Cand	idate N	Numbe	r



Association of Taxation Technicians

Examination

November 2007

PAPER 7 - PART I

PRACTICE ADMINISTRATION & ETHICS

TIME ALLOWED – 3 HOURS (for Part I and Part II)

You are required to answer all questions in Part I and Part II (printed separately).

Part I

- You must write your answers in this booklet using the space provided under each question and complete your candidate number at the top of this page.
- Each question carries between two and four marks as indicated in brackets.
- It is expected that your answers will be in brief bullet point format or summary computations.
- It is not expected that you will require all of the space provided.
- All workings should be shown and made to the nearest month and pound unless the question requires otherwise.

Expla take 6	in the time effect.	limits fo	r VAT r	egistratio	n and sta	ate when	the regist	ratio

31	ear Ltd is a business that sells stationery. In its VAT return for the quarter December 2006, it showed input tax of £55,000, whereas the input tax should be been £45,000. It is now November 2007.
Ex ex	plain how Pear Ltd should disclose this error to HM Revenue & Customs a plain any sanctions that it may face as a result of this error.

	pro	ere are three main types of legislation affecting UK taxation. Name these vide a brief description of each.	!
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la	Explain the two main areas where disagreements can arise and the role of aw in each situation.
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Ex an	plain the effect of that new decision on future cases, cases in progress y cases that have already been concluded.
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List the three pillars of the European Union.	

•	explain whether your employees may use the same titles.	f
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7.

You are a member of the ATT.

3.	Leonard and Gladys, who are existing clients, independently visit the office to tell you that they are getting divorced. They both indicate that they would like you to continue to act on their behalf and ask if you have any professional reasons why you should not do so.
	Explain the various options available to you under the Association's Professional Rules and Practice Guidelines and indicate which is the recommended option. (4)

f f	Members are recommended to issue an engagement letter when they first start to act or a new client.
t	Detail the minimum four contents of an engagement letter, as recommended in he Association's Professional Rules and Practice Guidelines. (3)
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E	Explain the Association's rules concerning the supervision and training of st
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in	xplain how a member is recommended to act in circumstances where fina volvement with a client may occur.

12.	During the course of a member's business, a member may be required to hold non-investment business money that legally belongs to the client.
	Explain the Association's rules concerning the holding of client money that is not part of a member's investment business. (4)
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List and explain the three main money-laundering offences.	