

# 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 2024 to 31 August 2025.
- Candidates will be examined on the basis of English law and practice in the tax year 2024/2025 unless otherwise stated.
- It should be assumed that all individuals are domiciled and resident in the UK unless otherwise stated.
- This PDF document has been designed to be accessible with screen reader technology. If for accessibility reasons you require this document in an alternative format, please contact us on [online.exams@cii.co.uk](mailto:online.exams@cii.co.uk) to discuss your needs.
- 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 from the list provided
  4. Select qualification update 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.

## Reading list

The following list provides details of further reading 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 resources listed here will help you keep up-to-date with developments and provide a wider coverage of syllabus topics.

### CII study texts

Personal taxation. London: CII. Study text R03.

### Books (and ebooks)

A modern approach to lifetime tax planning for private clients (with precedents). Christopher Whitehouse, Lesley King. Bristol: Jordans, 2016.

Booth and Schwarz: residence, domicile and UK taxation. Jonathan Schwarz. 21st ed. Bloomsbury Professional, 2022.

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

The Financial Times guide to investing. 4th edition. Glen Arnold. FT Prentice Hall, 2020.

Tolley's Tax Guide. Tolley. London. Updated Annually.

### Journals and magazines

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

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

Personal finance professional. London: CII. Four issues a year. Available online at [www.pfp.thepfs.org/sections/access-digital-magazine](http://www.pfp.thepfs.org/sections/access-digital-magazine) (CII/PFS members only).

Money management. London: FT Business. Monthly. Available online [www.ftadviser.com/brand/money-management](http://www.ftadviser.com/brand/money-management).

Money marketing. London: EMAP Publishing Limited. Weekly. Available online at [www.moneymarketing.co.uk](http://www.moneymarketing.co.uk).

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

Further articles and technical bulletins are available at [www.cii.co.uk/learning/learning-content-hub](http://www.cii.co.uk/learning/learning-content-hub) (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, 2013. \*

### **Examination guide**

If you have a current study text enrolment, the current examination guide is included and is accessible via Revisionmate ([ciigroup.org/login](http://ciigroup.org/login)). 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 version of the examination guide.

### **Exam technique/study skills**

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