

APPLICATION AND PROFESSIONAL SKILLS - TAXATION OF INDIVIDUALS

MAY 2022 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	30%	Identify the tax impact of the residence status of Jenny and Justin in 2022/23 and future years, including the possibility of split year treatment. Consideration of the impact of residence status on taxation of Jenny's income.
2	30%	Identify the tax treatment of a possible gift of assets to Mary, including considering the availability of BADR and gift relief, the impact of Justin and Jenny's residence status at the time of the gift, and the possibility of transferring assets through Jenny.
3	30%	Identify tax issues arising on the transfer of assets from Justin to Jenny including consideration of the impact of residence, the impact on transfers on the opportunity to rebase, tax on transfer of assets abroad, and any savings of income tax from the transfers.
4	10%	Identify and consider other tax issues including main residence relief and inheritance tax.

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 topics for assessment with their weightings:

1	30%	Provide relevant advice and substantiated recommendations relating to Jenny's residence, taking into account relevant issues identified. Advice should cover the impact on Jenny's residence of the two different contracts, the impact of residence on her tax liability, and any actions Jenny should take.
2	30%	Provide relevant advice and substantiated recommendations relating to the transfer of assets to Mary, covering which assets to transfer and the timing of transfers.
3	30%	Provide relevant advice and substantiated recommendations relating to the transfer of assets to Jenny covering which assets to transfer, if any.
4	10%	Provide relevant advice and substantiated recommendations in relation to IHT and main residence relief, taking into account relevant issues identified.

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