



Examiner's Feedback Report

Module B 2023-2024

General Comments

The first sitting and the re-sit examination papers were in general structured to assess the students in two different manners:

- Questions / sub-questions including both theoretical questions expecting the students to provide (i) brief written replies on key aspects of the relevant legislation and (ii) brief computation aspects. The questions mainly covered:
 - Controlling Interest and Global Transfer aspects in terms of the Capital Gains Rules;
 - Collective Investments Schemes;
 - Transfer of a business;
 - Trusts;
 - Value Shifting and De-grouping considerations; and
 - Transfers of immovable property or shares in terms of Article 5 and Article 5A of the Income Tax Act
 - AML scenarios;

(the 'Theoretical Questions')

- Questions / sub-questions with more complex case scenarios expecting students to predominantly compute the required tax and / duty assessments in line with the relevant rules. The computations were predominantly in relation to:
 - Tax Market Value in terms of the Capital Gains Rules;
 - Real Market Value in terms of the Duty on Documents and Transfers Act, and corresponding rules;
 - Taxation of rental income, including in terms of Article 31D of the Income Tax Act; and
 - In conjunction with the above, computation of personal taxation under the progressive rates.

(the 'Computational Questions')

In aggregate therefore, the questions were structured in a manner to distinctly assess the students' (i) theoretical knowledge; (ii) application of theoretical knowledge in specific circumstances resulting in a brief computation (collectively being the Theoretical Questions) and; (iii) application of different theoretical aspects (without the express need to provide a write-up thereon) within a more comprehensive computation (being the Computational Questions).

The first sitting and the re-sit were predominantly based /on assessing the same general topics detailed above, however differentiating the relative sub-questions and/or facets in order to assess different aspects of such topics and recalibrating marks according to complexity.

On the basis of the results across both sittings, it would appear that:

- The majority of the students have shown a reasonable understanding of the Theoretical Questions requiring written comments not limited to a specific scenario. Results however varied when such aspects were inserted within the context of a specific scenario; and

- The majority of the students have shown a limited understanding of the Computational Questions, with only a minimal number of students applying the correct the contemplated legislative requirements (and not necessarily applying these in a correct manner in all instances).

In aggregate, although the pass rate appears to be high, the average mark indicates clear room for improvement.

Concluding comments

- The students were more inclined to attempt the Theoretical Questions indicating a strong reliance on known concepts with limited practical application;
- A significant number of students appeared to disregard the time constraints, and opted to invest a disproportionate amount of time in the Theoretical Questions, significantly limiting their time in Computational Questions. This could however also be interpreted to understand that the students (as indeed indicated in the limited replies) have a limited understanding of the matters requested in the Computational Questions;
- The Computational Questions, especially the valuation of the 'shares' and the understanding that a company is a separate legal entity requiring a valuation distinct from its underlying assets, appeared to have been the most problematic for the students; and
- It is also notable that a number of students wrote in an almost unintelligible and unstructured manner, in certain instances partially impacting their marks as the reply could barely be read and/or understood. It is not unreasonable to assume that, in certain instances, this resulted from rushed replies also due to inappropriate time management.

The comments included above apply to both the first sitting and the re-sit.