

ASSESSMENT NARRATIVE IHT APS 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	15%	Identify the taxation regime applying to the trust (18-25). Identify the basis upon which IHT charges will arise.
2	25%	Identify that the change in strategy by SWBP Ltd will result in a future loss of BPR. Identify and calculate the CGT implications of the share offer.
3	10%	Identify powers available to trustees to advance capital to beneficiaries.
4	30%	Identify the IHT implications of the timings of the advancements, including consideration to the plans of the beneficiaries.
5	20%	Identify the CGT implications of the timings of the advancements, including consideration to the plans of the beneficiaries.

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, 2, and 2 respectively on the above topics, this will equate to weighted scores of 0.6, 0.6, 0.8, 0.2, 0.2, 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 Conclusions

The following are the topics for assessment with their weightings:

25%	Advice on the implication of the SWBP changes and how the impact on the beneficiaries can be mitigated.
30%	Advice and recommendations on what action should be taken regarding the capital appointment to Chloe.
45%	Advice and recommendations on what action should be taken regarding the capital appointment to David.

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