

MAY 2022

APPLICATION AND PROFESSIONAL SKILLS – TAXATION OF LARGER COMPANIES AND GROUPS

ASSESSMENT NARRATIVE

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%	Commercial implications of going to court, or of settling the dispute, and of selling company.
2	15%	Whether damages awarded by court would be tax deductible, and if so when.
3	15%	Whether a monetary settlement of the dispute would be tax deductible, and if so when.
4	25%	How the Corporation Tax loss could be relieved - consortium relief, group relief and carry forward options.
5	20%	Capital gains implications of court case and of a sale, including timing issues.

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. 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	20%	Whether or not to allow the dispute to proceed to court.
2	30%	Advice on whether to agree to the settlement and timing (whether or not the company is to be sold to Biopharma Inc.)
3	15%	Advice on whether the settlement, if agreed, should be provided via debt or equity?
4	35%	Advice on whether to sell now or later.

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