

## ASSESSMENT NARRATIVE – APS HUMAN CAPITAL TAXES MAY 2022

### Structure

A simple pass or fail will be awarded.

### Identification and Application

The following are the relevant topics for assessment with their weightings:

1	45%	Identify the UK residence position for Tom. Identify PAYE implications as well as the reporting obligations for Eirepipe Ltd and Cable plc to date as well as for each future alternative (Eirepipe employee, a secondee or if employed by Cable plc), including which entity would have an obligation to operate a PAYE scheme. Consider the interaction with permanent establishment.
2	10%	Identify the PE issues in the UK for Eirepipe Ltd and the impact for corporation tax. Understanding the impact for VAT in the UK for Eirepipe Ltd. Identify the need for consideration of transfer pricing
3	15%	Identify the NIC requirements to pay NIC in one location, the position to date and the impact of each future alternative (Eirepipe employee, a secondee or if employed by Cable plc). Include the need to apply for a retrospective A1 certificate of coverage.
4	5%	Identify the need for employment law advice for Tom's amended contract for UK law and changes to his package. Identify the need for an inter-company agreement.
5	25%	Identify the tax and net pay impacts of Tom's current remuneration package, and the tax inefficiencies of the current package, including, where relevant, practical aspects and reporting..

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	50%	Advice and recommendations around the options and recommend that Tom is employed by Cable plc including <ul style="list-style-type: none"><li>• PAYE &amp; NIC advice on the set-up and paying Tom in the UK</li><li>• avoid setting up a PE</li><li>• apply for a retrospective A1</li></ul>
2	15%	Advice and recommendations on employment law & other practical aspects including: <ul style="list-style-type: none"><li>• voluntary PAYE disclosure settlement is made</li><li>• seeks legal advice for employment contract changes</li><li>• seeks legal advice on inter-company agreements</li><li>• seeks corporate tax advice around Cable plc selling Eirepipe Ltd's products</li><li>• seeks advice on Irish corporate tax</li></ul>
3	35%	Advice and recommendations regarding structure of the employment package including: <ul style="list-style-type: none"><li>• changes relating to tax inefficient areas such as pension, company car and lunch allowances</li><li>• the practical impact such as loan agreement for the cashflow impact</li><li>• Irish personal advice to be considered</li><li>• Tom has personal tax advice</li></ul>

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