

# Personal tax and trust planning

## Learning Outcomes

At the end of this unit, candidates will be able to:

Evaluate the complex needs of clients and recommend appropriate solutions based upon detailed understanding and analysis of the:

1. **Basic structure of the tax system and self-assessment;**
2. **Main personal taxes on income and capital that may be charged on individuals during life and on death, the self-assessment system and how tax liabilities are calculated and applied;**
3. **Tax treatment of different kinds of investments;**
4. **Impact of residence and domicile on an individual's liability to UK tax;**
5. **Legal principles associated with the creation and management of a trust;**
6. **Main types and uses of trusts that are common in the UK and the duties, powers and responsibilities of trustees;**
7. **Implications of substituted decision making, to include types of Power of Attorney and other support whilst living, and the use of Wills and the consequences of dying intestate;**
8. **Bankruptcy; rules and the role of the trustee in bankruptcy;**
9. **Taxation considerations relevant to trusts.**

## Entry guidance

It is assumed that the candidate already has the knowledge gained from a study of units R03 Personal taxation, J02 Trusts, elements of R05 or equivalent.

## Important notes

- **This syllabus will be examined in the October 2017 and April 2018 sessions.**
- **Candidates will be examined on the basis of English law and practice in the tax year 2017/2018 unless otherwise stated.**
- **The general rule is that exams are based on the English legislative position three months before the date of the exams.**
- **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

## 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

Financial protection. London: CII. Study text Ro5.

Personal tax and trust planning. London: CII. Case study workbook AF1.

Personal taxation. London: CII. Study text Ro3.

Trusts. London: CII. Study text Jo2.

All the above texts are included as electronic resources within AF1 RevisionMate ([www.revisionmate.com](http://www.revisionmate.com)).

### Books

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

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

Capital gains tax calculations. Sarah Dingley-Brown. Annual. Totnes, SDB Training.

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.

Equity and trusts. Alastair Hudson. 9th ed. London: Routledge-Cavendish, 2016.\*

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

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

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

The tax and trusts suite. Sarah Dingley-Brown. Annual. Totnes, SDB Training.

Financial planning with trusts. 5th ed. John Wooley. Chester: Claritax Books, 2016.

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

Trust taxation and estate planning. Emma Chamberlain and Chris Whitehouse. 4th ed. London: Thomson Reuters, 2014.

### 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

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

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

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

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

Guides are produced for each sitting of written answer examinations. These include the exam questions, examiners' comments on candidates' performance and key points for inclusion in answers.

You are strongly advised to study guides from the last two sittings. Please visit [www.cii.co.uk](http://www.cii.co.uk) to buy online or contact CII Customer Service for further information on +44 (0)20 8989 8464.

Alternatively, if you have a current study text enrolment, the latest exam guides are available via [www.revisionmate.com](http://www.revisionmate.com).

Older guides are available via [www.cii.co.uk/pastexamguides](http://www.cii.co.uk/pastexamguides) (CII/PFS members only).

### 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).