

# Personal taxation

## Purpose

At the end of this unit, candidates will have investigated the:

- Basic structure of the UK tax system;
- Main taxes on income and capital that may be charged on individuals and trusts, the self assessment system and how tax liabilities are computed;
- Taxation of investments as relevant to the needs and circumstances of individuals and trusts.

Summary of learning outcomes	Number of questions in the examination*
1. Understand the UK tax system as relevant to the needs and circumstances of individuals and trusts.	15 standard format
2. Analyse the taxation of investments as relevant to the needs and circumstances of individuals and trusts.	8 standard format/ 7 multiple response
3. Analyse the role and relevance of tax in the financial affairs of individuals and trusts.	6 standard format/ 4 multiple response
4. Apply the knowledge of personal taxation to the provision of investment advice.	10 standard format

\*The test specification has an in-built element of flexibility. It is designed to be used as a guide for study and is not a statement of actual number of questions that will appear in every exam. However, the number of questions testing each learning outcome will generally be within the range plus or minus 2 of the number indicated.

## Important notes

- Method of assessment: 50 questions: 39 standard format and 11 multiple response questions. 1 hour is allowed for this examination.
- This syllabus will be examined from 1 September 2017 to 31 August 2018.
- Candidates will be examined on the basis of English law and practice in the tax year 2017/2018 unless otherwise stated.
- It should be assumed that all individuals are domiciled and resident in the UK unless otherwise stated.
- Candidates should refer to the CII website for the latest information on changes to law and practice and when they will be examined:
  1. Visit [www.cii.co.uk/qualifications](http://www.cii.co.uk/qualifications)
  2. Select the appropriate qualification
  3. Select your unit on the right hand side of the page

1. **Understand the UK tax system as relevant to the needs and circumstances of individuals and trusts.**
  - 1.1 Explain the main features of Income Tax.
  - 1.2 Explain the main features of National Insurance Contributions (NICs).
  - 1.3 Explain the main features of Capital Gains Tax (CGT).
  - 1.4 Explain the main features of Inheritance Tax (IHT).
  - 1.5 Explain the implications of residence and domicile on UK tax liability.
  - 1.6 Explain the main features of UK tax compliance.
  - 1.7 Explain Stamp Duty Reserve Tax and Stamp Duty Land Tax.
  - 1.8 Describe the rules and impact of Value Added Tax (VAT) and Corporation Tax.
2. **Analyse the taxation of investments as relevant to the needs and circumstances of individuals and trusts.**
  - 2.1 Analyse the taxation of direct investments.
  - 2.2 Analyse the taxation of indirect investments.
3. **Analyse the role and relevance of tax in the financial affairs of individuals and trusts.**
  - 3.1 Analyse the impact of taxes on individuals, trusts and their investments in different situations.
  - 3.2 Analyse the ways in which key elements of tax planning provide tax efficiency to individuals and trusts.
4. **Apply the knowledge of personal taxation to the provision of investment advice.**
  - 4.1 Calculate basic elements of Income Tax, NICs, CGT, and IHT, including the impact of lifetime transfers and transfers at death.
  - 4.2 Recommend elementary tax plans in the context of investments and pensions advice.

## Syllabus construction

The syllabus consists of learning outcomes and assessment criteria only. A comprehensive listing of the indicative content is located at [www.fca.org.uk/your-fca/documents/personal-taxation](http://www.fca.org.uk/your-fca/documents/personal-taxation).

## Reading list

The following list provides details of various publications which may assist you with your studies.

**Note: The examination will test the syllabus alone.**

The reading list is provided for guidance only and is not in itself the subject of the examination.

The publications will help you keep up-to-date with developments and will provide a wider coverage of syllabus topics.

CII/PFS members can borrow most of the additional study materials below from Knowledge Services. CII study texts can be consulted from within the library.

New materials are added frequently - for information about new releases and lending service, please go to [www.cii.co.uk/knowledge](http://www.cii.co.uk/knowledge) or email [knowledge@cii.co.uk](mailto:knowledge@cii.co.uk).

## CII study texts

Personal taxation. London: CII. Study text Ro3.

## Books (and ebooks)

A modern approach to lifetime tax planning for private clients (with precedents). Christopher Whitehouse, Lesley King. Bristol: Jordans, 2014.

CCH Tax planning: individuals 2016-17. Paul Robbins. Kingston: Wolters Kluwer, 2016.

Financial calculations. Sarah Dingley-Brown. Annual. Totnes, SDB Training.

Booth and Schwarz: residence, domicile and UK taxation. Jonathan Schwarz. 19th ed. Bloomsbury Professional, 2016.

Mastering financial calculations: a step-by-step guide to the mathematics of financial markets instruments. 3rd ed. Bob Steiner. Harlow: FT Prentice Hall, 2012.\*

The Financial Times guide to investing. 3rd edition. Glen Arnold. FT Prentice Hall, 2014.

Ray & McLaughlin's practical inheritance tax planning. 13th ed. Toby Harris, Mark McLaughlin, Ralph Ray. Haywards Heath, West Sussex: Tottel, 2016.

Personal financial planning manual. Haywards Heath: Bloomsbury Professional. Annual.

## Journals and magazines

Financial adviser. London: FT Business. Weekly. Also available online at [www.ftadviser.com](http://www.ftadviser.com).

Financial times. London: Financial Times. Daily. Also available online at [www.ft.com](http://www.ft.com).

Personal finance professional (previously Financial solutions). London: CII. Six issues a year. Also available at [www.thepfs.org/knowledge](http://www.thepfs.org/knowledge) (CII/PFS members only).

Money management. London: FT Business. Monthly. Also available via [www.ftadviser.com](http://www.ftadviser.com).

Money marketing. London: Centaur Communications. Weekly. Also available online at [www.moneymarketing.co.uk](http://www.moneymarketing.co.uk).

Further articles and technical bulletins are available at [www.cii.co.uk/knowledge](http://www.cii.co.uk/knowledge) (CII/PFS members only).

## Reference materials

Core tax annuals, 6v (Capital gains tax; Corporation Tax; Income tax; Inheritance tax; Trusts and estates; Value-added tax). Various authors. Haywards Heath, West Sussex: Bloomsbury Professional. Annual.

Harriman's financial dictionary: over 2,600 essential financial terms. Edited by Simon Briscoe and Jane Fuller. Petersfield: Harriman House, 2007.\*

Lamont's glossary: the definitive plain English money and investment dictionary. Barclay W Lamont. 10th ed. London: Taxbriefs, 2009. Also available online via [www.cii.co.uk/lamont](http://www.cii.co.uk/lamont) (CII/PFS members only).

Tolley's income tax. David Smalles, Rebecca Benneyworth. London: Lexis Nexis. Annual.

Tolley's expatriate tax planning. Amanda Sullivan. London: LexisNexis. Annual.

Tolley's tax guide. Arnold Homer, Rita Burrows. London: LexisNexis Butterworths. Annual.

Tolley's tax planning. London: LexisNexis. Annual.

\*Also available as an ebook through Discovery via [www.cii.co.uk/discovery](http://www.cii.co.uk/discovery) (CII/PFS members only).

## Examination guides

An examination guide, which includes a specimen paper, is available to purchase via [www.cii.co.uk](http://www.cii.co.uk).

If you have a current study text enrolment, the current examination guide is included and is accessible via Revisionmate ([www.revisionmate.com](http://www.revisionmate.com)). Details of how to access Revisionmate are on the first page of your study text.

It is recommended that you only study from the most recent versions of the examination guides.

## Exam technique/study skills

There are many modestly priced guides available in bookshops. You should choose one which suits your requirements.

The Insurance Institute of London holds a lecture on revision techniques for CII exams approximately three times a year. The slides from their most recent lectures can be found at [www.cii.co.uk/iilrevision](http://www.cii.co.uk/iilrevision) (CII/PFS members only).