

ASSESSMENT NARRATIVE – APS HUMAN CAPITAL TAXES 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 | 5% | Identify the residence and tax position for Mr Farrell.,. |
| 2 | 20% | Employment by Havarn CA Ltd: Identify the PAYE and NI obligations for Havarn CA Ltd in employing Mr Farrell directly and the impact of a PE on these obligations. |
| 3 | 20% | Employment by Milvarn UK Ltd: Identify the PAYE and NI obligations Identify the transfer pricing requirements and PE management |
| 4 | 20% | Bid proposal: Identify the impact of the UK project on the different possible arrangements. Identify the treatment of other Canadian employees |
| 5 | 15% | Other taxes and compliance: Identify the VAT requirements on the importation of the goods Identify the VAT requirement on the services Identify the Companies House reporting requirements. Identify that UK employment law applies |
| 6 | 20% | Identify the issues arising on the proposed remuneration package Compliance with UK travel and subsistence rules and pension auto-enrolment. Treatment of medical benefit |

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 | 40% | Advice and recommendations around which company should employ Mr Farrell to reflect Havarn CA Ltd's objectives. |
| 2 | 35% | Advice and recommendations in connection with the bid proposal, giving consideration to which company employs Mr Farrell and the impact on Havarn CA Ltd's objectives and other taxes |
| 3 | 10% | Advice and recommendations on employment law and other contractual aspects, including requirement for legal advice and other documentation required under the different possible arrangements |
| 5 | 15% | Advice and recommendations regarding structure of the remuneration package including maximising travel and subsistence exemptions and providing pension and medical benefits |

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