



TEST OF PROFESSIONAL COMPETENCE APRIL 2025 EXAMINATION

INSTRUCTION

A. PRE – EXAMINATION

- Print your examination slip/ docket containing your exam link, username & password.
- Review the **pre-seen document/information** below.
- Get acquainted with the **pre-seen** ahead of the examination.
- It is crucial that you conduct sufficient research and analysis on your own to gain a thorough understanding of the pre-seen part of the examination.
- Conduct any study or research that you know about the areas of taxation discussed in the pre-seen.

B. DURING THE EXAMINATION

- You **MUST NOT** have in your possession any jottings, summary, note or the “pre seen” document received before the examination. This will be provided along with additional **exhibits** and information during the examination.

Assessment/Marking modalities:

Marks are awarded for the demonstration of professional competence as follows:

Assessment criteria	Score (%)
Assimilating and using information	20%
Understanding & Application of relevant tax laws and regulations	20%
Substantiated conclusions and relevant advice	20%
Logical Consistency and Presentation	10%
Demonstration of experience, knowledge, and skills	10%
Preparation of an Executive Summary & treatment of ethical issues	20%

- Candidates should note that marks are not awarded for just simply restating facts from the scenario. Scores are awarded for the demonstration of professional competence, technical depth and substantiated conclusion and relevant recommendations in terms of tax advice. To earn maximum mark, candidates are therefore required to:

(i) Demonstrate adequate understanding of the scenario/exhibits.

- (ii) Demonstrate knowledge of ethical principles and organisational ethics, which include accountability, fairness, honesty, integrity and social responsibility (where necessary);
- (iii) Carry out appropriate research, identify the tax issues; and analyse the tax issues involved;
- (iv) Make informed judgments based on the analysis of the tax issues and relevant tax laws and regulations;
- (v) Present a substantiated conclusion and offer relevant advice

April 2025 Test of Professional Competence examination

List of exhibits

1. About you (Dan Kabir) and your employer, Olugbile, Suberu Chukwu & Co,
2. Client profile

Exhibit 1

About you (Dan Kabir) and your employer, Olugbile, Suberu Chukwu & Co, a firm of Chartered tax practitioners.

You are Dan Kabir, writing the Professional level of CITN examination. You are employed as a Trainee consultant by Olugbile, Suberu Chukwu & Co. You are reporting to Michael Olugbile, Partner in charge of high-net-worth individuals within the firm.

Your responsibilities include:

- Preparation of tax memoirs to guide your various clients on tax matters;
- Assisting your clients to structure their tax affairs in such a way as to optimise their tax liabilities;
- Assisting your clients to prepare their annual tax returns and file the same on their behalf;
- Providing your clients with relevant tax planning advice to optimise their tax liabilities while at the same time complying with relevant laws and regulations; and
- Providing your clients with annual updates on changes in tax laws and regulations.

These responsibilities demand that you keep yourself abreast of changes in the tax space and maintaining close contact with tax authorities.

Exhibit 2

Client profile

Client:	James Chukwuma Oliseh and Dorcas Chidinma Oliseh
Date and place of birth:	James was born on February 5, 1961 in Onitsha Dorcas was born on December 16, 1966 in Onitsha
Marital status:	James married Dorcas in April 1, 1999
Children:	Dr. Lucas Oliseh – lives in UK Maria Oliseh – lives in Lagos Thomas Oliseh – a PhD student in USA John Oliseh – lives in Canada
Residency:	James and Dorcas live in Lagos

Wills: Both James' and Dorcas' are written such that their respective estates pass to the surviving spouse on either of their deaths.

James Chukwuma Oliseh – Assets Schedule at March 1, 2024

1. 23 Toyin Street, off Allen Avenue
Residential property purchased April 6, 2020 for ₦200million
This is where James and Dorcas live.
2. 25 Opebi Street, Ikeja
Residential property, purchased March 15, 2016 for ₦250million
Let out on an annual rent of ₦24m
3. 18 Adeniyi Jones, Ikeja, residential property, purchased June 20, 2018 for ₦150million.
Let out on an annual rent of ₦15million
4. 33 Aina Street, Ojodu, Ikeja, residential property, purchased May 15, 2022 for ₦200million.
Let out on an annual rent of ₦18million
5. 14 Liberty Street, River Valley Estate, Ojodu Berger, Ikeja, residential property, purchased January 18, 2023 for ₦180million.
Let out on an annual rent of ₦15million
6. Shares in blue chip companies as follows:
 - a. Nigerian Breweries Plc. 500,000 shares, valued at ₦10million by March 1, 2024.
 - b. The shares were bought for ₦7.5 million in 2020. James received a gross dividend of ₦1million in January 2024;
 - c. Zenith Bank Plc, 250,000 shares valued at ₦6,25million by March 1, 2024.
 - d. The shares were bought for ₦5million in 2022. James received a gross dividend of ₦625,000 in February 2024,
 - e. Federal Government of Nigeria 3-year saving bond, due December 31, 2025, ₦100million. Interest is paid quarterly on the bond at 18% per annum.

Dorcas Chidinma Oliseh – Assets schedule at March 1, 2024

1. 65 Adeniyi Jones, Ikeja, a warehouse purchased April 10, 2020 for ₦150m.
Let out on an annual rent of ₦20million.
2. Shares in blue chip companies:
 - a. Vitafoams Nigeria Plc., 100, 000 shares, valued at ₦500,000 by March 1, 2024. Dorcas received a gross dividends of ₦100,000 on the share in January 10; 2024.
 - b. Nigeria Flour Mill, 500,000 shares, valued at ₦7.5million by March 1, 2024. Dorcas received a gross dividends of ₦500, 000 on the shares in February 2024.

Tax returns 2024

James Chukwuma Oliseh

	₦
Employment income	60,000,000
Rent from properties	72,000,000

Dividends – Gross	1,625,000
Interest from FGN bond	<u>18,000,000</u>
	151,625,000

Less:	
Dividends	1,625,000
Pension	4,000,000
Personal allowance	<u>27,720,000</u>
	<u>33,345,000</u>

Taxable income 118,280,000

Tax payable:			
First N300, 000	@ 7%	=	21,000
Next N300,000	@ 11%	=	33,000
Next N500,000	@ 15%	=	75,000
Next N500,000	@ 19%	=	95,000
Next N1,600,000	@ 21%	=	336,000
Above N3,200,000	@ 24%	=	<u>27,619,200</u>
Tax payable			<u>28,179,200</u>

Dorcac Chidinma Oliseh

	₦
Business income	25,000,000
Rent	20,000,000
Dividends	<u>600,000</u>
	45,600,000

Less:	
Frank investment income	600,000
Personal allowance	<u>9,450,000</u>
	<u>10,050,000</u>
Taxable income	<u>35, 550,000</u>

Tax payable:			
First N300, 000	@ 7%	=	21,000
Next N300,000	@ 11%	=	33,000
Next N500,000	@ 15%	=	75,000
Next N500,000	@ 19%	=	95,000
Next N1,600,000	@ 21%	=	336,000
Above N3,200,000	@ 24%	=	<u>7,764,000</u>
Tax payable			<u>8,324,000</u>