance engagement and the expectations of users of the assurance reports, and suggest how these can be overcome;
- f. recognise the need to plan and perform assurance engagements with an attitude of professional scepticism;
- g. define the concept of reasonable assurance; and
- h. recognise the characteristics of fraud, distinguish between fraud and error and explain the responsibilities for preventing and detecting fraud.

Describe legal and other professional regulations: LO2

2 Legal and other professional regulations

Candidates will be able to understand and advise on the regulatory, professional and ethical issues relevant to those carrying out an assurance engagement in the commercial or public sector.

In the assessment, candidates may be required to:

All assurance engagements

- a. identify and advise upon the professional and ethical issues that may arise during before accepting or during a specified assurance engagement;
- b. recognise the professional and ethical issues that may arise during an assurance engagement, explain the relevance and importance of these issues and evaluate the relative merits of different standpoints taken in debate;
- c. identify the sources of liability (including professional negligence) arising from an assurance engagement and their impact upon the conduct of the engagement;
- d. judge when to raise legal and ethical matters arising from assurance work with senior colleagues for review and possible referral to external parties, including reporting suspicions of money laundering;
- e. discuss the purposes and consequences of laws and other regulatory requirements surrounding assurance work;
- f. explain the composition and role of INTOSAI and its applicable regional frameworks and supporting structures;
- g. explain the standard-setting process used by national and international (IAASB and IPSASB) bodies and the authority of the national and international standards;
- h. explain, using appropriate examples, the main ways in which national legislation affects assurance;

Audit engagements

- i. explain the main ways in which national legislation and other regulations affect the scope and nature of the audit and the appointment and removal of auditors (including the relationship between the law and auditing standards);
- j. explain the principles behind different auditing requirements in different jurisdictions and describe how national and international bodies are working to harmonise auditing requirements, including requirements to report on internal controls;
- k. explain the nature and importance of financial audits, compliance audits and performance audits for public sector entities; and
- l. describe the principal causes of audit failure and their effects and the gap between outcomes delivered by audit engagements and the expectations of users of audit reports.

Explain and illustrate professional ethics: LO3

3 Professional ethics

Candidates will be able to understand the importance of ethical behaviour to a professional accountant and identify issues relating to integrity, objectivity, professional competence and due care, confidentiality, professional behaviour and independence.

In the assessment, candidates may be required to:

- a. state the role of ethical codes and their importance to the profession;
- b. recognise the differences between a rules-based ethical code and one based upon a set of principles;
- c. recognise how the principles of professional behaviour protect the public and fellow professionals;
- d. identify the key features of the system of professional ethics adopted by IFAC and ICAN;
- e. identify the fundamental principles underlying the IFAC and the ICAN Code of Ethics;
- f. recognise the importance of integrity and objectivity to professional accountants, identifying situations that may impair or threaten integrity and objectivity;
- g. suggest courses of action to resolve ethical conflicts relating to integrity and objectivity;
- h. respond appropriately to the request of an employer to undertake work outside the confines of an individual's expertise or experience;
- i. recognise the importance of confidentiality and identify the sources of risks of accidental disclosure of information;
- j. identify steps to prevent the accidental disclosure of information;
- k. identify situations in which confidential information may be disclosed;
- l. define independence and recognise why those undertaking an assurance engagement are required to be independent of their clients;
- m. identify the following threats to the fundamental ethical principles and the independence of assurance providers:
 - i. self-interest threat
 - ii. self-review threat
 - iii. management threat
 - iv. advocacy threat
 - v. familiarity threat
 - vi. intimidation threat;
- n. identify safeguards to eliminate or reduce threats to the fundamental ethical principles and the independence of assurance providers; and

- o. suggest how a conflict of loyalty between the duty a professional accountant has to their employer and the duty to their profession could be resolved.

Describe the role of management information systems: LO4

4 Management information systems

Candidates will be able to describe the role of management information systems in the modern business environment.

In the assessment, candidates may be required to:

- a. identify business uses of computers and IT software applications, including spreadsheets, database systems and accounting packages;
- b. explain the main types of IT networks including Client Server and peer-to-peer networks
- c. describe area networks including LAN, WAN, WLAN, VPN and explain their advantages and disadvantages;
- d. explain the part played by management information systems in:
 - communication
 - decision-making
 - supply chain management
 - sales and marketing
 - employee management
- e. explain the main risks to new systems and the reliability of data and information use of management information systems;
- f. explain how the main information technology risks may be managed and controlled

Describe types of management information systems: LO5

5 Types of management information system

Candidates will be able to describe different types of management information system, outline their advantages and disadvantages and explain the key differences between them.

In the assessment, candidates may be required to:

- a. explain types of information system according to organisational hierarchy (Operational Level Systems, Knowledge Level Systems, Management Level Systems and Strategic Level Systems);
- b. describe the nature and functionality of:
 - transaction processing systems (TPS)
 - knowledge work and office systems
 - decision support systems
 - executive support systems
 - expert support systems
 - management information systems (MIS)
 - executive information systems (EIS)
 - enterprise resource planning systems (EPRS)
 - sales and marketing information systems
 - manufacturing and production information systems
 - finance and accounting information systems

- customer relationship management software (CRMS)
 - human resource information systems
- c. explain the importance of maintaining controls over information systems and outline the main types of control

Explain the impact of Financial Technology (FinTech) on accounting systems: LO6

6 Financial technology

Candidates will be able to explain key areas of development in financial technology.

In the assessment, candidates may be required to:

- a. Identify the features of cloud accounting and its associated risks and benefits
- b. Identify the features of shared service centres and their role in the provision of management information
- c. Explain how automation and the use of artificial intelligence (AI) affects the role of the accountant
- d. Outline the key features and applications of blockchain technology and distributed ledgers in accounting
- e. Describe the impact of big data and data analytics on the work of the accountant

Explain the importance of data security: LO7

7 Data security

Candidates will be able to explain the importance of data security and the threats to it.

In the assessment, candidates may be required to:

- a. Explain the importance of ensuring the security of data and information;
- b. Explain the implications for an organisation if data and information is not secure;
- c. Explain how data and information can be stored securely;
- d. Explain the different types of cyber risk and computer fraud and the ways in which organisations can improve cyber security;
- e. Explain the risks to data security of the use of social media

Law and Taxation

Module aim

To ensure that students gain introductory knowledge of Nepalese legal System and provisions of Nepalese commercial laws relating to the role and work of professional accountants which they may come across in the normal course of their professional work.

To ensure that candidates understand the introductory knowledge of Nepalese legal System and different aspects and provisions of Nepalese commercial laws relating to the role and work of professional accountants which they may come across in the normal course of their professional work and to ensure that candidates understand the fundamental principles of taxation, the Nepalese taxation system and tax administration.

On completion of this module, candidates will be able to demonstrate the following learning outcomes:

- Define law, business law and legal environment of business, explain source and types of law- and law-making process
- Explain the general provisions of obligation and contract and special types of contracts

- Describe nature and objectives of The Institute of Chartered Accountants of Nepal, formation of council and explain provisions relating to membership and examination
- Identify the types of business forms/ organizations, elaborate the registration and renewal of private firm and partnership firm, companies and industries in Nepal
- Describe about document of title and document showing title, recognize various negotiable instruments
- Explain Labor Jurisprudence along with other provisions relating to labor in Nepal.
- Explain the sources of tax laws and its types
- Explain the process of development and amendment in taxation laws
- Describe the meaning of tax planning, tax mitigation, tax avoidance and tax evasion
- Explain the procedures of tax registration and administration
- Describe the basis of taxation and exemptions from tax
- Explain the tax period and types of tax returns to be filed
- Explain the tax audit services to be provided to the client

Ethics

The consideration of ethical decision making is intrinsic to the study of law. In this module, students will examine some of the impacts of Nepal Chartered Accountants Act, Companies, Industry, Labor and Negotiable Instruments Acts on business and professional services, focusing on fraud, bribery and money laundering. Ethics is an overarching requirement for the professional accountant and students will be expected to recognise that the exercise of judgement is required in providing tax services. Students will learn about the IESBA Code of Ethics for Professional Accountants – fundamental principles and the ICAN Code of Ethics and consider the merits of a principles-based code.

Specification grid

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. Over time the marks available in the assessment will equate to the weightings below, while slight variations may occur in individual assessments to enable suitably rigorous questions to be set.

Syllabus Area	Weighting (%)
1. Legislative process in Nepal and main elements of legal Framework in Nepal (LO1)	5
2. Nepal Chartered Accountants Act, 2053 (LO2)	
3. The National Civil (Code), 2074 (Part V) (LO3)	15
4. Industrial Laws: Private Firm Registration Act, 2014, Partnership Act, 2020, Introduction to Companies, The Industrial Enterprises Act, 2076 (LO4)	20
5. Negotiable Instruments and its uses in Nepal (LO5)	5
6. The Labour Act, 2074 (LO6)	5
7. Fundamentals of Taxation (LO7, LO8 and LO9)	15
8. Taxpayers' Identification and Tax Administration (LO10)	15
9. Basis of Taxation and Exemptions (LO11)	5
10. Tax Period and Return Filings (LO12)	10
11. Ethics (LO13)	5

The following learning outcomes should be read in conjunction with the relevant sections of the technical knowledge grids.

Legislative Process and main elements of legal Framework in Nepal: LO1

Candidates will be able to explain the legislative process in Nepal and the main elements of Legal Framework in Nepal.

In the assessment, candidates may be required to:

- a. Define law and business law and explain their sources, types and importance
- b. State the law making process and define legal environment of business.

Nepal Chartered Accountants Act, 2053: LO2

Candidates will be able to understand overview of the Institute of Chartered Accountants of Nepal (ICAN), definition of related terms of the Act, nature and objectives of Institute of Chartered Accountants of Nepal, formation of council and provisions relating to membership and examination.

In the assessment, candidates may be required to:

- a. State the objectives along with the definition of the related terms of the Act and state the nature and objectives of The Institute of Chartered Accountants of Nepal (ICAN). (Sections 1 – 6)
- b. Describe the Formation of Council (With concept of Ad-hoc committee) & its functions, duties and powers. (Section 7, 11 and 42)
- c. Explain the provisions relating to membership and examination of ICAN along with disqualifications of membership and provisions related to removal and re-instate of name of member (Sections 16 – 25)

The National Civil (Code), 2074 (Part V): LO3

Candidates will be able to understand the general provisions of obligation, process of establishing contractual relationship, validity of contract and provisions related to special types of contract.

In the assessment, candidates may be required to:

- a. Explain the circumstances for the creation and performance of liability, joint and several liability and compensation for non-performance. (Section 493 - 503)
- b. Explain offer and acceptance and their cancellation, identify competence to enter into contract and contract according to offer presented before the contract along with the provisions of contingent contract. (Section 504 – 516)
- c. Explain about void contracts, voidable contracts and unenforceable contract (Section 517 – 520)
- d. Explain the conclusion of contract related to sale of goods and special provisions concerning compensation. (Section 545 – 562)
- e. Explain the liability of surety, conditions in which surety shall be discharged from the liability, equal liability of co-sureties, provisions related to continuous guarantee, contract related to indemnity and subrogation. (Section 563 – 574)
- f. Explain the provisions of contract of bailment, collateral or deposit, agency, carriage of goods, contract of lease, hire purchase, wages and labor (Section 547 – 647)

Industrial Laws: LO4

Private Firm Registration Act, 2014

Candidates will be able to understand objectives and definition of related terms of the Act along with introduction, registration and renewal of private firms in Nepal.

In the assessment, candidates may be required to:

- a. State the objectives of the Act along with the definition of related terms of the Act and elaborate the introduction and basic concepts of private firm in Nepal. (Section 1 – 2)
- b. Explain the registration and renewal of Private Firm in Nepal. (Section 3 – 11)

Partnership Act, 2020

Candidates will be able to understand objectives and related terms of the Act along with introduction, advantage and disadvantage, registration, renewal and dissolution of partnership firms in Nepal and rights and liabilities of partners and penalties imposed on partnership firms.

In the assessment, candidates may be required to:

- a. State the objectives along with the definition the related terms of the Act and elaborate the introduction, basic concepts, advantage and disadvantage of partnership in Nepal. (Section 1 – 4)
- b. Explain the registration, cancellation of registration and dissolution process of partnership Firm in Nepal along with mutual relationships between partners and third party. (Section 5 – 40)
- c. Identify the penalties that may be imposed by the concerned department on partnership firm in Nepal and how can it be appealed. (Section 41 – 44)

Introduction to Companies

Candidates will be able to understand characteristics, types and incorporation of companies along with lifting of corporate veil and Memorandum of Association (MOA) & Articles of Association (AOA) of the company.

In the assessment, candidates may be required to:

- a. Describe the characteristics and types of Company along with definition of Memorandum of Association (MOA) and Articles of Association (AOA) and their comparison.
- b. Describe about the incorporation of Company in Nepal (Section 3 – 6 of Companies Act, 2063)
- c. Explain the concept of lifting the corporate veil.

The Industrial Enterprises Act, 2076

Candidates will be able to understand objectives and definition of related terms of the Act along with registration and classification of industries.

In the assessment, candidates may be required to:

- a. State the objectives along with the definition of the related terms of the Act and elaborate the provisions for registration of industries (Section 1 – 6)
- b. Identify the classification of industries on the basis of nature and capital investment (Section 17 & 18)

Negotiable Instruments and its uses in Nepal: LO5

Candidates will be able to describe about document of title and document showing title, recognize various negotiable instruments along with their meaning and concepts.

In the assessment, candidates may be required to:

- a. Analyze the document of title and document showing title.
- b. Describe the meaning, concept and classification of negotiable instruments including promissory notes, bill of exchange, cheques and their comparison.
- c. Explain about the crossing of Cheque, Bouncing of Cheque and its punishment (Section 81 – 91, 107 & 107A of the Negotiable Instruments Act, 2034)

The Labor Act, 2074: LO6

Candidates will be able to understand objectives and definition of related terms of the Act along with provision of Labor Jurisprudence, types of labor, working hours and minimum remuneration.

In the assessment, candidates may be required to:

- a. State the objectives along with the definition of the related terms of the Act and explain the fundamental provisions relating to workers (Labor Jurisprudence) and employment (Section 1 – 15)
- b. Explain the provisions relating to employment including the concept of trainees, apprentices and part time workers (Section 16 - 21) along with the provisions relating to working hours (Section 28 – 33)
- c. Describe the provisions relating to remuneration (Section 34 – 39) along with fixation of minimum remuneration by Minimum Wage Fixation Committee (Section 106 & 107)

Explain the sources of tax laws and its types: LO7

Characteristics of Taxation and Tax laws

Candidates will be able to explain the fundamental concepts of taxation and underlying principles that differentiates direct taxes and indirect taxes and different categories of direct and indirect taxes.

In the assessment, candidates may be required to:

- a. Explain the characteristics of direct taxation, indirect taxation;
- b. Explain the de jure and de facto taxpayers in case of direct and indirect taxes;
- c. Explain the difference between direct taxes and indirect taxes;
- d. Explain the distinguishing characteristics between value added taxes, excise duties and customs duties
- e. Describe the origin of income taxation, Value Added Taxation, levy of Excise and Customs duties;
- f. Describe the characteristics of a good taxation law including fundamental principles of taxation and concept of equity in taxation.

Jurisdiction to Tax

Candidates will be able to explain the taxing rights of countries and the concept of territorial tax jurisdiction, worldwide tax jurisdiction, source concept, global system of income taxation, and schedular taxation system.

In the assessment, candidates may be required to:

- a. Describe the origin of source concept and residence concept in income taxation;
- b. Explain the accepted norms regarding the taxing rights of countries in respect of income taxation;
- c. Explain the application of territorial and worldwide taxation system in taxing income, and levying other indirect taxes in Nepal;

Sources of Revenue

Candidates will be able to explain the sources of tax revenue and non-tax revenue of Government of Nepal, Province Government and Local Government of Nepal.

In the assessment, candidates may be required to:

- a. Identify different levels of Government as per Constitution of Nepal;
- b. Explain the taxing rights of each Government as per Constitution of Nepal and other laws governing the Governments;
- c. Explain the sources of tax laws of Nepal; and
- d. Explain the historical development of Income tax law, Value Added Tax law, Excise Law and Customs Law of Nepal in brief.

Explain the process of development and amendment in taxation laws: LO8

Development and amendment of taxation laws

Candidates will be able to identify the legal provisions through which 'no taxation without laws' are practiced in Nepali tax administration and the process of development and amendment of Fiscal laws.

In the assessment, candidates may be required to:

- a. Explain the provisions of Constitution of Nepal that requires Governments to enact law to levy tax;

- b. Explain the provisions of Income Tax, Value Added Tax, Excise Duty, Customs laws that empowers agencies and authorities to issue regulations, procedures, public circular, advance ruling, directives, and other orders as well as the extent of applicability of particular law; and
- c. Explain the standard process and practice of development and amendment of Fiscal laws of different levels of Governments.

Describe the meaning of tax planning, tax mitigation, tax avoidance and tax evasion: LO9

Tax Planning, Avoidance and Evasion

Candidates will be able to identify the meaning of and difference between tax evasion, tax avoidance, tax planning and tax mitigation.

In the assessment, candidates may be required to:

- a. Describe the meaning of tax planning, tax mitigation, tax evasion, and tax avoidance and differentiate them

Explain the process of Taxpayers' Identification and Tax Administration: LO10

Taxing Units

Candidates will be able to identify the person to whom tax is levied under Income Tax law, Value Added Tax law, Customs law and Excise Law.

In the assessment, candidates may be required to:

- a. Identify the persons chargeable to tax under tax laws of Government of Nepal;
- b. Define the term 'person', 'registered person', 'licensed person', 'natural person', 'importer', 'exporter', etc. as per Income Tax law, Value Added Tax law, Customs law and Excise Law; and
- c. Describe the meaning of 'resident person', and 'non-resident person' as per Income Tax law and Value Added Tax law.

Registration and Cancellation of Registration

Candidates will be able to explain the conditions and process for registration, withholding of registration, suspension of registration, cancellation of registration; excluding the effect of cancellation of VAT registration on goods.

In the assessment, candidates may be required to:

- a. Describe the process of obtaining Permanent Account Number and suspension of Permanent Account Number;
- b. Describe the mechanism of issuance of Permanent Account Number;
- c. List the conditions for registration, suspension of license, withholding of license, cancellation of registration as per Value Added Tax law, Excise law and Customs law;
- d. Explain the process of obtaining VAT registration, Excise licensing and Exim Code;
- e. Explain the process of cancellation of VAT registration; renewal, withholding or suspension or cancellation of Excise license; cancellation or renewal of EXIM Code;

Taxpayers' Right and Confidentiality of Taxpayers' Information

Candidates will be able to identify the rights and duties of taxpayers and understand the legal mechanism by which the taxpayers' information are kept confidential or made public.

In the assessment, candidates may be required to:

- a. List the taxpayers' rights and duties as per Income Tax law, Value Added Tax Law, Excise law and Customs law;
- b. Explain the confidentiality clauses as per Income Tax law, Value Added Tax Law, Excise law and Customs law; and

- c. Explain the circumstances when the tax authority can lawfully disclose the confidential information and the duties of the persons obtaining such information.

Administration of Tax laws

Candidates will be able to identify different Government Agencies responsible to administer the implementation of Income Tax law, Value Added Tax law, Customs law and Excise Law and collection of such taxes

In the assessment, candidates may be required to:

- a. Identify the Government agencies (Inland Revenue Department and Customs Department) that administers taxation laws of Government of Nepal;
- b. List the different types of tax offices (taxpayers'-facing offices) responsible for direct dealing with taxpayers to collect various taxes of Government of Nepal (includes Large Taxpayers' Office, Middle Level Taxpayers' Office, Inland Revenue Office, Taxpayers' Service Office, Customs Office, Sub-customs Office, Post Clearance Audit office or other offices under IRD and Customs Department);
- d. Explain the in-principle functionality of those offices; and
- e. Explain the role of Ministry of Finance and Council of Ministers in regulation of tax administration and forming the different agencies for tax administration.

Tax Administration

Candidates will be able to explain the different positions under different agencies of Government of Nepal and their power, functions and duties for the administration of taxation laws. Candidates will also understand the process through which a government employee is granted authority to act as the tax officer, excise officer or customs officer.

In the assessment, candidates may be required to:

- a. Identify the different positions of Tax administrators under Income Tax law, Value Added Tax law, Excise law and Customs law;
- b. Explain how the government employees are given authority to act as tax officer, excise officer or customs officer;
- c. Explain the power, functions and duties of Director General, Deputy Director General, Chief Tax Administrators, Directors, Chief Tax Officer, Tax officer, other officers of IRD and Customs Department, Chief of Customs Office, Customs Officer, etc.; and
- d. Explain the powers that can be or cannot be delegated by different levels of tax officers.

Describe the Basis of Taxation and Exemptions from Tax: LO11

Basis of Income Taxation

Candidates will be able to identify and explain the basis of income taxation as per Income Tax Act, 2058.

In the assessment, candidates may be required to:

- a. Identify the income heads subject to income tax;
- b. Define the meaning of 'taxable income' and 'assessable income';
- c. Explain the difference between 'taxable income' and 'assessable income';
- d. Identify the different types of payments listed in Income Tax Act, 2058 and conditions for those payments to have source in Nepal; and
- e. Explain the source of payments, losses, gains, etc.

Taxing Transactions: Value Added Tax and Excise Duty

Candidates will be able to understand the applicability of value added tax, and excise duty. Candidates will also be able to explain the broad framework of applicability or non-applicability of Value Added Tax and Excise duty on different goods and services.

In the assessment, candidates may be required to:

- a. Describe the applicability of Value Added Tax and Excise Duty on Goods and Services;
- b. List the rates of value added tax and the difference between 'no VAT transactions' and 'Zero VAT transactions'; and
- c. Explain which items are Excise-attracting and which are not (just the overview of Excise law that the items listed in the schedule are applicable to excise duty and other items are excise exempt).

Tax on Cross Border Transaction of Goods: Customs Duty

Candidates will be able to understand the applicability of customs duty on import and export of goods or services.

In the assessment, candidates may be required to:

- a. Describe the meaning of 'import' and 'export'; and
- b. Describe the meaning of 'customs area', 'customs frontier', and concept of 'smuggling'.

Explain the tax period and types of tax return to be filed: LO12

Tax Period

Candidates will be able to understand the term 'income year' and 'tax period'.

Candidates will be able to explain the methodology of collection and payment of excise and customs duty by a taxpayer and the period of calculation of such duties.

In the assessment, candidates may be required to:

- a. Explain the meaning of 'income year' and circumstances when an income year is less than one year;
- b. Explain the term 'tax period' under Value Added Tax law and the category of person who can choose different tax period;
- c. Explain the tax period and their significance in respect of collection and payment of excise duty and customs duty

Tax Accounting Records

Candidates will be able to list the various types of records to be maintained under tax laws of Government of Nepal and the period to keep those records safely.

In the assessment, candidates may be required to:

- a. Identify the tax accounting records as per Income Tax law, Value Added Tax law, Customs Law and Excise law;
- b. Explain the minimum statutory period to keep those records safely; and
- c. Explain the certificate requirement of those accounting records.

Tax Returns

Candidates will be able to identify the statutory returns to be filed with tax authority as per Income Tax law, Value Added Tax law, Excise law and Customs law.

In the assessment, candidates may be required to:

- a. Identify the various returns to be filed with tax authority as per Income Tax law, Value Added Tax law, Excise law and Customs law;
- b. Explain the due date by which those returns are to be filed; and
- c. Explain the legal provision in case the due date falls on a public holiday.

Explain the tax audit services to be provided to the client: LO13

Tax audit services

Candidates will be able to list the tax services that can be offered to an audit or other clients by a professional accountant.

In the assessment, candidates may be required to:

- a. List the tax services that can be offered to an audit or other clients by a professional accountant; and
- b. Explain the difference between tax certification service and statutory tax audit services.

APPLICATION LEVEL MODULES

Audit and Assurance

Module aim

To ensure that candidates are able to contribute to all aspects of an engagement, including the assessment of internal controls and the gathering and appraisal of evidence and understand the critical aspects of managing an assurance engagement (including audit engagements): acceptance, planning, managing, concluding and reporting.

On completion of this module, candidates will be able to:

- understand and apply the processes involved in accepting and managing assurance engagements, including quality assurance;
- plan assurance engagements in accordance with the terms of the engagements and appropriate standards
- explain the nature of internal controls and why they are important; document an organisation's internal controls, identify deficiencies in internal control systems and recommend improvements;
- select sufficient and appropriate methods of obtaining assurance evidence and recognise when conclusions can be drawn from evidence obtained or where issues need to be referred to a senior colleague;
- conclude and report on assurance engagements in accordance with the terms of the engagements and appropriate standards.

Ethics and professional scepticism

Ethical thinking is fundamental to the conduct of a sound audit. A specific weighting given to legal and other professional regulations, ethics, accepting and managing engagements and current issues is shown in the table below. In addition to this a separate learning outcome covers planning and performing engagements and the potential risks involved. Candidates will also be required to demonstrate the crucial role of professional scepticism in the judgement they apply.

Ethics and law may be tested in any of the questions.

Specification grid

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. Over time the marks available in the assessment will equate to the weightings below, while slight variations may occur in individual assessments to enable suitably rigorous questions to be set.

Syllabus area	Weighting (%)
1 Accepting engagements	10
2 Planning engagements	15
3 Managing engagements	10
4 Identifying, evaluating and testing internal controls	25
5 Gathering evidence on assurance engagements	25
6 Concluding and reporting on engagements	15

The following learning outcomes should be read in conjunction with the relevant sections of the technical knowledge grids.

For clarity, learning outcomes applicable to all types of assurance engagements (including audit) are separated from those that are relevant only to audit engagements.

Accept engagements: LO1

1 Accepting engagements

Candidates will be able to understand and apply the processes involved in accepting assurance engagements.

In the assessment, candidates may be required to:

All assurance engagements

- a. identify the legal, professional and ethical considerations that an individual or firm must consider before accepting a specified assurance engagement;
- b. discuss the issues which underlie the agreement of the scope and terms of an assurance engagement (new or continuing);

Audit engagements

- c. explain the process by which an auditor is appointed and the rules governing who may act as the auditor of an entity;
- d. discuss the process by which an auditor obtains an audit engagement;
- e. discuss the issues and identify the risks that an individual auditor or audit firm must consider with regard to the acceptance of an audit engagement (new or continuing) with a client, including terms of engagement and their documentation; and
- f. identify the legal, professional and ethical considerations that an individual auditor or audit firm must consider before accepting a specified audit engagement.

Manage engagements: LO2

2 Managing engagements

Candidates will be able to understand and apply the processes involved in managing assurance engagements and explain how quality assurance processes mitigate the risks to those conducting the engagement.

In the assessment, candidates may be required to:

- a. formulate the approach suitable for management of the assurance engagement;
- b. explain the principles and purposes of quality control of assurance engagements;
- c. demonstrate how the assurance function within an organisation can be monitored;
- d. describe how quality can be monitored and managed through procedures external to the organisation;

Plan engagements: LO3

3 Planning engagements

Candidates will be able to plan assurance engagements in accordance with the terms of the engagements and appropriate standards.

In the assessment, candidates may be required to:

All assurance engagements

- a. explain, in the context of a given scenario, why it is important to have an understanding of the business when planning an engagement;
- b. identify ways of gaining an understanding of a client's business;
- c. recognise the circumstances under which it may be necessary to bring in expertise (including expertise in technology) from other parties to support assurance processes;
- d. identify the risks arising from, or affecting, a given set of business processes (including risks associated with an entity's use of emerging technology, cyber security and data protection) and circumstances and assess their implications for the engagement;
- e. identify the risks arising from error, fraud and non-compliance with law and other regulations, including data protection regulations, and assess their implications for the engagement;
- f. assess significant business risks (including risks associated with going concern, climate change, technological advances, cyber security and data protection) identified for their potential impact upon an organisation, in particular their potential impact on performance measurement;
- g. identify the components of risk for a specified assurance engagement;
- h. assess the impact of risk and materiality on the engagement plan of assurance procedures to be performed on historical and prospective information, including the nature, timing and extent of assurance procedures, for a given organisation;
- i. discuss the benefits and limitations of analytical procedures (including data analytics) at the planning stage;
- j. determine an approach appropriate for an engagement for a specified organisation which addresses:
 - possible reliance on controls (including those within IT systems)
 - use of technology during an assurance engagement (including data analytics and results of data analytics routines, data visualisations generated by audit software, AI and automated tools)
 - the organisation's adoption of technological advances, including cloud computing
 - using the work of internal audit (in both the public and private sectors)
 - using the work of other experts
 - using the work of another auditor
 - probable extent of tests of controls and of substantive procedures, including analytical procedures
 - the nature and extent of client-generated information including reliability of clients' reports and underlying system-generated data
 - the probable number, timing, staffing and location of assurance visits
 - the assurance of entities' published sustainability and corporate responsibility report; and the financial statement implications of climate change

- k. analyse and interpret data extracted from an organisation's accounting records to identify trends and risks of misstatement.

Audit engagements

- l. identify the components of audit risk for a specified audit engagement, including the breakdown of audit risk into inherent risk, control risk and detection risk;
- m. outline the aspects of law and regulation which are relevant to statutory audit;
- n. discuss the differences between the audit of a non-specialised profit-oriented entity and the audit of a given specialised profit-oriented entity;
- o. discuss the differences between the audit of a non-specialised profit-oriented entity and the audit of a given not-for-profit entity;
- p. discuss the differences between the audit of a non-specialised profit-oriented entity and the audit of a given entity in the public sector;
- q. specify and explain the steps necessary to plan, perform, conclude and report on the audit of the financial statements of a non-specialised profit-oriented entity in accordance with the terms of the engagement including appropriate auditing standards;
- r. evaluate the impact of risk and materiality in preparing the audit plan, including the nature, timing and extent of audit procedures.

Identify, evaluate and test internal controls: LO4

4 Identifying, evaluating and testing internal controls

Candidates will be able to explain the nature of internal controls and why they are important, document an organisation's internal controls, identify weaknesses in internal control systems and recommend improvements.

In the assessment, candidates may be required to:

- a. state the reasons for organisations having effective systems of control;
- b. identify the fundamental principles of effective control systems;
- c. identify the main areas of a business that need effective control systems;
- d. identify the components of internal control in both manual and IT environments, including:
 - the overall control environment
 - preventative and detective controls
 - internal audit;
- e. define and classify different types of internal control, with particular emphasis upon those which impact upon the quality of financial information;
- f. show how specified internal controls mitigate risk and state their limitations;
- g. identify internal controls for an organisation in a given scenario;
- h. identify internal control weaknesses in a given scenario; and
- i. identify, for a specified organisation, the sources of information which will enable a sufficient record to be made of accounting or other systems and internal controls; and
- j. draft suitable extracts for an assurance report (including any report to the management issued as part of the engagement) in relation to a specified organisation on the basis of given information, including in the extracts (where appropriate) statements of facts, their potential effects, and recommendations for action relevant to the needs and nature of the organisation being reported upon.

Gather evidence: LO5

5 Gathering evidence on an assurance engagement

Candidates will be able to select sufficient and appropriate methods of obtaining assurance evidence and recognise when conclusions can be drawn from evidence obtained or where issues need to be referred to a senior colleague.

In the assessment, candidates may be required to:

- a. state the reasons for preparing and keeping documentation relating to an assurance engagement;
- b. identify and compare the different methods of obtaining evidence from the use of tests of control and substantive procedures, including analytical procedures;
- c. recognise the strengths and weaknesses of the different methods of obtaining evidence;
- d. identify the situations within which the different methods of obtaining evidence should and should not be used;
- e. compare the reliability of different types of assurance evidence;
- f. select appropriate methods of obtaining evidence from tests of control and from substantive procedures for a given business scenario;
- g. recognise when the quantity and quality of evidence gathered from various tests and procedures is of a sufficient and appropriate level to draw reasonable conclusions on which to base a report;
- h. identify the circumstances in which written confirmation of representations from management should be sought and the reliability of such confirmation as a form of assurance evidence; and
- i. recognise issues arising while gathering assurance evidence that should be referred to a senior colleague.

Conclude and report on assurance engagements: LO6

6 Concluding and reporting on engagements

Candidates will be able to conclude and report on assurance engagements in accordance with the terms of the engagements and appropriate standards.

In the assessment, candidates may be required to:

All assurance engagements

- a. describe the nature and timing of specific procedures designed to identify subsequent events that may require adjustment or disclosure in relation to the matters being reported on;
- b. describe the nature and timing of specific procedures designed to identify the appropriateness of the going concern assumption, including compliance with relevant legal and regulatory requirements;
- c. evaluate, quantitatively and qualitatively the results and conclusions obtained from assurance procedures including analytical procedures and data analytics where appropriate;
- d. draw conclusions on the ability to report on an assurance engagement which are consistent with the results of the assurance work;
- e. advise on reports to be issued to those responsible for governance in accordance with standards, legislation, regulation and codes of corporate governance;
- f. judge when to refer reporting matters for specialist help;

Audit engagements

- g. draw conclusions on the ability to report on an audit engagement, including the opinion for a statutory audit, which are consistent with the results of the audit work;
- h. explain the elements (both explicit and implicit) of the auditor's report issued in accordance with the International Standards on Auditing and statutory requirements and recommend the nature of an audit opinion to be given in such a report; and
- i. draft suitable extracts for an auditor's report (excluding modified opinions)
- j. draft suitable extracts for any report to the management issued as part of the engagement in relation to a specified organisation on the basis of given information, including in the extracts (where appropriate) statements of facts, their potential effects, and recommendations for action relevant to the needs and nature of the organisation being reported upon.

Skills assessed

Assimilating and using information

<i>Understand the situation and the requirements</i>	<i>Identify and use relevant information</i>	<i>Identify and prioritise key issues and stay on task</i>
- Identify the needs of customers and clients - Explain different stakeholder perspectives and interests - Identify risks within a scenario - Identify elements of uncertainty within a scenario - Identify ethical issues including public interest and sustainability issues within a scenario	- Interpret information provided in various formats - Evaluate the relevance of information provided - Filter information provided to identify critical facts - Identify and interpret information in data analytics software	- Identify business and financial issues from a scenario - Work effectively within time constraints - Operate to a brief in a given scenario
<i>How skills are assessed</i> <i>Students may be required to demonstrate:</i> - the regulatory, professional and ethical issues relevant to accepting, carrying out and managing assurance engagements; - how quality assurance processes mitigate risks; - an ability to identify relevant information in data analytics software in order to suggest actions that need to be taken; and - an ability to respond to instructions from a line manager, a partner or a client request, making judgements where required and taking ethical considerations into account.		

Structuring problems and solutions

Structure data • Identify any information gaps • Frame questions to clarify information • Use a range of data types and sources to inform analysis and decision-making • Structure and analyse financial and non-financial data to enhance understanding of business issues and their underlying causes • Present analysis in accordance with instructions and criteria	Develop solutions • Identify and apply relevant technical knowledge and skills to analyse a specific problem • Use structured information to identify evidence-based solutions • Identify creative and pragmatic solutions in a business environment • Identify opportunities to add value • Identify ethical dimensions of possible solutions • Select appropriate courses of action using an ethical framework
How skills are assessed <i>Requirements will include planning assurance engagements in accordance with the terms of engagement and appropriate standards, taking account of:</i> • managing audit and other assurance engagements; • reliance on controls; • reliance on the work of internal audit or other experts; • reliance on the work of another auditor; • extent of tests of control and of substantive procedures, including analytical procedures • use of analytical procedures including data analytic routines to identify the risk of misstatement; and • number, timing, staffing and location of assurance visits.	

Applying judgement

<i>Apply professional scepticism and critical thinking</i> • Recognise bias and varying quality in data and evidence • Identify assumptions or faults in arguments • Identify gaps in evidence • Identify inconsistencies and contradictory information • Assess interaction of information from different sources • Exercise ethical judgement	<i>Relate issues to the environment</i> • Appreciate when more expert help is required • Identify related issues in scenarios • Assess different stakeholder perspectives when evaluating options • Retain an overview of the business issue or scenario • Appraise the effects of alternative future scenarios • Appraise ethical, public interest and regulatory issues
<i>How skills are assessed</i> <i>Students may be required to:</i> • identify business risks and audit risks, including significant risks, from a given scenario, explain their impact on the financial statements, and recommend audit procedures to mitigate the risk of a material error. Requirements will test the ability of students to filter those issues which are more relevant than others in a given scenario. • distinguish the quality of data or evidence to be tested in two potential ways. (i) students will need to distinguish between data generated from within an organisation and that generated by a third party, the latter being less susceptible to management bias; and (ii) students will need to appreciate the effect on the quality of evidence that bias caused by specific factors can have e.g., where profits are used to determine a bonus payment to be made to the company's management. • identify the impact of specific economic and political factors on a set of financial statements e.g., in the context of dealing with customers or suppliers from overseas that (i) political instability may cause problems which prevent the customer or supplier from trading, ultimately leading to going concern issues for the audited entity; and (ii) economic factors may cause exchange rate fluctuations leading to the risk of misstated balances in the financial statements. • evaluate the effect of uncertain future events when describing the procedures to be performed in carrying out an examination of a company's financial forecasts. • assess the materiality of a particular matter (e.g., an unadjusted error) in the context of a set of financial statements or other financial information. This assessment should then inform the student's judgement as to whether or not to modify the opinion given in a statutory auditor's report or modify the conclusion in a non-audit assurance report. • judge the potential independence risks involved in accepting or continuing an audit or other assurance engagement, and the procedures to mitigate those risks; and consideration of the required steps upon the discovery of fraud/money laundering. • display the ability to present a structured argument to a client e.g., in situations where management is questioning the extent of audit work performed.	

Concluding, recommending and communicating

Conclusions	Recommendations	Communication
• Apply technical knowledge to support reasoning and conclusions • Apply professional experience and evidence to support reasoning • Use valid and different technical skills to formulate opinions, advice, plans, solutions, options and reservations.	• Present recommendations in accordance with instructions and defined criteria • Make recommendations in situations where risks and uncertainty exist • Formulate opinions, advice, recommendations, plans, solutions, options and reservations based on valid evidence • Make evidence-based recommendations which can be justified by reference to supporting data and other information • Develop recommendations which combine different technical skills in a practical situation	• Present a basic or routine memorandum or briefing note in writing in a clear and concise style • Present analysis and recommendations in accordance with instructions • Communicate clearly to a specialist or non-specialist audience in a manner suitable for the recipient • Prepare the advice, report, or notes required in a clear and concise style
How skills are assessed <i>Students may be required to:</i> • advise on the regulatory, professional and ethical issues in carrying out an assurance engagement; • conclude and report on assurance engagements, including determining whether to modify a report with or without a modified opinion/conclusion; and • identify deficiencies in financial information systems, their potential consequences and recommendations for improvement.		

Business Strategy

Module aim

To provide candidates with an understanding of how a business develops, implements and monitors strategy, including any ethical implications.

On completion of this module, candidates will be able to:

- explain, analyse and evaluate the consequences of an organisation's current strategic direction including objectives, market position and technology developments;
- use data to evaluate the likely consequences of strategic choices and technology developments, and recommend strategies to meet the objectives of an organisation
- recommend appropriate methods for an organisation to implement and monitor strategies including strategies for technology and innovation, and demonstrate how data can be used subsequently to measure and monitor strategic performance

Ethics and professional scepticism

Ethics must underpin sound strategic and technological development for a business. Sustainability and the interests of all stakeholder groups are key considerations. Related learning outcomes are interwoven through the syllabus areas of Strategic analysis, Strategic choice and Implementation and monitoring of strategy. Students are expected to develop their skills to ensure business trust and professional scepticism are paramount.

Specification grid

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. Over time the marks available in the assessment will equate to the weightings below, while slight variations may occur in individual assessments to enable suitably rigorous questions to be set.

Syllabus area	Weighting (%)
1 Analysis of external factors	10
2 Analysis of internal factors	10
3 Strategic analysis	10
4 Use of data in strategic analysis	10
5 Strategic choice	15
6 Management information in strategic choice	15
7 Implementation of strategy	15
8 Monitoring strategy	15

The following learning outcomes should be read in conjunction with the relevant sections of the technical knowledge grids.

Analyse external factors: LO1

Strategic analysis of external factors

Candidates will be able to recognise, analyse and evaluate external factors which are relevant to the strategic analysis of an organisation.

In the assessment, candidates may be required to:

- a. analyse the external factors which may impact upon an organisation's performance and position, identifying significant issues in areas such as:
 - sustainability, including natural capital and climate change
 - macroeconomic forces
 - international trade, financial systems and global economic factors
 - government policies
 - its industry and markets, including competition
 - cultural environment
 - stakeholder, ecosystem and participant impact
 - markets for finance, labour and other resources

- supply chain factors;
 - technology developments, including those relating to automation and intelligent systems
- b. analyse an organisation's current markets and competitive strategy in sufficient detail for decisions to be made, drawing conclusions consistent with the qualitative and quantitative data available and highlighting relevant issues in terms of their likely impact on the strategy of the business;

Analyse internal factors: LO2

Strategic analysis of internal factors

Candidates will be able to recognise, analyse and evaluate internal factors which are relevant to the strategic analysis of an organisation.

In the assessment, candidates may be required to:

- a. explain and evaluate the significance and effect of the internal factors in a given situation which affect or may influence a business's ability to achieve its chosen strategy, including its:
- current resources
 - product/service portfolio
 - value chain and networks
 - organisational and operational capabilities (including core competencies existing business processes, human capital and workforce flexibility);
 - use of developing technology (including digital assets, blockchain and cryptocurrencies, big data, internet of things, automation and intelligent systems)

Analyse the strategic position of an organisation: LO3

Strategic analysis

Candidates will be able to explain, analyse and evaluate the consequences of an organisation's current strategic direction including objectives, market position and technology developments.

In the assessment, candidates may be required to:

- a. evaluate an organisation's purpose, in terms of its stated mission, objectives and critical success factors, highlighting omissions, inconsistencies and weaknesses, and considering the different objectives of stakeholders;
- b. explain and evaluate the risks attached to an organisation's present position, using all relevant qualitative and quantitative data, and considering attitudes to risk, security and cyber security;
- c. explain and evaluate the ethical and business trust factors to be considered in determining the scope and nature of an organisation's objectives and its strategic analysis, giving appropriate consideration to the legitimate interests of all stakeholder groups and the public interest;

Use data in strategic analysis: LO4

Use of data in strategic analysis

Candidates will be able to analyse, evaluate and interpret financial and non-financial data.

In the assessment, candidates may be required to:

- a. explain and analyse an organisation's current position and performance using financial and non-financial data from internal and external sources, presented in different formats including visualisations
- b. explain and evaluate different types of data distributions and data trends using appropriate statistical tools, including consideration of cause and effect and the implications for business risk;
- c. evaluate and interpret data provided, including identifying and explaining the causes and effects of different types of data bias, and applying an appropriate degree of professional scepticism; and
- d. assimilate, structure and analyse transactions and other granular data provided, using spreadsheets.

Evaluate strategic choices: LO5

Strategic choice

Candidates will be able to use data to evaluate the likely consequences of strategic choices and technology developments and recommend strategies to meet the objectives of an organisation.

In the assessment, candidates may be required to:

- a. explain and demonstrate how to capture and analyse qualitative and quantitative data, presented in different formats, to provide relevant information for decision-making at an appropriate level within an organisation;
- b. explain and evaluate the risks attached to proposed courses of action in a given situation, considering all relevant factors and assumptions made and select and justify strategies for managing risk;
- c. explain and demonstrate how an organisation compares and selects from competing strategies in order to maximise the achievement of its key objectives, including those relating to technology, corporate responsibility and sustainability, including climate change;
- d. evaluate the ethical implications of an organisation's strategies and operations for the organisation and for individuals, including the accountant in business and others;
- e. select and justify a strategy or combination of strategies which will best achieve the organisation's objectives, taking account of known constraints and capabilities, including stakeholder risk preferences and developing technologies (including artificial intelligence, machine learning and robotic process automation);
- f. explain and demonstrate how products and services can evolve in the face of changing technologies, consumer demand and industry competition;
- g. explain and demonstrate how to position particular products and services in the marketplace to maximise competitive advantage and develop a marketing strategy by selecting, capturing and analysing relevant data;

Use management information to make strategic choices: LO6

Use of management information in strategic choice

Candidates will be able to use forecasting techniques and statistical tools to evaluate strategies.

In the assessment, candidates may be required to:

- a. explain and demonstrate how management information can be used to evaluate an organisation's proposed strategies, including forecasting financial performance and the risk associated with forecasts;

- b. evaluate the value of information and limitations of data, having regard to data variability, data bias and risk, and considering the ethical implications of the selection, capture, analysis and use of data; and
- c. organise, structure and assimilate historic and estimated data in appropriate ways, using available statistical tools, to support business decisions.

Implement strategy: LO7

Implementation of strategy

Candidates will be able to recommend appropriate methods of implementing strategies, including strategies for technology and innovation.

In the assessment, candidates may be required to:

- a. evaluate how an organisation's overall strategy can be achieved by implementing appropriate functional strategies, including the role of the finance function as business partner;
- b. evaluate how strategies for technology and innovation, including digital assets, automation, intelligent systems, workforce flexibility and shared service centres, can support the organisation's achievement of its overall strategy;
- c. evaluate and recommend an organisational structure appropriate to the strategy, taking into account a range of strategic, operational and functional factors;
- d. explain and analyse the governance structure of an organisation and justify the steps needed to develop its corporate governance to meet the needs of its stakeholders, its strategic objectives and its compliance requirements;
- e. select and evaluate methods of further developing an organisation which adjust existing strategies or implement new strategies to take account of changing position and risk;
- f. explain and evaluate the form and content of an organisation's business plan;
- g. prepare a business plan, or extracts, which will achieve given or implied objectives;

Monitor strategy: LO8

Monitoring strategy

Candidates will be able to recommend appropriate methods of monitoring strategies, and demonstrate how data can be used subsequently to measure and monitor strategic performance.

In the assessment, candidates may be required to:

- a. explain and demonstrate how qualitative and quantitative data, including forecasts, budgets and other management information presented in a range of formats, can be analysed to monitor the performance of an organisation's projects, divisions and other strategic units;
- b. explain and demonstrate how data can be selected, structured, assimilated and analysed to provide management with information to monitor or modify strategic or operating decisions, having regard for data variability, data bias and risk, and applying an appropriate degree of professional scepticism;
- c. explain and evaluate how an organisation can select, capture, analyse and use data, including big data, to provide management with information that enables it to implement, monitor and modify a strategy and to create or sustain competitive advantage;
- d. explain and justify the key issues which should be addressed by the management of an organisation during the planning and implementation of change; and

- e. explain and evaluate the ethical, corporate responsibility and public interest implications of how an organisation chooses to implement and modify its strategies, suggesting appropriate courses of action to resolve ethical dilemmas that may arise.

Skills assessed

Assimilating and using information

<i>Understand the situation and the requirements</i> • Demonstrate understanding of the business context • Recognise new and complex ideas within a scenario • Identify and explain the needs of customers and clients • Explain different stakeholder perspectives and interests • Identify and evaluate risks within a scenario • Identify and evaluate elements of uncertainty within a scenario • Identify and explain ethical issues including public interest and sustainability issues within a scenario	<i>Identify and use relevant information</i> • Interpret information provided in various formats • Evaluate the relevance of information provided • Filter information provided to identify critical facts	<i>Identify and prioritise key issues and stay on task</i> • Identify and explain business and financial issues from a scenario • Prioritise key issues • Work effectively within time constraints • Operate to a brief in a given scenario
<i>How skills are assessed</i> <i>Students may be required to:</i> • understand key information from the scenario provided; • understand the context of the scenario in terms of type of business, industry and wider context; • recognise key ethical issues for an accountant undertaking work in accounting and reporting; and • recognise specific issues that may arise in the context of the situation described.		

Structuring problems and solutions

Structure data

- Use spreadsheets to assimilate, structure and analyse data
- Structure information from various sources into suitable formats for analysis
- Identify any information gaps and appraise their significance
- Frame questions to clarify information
- Use a range of data types and sources to inform analysis and decision-making
- Structure and analyse financial and non-financial data to enhance understanding of business issues and their underlying causes
- Present analysis in accordance with instructions and criteria

Develop solutions

- Identify and apply relevant technical knowledge and skills to analyse a specific problem
- Use structured information to identify evidence-based solutions
- Identify and evaluate creative and pragmatic solutions in a business environment
- Identify and explain opportunities to add value
- Identify and evaluate problems that may result from a decision
- Identify and evaluate a range of possible solutions based on analysis
- Identify and explain ethical dimensions of possible solutions
- Select appropriate courses of action using an ethical framework
- Identify and evaluate the solution which is the best fit with acceptance criteria and objectives
- Define objectives and acceptance criteria for solutions

How skills are assessed

Students may be required to:

- identify and use information to define key business issues;
- demonstrate understanding of the business, its strategy, industry and wider context.
- demonstrate the impact of ethics on the objectives and methods of an organisation;
- identify and explain the ethical implications of strategic proposals;
- demonstrate relevant technical knowledge;
- perform appropriate analysis of numerical data using spreadsheets and demonstrate an understanding of what is relevant; and
- use data analysis to develop and illustrate an answer.

Applying judgement

<i>Apply professional scepticism and critical thinking</i> • Recognise and evaluate bias and varying quality in data and evidence • Identify and appraise assumptions or faults in arguments • Identify and evaluate gaps in evidence • Identify and appraise inconsistencies and contradictory information • Assess interaction of information from different sources • Exercise ethical judgement	<i>Relate issues to the environment</i> • Appreciate when more expert help is required • Identify and explain related issues in scenarios • Assess different stakeholder perspectives when evaluating options • Retain an overview of the business issue or scenario • Appraise corporate responsibility and sustainability issues • Appraise the effects of alternative future scenarios • Appraise ethical, public interest and regulatory issues
<i>How skills are assessed</i> <i>Students may be required to:</i> • evaluate the impact of a business proposal on an entity; • assess the reliability, accuracy and limitations of any analysis performed; • be able to produce arguments integrating numerical and descriptive analysis; • prioritise the issues facing an entity; • identify and appraise links and relationships between different issues affecting an entity and use these to establish priorities; • evaluate options for an organisation, taking into account its stakeholders, objectives, priorities, available resources and ethical obligations; and • provide reasons for the rejection of alternatives.	

Concluding, recommending and communicating

Conclusions	Recommendations	Communication
• Apply technical knowledge to support reasoning and conclusions • Apply professional experience and evidence to support reasoning • Use valid and different technical skills to formulate opinions, advice, plans, solutions, options and reservations	• Present recommendations in accordance with instructions and defined criteria • Make recommendations in situations where risks and uncertainty exist • Formulate opinions, advice, recommendations, plans, solutions, options and reservations based on valid evidence • Make evidence-based recommendations which can be justified by reference to supporting data and other information • Develop recommendations which combine different technical skills in a practical situation	• Present a basic or routine memorandum or briefing note in writing in a clear and concise style • Present analysis and recommendations in accordance with instructions • Communicate clearly to a specialist or non-specialist audience in a manner suitable for the recipient • Prepare the advice, report, or notes required in a clear and concise style
How skills are assessed <i>Students may be required to:</i> • draw realistic conclusions from an analysis of data and the information provided; • prepare a report or memorandum structured according to the requirements of the scenario, with appropriate context; • provide reasoned advice based on an understanding of the business and the relevant scenario, including an assessment of possible alternatives; • recommend suitable courses of action in a given situation; and • identify and evaluate risks and outline reservations about the advice.		

Financial Accounting and Reporting

Module aim

To enable candidates to prepare and present non-complex accounts for sole traders and partnerships, to prepare complete single entity and consolidated financial statements for limited companies, and extracts from those financial statements, covering a wide range of Nepal Financial Reporting Standards (NFRS), and perform limited analysis of financial statements using accounting ratios.

Candidates will also be required to explain accounting and reporting concepts and ethical issues, and the application of NFRS to specified single entity or group scenarios.

On completion of this module, students will be able to:

- explain the contribution and inherent limitations of financial statements, apply the NFRS conceptual framework for financial reporting and identify and explain key ethical issues;
- prepare and present financial statements from accounting data for unincorporated entities, including sole traders and partnerships;

- prepare and present financial statements from accounting data for single limited companies in conformity with NFRS and explain the application of NFRS to specified single entity scenarios;
- identify the circumstances in which entities are required to present consolidated financial statements, prepare and present them in conformity with NFRS and explain the application of NFRS to specified group scenarios;
- perform basic analysis of financial statements using accounting ratios and explain the results to stakeholders

Learning outcomes apply to non-specialised profit-oriented entities unless otherwise specified.

Ethics and professional scepticism

Ethical thinking must be the mainstay for honest, true, fair and prudent financial accounting and reporting. The ability to identify and explain ethical issues is examined specifically under the syllabus area 'Accounting and reporting concepts and ethics'. Over and above this ethical thinking and professional scepticism will be required to be applied in the exercise of all judgements.

Concepts and ethics will be tested in any of the written test questions.

Specification grid

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. Over time the marks available in the assessment will equate to the weightings below, while slight variations may occur in individual assessments to enable suitably rigorous questions to be set.

Syllabus area	Weighting (%)
1 Accounting and reporting concepts and ethics	15
2 Financial statements of unincorporated entities	15
3 Single entity financial statements	35
4 Consolidated financial statements	20
5 Interpretation and analysis of financial statements	15

The following learning outcomes should be read in conjunction with the relevant sections of the technical knowledge grids.

Explain and apply accounting and reporting concepts and ethics: LO1

1 Accounting and reporting concepts and ethics

Candidates will be able to explain the contribution and inherent limitations of financial statements, apply the NFRS conceptual framework for financial reporting and identify and explain key ethical issues.

In the assessment, candidates may be required to:

- explain the standard-setting process used by international bodies and the authority of international standards, using appropriate examples as illustration;
- explain the objectives and inherent limitations of financial statements, giving appropriate examples;

- c. explain the qualitative characteristics of financial information and the constraints on such information, using appropriate examples to illustrate the explanation;
- d. identify the financial effects of transactions in accordance with the NFRS Conceptual Framework for Financial Reporting;
- e. discuss the concepts of 'fair presentation' and 'true and fair view' and the circumstances in which these concepts may override the detailed provisions of legislation or of accounting standards;
- f. explain the concept, features and importance of public financial management (PFM);
- g. explain the differences between financial statements produced using the accrual basis and those produced using the bases of cash accounting and break-up, performing simple calculations to illustrate the differences;
- h. describe the key differences between private sector, not-for-profit and public sector organisations and the main impacts these differences have on their approach to accounting
- i. explain, in non-technical language, the different bases of measurement of the elements of the financial statements, illustrating the explanation with simple calculations and examples; and
- j. identify and explain the ethical and professional issues for a professional accountant undertaking work in financial accounting and reporting and identify appropriate action.

Prepare financial statements of unincorporated entities: LO2

2 Financial statements of unincorporated entities

Candidates will be able to prepare and present financial statements from accounting data for unincorporated entities, including sole traders and partnerships.

In the assessment, candidates may be required to:

- a. identify the main components of a set of financial statements and specify their purpose and interrelationship
- b. prepare and present a statement of financial position, statement of profit or loss, statement of changes in equity and statement of cash flows (or extracts) from the accounting records and trial balance in a format which satisfies the information requirements of the entity

Prepare single entity financial statements: LO3

3 Single entity financial statements

Candidates will be able to prepare and present financial statements from accounting data for single entities in conformity with NFRS requirements and explain the application of NFRS to specified single entity scenarios.

In the assessment, candidates may be required to:

- a. identify the laws and regulations, and accounting standards and other requirements applicable to the statutory financial statements of an entity;
- b. calculate from financial and other data the amounts to be included in an entity's financial statements according to the international financial reporting framework;
- c. distinguish between the cash and accruals approaches to accounting and explain the impact of the differences on an entity's information requirements and accounting procedures;
- d. prepare and present the financial statements, or extracts, of an entity (according to its accounting policies and appropriate financial reporting standards);
- e. explain the application of NFRS and IPSAS to specified single entity scenarios;

- f. define and calculate from information provided the distributable profits of an entity;
- g. identify the circumstances in which the use of NFRS, and International Public Sector Accounting Standards (IPSASs) for not-for-profit entities might be required; and
- h. calculate from financial and other data the amounts to be included in the equity section of the statement of financial position of a not-for-profit entity in accordance with its accounting policies and the appropriate financial reporting framework.

Prepare consolidated financial statements: LO4

4 Consolidated financial statements

Candidates will be able to identify the circumstances in which entities are required to present consolidated financial statements, prepare and present them from single entity financial statements in conformity with NFRS and explain the application of NFRS to specified group scenarios.

In the assessment, candidates may be required to:

- a. identify and describe the circumstances in which an entity is required to prepare and present consolidated financial statements;
- b. identify the laws and regulations, and accounting standards and other requirements applicable to the legal entity and consolidated financial statements of an entity;
- c. identify from financial and other data any subsidiary, associate or joint venture of an entity according to the international financial reporting framework;
- d. calculate from financial and other data the amounts to be included in an entity's consolidated financial statements in respect of its new, continuing and discontinued interests in subsidiaries, associates and joint ventures (excluding partial disposals of subsidiaries and disposals of associates or joint ventures) according to the international financial reporting framework;
- e. prepare and present the consolidated financial statements, or extracts, of an entity in accordance with its accounting policies and the international financial reporting framework, using calculated amounts and other information;
- f. explain the application of NFRS to specified group scenarios

Interpret and analyse financial statements: LO5

5 Interpretation and analysis of financial statements

Candidates will be able to calculate and interpret accounting ratios and trends and explain the results to users and stakeholders.

In the assessment, candidates may be required to:

- a. calculate and comment on key accounting and performance ratios
- b. explain the limitations of ratio analysis

Skills assessed

Assimilating and using information

<i>Understand the situation and the requirements</i> • Demonstrate understanding of the business context • Recognise new and complex ideas within a scenario • Explain different stakeholder perspectives and interests • Explain ethical issues with given scenarios	<i>Identify and use relevant information</i> • Interpret information provided in various formats • Evaluate the relevance of information provided • Filter information provided to identify critical facts	<i>Identify and prioritise key issues and stay on task</i> • Identify business and financial issues from a scenario • Prioritise key issues • Work effectively within time constraints • Operate to a brief in a given scenario
<i>How skills are assessed</i> <i>Students may be required to:</i> • Explain the inherent limitations of financial statements; • Apply the IFRS Foundation's conceptual framework for financial reporting to a given scenario; • Recognise key ethical issues for an accountant undertaking work in accounting and reporting; • Identify international financial reporting standards and other requirements applicable to the financial statements (both single entity and consolidated); and • Recognise specific issues that may arise in the context of the situation described.		

Structuring problems and solutions

<i>Structure data</i> • Structure information from various sources into suitable formats for analysis	<i>Develop solutions</i> • Identify and apply relevant technical knowledge and skills to analyse a specific problem • Use structured information to identify evidence-based solutions • Select appropriate courses of action using an ethical framework • Identify the solution which is the best fit with acceptance criteria and objectives
<i>How skills are assessed</i> <i>Students may be required to:</i> • Apply the IFRS Foundation's conceptual framework for financial reporting to identify the financial effects of transactions; • Apply knowledge of international financial reporting standards through explanation and calculation; • Prepare and present financial statements (including disclosure), or extracts (both single entity and consolidated) using proformas, in conformity with international financial reporting standards; • Explain the principal differences between IFRS® Standards and UK GAAP; and • Identify ethical issues and use ethical codes to formulate solutions and provide advice.	

Applying judgement

<i>Apply professional scepticism and critical thinking</i> • Recognise bias and varying quality in data and evidence • Identify faults in arguments • Exercise ethical judgement	<i>Relate issues to the environment</i> • Identify related issues in scenarios • Appraise ethical, public interest and regulatory issues
<i>How skills are assessed</i> <i>Students may be required to:</i> • Use judgement to assess the appropriate accounting treatment (including disclosure) for transactions described in the scenarios in respect of both single entity and consolidated financial statements; and • Identify ethical issues and use ethical codes to formulate solutions and provide advice.	

Concluding, recommending and communicating

<i>Conclusions</i> • Apply technical knowledge to support reasoning and conclusions • Use valid and different technical skills to formulate opinions, advice, plans, solutions, options and reservations.	<i>Communications</i> • Communicate clearly to a specialist or non-specialist audience in a manner suitable for the recipient • Prepare the advice, explanation, or notes required in a clear and concise style
<i>How skills are assessed</i> <i>Students may be required to:</i> • Explain accounting and reporting concepts in non-technical language; • Explain, with supporting calculations and disclosure, the appropriate accounting treatment for transactions described in the scenario (both single entity and consolidated financial statements); • Prepare and present financial statements (including disclosure), or extracts (both single entity and consolidated financial statements) in conformity with international financial reporting standards; • Explain the principal differences between IFRS® Standards and UK GAAP; and • Explain ethical issues and provide possible solutions.	

Management Accounting and Financial Management

Module aim

To enable candidates to recommend relevant options for financing a business, recognise and manage financial risks and make appropriate investment decisions.

On completion of this module, candidates will be able to:

- prepare budgets, explain the nature of performance management and select appropriate performance measures
- carry out effective decision-making, selecting appropriate techniques
- identify capital requirements of businesses, assess financing options and recommend relevant methods of financing;
- apply appropriate investment appraisal techniques taking into account other factors affecting investment decisions.

- identify business and financial risks facing an entity and apply basic techniques to manage those risks

Ethics and professional scepticism

Underlying ethical thinking is a requirement in applying an appropriate investment appraisal technique, identifying financing options and managing risk. The implications of financial management decisions to all stakeholders must be evaluated and any ethical dilemmas resolved. Candidates will also be expected to apply professional scepticism and critical thinking when making all judgements.

Ethics may be tested in any of the questions.

Specification grid

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. Over time the marks available in the assessment will equate to the weightings below, while slight variations may occur in individual assessments to enable suitably rigorous questions to be set.

Syllabus area	Weighting (%)
1 Budgeting and performance management	20
2 Decision-making	20
3 Investment decisions	20
4 Financing decisions	20
5 Risk management	20

The following learning outcomes should be read in conjunction with the relevant sections of the technical knowledge grids.

Prepare budgets and carry out performance analysis: LO 1

1 Budgeting and performance management

Candidates will be able to identify key features of effective performance management systems, prepare budgets, select appropriate performance measures and calculate differences between actual performance and standards or budgets.

In the assessment, candidates may be required to:

- a. Consolidate information from functional budgets into the master budget and prepare the following:
 - i. A budgeted profit or loss statement
 - ii. A budgeted statement of financial position
 - iii. A cash budget
- b. identify the reasons for and key features of effective performance management systems and appropriate performance measures which effectively encourage the business as a whole to meet its objectives;

- c. identify the role of controls in ensuring effective performance management;
- d. identify how performance measures and compliance measures are integrated into the general systems of control in businesses;
- e. calculate differences between actual performance and standards or budgets and identify possible causes reasons for the following variances
 - i. Sales, price and volume variances
 - ii. Materials use and price variances
 - iii. Variable overhead expenditure and efficiency variances
 - iv. Fixed overhead volume, capacity and efficiency variances; and
- f. calculate profits under absorption or marginal costing and reconcile the results under these different methods.

Make decisions: LO2

2 Decision-making

Candidates will be able to use marginal costing and understand the relationship between fixed and variable costs in making simple short-term decisions.

In the assessment, candidates may be required to:

- a. apply marginal costing to decision-making problems
- b. calculate cost volume profit analyses and break-even analyses based on a given business and given data and information using both numerical and graphical techniques evaluating the results and advising on management action in single-product decisions
- c. identify relevant limiting factors for a scarce resource or resources in a given business scenario applying a relevant technique given business objectives including make or buy decisions
- d. explain how non-financial factors inform decision-making

Make Financing decisions: LO3

3 Objective and sources of finance

Candidates will be able to explain the objective in financial management, identify capital requirements of businesses and assess financing options.

In the assessment, candidates may be required to:

- a. explain the objective in financial management, identify and apply the fundamental principles of financial economics and describe the financial strategy process for a business;
- b. describe the different sources of finance available to businesses of different types and sizes
- c. describe and analyse the importance of financial markets (including the extent to which they are efficient) and other external factors on a business's financial strategy
- d. explain the implications of terms included in loan agreements in a given scenario (e.g., representations and warranties; covenants; guarantees);
- e. identify the significance and effect of developing technologies on financing decisions;
- f. calculate and interpret the costs of different sources of finance (before and after tax) and the weighted average cost of capital;
- g. explain, in non-technical terms and using appropriate examples, the effect of capital gearing both on investors' perception of risk and reward and the weighted average cost of capital;
- h. compare the features of different means of making returns to lenders and owners (including dividend policy), explain their effects on the business and its stakeholders, and recommend appropriate options in a given scenario;

- i. forecast the long-term capital requirements for a business taking into account planned capital expenditure and assess the suitability of different financing options (including green finance) to meet those requirements, comparing the financing costs and benefits, referring to levels of uncertainty and making reasonable assumptions which are consistent with the situation;
- j. identify the constituent elements of working capital (cash) cycle and how it is financed; specify the methods by which each element can be managed to optimise cash flows and how a business manages surpluses and deficits predicted in cash budgets.

Investment decisions: LO4

4 Investment decisions

Candidates will be able to apply investment appraisal techniques

In the assessment, candidates may be required to:

- a. outline the investment decision-making process and explain how investment decisions are linked to shareholder value;
- b. appraise an investment from information supplied, using basic screening techniques
- c. appraise an investment in detail from information supplied, including taking account of relevant cash flows, inflation and tax;
- d. calculate and examine the sensitivity of an investment decision to changes in the input factors;
- e. calculate the optimal investment plan when a limited amount of capital is available;

Managing business and financial risk: LO5

5 Managing business and financial risk

Candidates will be able to identify the main risks of a business which has borrowed and is trading overseas and the basic methods of managing those risks.

In the assessment, candidates may be required to:

- a. identify and describe the key business and financial risks facing a business in a given scenario;
- b. discuss the basic methods of managing interest rate risk appropriate to a given situation, perform calculations to determine the cost of hedging that risk and select the most suitable method of hedging
- c. discuss the basic methods of managing currency risks appropriate to a given situation, perform calculations to determine the cost of hedging that risk and select the most suitable method of hedging;

Skills assessed

Assimilating and using information

<i>Understand the situation and the requirements</i>	<i>Identify and use relevant information</i>	<i>Identify and prioritise key issues and stay on task</i>
• Demonstrate understanding of the business context • Recognise new and complex ideas within a scenario • Identify the needs of customers and clients • Explain different stakeholder perspectives and interests • Identify risks within a scenario • Identify elements of uncertainty within a scenario • Explain ethical issues within given scenarios	• Interpret information provided in various formats • Evaluate the relevance of information provided • Filter information provided to identify critical facts	• Identify business and financial issues from a scenario • Prioritise key issues • Work effectively within time constraints • Operate to a brief in a given scenario
<i>How skills are assessed</i> <i>Students may be required to:</i> • absorb and understand both structured and unstructured material including that provided in spreadsheets; • give recommendations based on their understanding and interpretation of the information provided, supported by explanation of the reasoning behind and implications of their recommendations.		

Structuring problems and solutions

Structure data • Structure information from various sources into suitable formats for analysis • Identify any information gaps • Structure and analyse financial and non-financial data to enhance understanding of business issues and their underlying causes • Present analysis in accordance with instructions and criteria	Develop solutions • Identify and apply relevant technical knowledge and skills to analyse a specific problem • Identify creative and pragmatic solutions in a business environment • Identify opportunities to add value • Identify and anticipate problems that may result from a decision • Identify a range of possible solutions based on analysis • Identify ethical dimensions of possible solutions • Select appropriate courses of action using an ethical framework • Identify the solution which is the best fit with acceptance criteria and objectives • Define objectives and acceptance criteria for solutions
How skills are assessed <i>Students may be required to:</i> • assimilate significant amounts of information including information provided visually and in spreadsheets, to analyse it (using quantitative analysis including statistical tools) in a way that demonstrates relevant technical knowledge and to draw and support appropriate conclusions	

Applying judgement

Apply professional scepticism and critical thinking • Identify and appraise assumptions or faults in arguments • Identify gaps in evidence • Identify inconsistencies and contradictory information • Recognise and evaluate bias and varying quality in data • Exercise ethical judgement	Relate issues to the environment • Identify related issues in scenarios • Assess different stakeholder perspectives when evaluating options • Retain an overview of the business issue or scenario • Appraise corporate responsibility and sustainability issues • Appraise the effects of alternative future scenarios • Appraise ethical, public interest and regulatory issues
How skills are assessed: <i>Students may be required to:</i> • make sense of relatively large volumes of data including data provided visually and in spreadsheets, making judgments on the relevance of data for use in subsequent calculations and discussions; • reflect on their calculations and the methodology employed and to identify and discuss the implications of calculations; • make and justify judgements based on earlier calculations.	

Concluding, recommending and communicating

Conclusions	Recommendations	Communication
• Apply technical knowledge to support reasoning and conclusions • Use valid and different technical skills to formulate opinions, advice, plans, solutions, options and reservations.	• Present recommendations in accordance with instructions and defined criteria • Make recommendations in situations where risks and uncertainty exist • Formulate opinions, advice, recommendations, plans, solutions, options and reservations based on valid evidence • Develop recommendations which combine different technical skills in a practical situation	• Present a basic or routine memorandum or briefing note in writing in a clear and concise style • Present analysis and recommendations in accordance with instructions • Communicate clearly to a specialist or non-specialist audience in a manner suitable for the recipient • Prepare the advice, report, or notes required in a clear and concise style
How skills are assessed <i>Students may be required to:</i> • recommend suitable courses of action in a given situation (financing decisions, dividend decisions, hedging decisions, investment appraisal decisions); • incorporate advice within a 'business report' format, addressing both the strengths and weaknesses of any recommendations and/or reasons for the rejection of alternatives.		

Applied Law

Module aim

The aim of the module is to ensure that candidates understand the different types of business organisation and the laws and regulations governing them and can apply their knowledge. The syllabus also introduces banking, insurance, securities, consumer welfare, social organizations and public procurement act that an accountant may encounter in their professional career.

On completion of this module, candidates will be able to demonstrate the following learning outcomes:

- Explain the provisions of Nepal Chartered Accountants Act and relation with Audit Act, 2075 including explaining the meaning and concept of Audit, office of the Auditor general and audit of the government, wholly or partly government owned undertakings.
- Explain financing structure of companies, management, administration, regulation, liquidation and cancellation of registration of companies, provisions relating to private company, single shareholder company, company not distributing profits and audit committee.
- Interpret the meaning and concept of Securities and Stock Exchanges, Issue of securities and its transactions.
- Explain about incorporation of Banks and Financial Institutions and their capital structure, Regulation, Inspection and Supervision and audit.
- Explain the concept of Nepal Rastra Bank (NRB) along with its monetary functions, foreign exchange policies.
- Explain provisions related to registration, classification, boards, committees and punishments related with Industry operation in Nepal along with Foreign Investment and Technology Transfer.
- Explain the law relating to employment along with acts related to Bonus and social securities.
- Describe about incorporation of Insurance companies and their capital structure, Regulation, Inspection and Supervision and audit and insurance mediators and other insurance service providers.
- Interpret the performance, execution, breach of contract and its remedies provisions related to indirect or quasi contract, unjust enrichment and liability for defective production.
- Describe the registration of association and social organizations, social welfare program, affiliation to Council, economic assistance and suspension.
- Identify the applicability of act related to public procurement in Nepal.

Ethics

The consideration of ethical decision making is intrinsic to the study of law. In this module, students will examine some of the impacts of Nepal Chartered Accountants Act, Companies, Securities, Banking, Financial Institution, Industry, Labour, Public Procurement, Contract and Consumer Welfare Acts on business and professional services, focusing on fraud, bribery and money laundering. They will also explore the relationships and interaction between legal principles, legislation, case law, ethics and ethical codes.

Specification grid

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. Over time the marks available in the assessment will equate to the weightings below, while slight variations may occur in individual assessments to enable suitably rigorous questions to be set.

Syllabus Area	Weighting (%)
1. Nepal Chartered Accountants Act, 2053, rules and Government Audit	10
2. Industry Related Acts: Companies Act, 2063, Industrial Enterprises Act, 2076 and Foreign Investment and Technology Transfer in Nepal	30
3. Finance Related Acts: Banks and Financial Institutions Act, 2073, Nepal Rastra Bank, 2058, Insurance Act, 2079 and Securities Act, 2063 and rules	30
4. Labour Act, 2074 and Other Acts Related to Employment	10
5. The National Civil (Code), 2074 (Part V)	10
6. Acts related to Social Organizations	5
7. Understanding public procurement in Brief	5

The following learning outcomes should be read in conjunction with the relevant sections of the technical knowledge grids.

Nepal Chartered Accountants Act, 2053 and relevant provisions of Nepal Chartered Accountants Regulation, 2061: LO1

Candidates will be able to understand objectives and definition of related terms of the Act, explain the provisions of Nepal Chartered Accountants Act and relation with Audit Act, 2075 including explaining the meaning and concept of Audit, office of the Auditor general and audit of the government, wholly or partly government owned undertakings.

In the assessment, candidates may be required to:

- a) Define the related terms of the Act included in the syllabus (Section 2)
- b) Describe the formation, functions, duties and powers, circumstances to cease to hold office, vacancy and fulfilment and meeting of Council along with formation and functions, duties and powers of committees of council (Section 7 – 15).
- c) Explain the provisions of Accounting and Auditing Standards Board of the Act (Section 15a – 15f)
- d) Explain the provisions on recognition of Educational Qualification (Section 26 - 27), Certificate of Practice (CoP) (Sections 28 – 33), conducts to be observed and complaints to be made, funds, accounts, audit, Executive Director and other employees of ICAN and punishment to be imposed by ICAN (Sections 34 – 41)
- e) Explain general provisions of saving of act done in good faith, delegation of power, power to give direction, liaison with Government of Nepal, power to frame rules and by-laws and repeal and saving (Section 43 – 49)
- f) Explain and evaluate on relevant provisions of Nepal Chartered Accountants Regulation.
- g) Explain about appointment, qualifications and disqualifications of the Auditor General (Article 240 of Constitution of Nepal) and provisions of bodies to be audited by the Auditor General to understand relationship with the Nepal Chartered Accountants Act, 2053 (Sections 3, 10 and 11 of the Audit Act, 2075)

Industry Related Acts: LO2

Companies Act, 2063

Candidates will be able to explain the documents related to company, shares and debentures and provisions related to records, meeting, audit, financing structure of companies, management, administration, regulation, liquidation and cancellation of registration of companies, provisions relating to private company, single shareholder company, company not distributing profits and audit committee.

In the assessment, candidates may be required to:

- a) Explain and review Lifting the Corporate Veil.
- b) Explain and evaluate paid up capital, conversion, the memorandum of Association, Articles of Association and Prospectus and share and debenture of companies. (Section 7 – 66)
- c) Explain and assess Company Meetings: Annual General Meeting (AGM) and Extra Ordinary General Meeting (EGM). (Section 67 – 85)
- d) Explain and Assess the Formation of the Board of Directors, Directors Disqualifications, Board Meetings. (Section 86 – 107)
- e) Recognize the accounts and Records of Company and provisions related to audit of companies. (Section 108 – 119)
- f) Describe the dissolution of the Company: Compulsory and Voluntary (Section 126 – 137)
- g) Describe the provisions related to holding and subsidiary Companies (Section 142 – 144), special provisions relating to private companies (Section 145 – 151), provisions related to single shareholder company (Section 152 – 153) and company not distributing profits. (Section 166 – 167)
- h) Elaborate about Audit Committee. (Section 164 – 165)

The Industrial Enterprises Act, 2076

Candidates will be able to define the related terms of the act, explain the provisions related to registration, classification, boards, committees, punishments and corporate social responsibility of industries along with foreign investment and technology transfer in Nepal.

In the assessment, candidates may be required to:

- a) Define the related terms of the Act included in the syllabus and elaborate the provisions of registration of industries and classification of industries on the basis of nature and capital investment. (Section 3 – 19)
- b) Evaluate and assess the provision relating to industry investment promotion board (Section 20 – 23), one stop service centre (37 – 38) and sick industries. (Section 39 – 42),
- c) Analyse and evaluate the provisions relating to punishments and appeal. (Section 43 – 46)
- d) Explain about industrial human resource and corporate social responsibility. (Section 47 – 69)
- e) State the objectives of the Act along with definition of related terms of the Act and identify industry or business not opened to foreign investment to understand relationship with the Industrial Enterprises Act, 2076 (Section 1 – 3 of The Foreign Investment and Technology Transfer Act, 2075)

Finance Related Acts: LO3

Banks and Financial Institutions Act, 2073

Candidates will be able to understand objectives and definition of related terms of the Act, explain the provisions related to incorporation capital structure, regulation, inspection, supervision and accounts, records and audit of the Bank and Financial Institution.

In the assessment, candidates may be required to:

- a) State the objectives along with the definition of the related terms of the Act. (Section 1 – 2)
- b) Explain and elaborate the provisions relating to incorporation of Banks or Financial Institutions (Prior Approval & License). (Section 3 – 13)
- c) Explain the provisions concerning Board of Directors and Chief Executive of Banks or Financial Institution, capital, capital funds and liquid assets along with provisions concerning operation of financial transactions. (Section 14 – 54)
- d) Explain and assess the provisions relating to disbursement and recovery of credits. (Section 55 – 57)
- e) Recognize the accounts, records, returns and reports of bank and financial institutions. (Section 58 – 68)

Nepal Rastra Bank Act, 2058

Candidates will be able to understand objectives and definition of related terms of the Act, explain the concept of Nepal Rastra Bank (NRB) along with its monetary functions and foreign exchange policies.

In the assessment, candidates may be required to:

- a) State the objectives along with the definition of the related terms of the Act and establishment and functions, duties and powers of NRB. (Section 1 – 13)
- b) Identify the Board and functions, duties and powers of Board. (Section 14 – 38)
- c) Identify the financial provisions of NRB. (Section 39 – 43)
- d) Describe about the monetary functions and operation of open market, monetary unit, bank notes and coins along with foreign exchange policy, regulation and reserve. (Section 44 – 68)

Insurance Act, 2079

Candidates will be able to describe about incorporation of Insurance companies and their capital structure, regulation, inspection, supervision, audit and insurance mediators and provisions of other insurance service providers.

In the assessment, candidates may be required to:

- a) State the objectives along with the definition of the related terms of the Act and principles of Insurance and its benefits. (Section 1 – 2)
- b) Identify the insurance authority, its management and its functions, duties & powers, fund, accounts and audit. (Section 3 – 23)
- c) Explain the provisions relating to license, renewal and its cancellation. (Section 24 – 35 and 137)
- d) Elaborate the provisions relating to capital fund and shares allotment, board of directors and chief executive (Section 36 – 60), accounts and audit of an insurance company. (Section 83 - 89)
- e) Recognize and review the operation of insurance business, micro insurance and Re- Insurance Business. (Section 37 – 82)
- f) State the provisions related to insurance mediators and other insurance service providers. (Section 90 – 97)

Securities Act, 2063 and Rules wherever applicable

Candidates will be able to understand objectives and definition of related terms of the Act, explain the meaning and concept of Securities and Stock Exchanges, issue of securities and its transactions.

In the assessment, candidates may be required to:

- a) State the objectives along with definition of the related terms of the Act and explain the formation of Securities Board of Nepal. (Section 1 – 26)
- b) Interpret and evaluate the registration and issuance of securities. (Section 27 – 35)
- c) Interpret and analyse the provisions relating to Stock Exchange. (Section 36 – 55)
- d) Recognize and explain the provisions relating to License to carry on Securities Business. (Section 56 – 70)
- e) Interpret and evaluate relevant provisions of Securities Regulation.

The Labour Act, 2074 and Other Acts Related to Employment: LO4

Candidates will be able to explain the provisions of law relating to employment along with acts related to Bonus and social securities.

In the assessment, candidates may be required to:

- a) Explain lay off of employees and remuneration during lay off (Section 15 & 39)
- b) Explain and evaluate the provisions relating to employment of foreign workers (Section 22 – 27)
- c) Explain provision of prohibition of deduction of remuneration (Section 38)
- d) Describe the provisions relating to leave facilities (Section 40 – 51), workers welfare (Section 52 – 57) and outsourcing (Section 58 – 67)
- e) Describe the provisions relating to special type of industries and services (Section 84 – 90)
- f) Explain and evaluate the provisions relating to unfair labour practices (Section 91 – 92) and inspection and Labour Audit (Section 93 – 101)

- g) State the Provisions Relating to Labour Relation Committee (Section 111) and performance evaluation of workers (Section 112)
- h) Describe the provisions related to contribution based social security in relation to amount to be deposited in such fund and its uses (Only name of schemes) (Sections 3 – 10 of Contribution-based Social Security Act, 2074)
- i) Describe the amounts that shall be deducted and credited to the Employee Provident Fund and its withdrawal. (Sections 3 and 12 – 15 of Employee Provident Fund Act, 2019)
- j) Describe the amounts that may be credited to CIT. (Section 15 – 19 of Citizens Investment Trust Act, 2047)
- k) Explain all provisions of the Bonus Act, 2030.

The National Civil (Code), 2074 (Part V): LO5

Candidates will be able to explain the provisions related to performance and breach of contract and its remedies along with indirect or quasi contract, unjust enrichment and liability for defective production.

In the assessment, candidates may be required to:

- a) Interpret the provision relating to time, procedure, place circumstance and place for performance or non-performance of Contract (Section 521 – 534)
- b) Interpret the provision relating to breach of contract and its remedies along with specific performance of contract. (Section 535 - 544)
- c) Interpret the Provisions relating to indirect or Quasi contract (Section 648 - 663)
- d) Interpret the Provisions relating to unjust enrichment (Section 664 - 671)
- e) Interpret the Provisions relating to liability for defective production (Section 685 - 690)

Acts related to Social Organizations: LO6

Associations Registration Act, 2034

Candidates will be able to understand objective and definition of the related terms of the Act and explain the provisions of establishment, registration and dissolution of Associations in Nepal.

In the assessment, candidates may be required to:

- a) State the objectives along with the definition of the related terms of the Act (Section 1 – 2) and explain the registration, prohibition on establishment without registration of an Association and provision of Association to be a corporate body. (Sections 3 – 5)
- b) Explain about Dissolution of Association and Consequences Thereof (Section 14)

Social Welfare Act, 2049

Candidates will be able to understand the objective and definition of the related terms of the Act, explain about the Social Welfare Council (Council).

In the assessment, candidates may be required to:

- a) State the objectives of the Act along with the definition of related terms of the Act, identify social welfare program and special programme relating to social welfare (Section 1 – 4)
- b) Identify the council and its Functions, Duties and Powers (Section 5 and 9)
- c) Explain about Permission and agreement and affiliation with the council (Section 12 - 13)
- d) Explain provisions relating to economic assistance (Section 16), suspension or dissolution (Section 20) and annual report (section 23)

Understanding public procurement in Brief: LO7

Candidates will be able to understand meaning of public procurement, state objectives of Public Procurement Act, 2073 and define the terms "Procurement" and "Public Entity" as per the same Act.

In the assessment, candidates may be required to:

- a) State the objectives of the Public Procurement Act, 2073 and Define "Procurement" and "Public entity" as per Public Procurement Act, 2073 (Section 1 - 3 of The Public Procurement Act, 2063)

Applied Taxation

Module aim

To enable candidates to prepare complete tax computations for natural persons, private firms, and entities in straight forward scenarios, understand and explain the tax implications of a course of action and explain the potential tax treatment of transactions.

Candidates will also be required to explain concepts of income tax, VAT, excise and customs laws and ethical issues, and the application of specified provisions of those laws in a straightforward scenario.

On completion of this module, students will be able to:

- Explain the right, duties of taxpayers and deadlines and penalties on taxation
- Calculate gross income/transactions, deductible/non-deductible expenses, exemptions
- Compute withholding and final tax calculations and return filings for business, investment and employment in non-complex situations
- Explain and calculate tax credit, rebate and refunds and tax recovery procedures
- Explain tax planning, avoidance, evasion and tax assessment procedures
- Describe provisions related to international taxation
- Describe procedural aspects related to judicial review of tax disputes

Prior knowledge

This module assumes and develops the knowledge and skills acquired in the Law and Taxation Module.

Ethics and professional scepticism

Ethical thinking must be the mainstay for honest, true, fair and prudent financial accounting and reporting. The ability to identify and explain ethical issues is examined specifically under the syllabus area 'Ethics and Tax Audit Requirements'. Over and above this ethical thinking and professional scepticism will be required to be applied in the exercise of all judgements.

Concepts and ethics will be tested in any of the written test questions.

Specification grid

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. Over time the marks available in the assessment will equate to the weightings below, while slight variations may occur in individual assessments to enable suitably rigorous questions to be set.

Syllabus area	Weighting (%)
1 Taxpayers' Identification, Tax Accounting and Tax Period, Taxpayers' Assistant	5
2 Basis of Taxation and Exemptions	10
3 Tax Returns and Filings	5

4 Tax Assessment	5
5 Tax Planning, Avoidance and Evasion	5
6 Tax Computation	
- Income Tax Computation	25
- Other taxes	15
7 Tax withholding, Collection and Payment	5-10
8 Tax Credit, Tax Rebate or Refund	5
9 Tax Recovery	5
10 International Taxation, Judicial Review, Ethics and Tax Audit Requirements	10-15

The following learning outcomes should be read in conjunction with the relevant sections of the technical knowledge grids.

Taxpayers' Identification, Tax Accounting and Tax Period, Taxpayers' Assistant: LO1

Impact of suspension, withholding or cancellation of tax registration

Candidates will be able to explain the impact of suspension, withholding or cancellation of income tax, value added tax, excise tax and customs tax registration. Candidates will also be able to calculate the potential tax obligations as a result of suspension, withholding or cancellation of income tax, value added tax, excise tax and customs tax registration.

In the assessment, candidates may be required to:

- identify the impact of suspension, withholding or cancellation of income tax, value added tax, excise tax and customs tax registration;
- calculate from financial and other data the amounts to be paid by a taxing unit as a result of suspension, withholding or cancellation of registration; and
- explain the penal provisions in case the taxing unit fails to pay tax as a result of suspension, withholding or cancellation of registration.

Rights and Duties of taxpayers

Candidates will be able to explain the rights and duties of taxpayers. Candidates will also be able to calculate the financial obligation as a result of failure to abide by their duties.

In the assessment, candidates may be required to:

- identify the rights of taxpayer;
- explain the duties of taxpayers specifically mentioned in tax laws; and
- calculate from financial and other data the amounts to be paid by a taxing unit as a result of failure to abide by the duty.

Basis of Taxation and Exemptions: LO2

Basis of Taxation

Candidates will be able to identify the basis of taxation in respect of income tax, value added tax, excise duty and customs duty in a straight-forward scenario.

In the assessment, candidates may be required to:

- identify and describe the basis of taxation;
- identify the sources of payments as per Income tax law; and

- c. identify the place and time of supply of goods and services as per value added tax law;
- d. explain the importance of sources of payment in determining the applicability of various provisions of Income tax law and importance of place of supply in determining the

applicability of value added tax;

Method of Tax Calculation

Candidates will be able to explain the method of tax calculation. In this section, candidates will not be required to involve in mathematical calculations.

In the assessment, candidates may be required to:

- a. explain the method of income tax computation in respect of a natural person (presumptive taxation, turnover based taxation, non-resident person, taxation of a vehicle owner, resident taxpayer) and an entity;
- b. identify the tax rates applicable to a taxing unit;
- c. explain the method of calculation of value added tax liability or receivable;
- d. explain the method of calculation of excise duty liability or receivable; and
- e. explain the method of calculation of customs duty (import or export duty).

Concept of Assessable Income and Taxable Income

Candidates will be able to explain the meaning of and difference between assessable income and taxable income.

In the assessment, candidates may be required to:

- a. identify and describe the basis of taxation;
- b. identify the sources of payments as per Income tax law; and
- c. identify the place and time of supply of goods and services as per value added tax law.

Harmonized Code System in Indirect Taxation

Candidates will be able to explain the interpretation of Harmonized Commodity Description and Commodity System in determining indirect tax rates and exemptions of indirect taxes.

In the assessment, candidates may be required to:

- a. explain the meaning and importance of Harmonized Commodity Description and Commodity System of Tariff Nomenclature;
- b. list the General Rules for Interpretation of Harmonized System; and
- c. describe the usage of Harmonized System in Value Added Tax, Excise and Customs Law in determining applicability and exemptions of those taxes on particular items along with the determination of rates of excise duty and customs duty.

Tax Exemptions

Candidates will be able to identify the circumstances when income tax, value added tax, excise duty and customs duty is exempt.

In the assessment, candidates may be required to:

- a. explain exempt amounts as per Income Tax Act, 2058;
- b. describe various provisions of Income Tax Act, 2058 that exempts a taxing unit from payment of income tax;
- c. explain VAT exemptions in various circumstances, such as, transactions of items listed in Schedule 1, Transfer of ownership of business, decision by Council of Ministers, etc. (however, there is no need for a candidate to memorize the lists of items in Schedule 1 of Value Added Tax Act, 2052);
- d. identify and explain provisions of Excise law that exempts levy of Excise duty; and
- e. identify and explain provisions of Customs Law and prevailing Finance Act that exempts levy of Customs duty.

Tax Accounting Records

Candidates will be able to identify and explain the contents of tax accounting records required to be maintained as per Income Tax law, Value Added Tax law, Excise Duty law and Customs law.

In the assessment, candidates may be required to:

- a. calculate the effect of change of basis of accounting and explain the tax treatment when basis of accounting is changed as per Income Tax Act, 2058;
- b. explain the tax accounting records required to be maintained as per Income Tax law, Value Added Tax law, Excise Duty law and Customs law;
- c. identify the format of tax accounting records; and
- d. calculate any fees, interest or penalty payable in case of failure to maintain the records.

Tax Returns and Filings: LO3

Tax Returns

Candidates will be able to explain the requirement of filing of different tax returns as per Income Tax law, Value Added Tax law, Excise Duty law and Customs law along with time, place and the method.

In the assessment, candidates may be required to:

- a. explain the mandatory requirement to file income return, withholding tax return, estimated tax return, return for collection of advance taxes, etc. under Income Tax law, Value Added Tax return under Value Added Tax law, Excise Return under Excise Duty law and Pragyapan Patra and other returns under Customs law along with due date, extension of due date, method and place of filing such returns;
- b. explain the requirements when the returns are not to be filed;
- c. explain the legal provisions of filing revised return as per Income Tax, Value Added Tax, Excise and Customs law; and
- d. calculate any fees, interest or penalty payable in case of failure to file returns.

Forms and Contents of Tax Returns

Candidates will be able to identify the forms and contents of tax returns to be filed as per Income Tax law, Value Added Tax law, Excise Duty law and Customs law.

In the assessment, candidates may be required to:

- a. identify the types of income returns in place and the category of taxpayer who is responsible to use that type;
- b. explain when the return is deemed to be filed after submission with tax authority; and
- c. describe the effect of failure to appropriately file tax returns (on how tax authority responds to incorrect filing of returns).

Tax Assessment: LO4

Tax Assessment

Candidates will be able to explain the tax assessment process under Income Tax law, Value Added Tax law, Excise Duty law and Customs law.

In the assessment, candidates may be required to:

- a. identify the different assessment system as per Income Tax law (self-assessment, jeopardy assessment and amended assessment), Value Added Tax law (self-assessment, assessment in special circumstances and assessment by tax officer), Excise Duty law (self-assessment and assessment by Excise officer) and Customs law (assessment by Customs Officer) and the process of completing such assessment;

- b. explain the circumstances when tax authority can override the self-assessment system as per under Income Tax law, Value Added Tax law, and Excise Duty law;
- c. explain how the process of amended assessment and assessment by tax/excise officer are practically implemented by tax authority and the response mechanism between taxing units and tax authority during the process;
- d. describe the procedural law governing assessment process; and
- e. explain the contents of the notices issued by tax authority.

Customs Clearance process

Candidates will be able to explain the process of clearing goods from customs frontier as per Customs law.

In the assessment, candidates may be required to:

- a. explain the customs clearance process; and
- b. describe the process of examination of goods as per Customs law.

Tax Planning, Avoidance and Evasion: LO5

Anti-avoidance measures in tax laws of Government of Nepal

Candidates will be able to explain the anti-avoidance provisions including General and Specific Anti-avoidance rules enacted in Income tax, Value Added tax, Excise and Customs law. Candidates will also be able to comprehend the possible financial penalty and imprisonment provisions in case of tax evasion.

In the assessment, candidates may be required to:

- a. explain anti-avoidance rules, such as General anti-avoidance rules, income splitting provisions, other anti-avoidance measures in taxation laws of Government Nepal;
- b. explain the legal charges in case of tax evasion practices;
- c. calculate the amount of penalty in case of tax evasion; and
- d. list the laws that counters tax evasion.

Tax Planning options in Nepal

Candidates will be able to explain the tax planning options as per Income Tax, Value Added Tax, Customs and Excise law. Candidates will also be able to select the most beneficial tax options for a particular business in particular scenario.

In the assessment, candidates may be required to:

- a. identify the various tax options available to a person (the facts about the type of industry, specific category of location of the industry, i.e., whether in remote, undeveloped area, etc. will be given);
- b. calculate the most beneficial income tax rate; and
- c. select appropriate tax rate out of available options.

Tax Computation: LO6

Calculation of Income Tax

Candidates will be able to calculate income tax liability of particular person under Income Tax Act, 2058 in straightforward scenario. Candidates will also be able to compute distribution tax and tax on disposal of equity interest as per Income Tax Act, 2058 in straightforward scenario.

In the assessment, candidates may be required to:

- a. calculate the inclusions and deductions under income tax laws;
- b. calculate the eligible amount of reductions under income tax laws;
- c. calculate the eligible deductions for a natural person under income tax laws;
- d. quantify the benefits and facilities given to a person under income tax laws and explain the concept of 'market value';

- e. calculate gain on disposal of asset and liability under income tax laws
- f. calculate the amount of distribution, amount of dividend, dividend tax and the amount of repayment of capital;
- g. describe the treatment of business loss, investment loss, loss on disposal of assets, carry-forward and carry-backward provisions of losses;
- h. calculate assessable income from business, employment or investment;
- i. calculate taxable income;
- j. Calculate the amount that can be deducted from taxable income (under Schedule 1 of Income Tax Act, 2058) of an individual;
- k. calculate tax liability of an exempt organization;
- l. calculate tax liability of a resident natural person to whom Sec. 4 (4) is applicable;
- m. calculate tax liability of a resident natural person to whom Sec. 4 (4Ka) is applicable;
- n. calculate tax liability of a resident natural person;
- o. calculate tax liability of a non-resident natural person;
- p. calculate tax liability of a trust;
- q. calculate tax liability of a company;
- r. calculate tax liability of a partnership firm;
- s. calculate tax liability of a contractor who earns income both from long-term contract and other business income;
- t. calculate tax liability of a person having multiple businesses;
- u. calculate tax liability of a person having income from long-term contract, leasing business and other businesses;
- v. calculate the amount of tax to be withheld by a withholding agent (Sec. 87-89 of Income Tax Act, 2058);
- w. calculate tax liability of a taxing unit in respect of amounts that are treated as final withholding;
- x. calculate the amount of advance tax to be recovered (Sec. 95Ka)

Excluded in this level for computations under the following sections of Income Tax Act, 2058:
Sec. 47-49, 57, 59-61, 64-65, 68-70

Calculation of Value Added Tax

Candidates will be able to compute output Value Added Tax.

In the assessment, candidates may be required to:

- a. explain the term 'taxable value' and determine the amount of taxable value in different circumstances;
- b. describe 'market value' and its relevance in determining 'taxable value';
- c. compute output value added tax (the candidates will be informed about the exemption of a particular transaction from Value Added Tax);
- d. calculate the amount of VAT on discontinuance of capital asset in taxable transaction and as a result of cancellation of registration; and
- e. compute 'Reverse Value Added Tax'.

Calculation of Excise duty

Candidates will be able to compute Excise duty.

In the assessment, candidates may be required to:

- a. determine the value on which excise duty is levied;
- b. compute Excise duty on production or import of goods on which excise duty is applicable (the applicability and rate of excise duty will be given).

Calculation of Customs duty

Candidates will be able to compute Customs duty.

In the assessment, candidates may be required to:

- a. describe how customs value is determined in case of import or export of goods;
- b. describe the provisional valuation of goods in case of import or export of goods; and
- c. compute customs duty payable by an importer or exporter (the applicability and rate of customs duty will be given).

Tax Withholding, Collection and Payment: LO7

The term 'Tax'

Candidates will be able to explain different forms of taxes payable by a taxing unit and the persons responsible to withhold, or collect such taxes and pay such taxes.

In the assessment, candidates may be required to:

- a. explain different taxes payable under tax laws (withholding tax, collection of advance tax, instalment tax, value added tax, excise duty, customs duty and other taxes under prevailing Finance Act);
- b. identify the taxing units responsible to withhold, collect or pay such taxes;
- c. explain the time, place and method of payment of such taxes; and
- d. explain the effect of failure to pay such taxes on the due date.

Double Income Taxation and Methods of elimination of double income taxation

Candidates will be able to explain different types of double taxation of income and the methods adopted by different countries to eliminate such double taxation of income.

Candidates will also be able to describe the methods in Income Tax Act, 2058 to eliminate double taxation of same income in multiple jurisdictions.

In the assessment, candidates may be required to:

- a. explain juridical double taxation of income and economic double taxation of income;
- b. describe Capital import and capital export neutrality in respect of taxation of income;
- c. explain credit, exemption and deduction method of elimination of double taxation of income; and
- d. explain the role of tax treaty in elimination of double taxation of income and the position of Nepal.

Tax Credit, Tax Rebate or Refund: LO8

Income Tax credits

Candidates will be able to explain and compute various tax credits available to a taxing unit under Income Tax Act, 2058.

In the assessment, candidates may be required to:

- a. explain different types of tax credits as per Income Tax Act, 2058 along with the conditions for such tax credit and the limit of deduction from tax liability;
- b. explain the treatment of taxes withheld or deemed to be withheld by withholding agent for both withholding agent and withholder under Income Tax Act, 2058;
- c. explain the treatment of instalment taxes paid by a taxing unit Income Tax Act, 2058;
- d. compute the amount eligible for female tax credit, medical tax credit and foreign tax credit; and
- e. compute tax payable by a taxing unit (as part of tax computation- LO6) in respect of an Income Year after giving due effect to all tax credits.

Input VAT Credit

Candidates will be able to explain and compute various input tax credits available to a taxing unit under Value Added Tax Act, 2052.

In the assessment, candidates may be required to:

- a. explain different types of tax credits as per Value Added Tax Act, 2058 along with the conditions for such tax credit and the limit of deduction from tax liability;
- b. compute eligible input VAT credit in respect of purchase of trading goods, services and capital goods;
- c. explain the treatment of value added tax paid on goods lost due to various circumstances;
- d. explain the treatment of reverse VAT paid;
- e. explain the treatment of VAT collected by unregistered persons to the person who pays such VAT; and
- f. explain treatment of paid VAT not eligible for input VAT credit for accounting and income tax purpose.

Input Excise Credit

Candidates will be able to explain and compute various input tax credits available to a taxing unit under Excise Duty Act, 2058.

In the assessment, candidates may be required to:

- a. explain different types of tax credits as per Excise Duty Act, 2058 along with the conditions for such tax credit and the limit of deduction from tax liability;
- b. compute eligible input Excise credit in respect of purchase of raw materials, auxiliary raw materials, packing materials, trading goods, services and capital goods;
- c. explain the treatment of excise duty paid on raw materials and other goods lost due to various circumstances; and
- d. explain the treatment of paid Excise duty not eligible for credit for accounting and income tax purpose.

Remission of Tax and Refund

Candidates will be able to explain the provisions of Income Tax, Value Added Tax, Excise and Customs law regarding refund of tax paid in excess of that required to be paid. Candidates will also be able to explain the provisions of remission of taxes and refund of indirect taxes paid by a particular person.

In the assessment, candidates may be required to:

- a. explain the right of Government of Nepal regarding remission of income tax, value added tax, excise duty and customs duty payable by a person;
- b. explain the provisions of carry-forward of tax credits and refund of such tax credits;
- c. explain the provisions of VAT refund to unregistered persons; and
- d. explain the provisions of excise and customs refund.

Tax Recovery: LO9

Recovery of Tax

Candidates will be able to explain the different methods that can be adopted by tax authority to recover tax dues.

In the assessment, candidates may be required to:

- a. explain the recovery of withholding taxes during the liquidation process of an entity;
- b. explain the procedures to create charge over asset of a defaulter, auction of such asset and treatment of auction proceeds; and

- c. explain other various methods by which tax can be recovered from a tax defaulter.

International Taxation, Judicial Review, Ethics and Tax Audit Requirements: LO10

Permanent Establishment of a non-resident person

Candidates will be able to identify permanent establishment and foreign permanent establishment.

In the assessment, candidates may be required to:

- a. explain the meaning of 'Permanent Establishment', and
- b. identify whether a business is permanent establishment or not in a given circumstance.

Controlled Foreign Entity of a resident person

Candidates will be able identify a controlled foreign entity of a resident person.

In the assessment, candidates may be required to:

- a. explain the meaning of 'Controlled Foreign Entity', and
- b. identify whether a non-resident entity is a Controlled foreign entity of a resident person.

Introduction to International Agreements

Candidates will be able to explain the legal provisions in Income Tax, Value Added Tax, Customs and Excise law that grants power to Government of Nepal or tax authority to enter into international agreement.

In the assessment, candidates may be required to:

- a. describe the power of Government of Nepal or tax authority to enter into international agreement and the extent of such power;
- b. explain the contents of international agreement mentioned in the provision of tax laws; and
- c. list the countries with which Nepal has Double Taxation Avoidance Agreement.

Taxpayers' Assistant

Candidates will be able to explain the assistants that may be used by taxpayers for administrative work and while dealing with tax authorities.

In the assessment, candidates may be required to:

- a. explain the tax provisions that allow taxpayer to use assistants (Other than their own employee or lawyer) while dealing with tax authorities;
- b. explain the eligibility criteria of such taxpayers' assistant, licensing mechanism and renewal of such license;
- c. describe the power and responsibility of such assistants;
- d. explain the penal provisions and compensation provisions for the default of the assistants; and
- e. explain the role of professional accountants as taxpayers' assistant.

The Court Mechanism

Candidates will be able to explain the Court mechanism that takes up the issues of tax dispute. Candidate will also be able to comprehend the courts that looks after the cases of tax recovery and charges involving criminality.

In the assessment, candidates may be required to:

- a. identify (name, number and location) the first level of courts and the courts of appellate that resolve tax disputes;
- b. explain the formation, remuneration and decision-making process of Revenue Tribunal

;

- c. list the circumstances when the decision of revenue tribunal is challenged in Supreme Court;
- d. explain how the writ jurisdictions are exercised by the Supreme Court (or other courts) when the fundamental rights of taxpayers are encroached by tax authority; and
- e. list the Courts that hears cases related to recovery of tax and charges involving criminality of taxpayers.

Types of Tax Disputes

Candidates will be able to explain the disputes that can arise between taxpayers and tax authority and the disputes that can be referred to judicial review.

In the assessment, candidates may be required to:

- a. identify the areas where that can be dispute of taxpayers with tax authority;
- b. list the disputes that can be referred to Director General for review under Income Tax Act, 2058; Value Added Tax Act, 2052, Excise Duty Act, 2058 and Customs Laws;
- c. list the disputes that can be taken up by Revenue Tribunal with or without first being referred to Director General.

Procedure to file lawsuit

Candidates will be able to explain the administrative review process under Income Tax, Value Added Tax and Excise law and process of Director General level review under Customs law. Candidates will also be able to explain the procedures under Income Tax, Value Added Tax, Excise law and Customs law to file appeal at Revenue Tribunal.

In the assessment, candidates may be required to:

- a. explain the process of filing an application in administrative review or Director General; and
- b. explain the process of filing appeal or lawsuit in Revenue Tribunal (not related to Revenue Tribunal Act, 2031 or laws other than Income Tax Act, 2058; Value Added Tax Act, 2052; Excise Duty, 2058 ,Customs Act, 2082 and Custom Duty Act, 2081).

ICAN Code of Ethics on Taxation services

Candidates will be able to explain the requirements of Code of Ethics issued by The Institute of Chartered Accountants of Nepal in offering tax services to an audit client.

In the assessment, candidates may be required to:

- a. identify the factors in evaluating the level of threats created by providing particular tax service to an audit client;
- b. identify the type of threats created by providing particular tax service to an audit client; and
- c. suggest the action that is deemed safeguard against the identified threat.

Tax Audit

Candidates will be able to explain the requirement of statutory tax audit and the process by which the tax services can be delivered by a professional accountant.

In the assessment, candidates may be required to:

- a. explain the legal provisions for statutory tax audit;
- b. explain the difference between tax certification and tax audit;
- c. explain the process by which tax services can be delivered by a professional accountant (including the type of report that can be issued a part of deliverables); and
- d. explain the penalty and criminal obligations for aiding or abetting in tax evasion.

ADVISORY LEVEL MODULES

Advanced Financial Reporting

Module aim

To enable candidates to apply technical knowledge, analytical techniques and professional skills to resolve financial reporting issues that arise in the context of the preparation and evaluation of corporate reports.

Candidates will be required to use technical knowledge and professional judgement to identify, explain and evaluate alternatives and to determine the appropriate solutions to compliance issues, giving due consideration to the needs of clients and other stakeholders. The commercial context and impact of recommendations and ethical issues will also need to be considered in making such judgements.

On completion of this module, students will be able to:

- Select and evaluate appropriate corporate reporting policies to ensure they are in compliance with accounting standards
- Apply technical knowledge from individual accounting standards and apply professional skills to integrate knowledge where several accounting standards are simultaneously applicable and interact to prepare financial statements
- Advise on the reporting of financial performance in complex scenarios
- Advise on the processes for public financial management in the public sector
- Analyse, interpret, evaluate and compare financial statements of entities both over time and across a range of industries
- Recommend, justify and determine appropriate actions and safeguards to mitigate ethical threats.

Prior knowledge

This module assumes and develops the knowledge and skills acquired in the Financial Accounting and Reporting module.

Regulation

The regulations relating to corporate reporting will have international application and are therefore based upon standards and other regulations issued by the Nepal Accounting Standards Board.

Ethics

At the Advisory Level, students will be expected to demonstrate the higher skills of sound, discerning business judgement and critical evaluation. The use of professional scepticism in a complex scenario is a necessary skill for the trusted business professional. The ethical implications of complex scenarios will be both at the organisational level and at the personal level for individuals. Professional scepticism and ethical judgement are paramount whether the accountant be in public practice or in business. The importance of ethical practice is reflected in ethics being covered in its own specific syllabus area. Social responsibility, sustainability and environmental matters, identifying earnings manipulation and creative accounting are included as these areas require higher skills of judgement and evaluation. The ethical codes referenced will be those issued by IESBA and ICAN.

Specification grid

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. Over time the marks available in the assessment will be within the ranges of weightings below, but slight variations may occur in individual papers to enable suitably rigorous questions to be set.

Syllabus area	Weighting (%)
1 Corporate reporting policies	10
2 Application of accounting standards	10
3 Assets and non-financial liabilities	5
4 Financing	5
5 Employee remuneration	5
6 Groups	5
7 Overseas activities	5
8 Taxation	5
9 Accounting in the public sector	10
10 Financial statement analysis	20
11 Ethics	20

The following learning outcomes should be read in conjunction with the relevant sections of the technical knowledge grids.

Evaluate corporate reporting policies: LO1

1 Corporate reporting policies

Candidates will be able to appraise and evaluate the impact of an entity's corporate reporting policies, ensure they are in compliance with accounting standards and advise on the appropriate course of action.

In the assessment, candidates may be required to:

- explain and appraise the impact of accounting principles and bases of measurement in corporate reporting, for example fair value measurement;
- appraise corporate reporting regulations, and related legal requirements, with respect to presentation, disclosure, recognition and measurement;
- explain and appraise accounting standards that relate to the impact of changes in accounting policies and estimates;
- explain and evaluate the impact of underlying assumptions on financial statements; and
- identify and explain current and emerging issues in corporate reporting.

Advise on the application of accounting standards: LO2

2 Application of accounting standards

Candidates will be able to apply technical knowledge from individual accounting standards and apply professional skills to integrate knowledge where several accounting standards are

simultaneously applicable and interact to prepare financial statements and advise on the appropriate course of action

In the assessment, candidates may be required to:

- a. explain how different methods of recognising and measuring assets and liabilities can affect reported financial performance;
- b. explain and appraise accounting standards that relate to reporting performance: in respect of presentation of financial statements; revenue; operating segments; continuing and discontinued operations; EPS; interim reporting;
- c. formulate and evaluate accounting and reporting policies for single entities and groups of varying sizes and in a variety of industries; and
- d. calculate and disclose, from financial and other qualitative data, the amounts to be included in an entity's financial statements according to legal requirements, applicable financial reporting standards and accounting and reporting policies.

Report financial performance: assets and non-financial liabilities: LO3

3 Assets and non-financial liabilities

Candidates will be able to advise on the measurement of assets and liabilities and appraise relevant accounting standards.

In the assessment, candidates may be required to:

- a. explain and evaluate how different methods of recognising and measuring assets and liabilities can affect reported financial position, and explain the role of data analytics in financial asset and liability valuation; and
- b. explain and appraise accounting standards that relate to assets and non-financial liabilities, for example property, plant and equipment; intangible assets, held-for-sales assets; inventories; investment properties; provisions and contingencies.

Report financial performance: financing: LO4

4 Financing

Candidates will be able to advise on the recognition, measurement and classification of financial assets and financial liabilities.

In the assessment, candidates may be required to:

- a. determine and calculate how different bases for recognising, measuring and classifying financial assets and financial liabilities can impact upon reported performance and position;
- b. appraise and evaluate cash flow measures and disclosures in single entities and groups;
- c. evaluate the impact of accounting policies and choice in respect of financing decisions for example hedge accounting and fair values; and
- d. explain and appraise accounting standards that relate to an entity's financing activities which include: financial instruments; leasing; cash flows; borrowing costs; and government grants.

Report financial performance: employee remuneration: LO5

5 Employee remuneration

Candidates will be able to advise on reporting for different categories of employee remuneration.

In the assessment, candidates may be required to:

- a. explain how different methods of providing remuneration for employees may impact upon reported performance and position; and
- b. explain and appraise accounting standards that relate to employee remuneration which include different forms of short-term and long-term employee compensation; retirement benefits; and share-based payment.

Report financial performance: groups: LO6

6 Groups

Candidates will be able to advise on the recognition and measurement of business combinations and accounting for subsidiaries, associates and joint ventures.

In the assessment, candidates may be required to:

- a. analyse and evaluate the criteria used to determine whether and how different types of investment are recognised and measured as business combinations; and
- b. calculate and produce, from financial and other data, the amounts to be included in an entity's consolidated financial statements in respect of its new, continuing and discontinued interests (which include situations when acquisitions occur in stages and in partial disposals) in subsidiaries, associates and joint ventures.

Report financial performance: overseas activities: LO7

7 Reporting overseas activities

Candidates will be able to advise on the recognition of exchange rate variations and foreign exchange transactions.

In the assessment, candidates may be required to:

- a. determine and calculate how exchange rate variations are recognised and measured and how they can impact on reported performance, position and cash flows of single entities and groups and
- b. demonstrate, explain and appraise how foreign exchange transactions are measured and how the financial statements of foreign operations are translated.

Report financial performance: taxation: LO8

8 Taxation

Candidates will be able to advise on current and deferred taxation.

In the assessment, candidates may be required to:

- a. explain, determine and calculate how current and deferred tax is recognised and appraise accounting standards that relate to current tax and deferred tax.

Advise on accounting in the public sector: LO9

9 Accounting in the public sector

Candidates will be able to advise on public financial management processes in Nepal.

In the assessment, candidates may be required to:

- a. explain the importance of public financial management in Nepal
- b. explain the budget formulation process and the government accounting system
- c. explain the role of the Comptroller General, Auditor General and Public Accounts Committee

Analyse and evaluate financial statements: LO10

10 Financial statement analysis

Candidates will be able to analyse, interpret, evaluate and compare financial statements of entities both over time and across a range of industries.

In the assessment, candidates may be required to:

- a. appraise the nature and validity of financial and non-financial information included in published financial statements including how these correlate with an understanding of the entity;
- b. evaluate and appraise the nature and validity of information disclosed in annual reports, including integrated reporting and other voluntary disclosures, including those relating to natural capital sustainability and climate change;
- c. appraise the limitations of financial analysis;
- d. analyse and evaluate the performance, position, liquidity, efficiency and solvency of an entity through the use of ratios and similar forms of analysis including using quantitative and qualitative data;
- e. interpret the potentially complex economic environment in which an entity operates and its strategy based upon financial and operational information contained within the annual report (for example: financial and business reviews; reports on operations by management, corporate governance disclosures, Task Force on Climate-related Financial Disclosures (TCFD), financial summaries);
- f. appraise the significance of inconsistencies and omissions in reported information in evaluating performance;
- g. compare the performance and position of different entities allowing for inconsistencies in the recognition and measurement criteria in the financial statement information provided;
- h. construct adjustments to reported earnings in order to determine underlying earnings and compare the performance of an entity over time;
- i. analyse and evaluate business risks and assess their implications for corporate reporting;
- j. analyse and evaluate financial risks (for example financing, currency and interest rate risks) and assess their implications for corporate reporting; and
- k. compare and appraise the significance of accruals basis and cash flow reporting.

Safeguard against ethical threats: LO11

11 Ethics

Candidates will be able to identify and explain ethical issues. Where ethical dilemmas arise, they will be able to recommend, justify and determine appropriate actions and ethical safeguards to mitigate threats.

In the assessment, candidates may be required to:

- a. identify and explain ethical issues in reporting and business scenarios;
- b. explain the relevance, importance and consequences of ethical issues;
- c. evaluate the impact of ethics on a reporting entity, relating to the actions of stakeholders;
- d. recommend and justify appropriate actions where ethical issues arise in a given scenario; and
- e. design and evaluate appropriate safeguards to mitigate threats and provide resolutions to ethical problems.

Advanced Assurance

Module aim

To enable candidates to apply technical knowledge, analytical techniques and professional skills to undertake audit and assurance engagements for complex engagements and in

complex scenarios, for single entities and groups of varying sizes and in a variety of industries (including banks and other financial institutions (finance companies, mutual funds, merchant bankers), insurance companies, stockbrokers and electricity companies).

Candidates will be able to explain the processes involved in planning an audit, evaluating internal controls, appraising risk including analysing quantitative and qualitative data, gathering evidence and drawing conclusions in accordance with the terms of complex engagements. In addition, they will be able to perform a range of assurance engagements and related tasks.

Candidates will be required to apply technical knowledge and professional judgement to plan, undertake and report on audit and assurance engagements. Ethical issues will need to be considered.

On completion of this module, candidates will be able to:

- Advise on legal, regulatory, technical, professional and ethical issues of audit and assurance engagements;
- Discuss the current issues which have an impact on the audit and assurance environment
- Evaluate the relevant corporate governance principles in the conduct of an assurance engagement
- Apply audit and assurance engagement practice policies
- Evaluate the audit and assurance engagement and prepare an engagement plan
- Evaluate internal controls
- Evaluate accounting treatments
- Evaluate audit and assurance evidence
- Conclude and report on the engagement
- Assess the need for and effectiveness of quality assurance procedures
- Advise on the required procedures and considerations for other types of assurance engagement

Prior knowledge

This module assumes and develops the knowledge and skills acquired in the Audit and Assurance module.

Regulation

The regulations relating to corporate reporting will have international application and are therefore based upon standards and other regulations issued by the Nepal Auditing Standards Board.

Ethics

At the Advisory Level, candidates will be expected to demonstrate the higher skills of sound, discerning business judgement and critical evaluation. The use of professional scepticism in a complex scenario is a necessary skill for the trusted business professional. The ethical implications of complex scenarios will be both at the organisational level and at the personal level for individuals. Professional scepticism and ethical judgement are paramount whether the accountant be in public practice or in business. The importance of ethical practice is reflected in ethics being covered in its own specific syllabus area. Social responsibility, sustainability and environmental

matters, identifying and considering the impact of earnings manipulation and creative accounting are included as these areas require higher skills of judgement and evaluation.
The ethical codes referenced will be those issued by IESBA and ICAN.

Specification grid

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. Over time the marks available in the assessment will be within the ranges of weightings below, but slight variations may occur in individual papers to enable suitably rigorous questions to be set.

Syllabus area	Weighting (%)
1 Legal, regulatory and ethical issues involved with audit and assurance engagements	5
2 Current issues relating to audit and assurance engagements	5
3 Corporate governance principles relating to the conduct of an assurance engagement	10
4 Audit engagement practice policies	10
5 Engagement plans	10
6 Evaluation of internal controls	10
7 Evaluation of accounting treatments	10
8 Evaluation of audit and assurance evidence	10
9 Concluding and reporting on complex assignments	10
10 Quality assurance procedures	5
11 Other types of assurance engagement	15

The following learning outcomes should be read in conjunction with the relevant sections of the technical knowledge grids.

Evaluate the legal, regulatory and ethical issues involved with audit and assurance engagements: LO1

1 Legal, regulatory and ethical issues

Candidates will be able to appraise and evaluate the relevant legal, regulatory and ethical issues relating to a specific engagement.

In the assessment, candidates may be required to:

- Advise on technical, professional and ethical issues that may arise during assurance engagements including evaluation and communication with any party to the engagement
- Make judgements upon when it may be appropriate to refer a matter to a more senior colleague or for third party advice or consultation
- Explain the nature and purpose of laws, regulations standards and codes in the context of assurance engagements, specifically in relation to the provisions regarding
 - considerations governing an audit, appointment, reappointment, resignation and

- removal of the auditors,
- ii. duties and rights of the auditor and professional responsibilities and misconduct,
- iii. conflict of interest,
- iv. fraud and error,
- v. integrity, objectivity, independence and confidentiality of information obtained, and
- vi. professional indemnity insurance, insider dealing and professional liabilities, contained in the following legal documents and other pronouncements:
 - Nepal Chartered Accountants Act/Rules
 - Code of Conduct issued by Institute and IFAC
 - Companies Act 2063 and other Relevant Acts & Regulations
- d. Evaluate the interaction between national laws and regulations and the requirements of an assurance engagement
- e. Evaluate how audits may fail to meet expectations of users
- f. Evaluate the extent of legal liability including criminal and civil law liability including professional negligence issues and how they can be mitigated.

Evaluate and explain current issues relating to audit and assurance engagements:

LO2

2 Current issues

Candidates will be familiar with and be able to assess the impact of current issues affecting the audit and assurance environment.

In the assessment, candidates may be required to:

- a. explain, in non-technical language, significant current assurance issues being dealt with by the accountancy profession, the government, the national standard-setting body, INTOSAI, the IAASB and the IPSASB
- b. evaluate and explain current and emerging issues in auditing including developments in the use of technology (e.g., impact of Task Force on Climate-related Financial disclosures, big data, data analytics and artificial intelligence).

Evaluate and apply the relevant corporate governance principles to the conduct of an assurance engagement: LO3

3 Corporate governance principles

Candidates will be able to assess the impact of relevant corporate governance principles on the conduct of an audit or assurance engagement and act accordingly.

In the assessment, candidates may be required to:

- a. explain and appraise the nature and consequences of corporate governance and accountability mechanisms in controlling the operating and financial activities of entities of differing sizes, structures and industries;
- b. explain the rights and responsibilities of the board, board committees (e.g., audit and risk committees), those charged with governance and individual executive and non-executive directors, with respect to the preparation and audit of financial statements;
- c. explain and appraise the rights and responsibilities of stakeholder groups (e.g., executive management, bondholders, government, securities exchanges, employees, public interest

groups, financial and other regulators, institutional and individual shareholders) with respect to the preparation and audit of financial statements;

- d. evaluate and appraise appropriate corporate governance mechanisms;
- e. explain and evaluate the nature and consequence of relevant corporate governance codes and set out the required compliance disclosures;
- f. explain the principles, practices and disclosures of corporate governance;
- g. explain the respective responsibilities of those charged with governance and auditors for corporate risk management and risk reporting;
- h. explain the respective responsibilities of those charged with governance and auditors in respect of internal control systems;
- i. explain and evaluate the role and requirement for effective two-way communication between those charged with governance and auditors; and
- j. describe and explain the roles and purposes of meetings of boards and of shareholders.

Evaluate and apply audit engagement practice policies: LO4

4 Audit and assurance engagement practice policies

Candidates will be able to evaluate and apply the relevant audit engagement practice policies.

In the assessment, candidates may be required to:

- a. Explain the legal, professional and ethical issues during the acceptance of assurance or audit assignments
- b. Analyse the potential issues that determine the nature, scope and extent of an assurance or audit engagement
- c. Evaluate appropriate procedures and personnel for management of an assurance or audit engagement
- d. Evaluate appropriate quality control measures that may be used by a firm and during the course of an assurance or audit engagement
- e. Evaluate the extent to which assurance and audit functions within an entity can be used or relied upon
- f. Evaluate appropriate monitoring and review procedures to effectively manage an audit or assurance engagement
- g. Explain the purposes and how external monitoring of audit and assurance engagements might operate to ensure firm or engagement quality
- h. Evaluate the considerations for an auditor of risk issues identified prior to accepting an engagement
- i. Evaluate how engagement terms can be agreed and recorded by an auditor including those agreed with a client and those imposed by laws or regulations

Evaluate the engagement and prepare an engagement plan: LO5

5 Evaluate the audit and assurance engagement and prepare an engagement plan

Candidates will be able to evaluate the nature, risks and specific circumstances of an engagement and prepare an engagement plan.

In the assessment, candidates may be required to:

- a. identify the components of risk and how these components may interrelate;
- b. appraise the entity and the potentially complex, economic environment within which it

- operates as a means of identifying and evaluating the risk of material misstatement;
- c. identify and appraise the risks, including analysing qualitative and quantitative data using audit data analytics software, arising from, or affecting, a potentially complex set of business processes and circumstances and assess their implications for the engagement;
- d. identify significant business risks (including those arising from cyber security and technological advances including cloud computing, cryptocurrencies and robotic process automations) and assess their potential impact upon the financial statements and the audit engagement;
- e. evaluate the impact of risk and materiality in preparing the audit plan, for example the nature, timing and extent of audit procedures;
- f. determine analytical procedures, where appropriate using appropriate data analysis tools, at the planning stage using technical knowledge of corporate reporting, data analytics software and skills of financial statement analysis;
- g. evaluate the components of audit risk for a specified scenario using data analytics software when appropriate, including the interactions of inherent risk, control risk and detection risk, considering their complementary and compensatory nature;
- h. interrogate an organisation's accounting records to identify audit risks and communicate with the audit team;
- i. show professional scepticism in assessing the risk of material misstatement, having regard to the reliability of management;
- j. evaluate, where appropriate, the need for, and extent of reliance to be placed on expertise from other parties to support audit processes including when to challenge the extent and working practices of other parties; and
- k. develop and appraise, based upon planning procedures, an appropriate audit strategy and detailed audit plan or extracts.

Evaluate internal controls: LO6

6 Evaluate internal controls

Candidates will be able to appraise and evaluate an entity's system of internal controls and advise on the degree of reliance on them.

In the assessment, candidates may be required to:

- a. analyse and evaluate the control environment for an entity based on an understanding of the entity, its operations and its processes;
- b. evaluate an entity's processes for identifying, assessing and responding to business and operating risks as they impact on the financial statements;
- c. appraise an entity's accounting information systems and related business processes relevant to corporate reporting and communication including virtual arrangements and cloud computing;
- d. analyse and evaluate strengths and weaknesses of preventative and detective control mechanisms and processes, highlighting control weaknesses; including weaknesses related to cyber security and corporate data controls;
- e. evaluate controls relating to information technology and e-commerce; including controls associated with cyber security and corporate data security;
- f. evaluate the efficiency and effectiveness of the entity's internal audit function including the extent to which it adheres to the Institute of Internal Auditors' (IIA) International Standards for the Professional Practice of Internal Auditing;
- g. explain and appraise the entity's system for monitoring and modifying internal control systems; and
- h. devise, explain and evaluate tests of controls

Evaluate accounting treatments: LO7

7 Evaluate accounting treatments

Candidates will be able to review, appraise and judge the accounting treatments adopted by a client.

In the assessment, candidates may be required to:

- a. Evaluate and draw conclusions on the appropriateness of stated accounting treatments in the context of a given business and a given scenario in the public or private sector in an audit assignment based on local law and generally accepted accounting practice

Evaluate audit and assurance evidence: LO8

8 Evaluate audit and assurance evidence

Candidates will be able to appraise and evaluate the audit and assurance gathered and assess its suitability, sufficiency and value in drawing a conclusion.

In the assessment, candidates may be required to:

- a. explain and evaluate the relationship between audit risk and audit evidence;
- b. determine, design and develop audit objectives for each financial statement assertion;
- c. justify and conclude for a particular scenario what comprises sufficient, appropriate audit evidence;
- d. design and determine audit procedures in a range of circumstances and scenarios, for example identifying an appropriate mix of tests of controls, analytical procedures and tests of details;
- e. apply professional scepticism to the process of gathering audit evidence and evaluating its reliability including the use of client-generated information and external market information and audit data analytics software;
- f. demonstrate and explain, in the application of audit procedures, how relevant NSAs and NPSAS affect audit risk and the evaluation of audit evidence;
- g. evaluate, applying professional judgement, whether the quantity and quality of evidence gathered from various audit procedures, including interpreting and extrapolating the results of sampling using appropriate data analysis tools, analytical procedures, is sufficient to draw reasonable conclusions;
- h. produce appropriate audit documentation; and
- i. recognise and prioritise using professional judgement audit issues arising whilst gathering assurance evidence that should be referred to a senior colleague or other specialist.

Conclude and report on the engagement: LO 9

9 Conclude and report on the engagement

Candidates will be able to reach and justify a conclusion on the outcome of the engagement and the opinion to be expressed.

In the assessment, candidates may be required to:

- a. evaluate and propose how issues identified during the course of an assignment may be raised and dealt with in communication with management, directors and those charged with governance, including action taken when issues cannot be agreed;
- b. appraise and assess the significance of events after the reporting period;
- c. apply procedures that may be used and considerations relating to the identification of risk issues that may require disclosure;
- d. appraise the appropriateness of the going concern basis of accounting, evaluate relevant

- going concern disclosures and comment on the impact on the auditor's report;
- e. evaluate quantitatively and qualitatively using analytical procedures and appropriate data analysis tools, the results and conclusions obtained from audit procedures;
- f. conclude and justify the nature of the report on an audit engagement, and formulate an opinion for a statutory audit, which is consistent with the results of the audit evidence gathered;
- g. justify the expression of a modified opinion in the auditor's report;
- h. compose suitable extracts for reports based on a given scenario and in accordance with local law and international standards (for example any report to the management or those charged with governance) issued as part of the engagement;
- i. appraise 'other information' in the annual report and report on material misstatements in this information and material inconsistencies with the financial statements;
- j. Apply suitable judgements on when it may be appropriate to refer to a specialist in preparing an opinion or report;
- k. Apply suitable judgements on when it may be appropriate to withdraw from, withdraw an opinion on or take other such appropriate action on an audit or assurance engagement;
- l. Explain the issues that may be relevant and the nature of report that may be given relating to risk management, internal controls and governance.

Assess the need for quality assurance procedures and explain their importance: LO10

10 Quality assurance procedures

- a. explain the nature and purpose of quality assurance (both at the level of the firm and the individual audit) and assess how it can contribute to risk management;

Advise on the required procedures and considerations for other types of assurance engagement: LO 11

11 Other types of engagement

Candidates will be able to evaluate the risks of and processes appropriate to types of assurance engagement other than audits and justify their approach.

In the assessment, candidates may be required to:

- a. explain the nature of a range of different assurance engagements, including those relating to environmental and sustainability disclosures;
- b. evaluate the evidence necessary to report at the appropriate level of assurance;
- c. evaluate risk in relation to the nature of the assurance engagement and the entity or process for a given scenario; and
- d. design and determine procedures necessary to attain the relevant assurance objectives in a potentially complex scenario.
- e. Identify, explain and justify the appropriate procedures for assurance engagements for special audits, specifically referring to:
 - management audits,
 - cost audits,
 - tax audits,
 - energy audits,
 - environment audits, and
 - performance audits
- f. identify, explain and justify the appropriate considerations and procedures for the audit of specialised enterprises:

- Banks,
 - Finance Companies,
 - Insurance Companies
 - Special issues and consideration and requirements of regulatory authorities.
- g. identify, explain and justify the areas of particular relevance to the audit of public sector, government, local bodies;
 - h. evaluate and apply the directives issued by the office of the Auditor General to the auditors of public sector enterprises;
 - i. justify the importance of appraising the propriety and transparency of public spending and reporting responsibilities;
 - j. explain the differences between assurance engagements and audit engagements for profit and not-for profit entities include those in the public sector
 - k. appraise and explain the nature and purposes of forensic audit and prepare and plan procedures required to achieve a range of differing objectives;
 - l. explain the nature and purposes of due diligence procedures (for example: financial, commercial, operational, legal, tax, human resources) and plan procedures required to achieve a range of differing financial objectives.

Advanced Business and Financial Management

Module aim

Candidates will be expected to advise management on appropriate governance, risk and ethics frameworks which are necessary to support strategy development and the environment in which the business makes strategic decisions involving investment, financing and risk management. Candidates will be able to evaluate and advise on both organic and inorganic growth strategies as well as the impact of way that growth is financed. Candidates will also be expected to display sufficient knowledge and ability to apply complex financial market instruments to manage risks from investing overseas and using debt in the financing that growth. Whether they intend to work in the public sector or the private sector, candidate will also be expected to display good understanding of public financial management and its relevance not only to the public sector and business generally.

On completion of this module, candidates will be able to:

Governance, risk and ethical frameworks to support business strategy

LO1: Advise management on appropriate governance, risk and ethical frameworks to support business strategy

Investment and growth strategy

LO2: Evaluate strategic investment and growth strategies

Impact of financing on investment

LO3: Discuss and evaluate the impact of financing on investment

Advanced and modern market-based techniques for managing business and financial risk.

LO4: Evaluate the use of advanced and modern market-based techniques for managing business and financial risk

Public financial management

LO5: Evaluate the role of public financial management in the public sector and advise on its impact on the private sector

Ethics

Ethical codes will be those issued by IFAC. The ethical implications will be at both the organisational level and for individuals.

Specification grid

The grid below shows the relative weightings of subjects within this module and should guide the study time spent on each. Over time the marks available in the assessment will be within the ranges of weightings below, while slight variations may occur in individual assessments to enable suitably rigorous questions to be set.

Syllabus area	Weighting (%)
1 Advise management on appropriate governance, risk and ethical frameworks to support business strategy	20
2 Evaluate strategic investment and growth strategies	25
3 Discuss and evaluate the impact of financing on investment	20
4 Evaluate the use of advanced and modern market-based techniques for managing business and financial risk	20
5 Evaluate the role of public financial management in the public sector and advise on its impact on the private sector	15

The following learning outcomes should be read in conjunction with the relevant sections of the technical knowledge grids.

Advise management on appropriate governance, risk and ethical frameworks: LO1

In the assessment, candidates may be required to:

- a. Assess based on a given scenario the role and responsibilities of an effective board and issues of accountability of management to a board, private and institutional shareholders
- b. Evaluate, based on a given scenario, the issues of transparency for an entity; the importance of probity as a principle of governance assessing issues and the extent to which a board is focusing on sustainable long-term success of the business
- c. Identify the risks arising externally or internally relating to achievement of:
 - Strategic objectives
 - Business strategies
- d. Explain appropriate responses to risks identified in a given scenario
- e. Assess, in a given scenario, issues of ethics, corporate social responsibility and corporate governance in pursuance of the business objectives

Evaluate strategic investment and growth strategies LO2

- a. Analyse, evaluate and advise on alternative organic and inorganic strategies for growth, in a given scenario, including:
 - mergers and acquisitions
 - business reconstructions

- spinoffs and start-ups, including new technologies
- b. Describe and calculate the value of shares and businesses using the following approaches:
 - asset-based approach
 - income-based approach
 - value-based approach
- c. Discuss the relevance of real options in an investment proposition and evaluate the impact on the viability of a given project scenario
- d. Advise and justify a project based upon the results of an investment appraisal and consideration of relevant non-financial factors such as sustainability ;

Discuss and evaluate the impact of financing on an investment LO3

- a. Apply appropriate techniques to given data to ascertain the required rate of return which should be expected from an investment, taking into account its business and financial risks
- b. Use discounted cash flow technique to evaluate the viability of a project and the impact of a proposed financing

Evaluate the use of advanced and modern market-based techniques managing business and financial risk LO4

- a. Analyse and evaluate the use of financial derivatives to manage the following business and financial risks:
 - currency risk (including cryptocurrency)
 - interest rate risk (including the use of swaps)
 - stock market risk (including indices)
- b. Explain the additional risks of trading internationally and outline the methods available for reducing those risks.

Evaluate the role of public financial management in the public sector and advise on its impact on the private sector LO5

- a. Evaluate the role and importance of sound public financial management to
 - the national economy and development plans
 - the public sector
 - the private sector
- b. Discuss the elements which make sound public financial management systems, including
 - budget formulation and execution and control
 - fiscal and monetary policy
 - Managing national debt
- c. Advise on the impact of public financial management on the private sector and individuals, including impact on:
 - Financial and stock market performance
 - Market liquidity
 - Availability and cost of capital
 - Investment

Advanced Management Accounting

Module aim

The module seeks to enable candidates to apply the techniques of and evaluate the output from modern management accounting techniques. These skills will be developed within the context of understanding the organisational entity – both public and private – and what information needs are required to manage performance and support pricing decisions in large and complex organisations.

On completion of this module, candidates will be able, for complex scenarios, for single entities and groups of varying sizes and in a variety of industries to:

- Discuss the approach, develop budgets and apply budgetary control systems in a scenario
- Discuss and evaluate budgeting and budgetary control in the public sector
- Apply cost management techniques and advise on pricing
- Evaluate divisional performance in complex businesses and discuss the impact of transfer pricing
- Explain and discuss current developments in management accounting

Ethics

Ethical codes will be those issued by IFAC. The ethical implications will be at both the organisational level and for individuals.

Specification grid

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. Over time the marks available in the assessment will be within the ranges of weightings below, but slight variations may occur in individual papers to enable suitably rigorous questions to be set.

Syllabus area	Weighting (%)
1 Discuss the approach, develop budgets and apply budgetary control systems in a scenario	20
2 Discuss and evaluate budgeting and budgetary control in the public sector	15
3 Apply cost management techniques and advise on pricing	20
4 Evaluate divisional performance in complex businesses and discuss the impact of transfer pricing	25
5 Explain and discuss current developments in management accounting	20

The following learning outcomes should be read in conjunction with the relevant sections of the technical knowledge grids.

Discuss the approach, develop budgets and apply budgetary control systems in a scenario: LO1

- a. Discuss the behavioural implications and suitability of the following budget approaches to budgeting which might be employed in organisations, including
 - Incremental budgets

- Zero based
 - Activity based
 - Rolling budgets
- b. Develop, using given data, and evaluate the impact of functional budgets on the organisation and the following elements of a master budget:
- Budgeted Profit or Loss Statement
 - Budgeted Statement of Financial Position
 - Cash Budget
- c. Calculate, using given information, and advise management on the possible causes and interrelationships between the following variances:
- Material mix and yield variances
 - Sales mix and quantity variances
 - Planning and operational variances
- d. Prepare performance management reports that reconcile actual and budgeted results of a business over a budget period

Discuss and evaluate budgeting and budgetary control in the public sector: LO2

- a. Outline the budgeting process in the public sector and evaluate the suitability of the following approaches to budgeting in a given scenario:
- Incremental and zero-based approaches
 - Top-down and bottom-up approaches
- b. Discuss the role of the following structures in the preparation, evaluation and authorisation of the budget in the public sector:
- Ministries, Departments and Agencies (MDAs);
 - The Legislature (Parliament)
- c. Evaluate the role of the Executive in the implementation of the budget and advise on the suitability of cost and management accounting systems for control, including:
- Service costing
 - Job costing

Apply cost management techniques and advise on pricing LO3

- a. Advise management upon suitable pricing strategies for a given business based on a given business scenario and given business objectives, using:
- Marginal cost pricing
 - Full cost pricing
 - Activity-based pricing
 - Cost plus pricing
- b. Apply the following strategic cost management techniques in a given business scenario and advise management upon the suitability of the pricing strategy using:
- target costing and pricing
 - life cycle costing and pricing
 - backflush accounting and pricing

Evaluate divisional performance in complex businesses and discuss the impact of transfer pricing: LO4

- a. Discuss the advantages and disadvantages of divisionalisation
- b. Evaluate the performance of divisions, given a set of data and using appropriate

performance criteria including:

- Profit
 - Return on investment
 - Residual income
- c. Discuss the impact of transfer pricing systems on divisional performance of complex businesses, including:
- Cost-based transfer pricing systems
 - Market-based transfer pricing systems
 - Negotiated transfer pricing systems
 - International transfer pricing systems

Explain and discuss current developments in management accounting: LO5

- a. Discuss the concepts of Beyond Budgeting and Adaptive Management Processes
- b. Explain and apply modern cost accounting techniques, paying attention to Just in time, Kaizen costing, value chain analysis, and process re-engineering
- c. Discuss Information Technology Strategy and Trends, paying attention to:
- Internal and External Business Issues: Position and Business Focus of the Entity, Relationship of IT Strategy and Business Strategy
 - Factors Influencing IT: Flexibility of Changes in Technology and Business, Budget, Speed to the Market, Legal and Regulatory Body, Business Units
- d. Discuss other developments in modern management accounting practice.

Advanced Law

Module aim

The aim of the module is to ensure that candidates can apply the law they have studied at the previous two levels in the context of understanding legal issues, identifying problems, analysing data, exercising professional and ethical judgement and developing conclusions and recommendations.

On completion of this module, candidates will be able to:

Apply technical knowledge and professional skills to identify, analyse, resolve and advise on legal and ethical issues that arise in the context of dealing with clients in relation to following acts:

- Nepal Chartered Accountants Act, 2053
- Companies Act, 2063
- Securities Act, 2063
- Banks and Financial Institutions Act, 2063
- Nepal Rastra Bank Act, 2058
- Industrial Enterprises Act, 2076
- Foreign Investment and Technology Transfer Act, 2075
- Labour Act, 2074
- Insurance Act, 2079
- Co-operative Act, 2074
- Insolvency Act, 2063
- Money Laundering Prevention Act, 2063
- Public Procurement Act, 2063
- Audit Act, 2075
- Banking Offence and Punishment Act, 2064
- Foreign Exchange regulation Act, 2019
- Public Private Partnership and Investment Act, 2075
- Electronic Transactions Act, 2063
- Secured Transactions Act, 2063

Ethics

The consideration of ethical decision making is intrinsic to the study of law. In this module, students will examine some of the impacts of Nepal Chartered Accountants Act, Companies, Securities, Banking, Financial Institution, Industry, Labour, Foreign Investment, Foreign Exchange, Insurance, Insolvency, Money Laundering, Public Procurement, Audit, Secured and Electronic Transaction Acts on business and professional services, focusing on fraud, bribery and money laundering. They will also explore the relationships and interaction between legal principles, legislation, case law, ethics and ethical codes.

Specification grid

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. Over time the marks available in the assessment will equate to the weightings below, while slight variations may occur in individual assessments to enable suitably rigorous questions to be set.

Syllabus Area	Weighting (%)
1. Audit Related Acts: Nepal Chartered Accountants Act 2053 and rules and Audit Act, 2075	10
2. Industry Related Acts: The Companies Act, 2063, Industrial Enterprises Act, 2076, Foreign Investment and Technology Transfer Act, 2075, Insolvency Act, 2063 and Public Private Partnership and Investment Act, 2019	30
3. Financial Related Acts: Banks and Financial Institutions Act, 2063, Nepal Rastra Bank Act, 2058, Banking Offence and Punishment Act, 2064, Securities Act, 2063 and rules, Insurance Act, 2079, Co-operative Act, 2074, Money (Asset) Laundering Prevention Act, 2063 and Foreign Exchange Regulation Act, 2019	30
4. Employment Related Act: Labour Act, 2074 and rules	10
5. Public Procurement Act, 2063 and rules	10
6. Transaction Related Acts: Electronic Transactions Act, 2063 and Secured Transactions Act, 2063	10

The following learning outcomes should be read in conjunction with the relevant sections of the technical knowledge grids.

Audit Related Acts: LO1

Nepal Chartered Accountants Act 2053 along with relevant provisions of Nepal Chartered Accountants Regulation, 2061

Candidates will be able to evaluate and recommend on the provisions of Nepal Chartered Accountants Act, 2053 and Nepal Chartered Accountants Regulation, 2061 related to such sections.

In the assessment, candidates may be required to:

- Evaluate and assess the procedures of investigation along with disciplinary action (Section 14 and 35)
- Analyse and evaluate the provisions of misconduct and punishment (Section 34, 35 and 41)
- Evaluate and recommend on relevant provisions of Nepal Chartered Accountants Regulation.

Audit Act, 2075

Candidates will be able to evaluate and recommend on the provisions of Audit Act, 2075.

In the assessment, candidates may be required to:

- a) State the objectives of the Act along with the definition of the related terms of the Act and explain and assess modes of auditing and reporting and proprietary audit (Section 1 – 9)
- b) Recognize and recommend on all other provisions of Audit Act, 2075. (Section 10 – 30)

Industry Related Acts: LO2

The Companies Act, 2063

Candidates will be able to evaluate and recommend on the provisions of Companies Act, 2063.

In the assessment, candidates may be required to:

- a) Explain the provisions of call for explanation and investigation (Section 120 – 125) and principle of majority rule and minorities protection (Section 138 – 141)
- b) Analyse and evaluate the provisions relating to foreign companies and the proceedings of lawsuits and punishments (Section 154 - 163)
- c) Explain about record of company and use of computer (Section 172)
- d) Explain about Conversion of corporation owned by government of Nepal into Company (Section 173)
- e) Explain and recommend on the provisions of transactions between associated companies and restriction on transaction between companies (Section 175 and 176)
- f) Explain and recommend on merger of a company (Section 177), issuance of bonus shares (Section 179) and notice on business of company (Section 181)
- g) Explain about Dividend and Investor protection fund and office of the company (Section 182 - 184)
- h) Explain and evaluate the appointment of company secretary, his qualifications and functions, duties and powers (Section 185 & 186)
- i) Explain about Validity of agreement between shareholders (Section 187)
- j) Evaluate and review some judicial decisions relating to company (Some prescribed cases)

The Industrial Enterprises Act, 2076

Candidates will be able to evaluate and recommend on the provisions of The Industrial Enterprises Act, 2076.

In the assessment, candidates may be required to:

- a) Explain and evaluate the concessions, facilities and exemptions available to industries (Section 24 – 36)
- b) Explain and evaluate the provisions relating to sick industries and punishment and appeal (Section 39 – 46)
- c) Recognize and recommend on miscellaneous provisions including Industrial Human Resource, Industrial Investment and Promotion Fund and Corporate Social Responsibility (Section 47 – 69)

Foreign Investment and Technology Transfer Act, 2075

Candidates will be able to evaluate and recommend on the provisions of Foreign Investment and Technology Transfer Act, 2075.

In the assessment, candidates may be required to:

- a) Define the related terms of the Act included in the syllabus and explain and evaluate about investment opportunities and permission/approval and withdrawal of approval for foreign investment in Nepal (Sections 1 – 20)
- b) Identify the bodies established for Promotion, Facilitation and Regulation of Foreign Investment in Nepal and state their functions, duties and powers. (Section 21 – 23)
- c) Explain and evaluate the exemptions, facilities and concessions to be provided to industry with foreign investment or foreign investor. (Section 24 – 29)
- d) Identify and evaluate the visa provisions in Nepal. (Section 30 – 34)
- e) Explain how the complains related to foreign investment are managed and what actions are taken to resolve them along with dispute settlement mechanism and procedure. (Section 35 – 53)

Insolvency Act, 2063

Candidates will be able to evaluate and recommend on the provisions of Insolvency Act, 2063.

In the assessment, candidates may be required to:

- a) State the objectives along with the definition of the related terms of the Act and describe the provisions about insolvency proceedings, inquiry into insolvency proceedings, restructuring schemes and liquidation of company. (Sections 1 – 47)
- b) Explain and assess the provisions about claims of creditors, mode of payment and voidable transactions. (Section 48 – 62)
- c) Describe the provisions about insolvency practice and regulation and administration thereof. (Section 63 – 77)

Public Private Partnership and Investment Act, 2075

Candidates will be able to evaluate and recommend on the provisions of Public Private Partnership and Investment Act, 2075 included in the syllabus.

In the assessment, candidates may be required to:

- a) State the objectives along with the definition of the related terms of the Act, explain the provisions relating to Public Private Partnership and explain and assess the provisions relating to Approval of Investment, Project Implementation and Investment Board (Sections 1 – 35)

Finance Related Acts: LO3

Banks and Financial Institutions Act, 2073

Candidates will be able to evaluate and recommend on the provisions of Bank and Financial Institution Act, 2073 and relevant provisions of NRB Directive (Related to Loan and Deposit Only)

In the assessment, candidates may be required to:

- a) Recognize and recommend the provisions relating to merger and acquisition, voluntary and compulsory liquidation of banks and financial institutions (Section 69 – 98)
- b) Explain and recommend on provisions relating to Actions, Offences and Punishment (Section 99 – 106)
- c) Recognize and recommend on miscellaneous provisions including to insure security of deposit, banking secrecy to be maintained, power to give directive to freeze accounts, claim or title to deposits, particulars of unclaimed deposits, recovery from or confiscation of deposits, recovery from the directors, claims not to be filed, Nepal Government to be plaintiff, provision relating to transparency, provision relation to protection of consumer's interest, exemptions and facilities (Section 107 – 134)
- d) Recognize and recommend the relevant provisions of recent NRB Directives (Related to Loan and Deposit Only)

Nepal Rastra Bank Act, 2058

Candidates will be able to evaluate and recommend on the provisions of Nepal Rastra Bank Act, 2058.

In the assessment, candidates may be required to:

- a) State the relation of NRB with Government of Nepal and explain and evaluate about the regulation, inspection and supervision of banks (Section 69 – 88)
- b) Describe the provisions relating to settlement/ resolution (Section 88A – 88O)
- c) Recognize the provisions about Balance sheet, auditing and report and describe and review the offences, punishments and proceedings (Section 89 – 102)
- d) Recognize and recommend Miscellaneous provisions including payment, clearing and settlement, not to work in commercial bank or financial institution, no responsibility for acts done on good faith (Section 103 – 112)

Banking Offence and Punishment Act, 2064

Candidates will be able to evaluate and recommend on the provisions of Banking Offence and Punishment Act, 2064.

In the assessment, candidates may be required to:

- a) State the objectives along with the definition of the related terms of the Act and describe and review the provisions relating to banking offences, punishments, proceeding and disposal of suits (Sections 1 – 29)

Securities Act, 2063 along with relevant provisions of Securities Rules

Candidates will be able to evaluate and recommend on the provisions of Securities Act, 2063 and rules related to such sections.

In the assessment, candidates may be required to:

- a) Explain about the collective Investment Scheme and operation of securities business (Section 71 - 83)
- b) State provisions related to regulation, monitoring, inspection and inquiry (Section 84 - 90)
- c) Describe and review the offences relating to insider trading in securities and transactions of securities and punishments (Section 91 - 108)
- d) Explain about provisions relating to take over of a body corporate or control over a body corporate (Section 109)
- e) Explain and recommend on relevant provisions of Securities Regulation.

Insurance Act, 2079

Candidates will be able to evaluate and recommend on the provisions of Insurance Act, 2079.

In the assessment, candidates may be required to:

- a) Explain and evaluate about the provisions related to regulation, inspection, monitoring and problematic insurers. (Section 98 – 112)
- b) Recognize and recommend about provisions relating to transfer of insurance business or merger and acquisition of insurer and insolvency of insurers. (Section 113 – 122)
- c) Explain and evaluate provisions relating to insurance claims and complaints (Section 123 - 130), offences and punishments (Section 134 – 136 and 138 - 149)
- d) Explain about the operation & management of insurance business at province level. (Section 131 – 133)
- e) Recognize and recommend Miscellaneous Provisions related to insured's interest protection fund, insurance development fund and annual report submission and publication. (Section 150 – 172)

Co-operative Act, 2074

Candidates will be able to evaluate and recommend on the provisions of Co-operative Act, 2074 included in the syllabus.

In the assessment, candidates may be required to:

- a) State the objectives along with the definition of the related terms of the Act and explain the formation, registration objectives and functions of cooperative association or society (Sections 1 – 26)
- b) Interpret the provisions of membership, general meetings, board committees and account supervision committees of cooperatives (Section 30 - 49)
- c) Explain the provisions relating to savings and credit mobilization, cooperative bank and cooperative bank and mobilization of financial sources (Section 50 – 66)
- d) Recognize the funds and explain the provisions of accounts and audit of cooperatives associations (Section 67 – 77)
- e) Explain concessions and facilities available to cooperatives (Section 78) along with stabilization fund (Section 103)

Money (Asset) Laundering Prevention Act, 2063

Candidates will be able to evaluate and recommend on the provisions of Money Laundering Prevention Act, 2063.

In the assessment, candidates may be required to:

- a) State the objectives along with the definition of the related terms of the Act and analyze and evaluate the provisions relating to offence and identify transactions and details of customers (Sections 1 – 7)
- b) Explain the provisions for Coordination committee, financial information unit and formation of department along with its functions, duties and powers. (Section 8 – 10)
- c) Explain and evaluate the provisions for investigation, inquiry and punishment. (Section 11 – 46)

Foreign Exchange (Regulation) Act, 2075

Candidates will be able to evaluate and recommend on the provisions of Foreign Exchange Regulation Act, 2075.

In the assessment, candidates may be required to:

- a) State the objectives of the Act along with the definition of the related terms of the Act and recognize and recommend on foreign exchange regulation (Section 1 – 24)

Employment Related Act: LO4

Labour Act, 2074 along with relevant provisions of Labour rules

Candidates will be able to evaluate and recommend on the provisions of Labour Act, 2074 and Labour Rules related to such sections.

In the assessment, candidates may be required to:

- a) Explain the provisions relating to settlement of individual disputes and resolution of collective disputes and concept of collective bargaining through Collective Bargaining (Section 113 – 129)
- b) Analyse and evaluate the provisions relating to conduct, punishment, termination of employment relationship and labour court (Section 130 – 161)
- c) Analyse and evaluate the provisions relating to complaints, punishments and appeal (Section 162 – 168)
- d) Recognize and recommend Miscellaneous Provisions related to procedure relating to period and notice, fixation of basic remuneration, special provisions relating to managers or managerial level workers, remuneration and other benefits and labour coordination committee (Section 169 – 183)
- e) Explain and recommend relevant provisions of Labour Regulation.
- f) Understand and evaluate about arbitration process in Nepal and settlement of disputes through Negotiation, Mediation, Arbitration and Litigation.

Public Procurement Act, 2063 and relevant provisions of The Public Procurement Regulation, 2064: LO5

Candidates will be able to evaluate and recommend on the provisions of Public Procurement Act, 2063 and rules related to such sections.

In the assessment, candidates may be required to:

- a) State the objectives along with the definition of the related terms of the Act and explain and evaluate the responsibilities and methods of procurement, provisions relating to bids and consultancy services (Sections 1 – 39)
- b) Describe and analyse procurement contract and conduct and miscellaneous provisions of the act. (Section 40 – 46, 52 – 63 and 66 – 76)
- c) Explain and recommend on relevant provisions of Public Procurement Regulation.

Transaction Related Acts: LO6

Electronic Transactions Act, 2063

Candidates will be able to evaluate and recommend on the provisions of Electronic Transactions, 2063

In the assessment, candidates may be required to:

- a) State the objectives along with the definition of the related terms of the Act and explain the provisions relating to Electronic Record and Digital Signature (Sections 1 – 9)
- b) Explain the provisions relating to Controller and Certifying Authority, Digital Signature and Certificates, functions, duties and rights of subscriber and Electronic Record and Government use of Digital Signature (Section 13 – 41)
- c) Describe and review the provisions relating to license (Section 5 – 16 of Payment and Settlement Act, 2075), liabilities of institutions and payment devices and settlement (Section 21 – 34 of Payment and Settlement Act, 2075)

Secured Transactions Act, 2063 (Up to section 54)

Candidates will be able to evaluate and recommend on the provisions of Secured Transactions Act, 2063.

In the assessment, candidates may be required to:

- a) State the objectives along with the definition of the related terms of the Act and explain the establishment and operation of Secured Transactions Registration Office (Sections 1 – 19)
- b) Explain and evaluate the provisions relating to Security Interest, Maturity and Priority of Security Interest along with enforcement of Security Interest. (Section 20 – 54)

Advanced Taxation

Module aim

The aim of the module is to ensure that candidates can use technical knowledge and professional judgement to identify, explain and evaluate alternative tax treatments and to determine the appropriate solutions to taxation issues, giving due consideration to the needs of clients and the interaction between taxes. The commercial context and impact of recommendations will need to be considered in making such judgements, as well as ethical and legal issues.

On completion of this module, candidates will be able to:

- Apply technical knowledge and professional skills to identify and resolve taxation issues that arise in the context of preparing tax computations and to advise on tax-efficient strategies for businesses and individuals
- Critically explain, analyse and evaluate taxation as an element of public revenue generation and its implications for the management and regulation of the economic infrastructure of Nepal
- Perform complex calculations and advise on tax credit, rebate and refunds, tax planning to the clients
- Assess the tax recovery process and tax assessment adopted by tax authorities
- Analyse the provisions related to international taxation
- Assess the procedural aspects related to judicial review of tax disputes
- Apply the Code of Ethics and ethical requirements on taxation services

Prior knowledge

This module assumes and develops the knowledge and skills acquired in the Applied Taxation Module.

Ethics

At the Advisory Level, students will be expected to demonstrate the higher skills of sound, discerning business judgement and critical evaluation. The use of professional scepticism in a complex scenario is a necessary skill for the trusted business professional. The ethical implications of complex scenarios will be both at the organisational level and at the personal level for individuals. Professional scepticism and ethical judgement are paramount whether

the accountant be in public practice or in business. The importance of ethical practice is reflected in ethics being covered in its own specific syllabus area. The ethical codes referenced will be those issued by IESBA and ICAN. Ethical issues and problems could appear in any of the questions.

Specification grid

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. Over time the marks available in the assessment will be within the ranges of weightings below, but slight variations may occur in individual papers to enable suitably rigorous questions to be set.

Syllabus area	Weighting (%)
1 Tax Planning, Avoidance and Evasion	5
2 Basis of Taxation and Exemptions, Tax Accounting and Tax Period	5-10
3 Tax Assessment and recovery	10
4 Tax Computations	
- Income Tax	25
- Other Taxes	15
5 Tax Credit, Tax Rebate or Refund	5
6 International Taxation	20
7 Judicial Review of Tax Disputes	5 - 10
8 Ethics and Tax Audit Requirements	5 – 10

Tax Planning, Avoidance and Evasion: LO1

Tax Planning options in Nepal and anti-avoidance measures

Candidates will be able to examine and analyse a complex scenario in determining tax effective corporate tax rates and methods.

In the assessment, candidates may be required to:

- Examine complex scenario and advise to the client the appropriate tax effective business solution;
- Examine the applicability of Sec. 57 of Income Tax Act, 2058 and its impact on tax computation of income tax for a tax period, Value Added Tax law and Excise law and the accounting considerations;
- List the Actions plans of OECD against Base Erosion and Profit Shift; and
- Explain OECD initiatives to strengthen domestic tax laws to fight against tax avoidance.

Basis of Taxation and Exemptions, Tax Accounting and Tax Period: LO2

Tax exemptions

Candidates will be able to appraise the situations and advise to the client about the exemptions of direct and indirect taxations in complex scenario.

In the assessment, candidates may be required to:

- Appraise the circumstances of a taxpayer and make appropriate advice to the client regarding the applicability of taxes and exemptions from taxation.

Tax Period

Candidates will be able to propose the tax period for administrative efficiency.

In the assessment, candidates may be required to:

- a. Assess a complex scenario and advise the client to plan the due date of transfer of beneficiary's interest in order to reduce administrative difficulty as a result of change in control.

Tax Assessment and recovery: LO3

Tax Assessment and recovery

Candidates will be able appraise the completeness of the assessment order issued by tax authority.

In the assessment, candidates may be required to:

- a. Evaluate a given scenario and decide on the completeness of the assessment order issued by tax authority.

Tax Computation: LO4

Calculation of Income Tax

Candidates will be able calculate income tax liability of particular person under Income Tax Act, 2058 in complex scenario. Candidates will also be able to compute distribution tax and tax on disposal of equity interest as per Income Tax Act, 2058 in complex scenario.

In the assessment, the candidates may be required to:

- a. Calculate and advise the tax effect of merger and acquisition (Sec. 46 and 49 of Income Tax Act, 2058);
- b. Calculate and advise the tax effect of demerger (Sec. 48 of Income Tax Act, 2058);
- c. calculate and advise the tax liability of those taxing units as mentioned in LO15 of Application level;
- d. calculate and advise the tax liability of a company operating banking business, investment insurance business, general insurance business, approved retirement fund, unapproved retirement fund;
- e. calculate the amount of distribution of profit and repayment of capital and suggest the tax effect of dissolution of entity;
- f. evaluate the options of a taxing unit regarding tax computations; and
- g. Describe the provisions of taxability of notified times as per Finance Act under application and perform tax computations

Calculation of Customs duty, Excise duty and Value Added Tax

Candidates will be able compute output Value Added Tax, excise duty and customs duty in complex scenario.

In the assessment, candidates may be required to:

- a. compute VAT payable/receivable, excise duty payable and customs duty payable (rates of VAT, excise duty and customs duty shall be explicitly provided).

Tax Credit and Tax Rebate or Refund: LO5

Tax Credit and Tax Rebate or Refund

Candidates will be able to appraise the taxpayer's ability to claim tax credit and refund.

In the assessment, candidates may be required to:

- a. Compute tax credit and advise the taxpayer on the appropriate course of action.

Recovery of Tax

Candidates will be able to appraise the action of tax authority under tax recovery process and advise the appropriate course of action to the taxpayer.

In the assessment, candidates may be required to:

- a. Appraise the notices issued by tax authority and advise the appropriate course of action to the taxpayer; and
- b. Prepare appropriate course of actions of tax authority and advise the taxpayer on the methods for proper support on tax recovery process by tax authority.

International Taxation: LO6

International Agreements on Income Taxation- Model and National requirement

Candidates will be able to explain the difference between OECD Model Double Taxation Agreement and US Model Double Taxation Agreement. Candidates will also be able to analyse the model adopted by Nepal in concluding double taxation agreement with regards to income.

In the assessment, candidates may be required to:

- a. Explain the difference between OECD Model Double Taxation Agreement and US Model Double Taxation Agreement;
- b. Explain the importance of 'Limitation of Benefit Clause' in Double Taxation Agreement;
- c. Analyse the clauses of Sec. 73 of Income Tax Act, 2058 and the applicability of such clauses in case the clause is not present in DTA; and
- d. Explain the importance of Treaty Act, 2047 while concluding DTAA by Government of Nepal.

International Agreements on Income Taxation- Elimination of Dual Residency and Juridical Double Taxation

Candidates will be able to explain the methodology through which the taxpayer and competent authorities of contracting states eliminates dual residency and juridical double taxation.

In the assessment, candidates may be required to:

- a. Explain the hierarchical order to eliminate dual residency of an individual and entity as per Double Taxation Avoidance Agreement between Nepal and another country; and
- b. Explain the method of elimination of juridical double taxation (exemption and credit method) as per Double Taxation Avoidance Agreement between Nepal and another country.

International Agreements on Income Taxation- Taxing Rights of Contracting States

Candidates will be able to explain the Taxing rights of contracting states in respect of business profits, income from shipping and air transport business, income from associated enterprises, dividends, interests, royalties and fees for technical services, capital gains, income from independent personal services, income from dependent personal services, directors' fees, pensions, income from government service, income of artists and sportspersons, income of professors, teachers and research scholars, income of

students, other income and capital and fiscal privileges of members of diplomatic missions and consulates and the requirement of non- discrimination.

In the assessment, candidates may be required to:

- a. Explain the taxing rights of Nepal in respect of income of an individual or a business entity and applicability of Income Tax Act, 2058 on such income;
- b. Evaluate the circumstance faced by a person or a business entity and advise on the applicability of income tax on one or the other contracting state; and
- c. Explain the taxation rates to a resident of another contracting states when the domestic tax rates for a resident of Nepal is less than that mentioned in DTA.

International Agreements on Income Taxation- other issues

Candidates will be able to explain the mutual agreement procedure, exchange of information, assistance in collection of taxes, and limitation of benefit clause.

In the assessment, candidates may be required to:

- a. Explain the mutual agreement procedure;
- b. Explain the process of exchange of information;
- c. Explain the process of reciprocal administrative assistance in collection of taxes of India and Bangladesh and other countries; and
- d. Explain the limitation of benefit clause of Sec. 73 of Income Tax Act, 2058 and its effectiveness in respect of Treaty countries other than India.

Foreign Permanent Establishment

Candidates will be able to calculate corporate tax and repatriation tax liability of foreign permanent establishment.

In the assessment, candidates may be required to:

- a. Identify a foreign permanent establishment as per DTAA between Nepal and another country;
- b. Compute taxation on business profits of an enterprise of a treaty country in Nepal;
- c. Compute taxation on business profits of an enterprise of a non-treaty country in Nepal; and
- d. Compute the amount of repatriation tax payable in Nepal at the time of repatriation of income of a permanent establishment.

Controlled Foreign Entity of a resident person

Candidates will be able to calculate tax liability of a resident person (controlling person) that owns controlled foreign entity.

In the assessment, candidates may be required to:

- a. Calculate tax liability of a resident person (controlling person) that owns 'Controlled Foreign Entity'.

Transfer Pricing

Candidates will be able to explain the transfer pricing, transfer pricing provisions in domestic tax law, provisions of OECD Transfer Pricing Guidelines for transfer pricing adjustments, transfer pricing dispute settlement and other principles to reduce cost of transfer pricing administrations.

In the assessment, candidates may be required to:

- a. Explain the term 'transfer pricing' and 'arms' length principle';
- b. Explain the provision of Income Tax law regarding the reduction of tax liability between associated persons;
- c. Explain prevailing practices or methods by which Multinational enterprises are reducing corporate tax liability in host countries;
- d. Explain the Transfer pricing methods used by tax administrators to make transfer pricing adjustments and the characteristics of transactions required to adopt a particular method;
- e. Make simple calculations of transfer pricing adjustments as per transfer pricing methods;
- f. Evaluate a circumstance of a taxpayer and advise the taxpayer on the best possible options in order to reduce transfer pricing risk;
- g. Explain the recommended practices of OECD to resolve transfer pricing disputes between MNEs and tax authorities;
- h. Describe other principles recommended by OECD Transfer Pricing Guidelines to ease transfer pricing administrations.

Judicial Review of Tax Disputes: LO7

Financial obligation of Law suit

Candidates will be able to appraise the circumstance and suggest on the possible financial obligation of a judicial proceeding.

In the assessment, candidates may be required to:

- a. Assess the different possibilities for a taxpayer in case of dispute with tax authority;
- b. Perform computation of amounts that must be paid or deposited or value of bank guarantee to file a law suit; and
- c. Advise the taxpayer on the proceedings of law suit including referral to a law practitioner.

Ethics and Tax Audit Requirements: LO8

Ethics

Candidates will be able to identify and explain ethical issues. Where ethical dilemmas arise, they will be able to recommend, justify and determine appropriate actions and ethical safeguards to mitigate threats.

In the assessment, candidates may be required, in the context of corporate reporting to:

- a. identify and explain ethical issues in providing tax services;
- b. explain the relevance, importance and consequences of ethical issues;
- c. evaluate the impact of ethics on a reporting entity, relating to the actions of stakeholders;
- d. recommend and justify appropriate actions where ethical issues arise in a given scenario; and
- e. design and evaluate appropriate safeguards to mitigate threats and provide resolutions to ethical problems.

TECHNICAL KNOWLEDGE GRIDS

The tables contained in this section show the technical knowledge in the disciplines of financial reporting, audit and assurance, business analysis, ethics and taxation covered in the ICAN syllabus by module.

For each individual standard the level of knowledge required in the relevant Foundation, Application and Advisory Level module is shown.

The knowledge levels are defined as follows:

Level D

An awareness of the scope of the standard.

Level C

A general knowledge with a basic understanding of the subject matter and training in its application thereof sufficient to identify significant issues and evaluate their potential implications or impact.

Level B

A working knowledge with a broad understanding of the subject matter and a level of experience in the application thereof sufficient to apply the subject matter in straightforward circumstances.

Level A

A thorough knowledge with a solid understanding of the subject matter and experience in the application thereof sufficient to exercise reasonable professional judgement in the application of the subject matter in those circumstances generally encountered by chartered accountants.

Key to other symbols:

→ the knowledge level reached is assumed to be continued

Assurance and Audit Technical Grid

Topics	Application and Advanced Levels	
	Audit and Assurance	Advanced Audit and Assurance
The International Auditing and Assurance Standards Board (IAASB) The International Public Sector Accounting Standards Board (IPSASB) The Authority Attaching to Standards Issued by the International Auditing and Assurance Standards Board The Authority Attaching to Standards Issued by the International Public Sector Accounting Standards Board Discussion Papers Working Procedures		
International Standards on Quality Management		
1 Quality Management For Firms That Perform Audits Or Reviews Of Financial Statements, Or Other Assurance Or Related Services Engagements		
2 Engagement Quality Reviews		
Nepal Standards on Auditing (NSA)		
200 Overall Objective of the Independent Auditor and the conduct of an Audit in Accordance with Nepal Standards on Auditing	A	→
210 Agreeing the Terms of Audit Engagements	B	→
220 Quality Management for an Audit of Financial Statements	B	→
230 Audit Documentation	B	A
240 The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements	B	A
250 Section A Consideration of Laws and Regulations in an Audit of Financial Statements	B	A
250 Section B The Auditor's Statutory Right and Duty to Report to Regulators of Public Interest Entities and Regulators of Other Entities in the Financial Sector		
260 Communication with Those Charged with Governance	B	A
265 Communicating Deficiencies in Internal Control to Those Charged with Governance and Management	B	A
300 Planning an Audit of Financial Statements	A	→
315 Identifying and Assessing the Risks of Material Misstatement	A	→
320 Materiality in Planning and Performing an Audit	A	→
330 The Auditor's Responses to Assessed Risks	B	A
402 Audit Considerations Relating to an Entity Using a Service Organization	C	B
450 Evaluation of Misstatements Identified during the Audit	A	
500 Audit Evidence	A	→
501 Audit Evidence - Specific Considerations for Selected Items	B	A
505 External Confirmations	B	A

510 Initial Audit Engagements - Opening Balances	B	A
520 Analytical Procedures	A	A
530 Audit Sampling	B	A
540 Auditing Accounting Estimates and Related Disclosures	B	A
550 Related Parties	B	A
560 Subsequent Events	B	A
570 Going Concern	A	→
580 Written Representations	B	A
600 Special Considerations – Audits of Group Financial Statements (including the Work of Component Auditors)	C	A
610 Using the Work of Internal Auditors	B	A
620 Using the Work of an Auditor's Expert	B	A
700 Forming an Opinion and Reporting on Financial Statements	A	→
701 Communicating Key Audit Matters in the Independent Auditor's Report	B	A
705 Modifications to the Opinion in the Independent Auditor's Report	A	→
706 Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report	A	→
710 Comparative Information – Corresponding Figures and Comparative Financial Statements	B	A
720 The Auditor's Responsibility Relating to Other Information	B	A
800 Special Considerations – Audits of Financial Statements prepared in Accordance with Special Purpose Frameworks		B
805 Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or items of a Financial Statement	B	A
810 Engagements to Report on Summary Financial Statements	B	A
Nepal Auditing Practice Note (NAPN)		
1000 Special Considerations in Auditing Financial Instruments		C
2400 Engagements to Review Financial Statements	C	B
2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity		B
Nepal Standards on Assurance Engagements (NSAEs)		
3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information	C	B
3400 The Examination of Prospective Financial Information	C	B
3402 Assurance Reports on Controls at a Service Organisation	C	A
3410 Assurance Engagements on Greenhouse Gas Statements	C	→
3420 Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus		
4400 Engagements to Perform Agreed-upon Procedures Regarding Financial Information		B

4410 Compilation Engagements (Revised March 2012)	B
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Nepal Audit Practice Statement

NAPS 101 - Audits of the Financial Statements of Banks	B
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Guidance Notes

201 Guidance Notes on Independence of Professional Accountants	A
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202 Guidance Notes on Preparation of Financial Statements on Letter- Heads and Stationery of Auditors	
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203 Guidance Notes to Implement NSQC1	C
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Note: The NSAs referred here in the syllabus is based on NSA 2024 pronounced by the Institute and the incorporation of subsequent amendments/revisions to the standards in the syllabus are subject to decision of the Institute.

Business Analysis Technical Grid

Topic	Foundation and Application Levels						Advisory Level
	Information System	Business & Finance	Management Accounting and Financial	Business Strategy			
STRATEGIC ANALYSIS							
Environmental and market analysis tools							
PESTEL analysis		C		A		→	
Porter's five forces		C		A		→	
Product life cycle		C		A		→	
Boston consulting group matrix		C		A		→	
Prices and markets		C		A		→	
Competitor analysis		C		A		→	
Positional and other analysis tools							
Resource audit		C		A		→	
Resource-based strategy		C		A		→	
Value chain analysis		C		A		→	
SWOT analysis		C		A		→	
Gap analysis		C		A		→	
Marketing analysis		C		A		→	
Competitive advantage		C		A		→	
Benchmarking		C		A		→	
Directional policy matrix						B	
Business process analysis				B		A	
Strategic risk analysis				A		→	
Balanced scorecard		C		A		→	
STRATEGIC CHOICE							
Strategy formulation, evaluation and choice		C		A		→	
Business risk management		C		A		→	
Financial analysis and data analysis				A		→	
Stakeholder analysis		C		A		→	
Objectives and stakeholders' preferences		C		A		→	
Corporate responsibility, sustainability and climate change		C		B		A	
STRATEGIC IMPLEMENTATION							
Business plans		C		A		→	
Organisational structure		C		A		→	

Topic	Foundation and Application Levels						Advisory Level
	Information System	Business & Finance	Management Accounting and Financial	Business Strategy			
Information management		C		B			A
Change management				A			→
Project management							A
BUSINESS MANAGEMENT							
Performance management				C			A
Strategic marketing and brand management				B			A
Corporate Governance		C		B			A
Information strategy				B			A
Human resource management				C			A
COST ANALYSIS FOR DECISION-MAKING							
<i>Costing</i>							
Cost classification	A			→			→
Costing systems – direct, marginal, absorption	B			→			→
Activity based costing (ABC)	C			→			B
Break even analysis	B			→			A
Multi-product break even analysis							B
Budgeting and performance management	B			→			A
<i>Pricing</i>							
Pricing decisions	B			A			→
Transfer pricing	B			A			→
<i>Decision making techniques</i>							
Expected values				B			A
Relevant cash flows				B			A
Sensitivity analysis				B			A
BUSINESS AND SHAREHOLDER VALUE							
<i>Valuation Techniques</i>							
Income – dividend yield			B				A
Income – P/E			B				A
Income – discounted cash flow			B				A
Asset based measures			B				A
Options approach							B

Topic	Foundation and Application Levels						Advisory Level
	Information System	Business & Finance	Management Accounting and Financial	Business Strategy			
Shareholder value							
Value based management (VBM)							B
Value drivers				B			A
Shareholder value analysis (SVA)				B			A
Short and long term growth rates and terminal values							A
Economic profit							A
Cash flow return on investment (CFROI)							A
Total shareholder return (TSR)							A
Market value added (MVA)							A
INVESTMENT APPRAISAL AND RISK ANALYSIS							
Project appraisal							
NPV	B			A			→
IRR	B			A			→
Payback	B			A			→
Relevant cash flows				A			→
Tax and inflation				A			→
Replacement Analysis				A			→
Capital rationing				A			→
Adjusted present value (APV)				A			→
Assessing risk							
Project appraisal and sensitivity analysis				B			A
Project appraisal and simulation				B			A
Expected values				B			A
Scenario planning							A
Gap analysis						B	→
Continuous vs. event risk						B	→
FINANCIAL ANALYSIS							
Cost of capital							
Cost of equity				B			A
Cost of debt				B			A
Cost of preference shares				B			A

Topic	Foundation and Application Levels							Advisory Level
	Information System	Business & Finance	Management Accounting and Financial	Business Strategy				
Cost of bank loans			B				A	
Weighted average cost of capital (WACC)			B				A	
Effective interest rates							A	
Splitting convertibles into equity and debt elements							A	
Equity instruments							A	
<i>Portfolio theory and CAPM</i>								
Portfolio theory			B				A	
CAPM			B				A	
APT and MCPM							A	
CAPM and cost of capital			B				A	
International cost of capital							A	
<i>Bonds and fixed interest securities</i>								
Bond pricing using NPV							A	
Yields to maturity							A	
Duration and price volatility							A	
Convexity							A	
Term structure of interest rates							A	
Corporate borrowing and default risk							A	
SOURCES OF FINANCE AND FINANCING ARRANGEMENTS								
Short, medium and long term sources of finance		B					A	
Green finance		C	B				A	
Loan agreement conditions (warranties; covenants; guarantees)			B				A	
Raising capital		B					A	
Gearing and capital structure			A				→	
Loan agreements and covenants			A				→	
Dividend policy			A				→	
Financing reconstructions (e.g.: group reconstruction, spin off, purchase of own shares, use of distributable profits)			B				A	
Treasury and working capital management	C						A	
Small and medium company financing							B	
History of finance							C	

Topic	Foundation and Application Levels							Advisory Level
	Information System	Business & Finance	Management Accounting and Financial	Business Strategy				
FINANCIAL ENGINEERING								
Futures, options and swaps								
Options				B				A
Interest rate futures				B				A
Interest rate options				B				A
Interest forward rate agreements (FRAs)				B				A
Interest rate swaps				B				A
Foreign exchange								
Currency forward contracts				B				A
Currency money market cover				B				A
Currency options				B				A
Currency swaps				B				A
Operational techniques for managing currency risk				B				A
Theoretical determinants of foreign exchange rates				B				A
Option value								
Value of a call and put option				C				B
Black Scholes option pricing model								B
Binomial Option Pricing Model								B
Real options				C				B

Financial Reporting Technical Grid

Topic	Foundation and Application Level		Advisory Level
	Accounting	Financial Reporting and Accounting	Advanced Financial Reporting
Nepal Accounting Standards (NAS)			
Preface to International Financial Reporting Standards		A	A
Conceptual Framework for Financial Reporting		A	A
NAS 1 Presentation of Financial Statements		A	A
NAS 2 Inventories	B	A	A
NAS 7 Statement of Cash flows		A	A
NAS 8 Accounting Policies, Changes in Accounting Estimates and Errors		B	A
NAS 10 Events after the Reporting Period		A	A
NAS 12 Income Taxes		C	A
NAS 16 Property, Plant and Equipment	B	A	A
NAS 19 Employee Benefits		-	A
NAS 20 Accounting for Government Grants and Disclosure of Government Assistance		A	A
NAS 21 The Effects of Changes in Foreign Exchange Rates		C	A
NAS 23 Borrowing Costs		A	A
NAS 24 Related Party Disclosures		B	A
NAS 26 Accounting and Reporting by Retirement Benefit Plans		-	D
NAS 27 Separate Financial Statements		B	A
NAS 28 Investments in Associates and Joint Ventures		B	A
IAS 29 Financial Reporting in Hyperinflationary Economies		-	D
NAS 32 Financial Instruments: Presentation		B	A
NAS 33 Earnings Per Share		C	A
NAS 34 Interim Financial Reporting		-	A
NAS 36 Impairment of Assets		B	A
NAS 37 Provisions, Contingent Liabilities and Contingent Assets		A	A
NAS 38 Intangible Assets		A	A
NAS 39 Financial Instruments: Recognition and Measurement		-	A
NAS 40 Investment Property		-	A

Topic	Foundation and Application Level		Advisory Level	
	Accounting	Financial Reporting and Accounting	Advanced Financial Reporting	
NAS 41 Agriculture		-	D	
Nepal Financial Reporting Standards (NFRS)				
NFRS 1 First-Time Adoption of NFRS		-	C	
NFRS 2 Share-based Payment		-	A	
NFRS 3 Business Combinations		B	A	
NFRS 4 Insurance Contracts		-	D	
NFRS 5 Non-Current Assets Held for Sale and Discontinued Operations		B	A	
NFRS 6 Exploration for and Evaluation of Mineral Resources		-	D	
NFRS 7 Financial Instruments: Disclosures		C	A	
NFRS 8 Operating Segments		-	A	
NFRS 9 Financial Instruments		C	A	
NFRS 10 Consolidated Financial Statements		B	A	
NFRS 11 Joint Arrangements		B	A	
NFRS 12 Disclosure of Interests in Other Entities		B	A	
NFRS 13 Fair Value Measurement		C	A	
NFRS 14 Regulatory Deferral Accounts		-	C	
NFRS 15 Revenue from Contracts with Customers		B	A	
NFRS 16 Leases		B	A	
NFRS 17 Insurance Contracts		-	C	
NFRS for SMEs		-	A	

Note: The NAS/NFRS referred here in the syllabus is based on NFRS 2024 pronounced by the Institute and the incorporation of subsequent amendments/revisions to the standards in the syllabus are subject to decision of the Institute.

Law Technical Grid

Syllabus Area	Foundation, Application and Advisory Level		
	Law	Applied Law	Advanced Law
Overview of Legislative process in Nepal and main elements of legal Framework in Nepal	C		
The National Civil (Code), 2074 (Part V)	B	→	
Nepal Chartered Accountants Act, 2053	C	B	A
Audit Act, 2075		B	A
Private Firm Registration Act, 2014	B		
Partnership Act, 2020	B		
Companies Act, 2063	C	B	A
Industrial Enterprises Act, 2076	C	B	A
Negotiable Instruments Act, 2034	C		
Labour Act, 2074	C	B	A
Bonus Act, 2030		B	
Securities Act, 2063		B	A
Banks and Financial Institutions Act, 2073		B	A
Nepal Rastra Bank Act, 2058		B	A
Insurance Act, 2079		B	A
Associations Registration Act, 2034		B	
Social Welfare Act, 2049		B	
Public Procurement Act, 2063		C	B
Foreign Investment and Technology Transfer Act, 2075		C	B
Cooperatives Act, 2074			A
Insolvency Act, 2063			A
Money (Asset) Laundering Prevention Act, 2063			A
Banking Offence and Punishment Act, 2064			A
Foreign Exchange (Regulation) Act, 2019			A
Public Private Partnership and Investment Act, 2075			B
The Electronic Transactions Act, 2063			B
Payment and Settlement Act, 2075			B
Secured Transactions Act, 2063			B

Taxation Technical Grid

Topic	Foundation and Application Level		Advisory Level
	Taxation	Applied Taxation	Advanced Taxation
Constitution of Nepal			
Taxing Rights of different levels of Government: Article 57-59 and Schedule 5-9	C	→	→
Development of Fiscal laws: Article 110, 111, 113, 114, 115, 203, 228	B	→	→
Income Tax Act, 2058			
Applicability of Law: Sec. 1	B	A	→
Definition of Terms: Sec. 2		A	→
Basis of Taxation: Sec. 3-6	C	A	→
Source of Income: Sec. 67	C	A	→
Assessable Income from Business	B		A
Sec. 7	A		→
Sec. 13, 14 (1), 15, 16, 19, Schedule 2, Sec. 20, 21	B		A
Sec. 14 (2) & (3), 17, 18	C		A
Sec. 26-32, 62	B		A
Sec. 36-46	B		A
Sec. 47-49	C		A
Sec. 59-61, 64-65	B		A
Sec. 68-70	C		A
Assessable Income from Employment			
Sec. 8, 27, and other related provisions for computation of employment income	A		→

Topic	Foundation and Application Level		Advisory Level
	Taxation	Applied Taxation	Advanced Taxation
Assessable Income from Investment	B		A
Sec. 9	A		→
Sec. 13, 14 (1), 15, 16, 19, Schedule 2, Sec. 20, 21	B		A
Sec. 26-32, 62	B		A
Sec. 36-46	B		A
Reductions:			
Sec. 12, 12Ka, 12Kha, 12Ga	B		A
Sec. 63, Deductions under Schedule 1	A		→
Tax Rates:			
Schedule 1	B		A
Tax exemptions:			
Sec. 10, Proviso of Sec. 31, Schedule 1	B		A
Tax Planning & Anti-avoidance provisions:			
Sec. 11,	B		A
34, 35, 58, 136Ka	A		→
Sec. 57	C		A
Tax Accounting:			
Sec. 22-25, 81	C	B	A
Transfer Pricing Provision:			
Sec. 33			B
Meaning of Natural Person and Entity			
Sec. 50	B	A	→
Sec. 52-56		B	A
Tax Credit, Rebate or Refund			
Sec. 51, 71, Sch. 1 Sec. 1 (11), 112, 113	B		A
International Agreement			
Sec. 73	C		A
Tax Administrators			
Sec. 72, 77, 82, 83, 110Ka, 132-136, 137, 141	B	A	→

Topic	Foundation and Application Level		Advisory Level
	Taxation	Applied Taxation	Advanced Taxation
Sec. 83		B	A
Sec. 75, 76, 138, 139, 140, 142, 143	A	→	→
Taxpayers' Duties and Rights Sec. 74, 84, 79, 80	A	→	→
Tax Return Sec. 77, 95-98	C	A	→
Taxpayers' Identification Sec. 78, 78Ka	B	A	→
Tax Assessment Sec. 99-102		B	A
Payment and Recovery of Tax Sec. 85-93, 94, 95Ka, 110Kha, 110Ga		A	→
Sec. 103-110Ka		B	A
Judicial Review Sec. 114-116		B	A
Sec. 111, 130, 131		B	A
Penal Provisions Sec. 117-122, 123-128		B	A
Sec. 129		A	→
Value Added Tax Act, 2052			
Applicability of VAT law Sec. 1	B	A	→
Definitions Sec. 2	D	A	→
Tax Administrators Sec. 3, 4, 5Kha, 23, 23Ka, 23Gha, 29Ka, 31, 34, 34Ka, 35, 38, 39, 40	B	A	→
No Taxation without Law Sec. 23Kha, 32Ka, 32Kha, 41, 42, 43, 44	A	→	→

Topic	Foundation and Application Level		Advisory Level
	Taxation	Applied Taxation	Advanced Taxation
Basis of Taxation			
Sec. 5, 5Ka, 6, 7	C	A	→
Sec. 8 (1), 15	A	A	→
Sec. 8 (2) & (3), 8Ka, 25Kha		B	A
Taxpayers' Identification			
Sec. 9, 10, 10Ka, 10Kha, 10Kha1, 10Ga, 10Ga1, 11	B	A	→
Sec. 36, 37	A	→	→
Tax Computation			
Sec. 12, 12Ka, 13		B	A
Sec. 14, 14Ka, 16, 16Ka, 18	B	A	→
Tax Credit, Rebate or Refund			
Sec. 16Kha, 17, 24, 25Ka, 25Ga, 25Ga1, 25Ga2, 25Gha		B	A
Recovery of Tax			
Sec. 21, 27		B	A
Tax Assessment			
Sec. 20, 22		B	A
Sec. 27, 28	C	B	A
Penal Provisions			
Sec. 19, 26, 29Kha		B	A
Sec. 29		B	A
Judicial Review			
Sec. 30, 31Ka, 32, 33		B	A
Excise Duty Act, 2058			
Applicability of Excise law			
Sec. 1	A	→	→
No Taxation without Laws			
Sec. 23Ka, 24, 25, 25Ka, 26	A	→	→
Definitions			
Sec. 2	D	A	→

Topic	Foundation and Application Level		Advisory Level
	Taxation	Applied Taxation	Advanced Taxation
Basis of Taxation and Exemptions Sec. 3, 3Ka (1) & (2), 3Ga, 22Ka	C	A	→
Sec. 3Kha (1) & (2)	C	A	→
Sec. 3 (Ka) and 3 (Kha)- (remaining clauses)		B	A
Tax Accounting & Tax Period Sec. 4, 10Kha, 10Ga	B	A	→
Payment of Taxes Sec. 4Ka, 4Kha,		A	→
Taxpayers' Identification Sec. 4Gha, 4Nga, 8, 9, 9Ka, 9Kha, 10	A	A	→
Tax Administrators Sec. 5, 6, 10Nga, 10Cha, 10Chha, 10Ta, 11, 12, 13, 20, 23	B	A	→
Tax Computation Sec. 7, 10Gha, 10Cha		B	A
Tax Recovery Sec. 10Ja, 17, 18, 21, 22		B	A
Tax Returns & Filings Sec. 10Ka, 10Jha	C	A	→
Tax Planning, Avoidance and Evasion Sec. 10Yna, 13, 14, 15		B	A
Penal Provisions Sec. 16		B	A
Judicial Review Sec. 19		B	A
Customs Act, 2082			
Applicability of Customs law and definitions Sec 1, 2	A	→	→
Sec 3-16		B	A
Custom declaration Sec. 17-35		B	A
Classification of Goods and Determination of Duty Sec. 36-41		B	A

Topic	Foundation and Application Level			Advisory Level	
	Taxation	Applied Taxation	Advanced Taxation		
Search, Seizure, Arrest and Confiscation Sec. 42-56		B	A		
Custom Warehouse Sec. 57-63		B	A		
Internal Carriage of Goods and International transit of goods Sec. 64-65		B	A		
Expedited customs clearance and postal import/export Sec. 66-67		B	A		
Advance Ruling Sec. 68		A	→		
Offence and punishment Sec. 69-74			A		
Investigation, Inquiry and Filing of Cases Sec 75-81			A		
Proceedings, Decision and Enforcement of Cases Sec. 82-91			A		
Management of Seized/Confiscated Property Sec. 92			A		
Administrative Review and Appeal Sec. 93, 94, 95		B	A		
Custom Agent Sec. 96-101	A	→	→		
Post clearance audit and reaudit Sec. 102-109		B	A		
Refund of Custom Duty/Penalty Sec. 110-112			A		
Prohibition of import/export of Intellectual Property Rights infringing goods. Sec. 113			A		
EXIM code Sec 114	A	→	→		
Retention of records Sec. 115		A	→		
Reward Sec.116		B	A		
Liability for Expenses of Goods Examination Sec. 117			A		

Secrecy of Information Sec. 118	B	A
Notice by Custom Office Sec. 119	B	A
Delegation of Custom Authority Sec. 120		A
Legal Validity of Electronic Documents Sec. 121		A
Payment through Electronic Means Sec. 122	B	A
National Single Window System Sec. 123		A
Duty to Provide Information Sec. 124	B	A
Inter-agency Co-operation Sec. 125		A
Prohibition on Interference Sec. 126		A
Clearance of Shipping Containers Sec. 127		A
Protection for Good Faith Actions Sec. 128		A
Miscellaneous Sec. 129 ,130		A

Customs Duty Act, 2081

Basis of Taxation and Exemptions Sec. 5,6, 7, 8, 9, 17, 27		A	→
Sec 3, 4	A	→	→
Sec 10, 11, 13, 14, 15,16,18, 19 and 25, 26, 28, 29		B	A
		B	A
Computation of tax Sec.12, 21, Related provisions from prevailing Finance Law relevant for Computation of Customs Duty		B	A
Tax Recovery Sec. 23 and 24		B	A
Penal Provisions Sec 20		B	A
Demurrage Sec 22		B	A
Revenue Tribunal Act, 2031 Sec. 8 (3)		A	→
Anti-Money Laundering Act and Revenue Leakage (Control and Investigation) Act			D
Double Tax Avoidance Agreements of Nepal with Foreign Country			B
BEPS Action Plans along with taxation on Digital Economies			D
Taxes levied by Finance Act (Those taxes as notified by ICAN in advance)			A

Note:

The technical grid for various rules under Income Tax Regulations, 2059; Value Added Tax Regulations, 2053; Excise Duty Regulations, 2059 and Customs Duty Regulations, 2081, Customs Regulations, 2083 will be identical as it is for underlying provisions of Tax Acts.

APPENDIX 1: ICAN COMPETENCIES MATRIX

Assessed competencies	Foundation	Application	Advisory
Understanding the problem			
Understanding the subject matter and identifying issues	Candidates understand simple scenarios and determine problems to be addressed	Candidates understand scenarios where information may be incomplete or technically difficult, and determine problems to be addressed.	Candidates understand complex scenarios where information may be incomplete or technically challenging, and determine problems to be addressed
Accessing, evaluating and managing information	Information/data is provided; candidates summarise and categorise information to address problems	Information/data is provided but may be incomplete and technically difficult to understand. Candidates summarise and categorise information to address problems and are able to identify information gaps.	Information/data is provided but may be incomplete and technically challenging to understand. Candidates summarise and categorise information to address problems and are able to identify and assess the impact of information gaps.
Using technical knowledge and professional experience	Appropriate technical competencies are identified to solve problems presented to candidates	Appropriate technical competencies over a range of technical difficulty are identified to solve problems presented to candidates	Appropriate technical competencies over a range of technical difficulty are identified to solve problems presented to candidates. Appropriate technical competencies may call for specialists where straightforward technical reports of a non-accounting nature may need to be understood.
Providing a solution			
Using analytical tools	Specified tools are employed to solve straightforward problems	Appropriate tools are identified to solve technically difficult problems	Appropriate tools are identified to solve technically challenging problems
Analysing and evaluating problems	The outcomes and limitations of analysis from employing specified tools	The outcomes and limitations of analysis from employing appropriate	The outcomes and limitations of analysis from employing appropriate

	are understood in a broader context, including ethical dimensions	tools are understood in a broader context, including ethical dimensions	tools are understood in a broader context, including ethical dimensions, and where conflicting demands and objectives arise
Assessing quality of information	Candidates are aware that the quality of information can affect the outcomes of analysis	Detailed scenarios are employed that make difficult the assessment of the quality of information which can affect the outcomes of analysis	Complex scenarios are employed that incorporate data and information from a variety of sources and which makes challenging the assessment of the quality of information which can affect the outcomes of analysis

Advising and reporting

Drawing conclusions and making recommendations	Conclusions are drawn in simple scenarios and candidates demonstrate advice consistent with the outcomes of analysis	Conclusions are drawn in scenarios that may be uncertain and difficult to understand and where candidates are required to demonstrate advice consistent with a careful assessment of the outcomes of analysis	Conclusions are drawn in complex scenarios that may be uncertain and challenging to understand and where potentially interests may need to be balanced. Candidates are required to demonstrate advice consistent with a careful and balanced assessment of the outcomes of analysis.
Presenting data and written work	Straightforward reports, memoranda, and formats prescribed in the assessments are produced.	Reports, memoranda and assessment formats are produced that are determined by the context of the scenario or problem.	Reports, memoranda and assessment formats are produced that are determined by the context of the scenario or problem and are carefully expressed to reflect the complex circumstances.