

ASSESSMENT NARRATIVE FOR HUMAN CAPITAL TAXES NOVEMBER 2021

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%	Identify the legal and practical differences between a trade and assets purchase and a share purchase.
2	10%	Identify relevant corporate tax aspects to consider. Discussion to include deductibility of acquisition costs, corporation tax returns following acquisition, application of transfer pricing rules
3	20%	Identify issues caused by the French working pattern undertaken by Francois Du Plessis.
4	20%	Identify relevant indirect tax aspects. Discussion to include VAT chargeable on the purchase, TOGC including transfer of building where an OTT is in place, transactions in shares, Stamp Duty and SDLT
5	40%	Identify relevant employment tax aspects. Discussion to include UK payroll and reporting obligations in relation to the French share scheme and services procured from a Ltd company contractor.

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	60%	Recommendation as to whether the acquisition should proceed as a trade and assets or a share purchase. Supporting rationale to be given for recommendation made.
2	40%	Relevant recommendations about managing the position going forward depending on the approach taken including indemnities from the seller (if recommending a share purchase), dealing with the French working pattern by Francois De Plessis and using limited company contractors.

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