

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

### 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 | 5%  | Options for sale                                     |
| 2 | 23% | Trade and asset sale route                           |
| 3 | 20% | Extraction of funds                                  |
| 4 | 10% | Reducing tax liabilities with a trade and asset sale |
| 5 | 22% | Share sale route                                     |
| 6 | 10% | Ways of encouraging a share sale                     |
| 7 | 10% | Other matters, including VAT and stamp taxes         |

A grade of 0,1,2,3, or 4 is awarded for 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% | Trade and asset sale, including reducing tax liabilities |
| 2 | 30% | Extraction of funds                                      |
| 3 | 30% | Share sale, including encouragement thereof              |

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