

Assessment Narrative – APS Taxation of Owner Managed Businesses

November 2021

Structure

A simple pass or fail will be awarded.

Identification and Application

The following are the relevant topics for assessment with their weightings:

1	30%	Differential tax base costs for each shareholder
2	30%	Application of BADR for each of the shareholders including associated disposals
3	10%	Implication of non residence for Phil Hack
4	10%	Tax impact on EMI options including personal and company
5	20%	Tax implication of distributions on liquidation

A grade of 0,1,2,3, or 4 is awarded to each topic. The weighting is applied to that grade to produce a weighted average grade. This is then converted to a final absolute grade by rounding up or down to the nearest grade. Thus, scores in the range 2.5 to 3.49 will be a grade 3.

Relevant Advice and Substantiated Recommendations

The following are the relevant topics for assessment with their weightings:

1	50%	Advice on the implications of a share sale compared to trade and asset sale and recommendation on appropriate route
2	30%	Advice on extracting value from the company following a sale of trade and assets
3	20%	Advice and recommendation on extraction of Le Mabelle from the company prior to sale of shares

The final grade will be determined for this skill in the same way as for Identification and Application.