

**THE CHARTERED INSTITUTE OF TAXATION**

**APPLICATION AND PROFESSIONAL SKILLS**

**Taxation of Individuals**

**November 2026**

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Pre-seen information

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**You may print this copy of the pre-seen information but you will not be permitted to take this into the test centre. It will be contained in the final Exhibit in each question.**

Pre-seen information

Client name: Solomon Iqbal

Date and place of birth: Solomon was born on 14 August 1986 in Ruritania.

Tax residence: Solomon has been UK tax resident since 6 April 2023. Before that he had been tax resident in Ruritania since birth but ceased residence there on 5 April 2023.

Family status: Engaged to be married to Francesca, who is a UK resident. They are currently living together in rented accommodation. They do not have any children.

Double Tax Treaty: There is no double tax treaty between the UK and Ruritania. The Ruritanian tax year aligns with the UK tax year.

Date client relationship started: 6 April 2023

Solomon Iqbal – Asset Schedule

House in Ruritania

Residential property purchased on 30 January 2011 for £100,000 including costs.

This was Solomon's main residence until he moved to the UK and has since been let to his niece.

Langley House, Dereham, Norfolk

Residential property purchased in July 2021 for £350,000, which was financed using an inheritance from his grandfather. It has been rented out since acquisition.

Shares in Iqbal Property Corporation Ltd

This is a Ruritanian company owned by the Iqbal family, involved in the management of leisure facilities.

Solomon owns 35% of the shares in the company. He is not involved in the running of the business and cannot sell his shares to anyone else, including a spouse or civil partner.

Other assets

UK current account with balance to finance ongoing living costs.

Stocks and shares ISA containing £35,000.

Three Ruritanian bank accounts:

- 1) Account 1: Contains £200,000 of clean capital derived from inheritances and income from before Solomon was resident in the UK.
- 2) Account 2: Receives dividends from the family company and currently has balance of £250,000.
- 3) Account 3: Receives interest from Account 1 and Account 2 and currently has balance of £8,825.

These were set up to keep income sources separate for remittance basis purposes.

Continued

2024/25 tax return

Tax calculation

|                                                        |                |
|--------------------------------------------------------|----------------|
|                                                        | £              |
| Income from employment                                 | 60,000         |
| Profit from UK land and property                       | 20,000         |
| Profits from overseas land and property remitted to UK | <u>10,000</u>  |
| Total income received                                  | 90,000         |
| Less personal allowance (remittance basis claimed)     | <u>(0)</u>     |
| Total income on which tax is due                       | <u>£90,000</u> |

|                                    | <u>Amount</u> | <u>Percentage</u> | <u>Total</u>   |
|------------------------------------|---------------|-------------------|----------------|
|                                    | £             |                   | £              |
| <u>Pay, pensions, profit, etc.</u> |               |                   |                |
| Basic rate                         | 37,700        | 20%               | 7,540          |
| Higher rate                        | 52,300        | 40%               | <u>20,920</u>  |
|                                    |               |                   | 28,460         |
| Less double tax relief             | 10,000 x 15%  |                   | <u>(1,500)</u> |
| Income Tax due                     |               |                   | <u>£26,960</u> |

Solomon has claimed the remittance basis since he arrived in the UK. The income from the property rented out in Ruritania has been remitted to his UK bank account but all other overseas income has remained offshore. Nothing has been remitted into the UK since 6 April 2025.