

ASSESSMENT NARRATIVE - APS IHTTE MAY 2023

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%	Identify and calculate the CGT liability that will arise if the trustees sell the shares in Coastal Retreats Ltd
2	15%	Identify and calculate the IHT exit charge that will arise on the advancement of cash funds from the Avani Chandra Will Trust to Ravi and Priya following the share sale.
3	20%	Identify and calculate the CGT liability that will arise for the trust if the shares in Coastal Retreats Ltd are advanced to Ravi and Priya, including awareness of the availability of CGT holdover relief, and Ravi & Priya's personal CGT positions when the shares are sold.
4	10%	Identifying that an exit of the shares from the Avani Chandra Will Trust to the beneficiaries will qualify for 100% BPR for IHT purposes.
5	15%	Identify the IHT and CGT implications of the trustees of the Chandra Discretionary Trust appointing five shares in Traditional Storage Ltd to Sunil.
6	10%	Identify and calculate the CGT implications of Priya gifting five shares in Traditional Storage Ltd to Sunil.
7	20%	Identifying that a gift of shares from Priya to Sunil is a PET for IHT purposes. Recognising that Priya will no longer control the company post gift, so will not be entitled to BPR in relation to the new commercial property she is about to purchase.

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 and 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:

40%	Advice and recommendations on whether the Avani Chandra Will Trust should sell its shareholding in Coastal Retreats Ltd or if the shares should be appointed to Ravi and Priya to sell in their own names. To include consideration of the base cost attached to Ravi and Priya's personal shareholdings in the company.
25%	Advice on the implications of the Chandra Discretionary Trust appointing five shares to Sunil including timing of the transfer in consideration of Jayesh's Letter of Wishes.
20%	Advice and recommendations on the implications of Priya gifting five shares to Sunil instead of the trust.
15%	Recommendations to Priya in relation to her BPR position in connection with her holding of shares in Traditional Storage Ltd and the proposed purchase of the new commercial property with her husband.

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