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PwC Tax Academy *Curriculum*

January to December 2014

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Introduction

I am pleased to introduce to you the PwC Rwanda Tax Academy, a faculty under the PwC Business School. The Tax Academy conducts monthly knowledge and experience sharing forums on tax matters, designed to provide a platform for continuous learning and exchange of ideas on practical tax issues. The forums will be half day courses that will last for four and half hours.

Each monthly course will be facilitated by best-in-class subject matter experts to ensure that participants derive maximum benefits from the Tax Academy experience.

Attendance at this programme will provide a rare opportunity for participants to discuss practical issues in the workplace regarding application of tax legislation on various subjects, ensure effective compliance and identify tax planning opportunities. Participants will also be exposed to contemporary tax issues, new tax laws, fiscal policies, tax reforms and administrative changes both locally and in the global business space.

Specific areas to be covered include: value added tax and withholding tax compliance requirements, corporate and personal income taxes, social security contributions, tax soft skills, tax accounting and reporting including deferred tax, strategic tax issues such as tax function effectiveness, tax management framework and total tax contribution.

We trust that you will be interested in this unique programme. In addition to the monthly courses, the PwC Tax Academy, provides tailor made on the job training programmes for individual organisations, we would be pleased to explore this with you.

Included in this booklet is the training timetable, a detailed curriculum and a registration form. Please register promptly in time for the first course which is scheduled for Friday, 31 January 2014.

Any enquiries about the Tax Academy can be directed to:
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We look forward to welcoming you and your delegates.

Yours faithfully

Bernice Kimacia
Country Senior Partner

Tax Academy timetable for January to December 2014

Date	Topic	Venue
Friday, 31 January 2014 **Time: 8:00am to 12:30pm**	Managing tax audits and investigations	Milles Collines
Friday, 21 February 2014 **Time: 8:00am to 12:30pm**	The new VAT law- The devil is in the detail	Milles Collines
Friday 21 March 2014 **Time: 8:00am to 12:30pm**	Avoiding Pitfalls in contract structuring	To be communicated
Friday, 25 April 2014 **Time: 8:00am to 12:30pm**	Finding your way around deferred taxation	To be communicated
Friday, 23 May 2014 **Time: 8:00am to 12:30pm**	Pricing related Party Transactions: Strategy for Compliance with Transfer Pricing Regulations	To be communicated
Friday, 20 June 2014 **Time: 8:00am to 12:30pm**	Contemporary issues in the local, regional and global tax environment	To be communicated
Friday, 25 July 2014 **Time: 8:00am to 12:30pm**	Tax accounting and reporting	To be communicated
Friday, 22 August 2014 **Time: 8:00am to 12:30pm**	Withholding Tax and Value Added Tax: Incorporating Best Practices in Every Transaction	To be communicated
Friday, 26 September 2014 **Time: 8:00am to 12:30pm**	Re-organisation, structuring and tax strategies	To be communicated
Friday, 24 October 2014 **Time: 8:00am to 12:30pm**	Tax considerations of cross border trades and investments	To be communicated
Friday, 21 November 2014 **Time: 8:00am to 12:30pm**	Value preservation through proactive tax thinking	To be communicated
Friday,19 December 2014 **Time: 8:00am to 12:30pm**	Taxation of Residents and Non-Residents Under the Income tax Act: Focus on Real Issues	To be communicated

Topic:
Managing tax audits and investigations

Friday 31 January 2014
Venue: Milles Collines | **Time:** 8.00am to 12.30pm

Synopsis

The focus on tax compliance is increasing as tax administrators continue to scrutinize the affairs of businesses and individuals. On the other hand taxpayers are seeking to minimize their taxes some through careful tax planning and others through evasion.

As a result, routine tax audits and sometime investigations are conducted to serve as a deterrent for tax evasion and detection of non-compliance, deliberate or unintentional. It is therefore in the interest of taxpayers, professionals and other stakeholders to pay adequate attention to full compliance and how to manage a tax audit or investigation. It is not a question of whether it will happen but when.

As part of the process it is important to understand the tax authorities' structure, practices and procedures. This will ensure effective tax dispute resolution which oftentimes is as much to do with preventing a dispute as it is with managing and resolving disputes when they arise.

Learning Outcome

At the end of this course, participants will be able to:

- Identify the procedures involved in a tax audit or investigation
- Become aware of the inherent risks in tax audit and investigation and how to mitigate them
- Develop a strategy for dispute resolution to prevent unfavourable outcome of tax audit and investigation

Course Content

1. Overview of tax audit and investigation
2. Legal framework for tax audit and investigation
3. Triggers of and procedures for tax audit and investigation
4. Key issues and inherent risks
5. Clearing and agreeing outcome of tax audit and investigation
6. Desk/issue audits,
7. General and specific self-review and remediation
8. Managing voluntary disclosures
9. Tax appeal and litigation and alternative dispute resolution
10. Discussions, questions and answers

Topic:
The new VAT Law: The devil is in the detail

Friday 21 February 2014
Venue: Milles Collines | **Time:** 8.00am to 12.30pm

Synopsis

A new VAT law was introduced in February 2013.

A number of provisions in the old law were repealed and some that were maintained were amended.

The need to be on top of VAT compliance issues has never been greater. It is therefore critical for companies to ensure appropriate identification, classification, accounting, reporting and disclosure of VAT transactions as well as understand and manage unclear provisions in this new law.

Learning Outcome

At the end of this course, participants will be able to:

- Become aware of the key similarities and differences between the old and the new VAT law
- Identify the various legal and accounting requirements relating to VAT transactions
- Determine the new categories and components of what is now considered a supply for VAT purposes
- Be aware of the contentious issues and how to address them
- Ensure proper treatment and disclosure of VAT

Course Content

1. Overview of Value Added Tax- Basic principles
2. The Anatomy of the new VAT Act
3. The new definition of the terms supply and consideration
4. Introduction of composite and mixed supplies provision
5. The tax point for supply of construction services
6. Discounts are now VATable!
7. Use of certified electronic billing machines
8. Currency Conversion
9. Determination of market value for goods and services
10. Acquisition of foreign services
11. Powers of the Commissioner General and the Minister under the new VAT Act
12. Conclusion
13. Discussions, questions and answers

Topic:
Avoiding Pitfalls in Contract Structuring

Friday 21 March 2014
Venue: TBC | **Time:** 8.00am to 12.30pm

Synopsis

Contracts or agreements are an inevitable part of business relationships, often written but can also be unwritten. Each party to a contract will naturally seek to protect their interests which could be to the disadvantage of the other party or parties involved.

Although there are no hard and fast rules to contract structuring, certain tax considerations are essential in addition to the commercial intent and legal compliance. Contracts that are hastily executed without adequate tax consideration are more likely than not to result in significant loss of value.

In this course, we identify common pitfalls in contract structuring and the possible consequences. The course will also consider tax planning opportunities and how to achieve a win-win situation.

Learning Outcome

At the end of this course, participants will be able to:

- Determine transactions and commercial arrangements which require written contracts
- Identify common pitfalls in contract structuring
- Recognise when external help is required for tax review of contracts
- Develop strategies on how to avoid common pitfalls without compromising legal compliance

Course Content

1. Intercompany/intra group transactions
2. Major tax considerations in contract restructuring-split contracts and turnkey projects
3. Withholding tax - net of tax, deemed taxation, tax deduction, documentation, description and tax accounting
4. Income tax considerations
5. Permanent establishment, fixed base, agency arrangement and employees income tax considerations
6. Value added tax considerations
7. Tax planning opportunities

Topic:
Finding your way around deferred taxation

Friday 25 April 2014
Venue: TBC | **Time:** 8.00am to 12.30pm

Synopsis

The amount of tax payable in any particular period does not necessarily bear a direct relationship to the amount of profit or loss shown on the income statement. This is due to the fact that the tax laws provide for the computation of taxable income for a period based on rules different from the generally accepted accounting principles followed while preparing the financial statements.

In order to properly account for the tax effects of all transactions occurring within a period, a deferred tax provision is necessary.

In this course we examine the technical issue of deferred tax computation and accounting with particular focus on IFRS tax reporting requirements, practical issues and impending changes

Learning Outcome

At the end of the course, participants will be able to:

- Understand deferred taxation from both accounting and tax perspectives;
- Prepare deferred tax computation and understand key disclosure requirements;
- Identify practical challenges and solutions to deferred tax accounting and reporting issues.

Course Content

1. Overview of deferred tax
2. Accounting for deferred tax
3. Fair value adjustments and non-depreciable assets
4. Presentation and disclosure requirements
5. Analysis and classification of deferred tax
6. Deferred tax analysis
7. Effective tax rate reconciliation
8. Discussion, Question and Answers

Topic:
Pricing related Party Transactions: Strategy for Compliance with Transfer Pricing Regulations

Friday 23 May 2014
Venue: TBC | **Time:** 8.00am to 12.30pm

Synopsis

About 60% of global trade is conducted by multinationals with half of the transactions taking place with and between their related parties. This has elevated the focus of revenue authorities on transactions between related parties across the globe and more so in Africa.

In Rwanda, TP regulations were introduced in 2007. In 2013 the RRA issued draft TP guidelines which require taxpayers conducting business or receiving services from related parties to prepare documentation and demonstrate that their intercompany transactions have been priced at arm's length. RRA have the right to re-price the cost or revenue booked by taxpayers or related party transaction, and to impose significant penalties (2% of the turnover proposed) following the adjustment.

In this course, we will highlight the compliance obligations, analyse the contentious issues and identify the practical challenges posed by the proposed TP guidelines for companies operating in Rwanda.

Learning Outcome

At the end of the course, participants will be able to:

- Understand the compliance requirements and challenges under Rwanda TP regulations;
- Understand relevant documentation standards;
- Identify TP risks and steps required to address them;
- Discuss global best practices, current practices and emerging trends which will impact their TP compliance in Rwanda.

Course Content

1. Overview of the Rwanda TP regulations
2. General documentation standards and best practice
3. Identifying and mitigating transfer pricing exposure through risk based documentation approach
4. Strategies for specific high risk transactions
5. Choosing the appropriate TP method
6. Comparability analysis and Benchmarking
7. Common pitfalls
8. Practical challenges and contentious issues
9. Global trends and hot topics including Country by Country Reporting, Base Erosion & Profit Shifting
10. Conclusion
11. Discussion, Question and Answer

Topic:
Contemporary issues in the local, regional and global tax environment

Friday 20 June 2014
Venue: TBC | **Time:** 8.00am to 12.30pm

Synopsis

Many governments around the world are puzzled on how to deal with debt crisis, deal with widespread government deficits, stimulate the economy and balance the budget.

More often than not governments will look into tax reforms for answers: tax rates, tax incentives and enforcement of compliance while protecting their tax bases. Some of the major concerns for most countries across the world include taxations of e-commerce, unhealthy tax competition among nations, and increasing popularity of tax havens.

Ironically there is no one-size-fit-all strategy or easy answer to these challenges. What works elsewhere may not be the solution for Rwanda but given that any changes will undoubtedly have implications for businesses, individuals, tax professionals and administrators, keeping an eye on these dynamics is always a worthwhile venture.

Learning Outcome

At the end of this course, participants will be able to:

- Gain an awareness of the past, current and future changes in the local, regional and global tax space
- Determine how to be conversant with the constantly changing tax environment and take appropriate steps necessary to protect their interests

Course Content

1. Changes in the Rwanda tax environment
2. East African budgetary highlights
3. Trends in international taxation including e-commerce taxation
4. Roles of global tax bodies, pressure groups and NGOs e.g. the OECD
5. The role of fiscal policies in economic development
6. Cooperation versus tax competition
7. Paying Taxes: key findings
8. Tax havens
9. Tax communications, accountability and transparency Discussions, Questions and Answers

Topic:
Tax accounting and reporting

Friday 25 July 2014
Venue: TBC | **Time:** 8.00am to 12.30pm

Synopsis

Tax authorities routinely scrutinise accounting information including tax disclosures in an entity's financial statements during tax audits and desk examination to ascertain the accuracy and adequacy of tax payment. Many companies however lack the requisite skills and resources to properly account for tax.

The increased regulatory scrutiny of tax accounts and related tax disclosures has elevated the focus on tax accounting and exposed significant problems in many companies.

As tax authorities become savvier, the need to properly account for tax and related disclosures will only become more pronounced. Furthermore, the adoption of IFRS will bring this issue into sharper focus.

Learning Outcome

At the end of this course, participants will:

- Understand current rules for accounting for taxes
- Be aware of tax accounting issues and how to address them
- Become aware of the tax disclosures required under IFRS
- Recognise the interrelationship between tax accounting/ reporting and tax liability management

Course Content

1. Overview of tax accounting and reporting
2. Tax provisions and movement accounts
3. Current and deferred income tax
4. Accounting for other taxes – VAT, WHT, PAYE etc
5. Unusual and prior year tax adjustments
6. Accounting for additional liabilities on income and non-income based taxes
7. Tax reconciliations (staff cost, VAT and WHT to turnover)
8. Net of tax and gross investment income reporting
9. Withholding tax recoverable and provisioning
10. Commencement, change of accounting date and cessation tax provisioning
11. Opex analysis and capex classification including intangible assets and assets not specifically stated as Qualifying Capital Expenditure
12. Leasehold property and capital deduction
13. Tax exposure watch-list
14. Accounting for uncertain tax positions
15. Tax disclosures requirements
16. Discussions, Questions and Answers

Topic:
Withholding Tax and Value Added Tax: Incorporating Best Practices in Every Transaction

Friday 22 August 2014
Venue: TBC | **Time:** 8.00am to 12.30pm

Synopsis

Tax and finance personnel usually spend significant time accounting for and remitting Value Added Tax (VAT) and Withholding Tax (WHT). The volume, frequency, nature and timing of the qualifying transactions mean that even a small error repeated overtime will have huge impact on the company.

While VAT is a general tax on consumption applied to commercial activities involving the production and distribution of goods and the provision of services, WHT in some instances serve as an advance corporate tax which secures payment of income tax and in other instances is the final tax on a stream of income.

In recent times, the exposure of companies to liabilities from tax audits of VAT and WHT is on the rise as a result of several factors including the increased revenue drive by tax authorities and improved capacity to detect violations.

Every company must therefore develop a strategy for sustainable compliance with appropriate structures established to ensure that best practices are incorporated into every transaction not only to reduce the amount of time spent on the taxes but also to reduce the risk of exposure to liabilities from tax audits.

Learning Outcome

At the end of the course, participants will be able to:

- Master the key concepts and principles of WHT and VAT;
- Apply these principles to improve their awareness of transactions liable to withholding tax and how to ensure effective compliance;
- Know the practical challenges, grey areas and how they can be addressed; and
- Compare Rwanda's requirements to global best practices as regards VAT and WHT.

Course Content

1. Overview of VAT and WHT
2. Compliance requirements
3. Practical challenges ,contentious issues, grey areas
4. Effective compliance and tax planning strategies
5. Global best practices
6. Conclusion
7. Discussion, Questions & Answers

Topic:
Re-organisation, structuring and tax strategies

Friday 26 September 2014
Venue: TBC | **Time:** 8.00am to 12.30pm

Synopsis

In an increasingly complex and competitive business environment, it is important to develop a tax strategy especially for major transactions in order to unlock and preserve value for investors.

There are plenty of reasons why a business should develop a tax strategy, not least because of impending business expansion, combination or de-merger as well as a changing legislative landscape.

It is therefore in the interest of every organisation to understand the factors which drive value so as to avoid pitfalls and optimise their tax position through strategic tax planning.

Learning Outcome

At the end of this course, participants will be able to:

- Determine the tax consequences of major transactions such as reorganisations, mergers and acquisitions
- Recognise the inherent tax risks in embarking on major business transactions and how to manage them
- Identify relevant legislation which may impact significantly on business transactions
- Become equipped with some useful tools and tips for dealing with structuring in a changing regulatory environment

Course Content

1. Overview of reorganisation, mergers and acquisitions
2. The tax treatment of reorganisations, mergers and acquisitions
3. Developing a tax strategy for business transactions
4. Tax efficient structures and group tax planning
5. Tax planning tips
6. Discussions, questions and answers

Topic:
Tax considerations of cross border trades and investments

Friday 24 October 2014
Venue: TBC | **Time:** 8.00am to 12.30pm

Synopsis

As the world becomes more global and increasingly borderless, more and more businesses look for expansion and growth through cross border trade and international investments.

However, a potentially lucrative venture may create a significant exposure or otherwise become unprofitable as a result of adverse tax consequences.

Tax and regulatory issues on cross border transactions must be top on the international business expansion agenda given the frequent changes

to tax laws in most countries. In addition, there are various restrictions regarding, immigration, local content, exchange control etc. It is therefore of the utmost importance that tax and other regulatory issues are careful considered before any cross border trade and investments are undertaken.

Learning Outcome

At the end of this course, participants will be able to:

- Identify the main risks and pitfalls involved in trading cross borders
- Become aware of the jurisdictional issues involved in cross border trade
- Identify the tax implications of international business and develop a proactive strategy to ensure compliance with relevant tax laws in different jurisdictions

Course Content

1. Overview of cross border trade and investments
2. Possible structures for international business
3. Home country considerations
4. Host country considerations
5. Tax treaties and treaty shopping
6. Anti-avoidance measures and transfer pricing
7. Incentives and tax sparing
8. Exchange and other regulatory controls
9. Indirect tax considerations
10. International tax efficient structures (shared services, financing arrangements etc)
11. Profit Repatriation
12. Practical issues in cross border transactions
13. General tax planning techniques
14. Discussions, questions and answers

Topic:
Value preservation through proactive tax thinking

Friday 21 November 2014
Venue: TBC | **Time:** 8.00am to 12.30pm

Synopsis	***Learning Outcome***	***Course Content***
Tax, like any expense in the income statement, must be properly planned and carefully managed. Effective tax management starts with proper awareness and proactive thinking rather than post mortem reactive approach. Tax thinking is critical to avoiding leakages and to set in motion the key enablers that drive value for the organisation and its stakeholders. Forward-thinking senior executives must therefore pay adequate attention to tax matters and tax implications of every aspect of their operations.	***At the end of this course, participants will be able to:*** • Recognise drivers of tax values and develop a framework for value preservation • Determine how to create tax awareness within the finance function and shadow tax departments • Take the necessary steps to ensure effective tax compliance and leverage tax planning opportunities	1. Contemporary tax department and shadow tax function 2. Tax function effectiveness 3. Tax awareness and sensitisation 4. Contract terms and agreements 5. Tax cash flow management 6. Tax analysis and communication 7. Tax impact on financial performance 8. Tax budgeting and planning 9. Conclusion 10. Discussions Question and Answers

Topic:
Taxation of Residents and Non-Residents Under the Income tax Act: Focus on Real Issues

Friday 19 December 2014
Venue: TBC | **Time:** 8.00am to 12.30pm

Synopsis

The Income Tax Act exposes all employment income to tax including short term assignees from non-DTA countries and temporary employees.

Key areas of focus include getting clarity on the basis of taxation of residents and non-residents, legal definition of residency for tax purposes, the impact of work permit, local and foreign reporting obligations, timing of taxation of various compensation items, dealing with multi-state tax issues, handling tax audits and so on.

In this course, we will articulate the compliance obligations, basis of taxation, the contentious issues and practical challenges posed by the Income Tax Act in the taxation of Residents and Non-residents.

Learning Outcome

At the end of the course, participants will be able to:

- Demonstrate a good knowledge of the Taxation of Residents and Non-Residents in Rwanda under the Income Tax Act;
- Identify the factors to consider in determining residency;
- Discuss exceptions to residency as basis of taxation; and
- Deal with contentious areas in the taxation of individuals.

Course Content

1. Overview of taxation of individuals
2. Resident vs Non-Residents
3. Role of immigration and work permits
4. Multilateral treaties, Double Taxation Agreements and Unilateral reliefs
5. Taxation of temporary / contract staff
6. Benefits in kind, share options and awards
7. Executive compensation
8. Non employment income
9. Documentation & Reporting requirements
10. Itinerant worker
11. Social Security aspects of employment taxation
12. Dealing with tax audits
13. Case study
14. Conclusion
15. Discussion, Questions and Answers

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