

## ASSESSMENT BASIS FOR APS TOLC November 2019

### Structure

A simple pass or fail will be awarded.

### Identification and Application

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

1	40%	Identification of the issues surrounding the use of trading losses and capital losses, including effect of the TP enquiry, change in company ownership provisions, and effect of acquisition.
2	10%	Potential impact of the transfer pricing enquiry, including reduction in losses, discovery assessments, and the enquiry staying with the losses.
3	10%	Commercial considerations of the transaction, in particular the potential impacts of Danbridges Ltd being in administration, including lack of warranties & indemnities and risk of taking on liabilities.
4	10%	Other relevant points identified in a discussion of a direct trade and asset acquisition, including treatment of goodwill and identification of other IFAs.
5	15%	Other relevant points identified in a discussion of a hive down and share sale, including capital allowances, stock, chargeable assets, intangible assets and degrouping charges.
6	10%	Stamp taxes considerations in the discussion of the various acquisition structures, including Stamp Duty on shares, SDLT on properties, group relief and impact of "arrangements"
7	5%	VAT considerations in the discussion of the various acquisition structures: sale of shares, transfer of going concern and hive down

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. Thus, supposing a candidate scores 3, 3, 4, 2 and 2 respectively on the above topics, this will equate to weighted scores of 0.45, 0.75, 0.8, 0.4 and 0.4. The total of these scores is 2.8. 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. In this example, the candidate will score a grade 3 overall and secure a pass for this skill.

### Relevant Advice and Substantiated Recommendations

The following are the topics for assessment with their weightings:

65%	Advice and recommendation, with reasons, on the most appropriate acquisition structure to undertake.
30%	Advice and recommendations regarding the future use of trading losses.
5%	Other advice and recommendations specific to the acquisition structure recommended.

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