

ASSESSMENT NARRATIVE FOR MAY 2020 APS HC PAPER



Chartered
Institute of
Taxation
Excellence in Taxation

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%	Identify the residence position for Jack and the income which is liable to UK tax. Explain the PAYE requirements for the business including s690.
2	25%	Identify and explain the social security position.
3	30%	Identify and explain the tax treatment of the income items in each scenario including bonus and expenses.
4	10%	Identification of risk of PE in the UK and transfer pricing requirements.
5	5%	Identify the need for a documentation for secondment agreement and for an intercompany agreement.

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	30%	Advice and recommendations regarding employment in the UK v secondment from Switzerland.
2	20%	Advice and recommendations regarding the expenses and benefits to be provided.
3	25%	Advice and recommendations regarding national insurance position.
4	20%	Advice and recommendation regarding the bonus.
5	5%	Advice and recommendations regarding PE risk and documentation for inter-company, legal advice on loan agreement. Advice to consider other corporate tax matters.

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