ASSESSMENT NARRATIVE FOR PILOT 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	25%	Explaining tax treatment of gift of holiday cottage. Calculating CGT. Identifying availability of entrepreneurs' relief and holdover relief. Calculating tax. Identifying difference in CGT & IHT valuations of a part share. Explaining why no BPR. Calculating tax on failed PET taking into account previous gift and transferred NRB
2	20%	Explaining Probate process and identifying need for IHT return and payment to be made before application. Calculating IHT and explaining payment dates. Discussing options for paying the IHT (including identification of the instalment option).
3	15%	Identifying 50% of Fort Lodge passes by Will and discussing value. Identifying possibility of RNRB (and transferred RNRB) in relation to the house. Identifying and discussing tapering of RNRB using facts and values given in question. Concluding that RNRB will be tapered to zero.
4	30%	Identifying BPR and discussing ownership. Identifying issues which could affect availability. Analysing accounts and applying other information given in question to enable a conclusion to be drawn. Identifying possible excepted assets restriction.
5	10%	Identifying change in ISA status on death and applying new post-2018 rules on continuing ISAs. Explain treatment of interest in estate.

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. Thus, supposing a candidate scores 3, 3, 4, 2, and 2 respectively on the above topics, this will equate to weighted scores of 0.75, 0.6, 0.6, 0.6, and 0.2. The total of these scores is 2.75. 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 Conclusions

The following are the topics for assessment with their weightings:

30%	Advice in relation to Fort Lodge including obtaining a valuation. Concluding on whether a gift relief claim should be made. Recommend no GR claim and claim ER instead.
30%	Recommendations re obtaining valuations, making an instalment claim, claiming an extra nil rate band and claiming direct payment relief.
40%	Weighting up the information and reaching a conclusion as to the availability of BPR. Recommending that the shareholder agreement / company Articles be checked.

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