

## APPLICATION AND PROFESSIONAL SKILLS - TAXATION OF OWNER MANAGED BUSINESSES

### MAY 2022 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	10%	Capital taxation of gifts (general rules and main reliefs)
2	10%	Valuation principles
3	10%	Significance of timing
4	25%	Reliefs in detail (BADR; GR; BPR) and current problems
5	20%	Disposal of investment/excepted assets and allocation/use of funds
6	15%	Disposal of warehouse
7	10%	Other issues (Stamp duty; trading loss; transfer of shares; wills)

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	40%	Timing of transfers
2	40%	Disposal of investment/excepted assets and allocation/use of surplus funds
3	20%	Disposal of warehouse

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