

ASSESSMENT BASIS FOR APS OMB 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	30%	Structure of new venture including discussion of options based on facts presented, pros and cons of each from a commercial and tax perspective
2	20%	Review of the tax implications including CT, treatment of assets purchased, potential funding issues and use of existing property
3	20%	Profit extraction issues for different individuals considering other income and the use of salaries, pension contributions and dividends
4	10%	Potential for shares to be held by spouses and children, whether to transfer now or in the future and the tax treatment of each
5	20%	The status of each group of workers and how the company should treat each

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:

30%	Advice and recommendation on the most appropriate business structure to use for the new venture
25%	Advice on the potential employment status of the two groups of individual workers and recommendation of how the company should treat them
30%	Advice and recommendation on the most tax effective way to extract profit
15%	Advice and recommendation on bringing spouses and children into the business

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