

ASSESSMENT NARRATIVE FOR NOVEMBER 2024 APS IHTTE PAPER

Structure

A simple pass or fail will be awarded.

Identification and Application

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

1	15%	Identify the IHT and CGT implications of an appointment of Fairview to Shaun and calculate the CGT liability.
2	25%	Identify the IHT and CGT implications of terminating Paul's life interest in Beach Farm with it continuing on discretionary trusts. Identify the availability of IHT agricultural property relief for particular assets and calculate the lifetime IHT liability.
3	20%	Identify the IHT and CGT implications of an appointment of Beach Farm to Shaun and the availability of CGT holdover relief on the assets qualifying for IHT agricultural property relief. Calculate the CGT liability.
4	15%	Identify the IHT and CGT implications of terminating Paul's life interest in Fairview with it continuing on discretionary trusts. Calculate the lifetime IHT liability.
5	25%	Identify that the residence nil rate band and transferable residence nil rate band will be available if Sunnyside is appointed to Paul. Explain the IHT and CGT implications of an appointment to Paul and the potential IHT saving compared with retaining Sunnyside on the life interest trust.

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. 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	35%	Advice and recommendations on which of Fairview or Beach Farm to appoint to Shaun and which to retain on discretionary trusts from an immediate and ongoing tax perspective.
2	30%	Advice on the availability of IHT agricultural property relief and CGT holdover relief on the Beach Farm assets.
3	35%	Advice and recommendations on whether Sunnyside should remain on the life interest trust for Paul or be appointed to him based on any immediate tax implications for the trust and future implications for Paul's estate on his death.

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