

August 2017

Examination Programme

Programme for examination of Dutch law and of legislation, rules and regulations with respect to the professional conduct and practice for accountants, as defined in Article 54 of the Accountancy Profession Act



Examination structure

The examination of Dutch law and of legislation, rules and regulations with respect to the professional conduct and practice for accountants consists of five oral parts, with each part taking between 60 and 90 minutes. The individual examinations involve testing of the candidate's knowledge and insight regarding the relevant subjects at the level required within the Dutch context. The examination programme is derived from the learning outcomes for the related subjects as established by the Accountancy Programme Learning Outcomes Committee (in Dutch: *Commissie Eindtermen Accountantsopleiding*, CEA). For the examination of Dutch law, candidates may have access to the legislative texts, subject to the condition that these do not contain notes (only markings and underlining are permitted).

The examination consists of the following parts:

1. Law
2. Annual Accounts Law
3. Tax Law I (payroll tax and value-added tax)
4. Tax Law II (income tax and corporation tax)
5. Legislation, rules and regulations with respect to the Professional Conduct and Practice for Accountants

The examination in legislation, rules and regulations with respect to the Professional Conduct and Practice for Accountants can be taken after successful completion of the examinations in Law and Tax Law. The examination in Law must be taken prior to the examination in Annual Accounts Law. The examination in Tax Law I (payroll tax and value-added tax) must be taken before that in Tax Law II (income tax and corporation tax). A candidate may choose whether to take the examination(s) in Law or in Tax Law first.

1 | Law

The examination in Law covers Principles of Dutch Law and Business Law.

Principles of Dutch Law

This part of the examination is intended to test the candidate's knowledge of and insight into the principles of Dutch law. Candidates must demonstrate their understanding of the terminology as generally applied by professionals in discussions on relevant legal subjects.

The core areas are:

- public law (in particular constitutional law and administrative law);
- international law (in particular European Community law); and
- private law (in particular as related to property law and law of obligations, including the key concepts of ownership, contract and obligations under law).

Knowledge and insight are required regarding the following subjects:

- law in general;
- law and the state;
- legislative practice;
- the judicial system;
- governance;
- proprietary law (general);
- property law;
- contract law;
- obligations under law;
- labour law and social security law;
- criminal law; and
- international bankruptcy law.

Required literature/course materials

- <http://wetten.overheid.nl/zoeken/zoekresultaat/rs/2/titel/Burgerlijk%20wetboek/titelf/0/tekstf/0/artnr/0/d/16-08-2017/dx/0>
- J.W.P. Verheugt, *Inleiding in het Nederlandse recht*, De Zuidas, 18th edition, EAN/ISBN: 9789090290256.

This part of the examination is based on practice questions (and related answers) at the end of each chapter. In that way, candidates can focus on the main subjects covered in the related chapters.

Business law

This part of the examination in Law is intended to test the candidate's knowledge of and insight into business law. Candidates must demonstrate their understanding of the terminology as generally applied by professionals in discussions on legal subjects regarding business law.

Knowledge and thorough insight are required regarding the following subjects:

- incorporation of legal entities;
- borrowed capital and share capital;
- corporate governance;
- obligations of the company to third parties;
- the annual shareholders' meeting;
- the supervisory board;
- the works council;
- validity of resolutions;
- annual financial statements and annual report;
- dispute settlement rules and inquiry;
- amendment of articles of association, change of corporate form, dissolution;
- merger, division, sell-out;
- restructuring of companies, two-tier board company;
- European company law; and
- Private Company Law (Simplification and Flexibilization) Act (flex-BV).

Required literature/course materials

- P. van Schilfgaarde, *Van de BV en de NV*, 16th edition, rewritten by Jaap Winter and Jan Berend Wezeman. Deventer, Kluwer, 2013, EAN/ISBN: 9789013105919.
- Nowak, Bulten and Van Doorn, *Rechtspersonen 2017 - 2018*, Deventer: Kluwer, EAN/ISBN: 9789013144413.

This part of the examination is based on the summaries at the end of each chapter. Candidates should, however, not only study the summaries but also understand the essential elements that a summary refers to. The knowledge of and insight into the main subjects will be tested.

2 | Annual Accounts Law

This part of the examination is intended to test the candidate's knowledge of and insight into the typically Dutch elements of annual accounts law. It is assumed that candidates possess sufficient knowledge and skills regarding the application of IFRS.

The typically Dutch elements of annual accounts law are:

- Dutch Civil Code (*Burgerlijk Wetboek*, BW), Book 2, Title 9;
- Valuation at Current Cost Decree (*Besluit actuele waarde*, Baw);
- Financial Statements Formats Decree (*Besluit modellen jaarrekening*, Bmjr);
- Financial Statements for Banks Decree (*Besluit jaarrekening banken*);
- Financial Reporting (Supervision) Act (*Wet toezicht financiële verslaggeving*) and administration of justice by the Netherlands Enterprise Court;
- Guidelines issued by the Dutch Accounting Standards Board (*Raad voor de Jaarverslaggeving*, RJ), general subjects (where different from IFRS);
- Guidelines issued by the Dutch Accounting Standards Board, special subjects (not covered by the IFRS);
- Dutch legal forms and related special reporting requirements, including the cooperative (*coöperatie*), the mutual insurance association (*onderlinge waarborgmaatschappij*), the limited partnership (*commanditaire vennootschap*) and the general partnership (*vennootschap onder firma*); and
- Capital maintenance regime (legal reserves).

Knowledge and thorough insight are required regarding the following subjects:

1. General accounting principles (application of Dutch and IFRS guidelines in consolidated and parent-company only annual accounts, structure and status of the Dutch guidelines).
2. Valuation at current cost (application of Current Cost Decree).
3. Pension reporting (RJ 271.3 and most recent statements).
4. Exemptions for group companies (including Art. 2:402, 403 and 408 of Civil Code) and for medium-sized, small and micro legal entities (Art. 2:397, 396 and 395a), including the concurrence project (application of tax principles) and RJ 315.
5. Formal aspects of annual accounts and the management report (format, filing, signing, external audit, other information, etc.).
6. Requirements for presentation of management report under Title 9 of Civil Code and RJ 400, including RJ 920, Guide for Social Reporting.
7. Inclusion of legal reserves in the annual accounts (capital maintenance regime).
8. The principal differences between IFRS and Dutch accounting principles (including events after the balance sheet date, per art. 2:387, par. 3, recording of goodwill, merger and acquisition of technology, application of net asset value, valuation and result recognition of financial instruments including the accounting for the cost of hedging, termination of business activities, segment information, payments based on shares, government subsidies and other forms of government support, recording of freely obtained and purchased emission rights, recording of results from intercompany transactions in the annual accounts).

9. Special business sectors:

- banks;
- insurance companies
- pension funds;
- investment institutions;
- commercial foundations and associations;
- not-for-profit organisations;
- approved public housing institutions;
- fund-raising institutions;
- care institutions; and
- educational institutions.

10. Requirements for external reporting of micro and small legal entities (Civil Code, Title 9 and related guidelines).

Required literature/course materials

- Böhmer, S., M.N. Hoogendoorn and F. Krens (ed.), *Handboek Jaarrekening*, most recent edition, Kluwer, Deventer.
- Dutch Accounting Standards Board (RJ), *Richtlijnen voor de jaarverslaggeving voor grote en middelgrote rechtspersonen*, most recent annual addition, Kluwer, Deventer.
- Dutch Accounting Standards Board (RJ), *Richtlijnen voor de jaarverslaggeving voor micro- en kleine rechtspersonen (Rjk)*, most recent annual addition, Kluwer, Deventer.

Recommended literature

The Annual Accounts in the Netherlands - A guide to Title 9 of the Netherlands Civil Code - for financial years starting on or after 1 January 2016.

3 | Tax Law I (payroll and value-added tax)

The examination is intended to test the candidate's knowledge of and insight into Dutch tax law in general and of payroll tax and value-added tax in particular.

Knowledge and insight are required regarding the following subjects:

General

- the position of tax law within the Dutch system of law;
- types of government levies;
- objectives, principles and sources of tax levies; and
- the distinction between substantive and procedural tax law.

State Taxes Act (Algemene wet inzake rijksbelastingen)

- taxation on the basis of filing a tax return and assessment;
- personal and business taxes;
- tax return filing requirement;
- additional tax assessments;
- objection procedure and possibilities of appeal;
- other legal remedies;
- representation;
- data and information requirement;
- bookkeeping and data retention requirement;
- burden of proof in tax law;
- administrative penalties; and
- tax criminal law.

Collection of State Taxes Act (Invorderingswet)

- payment terms;
- enforced recovery;
- rights of the collector of taxes;
- concessions; and
- liability

Payroll Tax (loonbelasting)

- employee and employment relationship (real and notional);
- employee residing outside the Netherlands;
- work-related expenses scheme;
- wages in kind;
- private use of company car;
- entitlement to wages;

- calculation of gross-net salary;
- notional salary;
- anonymous employees;
- tax credits;
- final tax levies;
- rebates; and
- further bookkeeping requirements for payroll tax purposes.

Value-added tax (omzetbelasting)

- functioning of VAT system;
- who is regarded as entrepreneur for VAT purposes?;
- tax entity for VAT purposes;
- delivery of goods;
- services;
- input tax credit;
- private use;
- exemptions;
- intra-Community transactions;
- import and export of goods;
- immovable property; and
- further administrative requirements for VAT purposes.

Required literature/course materials on payroll and VAT tax law

- G.A.C. Aarts et al., *Belastingrecht voor Bachelors en Masters, 2017 - 2018*, EAN/ISBN: 9789463170543.
- *Pocket Belastingwetten 2017*, ISBN/EAN: 9789013138931.

The following subjects in Aarts et al. must be studied:

Chapter 1	General introduction
Chapter 2	Payroll tax
Chapter 10	Value-added tax
Chapter 12	Procedural tax law

4 | Tax Law II

(income and corporation tax)

The examination is intended to test the candidate's knowledge of and insight into fields of income tax and corporation tax.

Knowledge and insight are required regarding the following subjects:

Income tax

- the box system with boxes 1, 2 and 3;
- enterprise, entrepreneur and entrepreneurial facilities;
- total profit (business nature of expenditures, asset labeling), limitation of deductible expenses ("Oort expenses") and objective exemptions;
- annual profit, sound business practice, system choice and doctrine of error;
- valuation of assets for tax purposes (including investment tax credit, restrictions on depreciation, stocks, work in progress);
- valuation of liabilities for tax purposes (including provisions and reinvestment reserve);
- differences between annual accounts for commercial and tax purposes;
- discontinuation profit, tax exemptions on discontinuation of a business, transfer options;
- property contributed to a BV;
- assignment of assets to related persons (result from other activities);
- substantial interest, regular benefits, (notional) capital gains, transfer facilities, loss on substantial interest; and
- stock mergers.

Corporation tax

- domestic and foreign obligation to pay tax;
- institutional exemptions;
- profit determination through equity reconciliation;
- informal capital contribution and disguised profit distribution;
- remuneration to supervisory directors;
- donations;
- carryback and carryforward, limitation of loss offset (art. 20a of Corporation Tax Act);
- limitation of interest (hybrid loan (art. 10-1-d), prevention of profit shifting (art. 10a); and low-interest loans from affiliated company (art. 10b);
- participation exemption (rationale and functioning, investment participation subject to low tax rate, conversion of written-off receivable from subsidiary into shares, and liquidation loss);
- tax entity (conditions, pros and cons, joinder issues, anti-abuse provision (art. 15ai);
- in general: aspects of differences between stock merger, corporate merger and legal merger;
- in general; demerger aspects; and
- transfer pricing methods and documentation requirement.

Global knowledge and understanding of the following subject is required:

- gift tax and legacy;
- income tax on dividends;
- International and European tax law; and
- Horizontal Supervision.

Required literature/course materials on income and corporation tax

- G.A.C. Aarts et al., *Belastingrecht voor Bachelors en Masters, 2017 - 2018*, EAN/ISBN: 9789463170543.
- *Pocket Belastingwetten 2017*, ISBN/EAN: 9789013138931.

The following subjects in Aarts et al. must be studied:

Par. 3.1 - 3.3	Income and related tax rates
Chapter 4	Box 1: Profit from business activities
Par. 5.4	Taxable result from other activities
Chapter 6	Box 2: Taxable income from substantial interest
Chapter 9	Corporation tax

It is recommended to study the following subjects in Aarts et al.:

Par. 11.1 - 11.5	Gift tax and legacy (fiscal domicile, rates and exemptions)
Par. 11.8 - 11.11	Gift tax and legacy (principles of valuation, business succession)
Chapter 14	International tax law

It is recommended to study the following subject on the website of www.belastingdienst.nl: Leidraad Toezicht Grote Ondernemingen: (https://download.belastingdienst.nl/belastingdienst/docs/leidraad_toezicht_grote_onderneming_en_dv4231z1fd.pdf)

For candidates with a sufficient command of English but not of Dutch, an introduction of the learning materials (though not a replacement thereof) is available on the website of the Dutch Ministry of Finance via the following link: <https://www.government.nl/ministries/ministry-of-finance/topics>

5 | Legislation, rules and regulations with respect to professional conduct and practice

The examination is intended to test the candidate's knowledge of and insight into the rules and legislation of professional conduct and practice applying for accountants, including disciplinary law.

Knowledge and insight is required regarding the legal regulations applying to the accounting profession, rules and regulations with respect to the professional conduct, the right of complaint, disciplinary law and the performance of audits, as set out in:

- the Accountancy Profession Act (*Wet op het accountantsberoep*, Wab);
- the Audit Firms (Supervision) Act (*Wet toezicht accountantsorganisaties*, Wta) and the Audit Firms (Supervision) Decree (*Besluit toezicht accountantsorganisaties*, Bta);
- the Accountants Disciplinary Law Act (*Wet tuchtrechtspraak accountants*, Wtra) and the Accountants Disciplinary Law (Implementation) Decree (*Besluit inwerkingtreding wet tuchtrechtspraak accountants* (Btra));
- Legislation, rules and regulations with respect to the Professional Conduct and Practice Regulation (*Verordening Gedrags-en beroepsregels accountants*, VGBA);
- Accounting Bodies Regulation (*Verordening accountantsorganisaties*);
- Detailed Regulations on Audit Standards (*Nadere Voorschriften Controlestandaarden*, NV COS); and - Regulation on the Independence of Accountants in Assurance Engagements (*Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten*, ViO).

Candidates are expected to keep up to date with current developments regarding the relevant laws and regulations governing professional accountants.

Required literature/course materials

- *Handleiding Regelgeving Accountancy* (HRA). 2017 edition. For more information and for ordering purposes, go to: <https://www.nba.nl/wet-en-regelgeving/gedrags-en-beroepsregels/actueel/hra-nv-cos/>
- *Nadere voorschriften kwaliteitssystemen* (HRA bundel): <https://www.nba.nl/tools/hra-2017/?folder=14342>

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