

ASSESSMENT NARRATIVE FOR SAMPLE 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	20%	Identifying as appropriate and explaining entrepreneurs' relief. Explaining the impact of the investments held and the HMRC test. Applying to facts to determine whether currently available.
2	20%	Identifying as appropriate and explaining gift relief. Explaining impact of investments held and the HMRC test. Applying to facts to determine whether currently available.
3	20%	Identifying possibility of BPR and explaining the relief. Applying to the facts of the case to determine whether currently available.
4	10%	Identifying the options for the withdrawal of funds (dividend or bonus) and explaining the tax effect of each.
5	10%	Identifying historic pension contributions and explaining the effect of making pension contributions including issues relating to excess contributions.
6	20%	Identifying the effect of the retention of funds and the application of funds to the purchase of a property. Identifying and explaining other taxes/issues that may be appropriate (VAT, capital allowances, SDLT).

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:

50%	Advice and recommendations as to whether it is best to make the gift of shares during lifetime or on death; difficulty of funding IHT; comparative rates of tax
25%	Advice on the impact of the retention of fund on reliefs available and recommendation as to appropriate course of action.
25%	Advice and recommendations as to the best method of extracting funds and advice on mitigating the effect of excess pension contributions.

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