MAY 2026

APPLICATION AND PROFESSIONAL SKILLS – TAXATION OF LARGER COMPANIES AND GROUPS

ASSESSMENT NARRATIVE

Structure

A simple pass or fail will be awarded.

Identification and Application

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

1	10%	Comparison of net costs of construction in UK and Arcadia
2	10%	Value Added Tax (VAT) regime in UK
3	25%	How best to finance an investment in Arcadia, and profit repatriation
4	25%	Comparison of post-tax profits after repatriation
5	15%	Transfer pricing issues in respect of movement of goods, cross-border financing, royalties, and CFC issues
6.	15%	Implications of purchasing an Arcadian company with historical losses

A grade of 0,1,2,3, or 4 is awarded for 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 topics for assessment with their weightings:

1	50%	Whether to build factory in UK or Arcadia
2	30%	If Arcadia, whether to invest as equity or debt
3	20%	Whether to use a Newco or existing loss-making company in Arcadia

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