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## Course Package “Tax Planning”

<b>Work Package</b>	<b>WP3: Development of Course Materials for the Reformed MA Programmes, Deliverable 3.1</b>
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**Erasmus+ Capacity Building in Higher Education Project:**

**“Reforming Master Programmes in Finance in Armenia and Moldova” (REFINE)**

[www.reforming-finance.eu](http://www.reforming-finance.eu) | Project No. 585784-EPP-1-2017-1-AT-EPPKA2-CBHE-JP

## Document History

Version	Date	Author(s)	Description
1	30.11.2019	Iulia Caprian	Draft 1
2	24.01.2020	Iulia Caprian	Draft 2
3	29.01.2020	Iulia Caprian	Draft 3
4	30.01.2020	Iulia Caprian	Final version

### Disclaimer:

*This project has been funded with support from the European Commission. This publication reflects the views only of the author, and the Commission cannot be held responsible for any use which may be made of the information contained therein.*

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## 1. General information about the course

Explanation: Please fill in the table below.

Title of the course (as specified in the reformed curriculum)	Tax Planning
Name of the teacher	Iulia Caprian
Novelty of the course (please select as appropriate)	This course is an updated and revised version of a course which already existed in the curriculum
Year of the course in the curriculum	2nd
Semester of the course in the curriculum	3rd
Language of instruction of the course	Romanian/ Russian/English
Number of ECTS credits	5

## 2.

## Learning outcomes

Explanation: Please specify the learning outcomes of the course.

Professional competencies:

PC 1: Advanced use of national and international accounting standards and accounting techniques, national and international tax law and practice, and interdisciplinary approach to economic operations to provide financial, tax and investment consulting services;

PC 5. Advanced use of knowledge in the field of investment and taxation for the design, development and implementation of strategies, policies, procedures, financial-accounting management systems in public and private entities.

Learning outcomes:

At the end of this course students should be able:

- parties, increasing the fiscal responsibility from the perspective of the company.
- 

To understand I

To explain fisco

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- 

perspective of fiscal planning.

the solving the complex problems of financial-accounting management.

specific to the field of fiscal planning.

To apply tax pl

To analyze the

To integrate the

To elaborate the

To adapt the fis

## 2. Syllabus of the course

Explanation: Please provide a detailed syllabus of the course (broken down in weeks) – maximum 2 pages

<i>Title of the course: Tax Planning</i>
<i>Semester: III</i>
<i>Number of ECTS credits: 5</i>
<i>Language of instruction: Romanian/ Russian/English</i>
<i>Type of course: obligatory</i>
<i>Teaching methodology:</i> <i>Course: Lecture with interactive presentation; Debate and questioning;</i> <i>Seminar/laboratory: Applications; Case analysis; Demonstration; Team work</i>
<p><b>Brief summary of course contents:</b></p> <p><i>Fiscal planning and forecasting are the main elements of the fiscal mechanism. The basic problem of the fiscal planning and forecasting is the assurance, economically based, of the qualitative and quantitative parameters of the budget and of the perspective programs regarding the socio-economic development of the country, based on the elaborated fiscal conception. This task is performed both for a fiscal year (fiscal planning) and for a longer period (fiscal forecasting).</i></p> <p><i>The purpose of the course is to analyze and study the components of the fiscal mechanism that are regarded as a very important macroeconomic aspect, highlighting the levers and techniques used within them. Broad analysis of the discipline that has an important role to study the fiscal mechanism.</i></p>
<p><b>TOPIC I Tax planning and forecasting - general notions</b></p> <ul style="list-style-type: none"> <li>• <i>Conceptual notions regarding the organization of the fiscal process</i></li> <li>• <i>The essence, structure and methods of tax planning and forecasting</i></li> </ul> <p><b>TOPIC II. Tax planning at macroeconomic level</b></p> <ul style="list-style-type: none"> <li>• <i>The macro-level fiscal planning mechanism</i></li> <li>• <i>Macro-level fiscal planning aspects in the Republic of Moldova</i></li> </ul> <p><b>TOPIC III. Tax planning at the microeconomic level - a tool for optimizing tax payments at the enterprise</b></p> <ul style="list-style-type: none"> <li>• <i>Fiscal planning at the level of the economic agents - general concepts</i></li> <li>• <i>The principles of fiscal optimization at the company - a) the principle of rationality c) the principle of the issue price c) the principle of an integrated and individualized approach e) the principle of legal purity of the transaction e) the principle of priority</i></li> </ul> <p><b>TOPIC IV. Tax planning and legal liability</b></p> <ul style="list-style-type: none"> <li>• <i>Signs of tax avoidance - Hiding / lowering incomes, increasing expenses, counterfeiting documents</i></li> <li>• <i>Sources of information on tax violations</i></li> <li>• <i>Avoidance of criminal liability</i></li> </ul> <p><b>TOPIC V. International and European fiscal planning</b></p> <p><i>The mechanism of international tax planning</i></p> <ul style="list-style-type: none"> <li>• <i>Benefits of international tax planning. Creation of a fiscal normative base in accordance with EU practices and implementation in the Republic of Moldova.</i></li> <li>• <i>Harmonization of tax legislation with that of the member states of the European Union and their implementation in the fiscal code of the Republic of Moldova</i></li> </ul>

- *Dividing the international tax planning mechanism into stages:*
  1. *Choosing the most favorable, from the fiscal point of view of the location of the base company.*
  2. *Choosing the legal form of organization of the company (example: Holdings with a network of financial daughter companies)*
  3. *In-depth study of the tax code in the country of registration of the parent company*
  4. *The correct use of the obtained profit, the placement of the capital, the choice of the investment policy.*

#### **TOPIC VI. Tax planning and offshore activity**

- *How offshore activity is organized and operated:*
  - a) *The concept of tax haven*
  - b) *The advantages and benefits offered by tax havens for natural and legal persons*
  - c) *Offshore - Limited company - Designates a company that does not carry out commercial activity in the country in which it was registered*
  - d) *The advantages of offshore companies*
  - e) *Examples of countries / territories considered as tax havens (Netherlands Antilles / Switzerland / Singapore etc)*

• *The fiscal mechanism - an instrument of economic regulation:*  
*Three functional elements of the fiscal mechanism 1. Fiscal planning 2. Fiscal regulation 3. Fiscal administration*

#### **TOPIC VII. Evaluation of tax planning efficiency**

- *Assessment of the methods and techniques of efficiency of fiscal planning: 1. Sum of all accumulated taxes 2. Sales revenue 3. Analysis of the results in the context of fixed and variable taxes 4. Changing the tax time*
- *To calculate the coefficients of the change in fiscal pressure: 1. General fiscal efficiency 2. Income tax coefficient 3. Cost tax coefficient 4. Profit tax coefficient*

#### **Main references and reading:**

1. *Tax Code of the Republic of Moldova. On: <http://www.fisc.md/Upload/LinkedPDF/Tax%20Code.pdf>*
2. *Mihăilescu I., Chilarez D. Comparable tax systems. Pitești. 2002. 329 p.*
3. *Raymond Chabot Grant Thornton. Tax Planning Guide 2016-2017. <http://en.planiguide.ca/files/2016/11/Tax-Planning-Guide-2016-2017.pdf>*
4. *International Tax Planning and Fixed Investment. ECO/WKP(2016)85/ 06-Feb-2017. available at [www.oecd.org/eco/workingpapers](http://www.oecd.org/eco/workingpapers).*
5. *Principles of Taxation for Business and Investment Planning (2019) Edition 22nd Edition Sally Jones, Shelley Rhoades-Catanach, Sandra.*
6. *Taxes and Business Strategy: A Planning Approach integrates tax Taxes & Business Strategy - Myron S Scholes - Bok . 6 Jan 2014 .*
7. *Skripnichenko V. Taxes and taxation: studies. instrument. Skripnichenko. - SPb. Peter-Moscow Izdat. House. BINFA, 2018.*
8. *Thomakos (Eds), Taxation in Crisis (Palgrave Macmillan Studies in Banking and Financial Institut), 2018 ISBN 978-3-319-65309-9*

#### **Form of assessment:**

*The current assessment will be done by 2 papers control - written evidence*  
*Elaborating and supporting individual work product*  
*Appreciation result of participating in the seminars*  
*Final evaluation - written exam, which includes two themes of the course studied. Each subject test includes tasks: a) knowing; b) applying; c) integration.*  
*General mark is determined as a weighted average as follows :*  
*current evaluation including individual work product – 60%; final evaluation– 40%*

Teacher(s) of the course: Caprian Iulia, associate prof.

#### ADMINISTRATION OF THE DISCIPLINE

Code of discipline of the study plan	Title of the course	Responsible for discipline	S e m e s t e r	Total hours					A s s e s s m e n t	Numb er of ECTS credits
				T o t a l	inclusive					
					C	S	L	IW		
S.03.O.12	Tax planing	Caprian Iulia	2	150	20	20		110	ex.	5

#### ORIENTAL TIMETABLE AND ORIENTAL DISTRIBUTION OF HOURS

Nr	Content units	Number of hours per week		
		Lecture	Seminars	Individual Work
1	<i>Tax planning and forecasting - general notions</i>	4	4	20
2	<i>Tax planning at macroeconomic level</i>	4	4	20
3	<i>Tax planning at the microeconomic level - a tool for optimizing tax payments at the enterprise</i>	4	4	20
4	<i>Tax planning and legal liability</i>	2	2	10
5	<i>International and European fiscal planning</i>	4	4	10
6	Tax planning and offshore activity	2	2	20
7	Evaluation of tax planning efficiency	2	2	10
Total		20	20	110

## 4. Teaching methodology of the course

Explanation: Please explain the teaching methodology and pedagogical approaches of the course – maximum ½ page

In the teaching of the discipline are mainly used interactive methods:

- 1) The Jigsaw puzzle method means mosaic or "interdependent groups method" - it is based on team learning. Each student has a task of study in which they must become "experts". He also has the responsibility of transmitting assimilated information to other colleagues.

- 2) LOTUS technique. The technique of the lily flower implies the deduction of connections between ideas, concepts, starting from a central theme. The central issue or theme determines the 8 secondary ideas that are built around the main one, like the petals of the lily flower. The 8 secondary ideas are passed around the central theme, and then they turn into main themes, for another 8 flowers of lily. For each of these new central themes, 8 new secondary ideas will be built. Thus, starting from a central theme, new study themes are generated for which new connections and new concepts need to be developed.
- 3) The Philips 6/6 method is similar to brainstorming and method 6/3/5, but it is individualized by limiting the discussion of the 6 participants to 6 minutes. This fact aims to intensify creative production, as in the case of method 6/3/5.

In this class, the method Philips 6/6 is preferred and contains the following steps:

1. Establishment of groups of 6 participants (4 members + 1 secretary + 1 group leader). In addition, the secretary of each group has the task of writing down the ideas of the colleagues. The leader is the one who leads the debate within the group and presents the conclusions.
  2. Handing over the topic / issue to be discussed in particular, by each group and motivating its importance.
  3. Conduct discussions based on the theme, within the group, for 6 minutes.
  4. Collecting the solutions developed. The leaders of each group present the ideas to which they arrived or they are handed over in writing to the coordinator of the group (teacher).
  5. The collective discussion, the collective decision regarding the final solution, based on the hierarchy of variants on the board.
  6. Closing the discussion with the teacher offering the conclusions regarding the participation in the activity and the efficiency of the steps taken.
- 4) The method 6/3/5 will be applied just when necessary and is described as follows. The technique is called 6/3/5 because there are 6 participants in the working group, who write down on a sheet of paper 3 solutions each, for a given problem, for 5 minutes.
    1. Split the class into groups
    2. Formulating the problem and explaining how to work:
    3. Conduct group activity
    4. Analyze the solutions and keep the best ones.

Also in teaching methodology, it is necessary to use traditional methods such as course, seminar, exposure, description, explanation of economic phenomena and processes, graphical representations, comparison, etc.

## 5. Labour market relevance of the course

Explanation: Please explain the labour market relevance of the course (linked to findings of WP1) – maximum ½ page

Based on the analysis results from: employers, alumni, academic, students survey, of WP 1 (Annex 1 B, Figure 4-6, 10-12, 16-18, 22-24) the most important FINANCE - specific skills and competencies of current employees - Level of the MA graduates is:

1. Budgeting, financial and tax planning;
2. Analyzing Data, Business Analytics;
3. IT and math skills.

These technical skills will be reflected in the reform of discipline Tax planning containing the most important finance specific skills and competencies of employees.

The main recommendation based on the labour market analyses consist of adding the indicated competencies and skills to existing curricula and support for their study.

Applying to the methodologies tested internationally, following the hearing of the course given to the master students will be able to activate in the field of local public bodies; streamline the fiscal planning and analysis; determine the conditions necessary for efficient investments, from a budgetary-fiscal point of view, etc.

Labor market relevance of the course consists in teaching students the theoretical and organizational foundations of tax planning, as well as the practical skills of preparing tax plans in terms of achieving a compromise between the amount of tax burden and the financial results of the organization in the context of value management.

From the point of view of the employer, as a result of studying this discipline, the future specialist should: make up the "tax field" of the organization, draw up the budget of the company for taxes, draw up a tax calendar, apply the opportunities provided by law for tax cuts, calculate the effectiveness of the application of tax optimization schemes, make a choice of a tax system for a newly opened and already functioning organization.

Analyzing the needs of employers in the field of candidates that are necessary to attract, now, in the financial sphere, we can conclude that the most popular specialists are: expert public administration, expert manager in economic structures and financial administration services, tax inspector, reviser economic problems, financial manager, financial analyst, risk manager, directors-general, manager in the field of economic and planning policies.

## **6. Assessment and grading**

**Explanation: Please explain the form of assessment of the course – maximum ½ page**

The current evaluation will be carried out through:

- 2 control works - written tests;
- assessment of the individual work: Students will solve a specific case, which will be elaborated, presented and structured in the manner and in the terms set out in the

curriculum in the discipline (can be accessed on the e-learning platform [www.moodle.usm.md](http://www.moodle.usm.md)).

- appreciation as a result of participating in seminars
- Final assessment - written exam, which includes topics from the course studied.

The general grade will be determined as a weighted average as follows:

- current evaluation, including the product of the individual work - 60% (for full time students); (50% - in the form of reduced studies)
- final evaluation - 40% (for full time students); (50% - in the form of reduced studies)

NF (for full time students) =  $0.1 \times LC1 + 0.1 \times LC2 + 0.20 \times EC + 0.20 \times LI + 0.4 \times TEF$ ,  
where:

NF - final grade;

LC - written test (control reading);

EC -current evolution (debates, comments and application resolutions);

LI - team or individual project (as homework)

TEF - final evaluation test (exam)

### 3. References

Explanation: Please provide the main references and recommended reading for the course – maximum 1 page

1. Tax Code of the Republic of Moldova. On: <http://www.fisc.md/Upload/LinkedPDF/Tax%20Code.pdf>
2. Raymond Chabot Grant Thornton. Tax Planning Guide 2016-2017. <http://en.planiguide.ca/files/2016/11/Tax-Planning-Guide-2016-2017.pdf>
3. International Tax Planning and Fixed Investment. ECO/WKP(2016)85/ 06-Feb-2017. available at [www.oecd.org/eco/workingpapers](http://www.oecd.org/eco/workingpapers).
4. Kerzner/Chodikoff, International Tax Evasion in the Global Information Age, 2017 ISBN 978-3-319-82096-5
5. Thomakos (Eds), Taxation in Crisis (Palgrave Macmillan Studies in Banking and Financial Institut), 2018 ISBN 978-3-319-65309-9
6. Capiianlu., Ulian G., Ganea V. Control financiar-fiscal în Republica Moldova. Monografie. Chişinău: Complexul editorial INCE, 2013, 255 p., c.a 12,8 ISBN 978-9975-4185-6-0.Â
7. Ulian G., Capiianlu. The problem of quantifzing the underground economy: applying the method of metered resources./Problema cuantificării economiei tenebre: metoda resurselor contorizabile. În: Revista ştiinţifică, INCE Chişinău nr.4 (decembrie) 2013. P.25-31.
8. Principles of Taxation for Business and Investment Planning (2019) Edition 22nd Edition Sally Jones, Shelley Rhoades-Catanach, Sandra.
9. Taxes and Business Strategy: A Planning Approach integrates tax Taxes & Business Strategy - Myron S Scholes - Bok . 6 Jan 2014 .
10. Skripnichenko V. Taxes and taxation: studies. instrument. Skripnichenko. - SPb. Peter-Moscow Izdat. House. BINFA, 2018.

Explanation: Please provide two assignments for the course (e.g. group work, project, essay, case study, homework).

### 3.1. Assignment 1

MOLDOVA STATE UNIVERSITY  
Department of Finance and Banks

approved  
Head of the department  
Stefanuc Olga dr., Associate professor

#### TEST

For examination at Tax Planning Year II, Cycle II

Master student \_\_\_\_\_ Group \_\_\_\_\_

Faculty of Economic Sciences

Subject I. Fiscal administration

I. At the level of knowledge

1.1. Describe the tax administration at the macro level. 3p

II. At the application level

1.2. Characterize the tasks of tax administration at the level of the national economy. 5p

III. At the level of integration

1.3. Justify the need to set up the Advisory Council of the Ministry of Finance in the field of taxes and duties

7p

Subject II. Tax planning at the micro level

I. At the level of knowledge

2.1. Describe the aspects of tax planning at the level of the economic agent. 3p

II. At the application level

2.2. Characterize the elements of fiscal planning at the level of the economic agent, 5p

III. At the level of integration

2.3. Tell about the role of tax planning as a process of managing fiscal relationships in tax administration.

7p

#### The scale of assessment

Points	6 – 8	9 – 11	12 – 18	19 – 25	26 – 28	29 – 30
Note	5	6	7	8	9	10

Responsible Professor: Dr. associate prof. Caprian Iulia \_\_\_\_\_ \ \_\_\_\_\_ 2019

## 1.2. Assignment 2

Case study: Elaboration of a fiscal control report in the public or private sector

### Tasks

- 1) Preparation of a fiscal control report in the public or private sector
- 2) Implementation strategies and presentation methods

Strategies for the implementation:

1. Carrying out the process of fiscal administration at LPA, CPA, public authorities, fiscal inspectorate, State fiscal service, Customs service, Tax and tax collection service within town halls, budgetary institutions, public authorities for self-management, CNAS, CNAM
2. Applying the methodology of carrying out the missions of internal audit, fiscal control and fiscal inspection
3. Carrying out the control / audit of the revenues, expenditures and public procurement of LPA, CPA, public authorities, fiscal inspectorate, State fiscal service, Customs service, Tax and tax collection service within town halls, budgetary institutions, public authorities for self-management, CNAS, CNAM
4. The parallel between the concept of fiscal control, the fiscal audit internal audit and other concepts The relations of control and audit in the public sector with fraud

### Final product

Income control, expenditures and public procurement in the public sector

### Evaluation criteria

1. Compliance with the structure of the Analytical Report
2. The relevance of the information selected for the analysis of the expenditure and revenue management of the LPAs, the CPAs, the public authorities, the fiscal inspectorate, the State Tax Service, the Customs Service, the Tax and Tax Collection Service within the town halls, budgetary institutions, public authorities for self-management, CNAS, CNAM
3. The relevance of the applied methodology and the calculated indicators.
4. Relevance of data presentation in tables, figures, graphs, etc.
5. The correctness of the analytical data and documents included in the product and of the calculations performed.
6. The relevance of the conclusions made and the reasoning of the proposals / recommendations made.
7. Perfecting the product according to the technical requirements listed below:

The analytical report will be written in Word, Times New Roman, font size - 12; space between rows - 1,5; in the tables space is allowed - 1,0. The title of the table will be placed above the table; the title of the figure, the graph - it will be placed at the bottom of it. Final case studies will be printed on the computer on A4 size paper, with all the necessary documents attached and covered (European standard).

8. Presentation of the product within 01.05.2020.

9. The analytical report will be supported by a communication of 5-7 minutes based on a PPT presentation in front of the evaluation commission, composed of representatives of the LPA, the CPA, the Fiscal Inspectorate, Auditors, CNAS, CNAM and the disciplines responsible:

- Management of public finances;
- Internal audit in the public sector;
- Tax planing.

## **Annex: Presentation slides**

Explanation: Please provide presentation slides for your course (this can be done in a separate document, e.g. Power Point (Minimum: 25 slides))

See in attached files.