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AF1

Advanced Diploma in Financial Planning

Unit AF1 – Personal tax and trust planning

February 2026 Exam Guide

SPECIAL NOTICES

Candidates entered for the September 2026 exam should study this exam guide carefully in order to prepare themselves for the exam.

Practice in answering the questions is highly desirable and should be considered a critical part of a properly planned programme of exam preparation.

AF1 – Personal tax and trust planning

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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 to discuss your needs.

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IMPORTANT GUIDANCE FOR CANDIDATES

Introduction

The purpose of this Exam Guide is to help you understand how examiners seek to assess the knowledge and skill of candidates. You can then use this understanding to help you demonstrate to the Examiners that you meet the required levels of knowledge and skill to merit a pass in this unit. During your preparation for the exam, it should be your aim not only to ensure that you are technically able to answer the questions but also that you can do justice to your abilities under exam conditions.

Before the exam

Study the syllabus carefully

It is crucial that you study the relevant syllabus carefully, which is available online at www.cii.co.uk, on the relevant qualification page. All the questions in the exam are based directly on the syllabus. *You will be tested on the syllabus alone*, so it is vital that you are familiar with it.

Note the assumed knowledge

For the Advanced Diploma in Financial Planning, candidates are assumed to have studied the relevant units of the Diploma in Financial Planning or the equivalent. This knowledge is set out on the relevant syllabus.

Read widely

To get the most out of your learning, it's important to explore beyond just one textbook. Relying solely on a single study text may not give you all the depth or perspectives you need. While the main study materials are designed to cover the syllabus, they might not always explain things in a way that works for you—or offer alternative viewpoints that deepen your understanding.

That's why reading around the subject is so valuable. If a topic feels unclear or you're curious to see how others approach it, looking at different sources can really help. Think of it as building a richer, more rounded picture of what you're learning.

Build confidence in your knowledge and ability to apply it.

Make full use of the Exam Guide

This Exam Guide contains a full exam paper and model answers. The model answers show the types of responses the examiners are looking for and which would achieve maximum marks. *However, you should note that there are alternative answers to some question parts which would also gain high marks.* For the sake of clarity and brevity not all of these alternative answers are shown.

This guide and previous Exam Guides can be treated as 'mock' exam papers. Attempting them under exam conditions as far as possible and then comparing your answers to the model ones should be seen as an essential part of your exam preparation.

The Examiner's comments on candidates' actual performance in each question provide further valuable guidance. You can obtain copies of the two most recent exam guides free of charge on the relevant qualification page at www.cii.co.uk.

Know the layout of the tax tables

Familiarise yourself with the tax tables printed at the back of the Exam Guide. The tax tables enable you to concentrate on answering the questions without having to worry about remembering all the information. *Please note that you are not allowed to use your own tax tables in the exam, these are provided in the portal when you sit the exam.*

Know the structure of the exam

- Assessment is by means of a three-hour online written exam in two sections.
- All questions are compulsory.
- **Section A** consists of one case study, worth 80 marks.
- **Section B** consists of two shorter case studies worth a total of 80 marks.
- You will be expected to carry out a variety of tasks, after analysing the information provided.
- Each question part will clearly show the maximum marks which can be earned.

You can also access previous exam papers and test specifications [here](#).

Appreciate the standard of the exam

Candidates must demonstrate that they are capable of advising clients *whose overall levels of income and capital require a more sophisticated scheme of investment* than is normally prepared by a level 4 qualified adviser. These clients require a critical appraisal of the various financial planning options available to them.

Assessment Information and Rules and Policies for candidates

Please review the [assessment information](#) and [rules and policies](#) for candidates. Full details of the administrative arrangements and the regulations governing your exam entry are available online.

On-screen written exam familiarisation

The familiarisation test allows you to experience using the assessment platform before your exam.

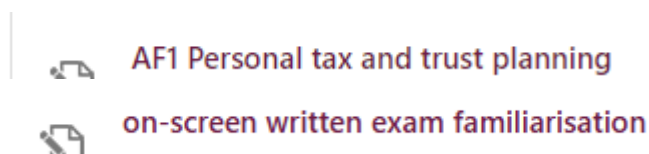
Please note, that while there might be slight differences in layout, it will give you a good idea of how to navigate and use the platform functionality. This test is for the purpose of familiarisation with the assessment platform only.

You can access the familiarisation test at any time. It can be found [here](#).

We strongly recommend that you take the familiarisation test to ensure you are familiar with the on-screen assessment platform experience.

If you have previously sat any of the CII's multiple-choice exams, please note this familiarisation experience has a different set up.

On the day of the AF1 exam, upon accessing the platform, you will need to click on **AF1 Personal tax and trust planning** to start the exam:



We would recommend that prior to starting the exam, you may wish to take a moment at this screen to jot down any notes on paper that may assist you during the exam.

Please note the exam timer will not start until you click the exam titled: **AF1 Personal tax and trust planning**.

Important information for remote invigilation candidates only

If you are taking the exam through remote invigilation, **we strongly advise that you try the online Tutorial test** once you have received your exam login details and well in advance of the actual exam day. This test is different to the familiarisation test.

You will receive the below information via email before your exam date.

You must check the equipment you plan to use on the exam day is suitable. The system requirements are [here](#)

EXAM TUTORIAL:

- [Launch Tutorial Test](#)
- Duration: The tutorial will take approximately 30 minutes to complete.
- Attempts: Launch the tutorial test up to three (3) times to familiarize yourself with the environment. We suggest saving one attempt for 2-3 days prior to your exam date.
- Timing: The Launch link will expire 150 minutes (2 hours and 30 minutes) prior to your scheduled exam time.

To access your exam on the exam day click on the "Launch Exam" link beside your scheduled exam within the Bookings and Results area of MyCII [Dashboard](#). If you have any difficulty accessing your MyCII account, you should contact CII customer service at the contact details below.

This Exam Tutorial will help you feel confident and prepared for exam day. It guides you through the system and helps identify any potential issues with your equipment in advance, reducing the risk of technical problems during your exam.

Please note you are strongly advised not to use a laptop provided by your employer.

Laptops and IT equipment provided by your employer typically include security protocols that conflict with any remote invigilation software. You should also avoid using a corporate Wi-Fi or any other internet connection that may include firewalls that you cannot personally control.

The exam platform no longer supports Windows 10 or macOS Ventura for any online testing.

These operating systems no longer meet the minimum technical requirements. Continuing to use them may introduce compatibility issues, affecting performance during test sessions.

It is fundamentally important that, if you are sitting an exam via remote invigilation, you read all of the documents on this page; [How to prepare for your on-screen written exam by remote invigilation](#).

If there is anything you are unsure of, or if you have not received the tutorial email, please contact Customer Service (telephone +44 (0)20 8989 8464 Mon to Fri: 9am – 5pm (UK time), email customer.serv@cii.co.uk, Webchat service: Mon-Fri: 8am-4pm (GMT)) as soon as possible, as this may affect your exam sitting.

On the exam day

The following will help:

Spend your time in accordance with the allocation of marks:

- The marks allocated to each question part are shown on the paper.
- If a question has just two marks allocated, there are likely to be only one or two points for which the examiner is looking for, so a long answer is wasting valuable time.
- Conversely, if a question has 12 marks allocated, a couple of lines will not be an adequate answer. Always remember that if the paper is not completed, your chances of passing will be reduced considerably.
- Do not spend excessive time on any one question; if the time allocation for that question has been used up, flag the question, go on to the next question and return to the incomplete question after you have completed the rest of the paper, if you have time.

Take great care to answer the question that has been set.

- Before you start writing, take a moment to think carefully about what the question is really asking. Understanding the examiner's requirements is key to producing a strong, focused answer.
- Highlighting key words and phrases is a technique many candidates find useful.
- The model answers provided in this Exam Guide would gain full marks. Alternative answers that cover the same points and therefore answer the question that has been asked would also gain full marks.

Order of answering questions

Answer the questions in whatever order feels most comfortable. Generally, it is better to leave any questions which are felt to be challenging until the more familiar questions have been attempted but *remember not to spend excessive time on the questions you are most confident about*. You are able to flag questions and then go back to them.

Answering different question parts

It is vital to label all parts of your answer correctly as many questions have multiple parts to them (for example, question 1(a) may have parts (i), (ii) and (iii)). Failure to fully distinguish between the separate question parts may mean that full credit cannot be awarded. It is also important to note that a full answer must be given to each question part and candidates should not include notes such as 'refer to answer given in 1(b)(i)'.

Always read all parts of a question before starting to answer it, otherwise you may find that after answering part (i), the answer you have given is more appropriate to part (ii) and it may be necessary to duplicate some of the answer.

Answer format

Subject to providing sufficient detail you are advised to be as brief and concise as possible, using note format and short sentences.

Marks are not lost for incorrect spelling or grammar.

Calculators

The calculator is in a pop-up box on the right-hand side of the interface. It is important to show all steps in a calculation in your answer, even if you have used a calculator. You are permitted to use your own non-programmable calculator.

Tips for laying out calculations in on-screen written exams

Where you are asked to perform a calculation, it is important to show **all the steps** in your answer. Most of the marks will be allocated for demonstrating the correct method of calculation.

While there are no marks for presentation, laying the calculation out well will make it easier for the examiner to identify all of the marks you have achieved. It does not matter how long the calculation is, if it is well set out. There is no preferred format but following the below guidelines is often helpful:

- Set out each stage of your calculation on a separate line.
- Label the values used i.e. in an IHT calculation:
 - Main residence £500k;
 - Onshore Bond £100k.
- Identify all allowances, exemptions, tax bands, tax rates used in £ terms.
- Use subtotals where appropriate. For example:
 - Total assets - £1,500,000
 - Nil rate band (NRB) – (£325,000)
 - Residence nil rate band (RNRB) – (£175,000)
 - Assets after allowances - £1,000,000
- Show all your workings. This could include:
 - grossing up of pension contributions,
 - how you work out the allowances if they are not standard,
- Make notes where appropriate. For example:
 - Bond loss is excluded
 - ISA income ignored
- Double check all of your figures.

Please note that it is currently not possible to insert tables for AF1 exams. You are required to type your answers without the requirement for alignment. As guidance, please refer to the model answers provided in any Exam Guides as templates.

There are no special formulas you are required to be aware of included in the system to submit your answers.

EXAMINERS' COMMENTS**Candidates' overall performance:**

Overall, candidates performed well in this examination.

The calculation questions were generally answered very well and candidates achieved higher marks in some of the main syllabus areas when compared to the September 2025 exam.

It was particularly pleasing the questions on powers of attorney were generally answered well by candidates who had prepared thoroughly for the exam. This is an area that many candidates had struggled with in recent sessions.

The exam also included a question testing the changes to the Inheritance Tax (IHT) treatment of an existing excluded property trust (EPT) from 6 April 2025. This question was not well answered, and candidates are reminded to keep up to date with industry changes as part of their preparation for the exam.

Question 1

Part (a) asked candidates to calculate Jasper's Income Tax liability in the 2025/2026 tax year. This was generally well answered although some candidates demonstrated a lack of knowledge of the net pay arrangement, with some incorrectly grossing up Jasper's employee contribution and others incorrectly extending the basic rate band.

In part (b)(i) candidates had to calculate Jasper's weekly National Insurance contributions (NICs) in the 2025/2026 tax year. This was very well answered although a common error made by candidates who didn't achieve full marks was failing to include Jasper's bonus in their calculation.

Part (b)(ii) required candidates to explain briefly the weekly NICs payable by Jasper's employer in the 2025/2026 tax year. This was answered well and many candidates scored full marks.

Part (c)(i) asked candidates to explain how the Income Tax and NICs on Jasper's employed income are collected and when they must be paid to avoid penalties. Many candidates correctly identified Jasper's employer is responsible for deducting Income Tax and NICs on a monthly basis under PAYE. Fewer candidates were able to explain the dates on which the payment must be made.

Part (c)(ii) was not well answered, although many candidates did correctly identify daily interest would be charged on late payments.

In part (d) candidates had to explain the maximum tax-relievable pension contribution Jasper can make into his self-invested personal pension scheme (SIPP) in the 2025/2026 tax year. This was generally well answered.

Part (e) asked candidates to explain the benefits to Jasper of sacrificing his bonus for an additional contribution to his workplace pension scheme. Many candidates correctly identified this would reduce Jasper's taxable income below £100,000, which will reinstate his personal allowance in full. However, fewer candidates were awarded marks for explaining the Income Tax and NICs savings, with many failing to follow the instruction in the question to include figures in their answers.

Part (f) required candidates to describe briefly the IHT position on Derek's tax. This question was generally poorly answered, although some marks were awarded to candidates who identified an immediate post death interest trust (IPDI) was created in Derek's Will.

Part (g)(i) asked candidates to describe the IHT and Capital Gains Tax (CGT) consequences for Celia and for the Will Trust when she dies. There were some mixed answers to this question. Many candidates correctly identified the value of the trust would be included in Celia's estate and would be potentially subject to IHT, although fewer candidates stated the Residence Nil Rate Band (RNRB) would be available as the remaindermen are direct descendants of Celia. Very few candidates identified the remaindermen would be liable to CGT on any gain on disposal of the trust assets.

In part (g)(ii) candidates were asked to outline the factors the trustees of the Will Trust should consider when reviewing the trust following Celia's death. This question was reasonably well answered.

Part (h) required candidates to explain the impact of Nancy's bankruptcy on the Will Trust and her role as a trustee. There were some mixed answers to this question. Many candidates correctly identified the Trustee in Bankruptcy/creditors will have no claim on the trust assets as they do not belong to Nancy. However, some candidates incorrectly answered on the basis Nancy would not be able to continue as a trustee.

Question 2

This question started with a calculation of the Inheritance Tax liability on Andrea's estate in Part (a). This was generally very well answered with many candidates correctly calculating the tapering to the RNRB. Although a common error made by some candidates was failing include the life policy proceeds in the total gross value of the estate. It was also surprising to see some candidates incorrectly deduct the annual gift exemption(s) when calculating the taxable estate.

There were some mixed answers to part (b), in which candidates were asked to explain the impact of Andrea making a substantial lifetime gift in the tax year she died, and the effect this would have had on her IHT liability. Many candidates correctly stated the gift would still have been chargeable to IHT as Andrea would not have survived 7 years from the date of the gift. However, fewer candidates identified how a gift could be made to reduce the value of the estate below £2m, which would reinstate the RNRB in full.

Part (c) asked candidates to explain how, and on what grounds, Jasmine could make a claim for reasonable financial provision under Andrea's Will. There were some reasonable attempts to answer this question overall, with many candidates explaining Jasmine could challenge the Will as she was Andrea's daughter and was dependent due to university costs/expenses. There were few candidates able to explain an application to the court would be required within 6 months of the grant of probate.

In part (d), candidates had to describe Stefanie's role and responsibilities as executor when administering Andrea's estate. This question has been tested in previous AF1 sessions and was generally well answered in this exam.

Part (e) tested the recent changes to the rules to EPTs, as candidates were asked to explain the IHT treatment of Stefanie's EPT since 6 April 2025. This question was not well answered, although it was pleasing that some candidates correctly identified Stefanie would be a long-term UK resident as she has been UK resident for at least 10 out of the previous 20 tax years.

Question 3

Part (a) asked candidates to explain briefly the conditions that must be satisfied for business asset disposal relief (BADR) to apply on the sale of Julianna's businesses. This was well answered overall.

Parts (b) was a calculation of Julianna's CGT liability on the sale of both businesses. This was generally well answered although some candidates lost marks for not including the warehouse in the calculation of the gain for company B and for incorrectly setting the losses and annual exempt amount against the gains that qualify for BADR.

In part (c) candidates were asked to explain briefly the CGT consequences if Julianna reinvested the chargeable gain from company B into a Seed Enterprise Investment Scheme (SEIS). Marks were awarded to candidates that correctly stated 50% of reinvested gains are exempt from CGT. Some candidates incorrectly stated the reinvested gains would be tax deferred.

In part (d) candidates had to outline the relevant factors that would need to be considered when advising Julianna on whether a SEIS would be an appropriate investment for her. This question was generally well answered, and it was pleasing that many candidates related their answers to the information provided in the case study.

Part (e) required candidates to identify the conditions for a successful claim for reinvestment relief should Julianna decided to use an Enterprise Investment Scheme (EIS) instead of a SEIS. This question was not well answered, although some candidates correctly stated reinvestment must take place between 12 months before the gain arose or within 3 years afterwards.

In part (f) candidates were asked to explain the benefits of Julianna creating a lasting power of attorney whilst she has mental capacity. This question was generally very well answered.

In part (g) candidates were asked to explain briefly the differences if Ralph and Toby are appointed to act as attorneys jointly or jointly and severally on Julianna's power of attorney. More candidates would have achieved full marks if they'd explained the implications on the validity of the lasting power of attorney (LPA) in the event of death/loss of capacity of an attorney.

Unit AF1 – Personal tax and trust planning

Instructions to candidates

Read the instructions below before answering any questions.

All questions in this exam are based on English law and practice applicable in the tax year 2025/2026, unless stated otherwise in the question, and should be answered accordingly. It should be assumed that all individuals have long-term UK residence status unless otherwise stated.

If you are sitting via remote invigilation please

- Write down the following number +44 (0)80 8273 9244. This is the number to call if you experience any technical issues.
- Show your ID to the camera now, if you did not do so during the ID checks.
- Show the edge of your screen with a mirror, if you did not do this during the room scan.
- Show any blank sheets of paper for notes, if you did not show both sides to the camera during the room scan.

If you are sitting in a test centre and encounter a problem, please alert the invigilator.

For candidates sitting via remote invigilation or at a test centre

- **Three hours** are allowed for this paper which carries a total of 160 marks as follows:
Section A: 80 marks
Section B: 80 marks
- You are advised to spend approximately 90 minutes on Section A and 90 minutes on Section B, **both questions are compulsory.**
- You are strongly advised to attempt **all** questions to gain maximum possible marks.
- The number of marks allocated to each question part is given next to the question and you should spend your time in accordance with that allocation.
- Read carefully all questions and information provided before starting to answer. Your answer will be marked strictly in accordance with the question set.
- The calculator is in a pop-up box on the right-hand side of the interface. It is important to show all steps in a calculation in your answer, even if you have used a calculator.
- **Tax tables are provided at the right-hand side of the interface after the question paper, this is different to the multiple choice exams.**
- For each answer, please type in the full question number you are answering e.g. 1a
- **Please note each answer must be typed in the correct corresponding answer box**
- **If you are wearing headset, earphones, smart watch please take them off. No watches are permitted**
- Please familiarise yourself with **all** questions before starting the exam.

Subject to providing sufficient detail you are advised to be as brief and concise as possible, using note format and short sentences.

SECTION A

This question is compulsory and carries 80 marks

Question 1

Read carefully all information provided in the case study before attempting the questions. Your answers should take into account the clients' circumstances as set out in the case study. Please carry out ALL of the tasks (a), (b), (c), (d), (e), (f), (g) and (h) which follow.

Jasper and Matilda are married. They have two children aged 8 and 11.

Jasper is employed as a graphic designer. In the 2025/2026 tax year, he will receive a gross salary of £85,000 and a bonus of 8% of his gross salary. He is paid monthly.

Matilda works part-time as a healthcare assistant and will be a basic-rate taxpayer in the 2025/2026 tax year.

Jasper is a member of his employer's workplace pension scheme. He will make total contributions of £5,400 and his employer will contribute £9,600 in this tax year. His contributions are deducted under the net pay arrangement. Jasper also has a self-invested personal pension scheme (SIPP), into which he is considering making a personal contribution before the end of this tax year.

The couple jointly own a holiday cottage and will receive a total rental income of £28,000 after expenses in the 2025/2026 tax year. There is a joint interest only mortgage on the property and the annual interest is £6,000.

Jasper and Matilda's other investment income in the 2025/2026 tax year is:

Account	Account holder	Income (£)
Current account	Joint	240
General Investment Account (GIA) – Equity funds	Jasper	780
Stocks & Shares ISA	Jasper	1,200
Corporate bond	Jasper	2,400
Cash ISA	Matilda	300

Matilda's mother, Celia, is the life tenant of a trust created in the Will of her late husband, Derek. The grandchildren are the remaindermen.

Derek left his entire estate to the trust when he died six months ago. The trust assets include his share of the couple's home, which they owned as tenants in common. The couple were both long-term UK residents in the 2025/2026 tax year.

Matilda's sister, Nancy, is one of the trustees. She was recently declared bankrupt.

PLEASE ENSURE YOU TYPE YOUR ANSWER TO EACH QUESTION IN THE CORRECT ANSWER BOX.

Questions

To gain maximum marks for calculations you must show all your workings and express your answers to two decimal places.

- (a) Calculate, **showing all your workings**, Jasper's Income Tax liability in the 2025/2026 tax year. (14)
- (b) (i) Calculate, **showing all your workings**, Jasper's **weekly** National Insurance contributions (NICs) in the 2025/2026 tax year. (7)
- (ii) Explain briefly the **weekly** NICs payable by Jasper's employer in the 2025/2026 tax year. (3)
- (c) (i) Explain how the Income Tax and NICs on Jasper's employed income are collected and when they must be paid to avoid penalties. (6)
- (ii) State the penalties for the late payment of Income Tax and NICs on Jasper's employed income. (5)
- (d) Explain, **using figures where appropriate**, the maximum tax-relievable pension contribution Jasper can make into his SIPP in the 2025/2026 tax year, without incurring a tax charge. (9)
- (e) Explain, **using figures**, the benefits to Jasper of sacrificing his bonus for an additional contribution to his workplace pension scheme. (7)
- (f) Describe briefly the Inheritance Tax (IHT) position on Derek's death. (5)

PLEASE ENSURE YOU TYPE YOUR ANSWER TO EACH QUESTION IN THE CORRECT ANSWER BOX.

- (g)** (i) Describe the IHT and Capital Gains Tax (CGT) consequences for Celia **and** for the Will Trust when she dies. **(10)**
- (ii) Outline the factors the trustees of the Will Trust should consider when reviewing the trust following Celia's death. **(6)**
- (h)** Explain the impact of Nancy's bankruptcy on the Will Trust and her role as a trustee. **(8)**

Total marks available for this question: 80

SECTION B

Both questions in this section are compulsory and carry an overall total of 80 marks

Question 2

Read carefully all information provided in the case study before attempting the questions. Your answers should take into account the clients' circumstances as set out in the case study. Please carry out ALL of the tasks (a), (b), (c), (d) and (e) which follow.

Andrea died on 1 November 2025. She had never married but on her death was living with her partner, Stefanie.

Andrea and Stefanie have a son, Marius, aged 20 and Andrea also had a daughter from a previous relationship, Jasmine, aged 24.

In her Will, Andrea left her half of the main residence to Marius, with the remainder of her estate being left to Stefanie. No other provision was made for Marius or Jasmine. Marius and Jasmine are both at university and Andrea had been paying both their accommodation costs and general expenses. Stefanie is named as sole executor of Andrea's Will.

Andrea's estate is comprised of the following assets:

Asset	Value at date of death (£)
50% of main residence	850,000
Current account	25,000
Cash ISAs	80,000
General Investment Account (GIA)	345,000
Stocks & Shares ISAs	189,000
Buy-to-let portfolio	675,000

Andrea also held a life insurance policy that paid out on her death to Stefanie as her executor. The sum assured was £100,000.

Stefanie was born in Sweden and has lived in the UK for the past 21 years.

When she moved to the UK, she set up an excluded property trust (EPT) and transferred her non-UK assets into it. Andrea and Stefanie are the only named beneficiaries of the EPT.

PLEASE ENSURE YOU TYPE YOUR ANSWER TO EACH QUESTION IN THE CORRECT ANSWER BOX.

Questions

To gain maximum marks for calculations you must show all your workings and express your answers to two decimal places.

- (a)** Calculate, **showing all your workings**, the Inheritance Tax (IHT) liability on Andrea's estate. **(12)**

- (b)** Explain the impact of Andrea making a substantial lifetime gift in the tax year she died, and the effect this would have had on her IHT liability. *No calculations are required. You should ignore any available exemptions.* **(6)**

- (c)** Explain how, and on what grounds, Jasmine could make a claim for reasonable financial provision under Andrea's Will. **(6)**

- (d)** Describe Stefanie's role and responsibilities as executor when administering Andrea's estate. **(10)**

- (e)** Explain the IHT treatment of Stefanie's excluded property trust since 6 April 2025. **(6)**

Total marks available for this question: 40

Question 3

Read carefully all information provided in the case study before attempting the questions. Your answers should take into account the client's circumstances as set out in the case study. Please carry out ALL of the tasks (a), (b), (c), (d), (e), (f) and (g) which follow.

Julianna, aged 64, has never married. She has two financially independent adult children, Ralph and Toby. In the 2025/2026 tax year she will be an additional-rate taxpayer.

Julianna currently runs two businesses, company A which was set up six years ago and company B that was set up 18 months ago. Both are run as limited companies. She has recently received an offer from a competitor to purchase both businesses.

The sale of company A would result in the following chargeable gains:

Goodwill	£390,000
Factory unit	£250,000
Stock and machinery	£190,000

Julianna runs company B from her home. A sale of company B would result in a chargeable gain of £85,000.

She also owns a warehouse that was intended to be used by company B but so far it has not been used in either business. The sale of this would result in a chargeable gain of £75,000.

Julianna is concerned about the implications of selling her businesses and is interested in any investments that will help mitigate any tax liability. She has always considered herself to have a high attitude to risk but more recently, with increasing concerns around memory loss, she wonders if she should take less investment risk in the future.

Julianna has made no other disposals in the 2025/2026 tax year and has registered losses of £5,000 to carry forward from previous tax years.

PLEASE ENSURE YOU TYPE YOUR ANSWER TO EACH QUESTION IN THE CORRECT ANSWER BOX.

Questions

To gain maximum marks for calculations you must show all your workings and express your answers to two decimal places.

- (a)** Explain briefly the conditions that must be satisfied for business asset disposal relief to apply on the sale of Julianna’s businesses. **(4)**

- (b)** Calculate, **showing all your workings**, Julianna’s Capital Gains Tax (CGT) liability on the sale of both businesses. **(10)**

- (c)** Explain briefly the CGT consequences if Julianna reinvested the chargeable gain from company B into a Seed Enterprise Investment Scheme (SEIS). **(3)**

- (d)** Outline the relevant factors that would need to be considered when advising Julianna on whether a SEIS would be an appropriate investment for her. **(6)**

- (e)** Identify the conditions for a successful claim for reinvestment relief should Julianna decide to use an Enterprise Investment Scheme instead of a SEIS. **(4)**

- (f)** Explain the benefits of Julianna creating a lasting power of attorney whilst she has mental capacity. **(8)**

- (g)** Explain briefly the differences if Ralph and Toby are appointed to act as attorneys jointly or jointly and severally on Julianna’s lasting power of attorney. **(5)**

Total marks for this question: 40

NOTE ON MODEL ANSWERS

The model answers given are those which would achieve maximum marks. However, there are alternative answers to some question parts which would also gain high marks. For the sake of clarity and brevity not all of these alternative answers are shown. An oblique (/) indicates an equally acceptable alternative answer.

Model answer for Question 1

(a)

	Non-savings income	Savings income	Dividend income
Salary	£85,000		
Bonus	£6,800		
Pension contribution	(£5,400)		
Rental income	£14,000		
Corporate Bond interest		£2,400	
Current Account interest		£240/2 = £120	
General Investment Account (GIA) Dividends			£780
Total	£100,400	£2,520	£780

Total gross income £100,400 + £2,520 + £780 = £103,700

Personal allowance £103,700 - £100,000 / 2 = £1,850

£12,570 - £1,850 = £10,720

Non-savings income

£10,720 x 0% = £0

£37,700 x 20% = £7,540

£51,980 x 40% = £20,792

Savings income

£500 PSA x 0% = £0

£2,020 x 40% = £808

Dividend income

£500 DA x 0% = £0

£280 x 33.75% = £94.50

Total income tax liability £7,540 + £20,792 + £808 + £94.50 = £29,234.50

Less mortgage interest relief £6,000 / 2 x 20% = £600

Total tax payable £29,234.50 - £600 = £28,634.50

- (b) (i)** $£91,800/52 = £1,765.38$ per week
- $£242 \times 0\% = £0$
 $£967 - £242 = £725$
 $\times 8\% = £58$
 $£1,765.38 - £967 = £798.38$
 $\times 2\% = £15.97$
- Total $£58 + £15.97 = £73.97$ per week
- (ii)**
- Jasper's employer will pay nothing on weekly earnings below the secondary threshold/£96;
 - and on earnings in excess of the secondary threshold/£96;
 - they will pay 15%.
- (c) (i)** *Candidates would have gained full marks for any six of the following:*
- Employer is responsible for deducting Income Tax and National Insurance contributions (NICs);
 - on a monthly basis;
 - under PAYE/RTI (Real Time Information);
 - using the tax code issued by HMRC.
 - The employer must make payment to HMRC by the 22nd day;
 - following the end of the tax month/after the 5th day of the month;
 - or by the 19th day following the end of the tax month if not paying electronically.
- (ii)** *Candidates would have gained full marks for any five of the following:*
- There is no penalty for the first late payment in a tax year;
 - unless it is more than 6 months late.
 - Penalties start at 1% of the late amount;
 - and increase for any subsequent late payments in the same tax year.
 - There is a 5% penalty if more than 6 months late;
 - and a further 5% if payment is not made after 12 months.
 - Daily interest will be charged on late payments.
- (d)**
- Jasper is limited to the lower of 100% of his relevant UK earnings;
 - or the annual allowance/£60,000.
 - Jasper has relevant UK earnings of £91,800 in the 2025/2026 tax year.
 - Rental income is not relevant UK earnings.
 - Jasper's gross contributions (£5,400);
 - and his employer's contributions (9,600) count towards the annual allowance.
 - He can make a maximum gross contribution of £45,000 into his self-invested personal pension scheme (SIPP);
 - unless he can carry forward any unused annual allowance;
 - from the last three tax years.

- (e)
- The bonus sacrificed benefits from immediate tax-relief without having to claim from HMRC.
 - Jasper will make an Income Tax saving of $£6,800 \times 40\% = £2,720$.
 - His taxable income will reduce to below $£100,000$;
 - which will reinstate his personal allowance in full;
 - saving him further tax of $£370$.
 - He will save employee NICs of $£6,800 \times 2\% = £136$;
 - and his employer will save $£6,800 \times 15\% = £1,020$.
- (f)
- There was no Inheritance Tax (IHT) liability on Derek's death;
 - as Derek's Will created an immediate post death interest trust (IPDI);
 - and the spousal exemption will apply as Celia is his wife;
 - Derek's nil rate band was unused;
 - and can be transferred to Celia's estate on her death.
- (g)
- (i)
- The value of the trust is included in Celia's estate;
 - and will be potentially subject to IHT.
 - The Residence Nil Rate Band (RNRB) will be available;
 - as the remaindermen are direct descendants of Celia.
 - There will be no Capital Gains Tax (CGT);
 - on any gains prior to Celia's death.
 - Trustees are deemed to have acquired trust assets at market value on date of Celia's death.
 - The remaindermen will be liable to CGT when the assets are disposed of;
 - on any gain made since the date of Celia's death;
 - in excess of their available annual exempt amount/£3,000.
- (ii)
- Candidates would have gained full marks for any six of the following:*
- The terms of trust/Will.
 - Ages of remaindermen/timescale.
 - Objectives for the remaindermen/capital or income needs.
 - Investments need reviewing/suitability.
 - Tax status of the remaindermen.
 - Attitude to risk (ATR)/capacity for loss (CFL) of the remaindermen.
 - Legislation changes/economic conditions.

- (h)** *Candidates would have gained full marks for any eight of the following:*
- There would be no direct impact on the trust.
 - The trustee in bankruptcy (TIB)/creditors will have no claim on the assets;
 - as the trust assets do not belong to Nancy.
 - Nancy can continue to act as a trustee;
 - unless the appointor/trustees;
 - wish to remove/replace her as a trustee;
 - using any express powers in the trust deed;
 - or under the power in s.36 Trustee Act 1925;
 - if they consider she is no longer suitable to act as a trustee.

Model answer for Question 2

- (a)** Andrea's estate

Asset	Value at date of death (£)
50% of main residence	850,000
Current account	25,000
Cash ISAs	80,000
General Investment Account	345,000
Stocks and shares ISAs	189,000
Buy-to-let portfolio	675,000
Life policy proceeds	100,000
 Total gross estate	 £2,264,000
 RNRB tapering £2,264,000 - £2,000,000 = £264,000 / 2 = £132,000 £175,000 - £132,000 = £43,000	
 Less nil rate band (NRB)	 £325,000
Less RNRB	£43,000
 Taxable estate	 £1,896,000
 X 40%	
 Tax payable on estate	 £758,400

- (b)
- This will reduce the value of her estate below the £2m threshold.
 - meaning a full RNRB of £175,000 would be available;
 - reducing the IHT on her estate.
 - The gift would have still been chargeable to IHT on death/failed potentially exempt transfer (PET);
 - on any excess over NRB;
 - as she would not have lived 7 years since making it.
- (c) *Candidates would have gained full marks for any six of the following:*
- Jasmine could challenge the Will;
 - under The Inheritance (Provision for Family and Dependents) Act 1975;
 - as she was a child of the deceased/Andrea;
 - and dependent due to university costs/expenses.
 - An application to the court would be required;
 - within 6 months of grant of probate;
 - on the grounds the Will did not make reasonable financial provision for her.
- (d)
- Notify all relevant companies/people to register Andrea's death.
 - Determine/value the assets;
 - and liabilities of her estate.
 - Collect in the assets.
 - Pay any debts.
 - Settle any tax liabilities/submit tax return.
 - Complete IHT form (400)/IHT return.
 - Pay the IHT due.
 - Apply for a grant of probate.
 - Distribute the estate according to the terms of her Will.
- (e) *Candidates would have gained full marks for any six of the following:*
- Stefanie has been UK resident for at least 10 out of the previous 20 tax years;
 - she is considered a long-term resident.
 - The excluded property trust (EPT) will now be subject to IHT under the relevant property regime;
 - and potentially subject to periodic/exit charges.
 - No gift with reservation (GWR) even though Stefanie is a beneficiary as the trust was created before 30/10/24.
 - If she makes additions after 30/10/24 these will be treated as GWR;
 - which could mean double taxation/the trust subject to periodic and exit charges and Stefanie's/settlor's estate subject to IHT at 40% on death.

Model answer for Question 3

- (a)
- The company must be a trading company.
 - She must hold 5% of the shares;
 - and be an employee or director of the company.
 - She must have owned the assets for two years before the date of disposal.

(b) **Gains that qualify for business asset disposal relief (BADR)**

Goodwill	£390,000
Factory unit	£250,000
Stock and machinery	£190,000

Total gains £830,000

£830,000 x 14% = £116,200

Other gains	
Company B	£85,000
Warehouse	£75,000

Minus losses	(£5,000)
Minus annual exempt amount (AEA)	(£3,000)

£152,000 x 24% = £36,480

Total CGT £152,680

- (c)
- 50% of reinvested gains are exempt from CGT;
 - with the other 50% chargeable to CGT.
 - She would save £42,500 x 24% = £10,200.
- (d)
- Whether her ATR/CFL is still high enough to cope with the volatility.
 - Whether it aligns with her current portfolio/need for diversification.
 - Whether it aligns with her objective of CGT mitigation.
 - Timeframe for income tax, IHT, CGT reliefs.
 - Liquidity of the investment/lack of access.
 - Potential vulnerability concerns/memory loss.

- (e) *Candidates would have gained full marks for any four of the following:*
- The gain must be reinvested in unquoted shares or AIM-listed.
 - Must subscribe for new shares rather than purchase existing shares.
 - Income tax relief must have been successfully claimed.
 - Reinvestment must take place between 12 months before the gain arose;
 - or within 3 years afterwards.
- (f)
- Julianna would be able to choose her attorneys.
 - She can specify the powers her attorney(s) would have if she loses capacity/a Deputy would have less powers/control.
 - The lasting power of attorney (LPA) could apply to financial affairs and/or;
 - personal welfare.
 - Setting up an LPA avoids her family needing to apply to the Court of Protection to appoint a Deputy;
 - which is costly;
 - and time consuming.
 - It also avoids Julianna's assets becoming inaccessible until a Deputy is appointed.
- (g)
- If the attorneys were to act jointly, they must both agree.
 - The LPA would be invalid if either attorney dies/loses capacity.
 - Decisions could be delayed if either are out of the country/unable to make decisions.
 - If the attorneys act jointly and severally, either attorney could make a decision;
 - and the LPA would still be valid on death/incapacity of an attorney.

Glossary of terms

Some abbreviations candidates can use in online written exams:

1. ART – Additional-rate taxpayer
2. ATR – Attitude to risk
3. AA – Annual allowance
4. AEA – Annual exempt amount
5. BRT – Basic-rate taxpayer
6. BIK – Benefit in kind
7. CLT – Chargeable lifetime transfer
8. CFL – Capacity for loss
9. CGT – Capital Gains Tax
10. COP – Court of Protection
11. DOV – Deed of Variation
12. DIS – Death-in-Service
13. DFM – Discretionary Fund Manager
14. EIS – Enterprise Investment Scheme
15. ESG – Environmental, Social and Governance
16. EPT – Excluded property trust
17. EPA – Enduring power of attorney
18. ERC – Early repayment charges
19. FAD – Flexi-access drawdown
20. FSCS – Financial Services Compensation Scheme
21. FOS – Financial Ombudsman Service
22. GAR – Guaranteed annuity rate
23. HRT – Higher-rate taxpayer
24. IHT – Inheritance Tax
25. HMRC – HM Revenue & Customs
26. IT – Income Tax
27. IVA – Individual Voluntary Arrangement
28. IPDI – Immediate Post Death Interest Trust
29. LPA – Lasting Power of Attorney
30. MVR – Market value reduction
31. MPAA – Money purchase annual allowance
32. NICs – National Insurance contributions
33. NPA – Normal pension age
34. NRA – Normal retirement age
35. NRB – Nil rate band
36. OPG – Office of the Public Guardian
37. OEIC – Open ended investment company
38. PAYE – Pay As you Earn
39. PPP – Personal pension plan
40. PCLS – Pension commencement lump sum
41. PA – Personal allowance
42. PSA – Personal savings allowance
43. PRR – Private Residence Relief
44. RAC – Retirement annuity contract
45. RNRB – Residence nil rate band
46. SIPP – Self-invested personal pension
47. SEIS – Seed Enterprise Investment Scheme
48. UFPLS – Uncrystallised funds pension lump sum
49. VCT – Venture capital trust

All questions in the September 2026 paper will be based on English law and practice applicable in the tax year 2026/2027, unless stated otherwise and should be answered accordingly.

The Tax Tables which follow are applicable to the September 2025 and February 2026 exams.

INCOME TAX

RATES OF TAX	2024/2025	2025/2026
Starting rate for savings*	0%	0%
Basic rate	20%	20%
Higher rate	40%	40%
Additional rate	45%	45%
Starting-rate limit	£5,000*	£5,000*
Threshold of taxable income above which higher rate applies	£37,700	£37,700
Threshold of taxable income above which additional rate applies	£125,140	£125,140
High income child benefit charge:	1% of benefit per £200 of adjusted net income between £60,000 – £80,000	

*Only applicable to savings income that falls within the first £5,000 of income in excess of the personal allowance.

Personal savings allowance (for savings income):

Basic rate taxpayers	£1,000	£1,000
Higher rate taxpayers	£500	£500

Additional rate taxpayers	Nil	Nil
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Dividend allowance	£500	£500
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Dividend tax rates		
Basic rate	8.75%	8.75%
Higher rate	33.75%	33.75%
Additional rate	39.35%	39.35%

Trusts

Income exemption up to**	£500	£500
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Rate applicable to trusts		
- dividends	39.35%	39.35%
- other income	45%	45%

** Where net income exceeds £500, the full amount is subject to Income Tax. Further, the £500 may need to be divided between other trusts in existence.

MAIN PERSONAL ALLOWANCES AND RELIEFS

Income limit for Personal Allowance §	£100,000	£100,000
Personal Allowance (basic) §	£12,570	£12,570
Married/civil partners (minimum) at 10% †	£4,280	£4,360
Married/civil partners at 10% †	£11,080	£11,270
Marriage Allowance	£1,260	£1,260
Income limit for Married Couple's Allowance †	£37,000	£37,700
Rent a Room scheme – tax free income allowance	£7,500	£7,500
Blind Person's Allowance	£3,070	£3,130
Enterprise Investment Scheme relief limit on £2,000,000 max***	30%	30%
Seed Enterprise Investment relief limit on £200,000 max	50%	50%
Venture Capital Trust relief limit on £200,000 max	30%	30%

§ The Personal Allowance reduces by £1 for every £2 of income above the income limit irrespective of age (under the income threshold).

† where at least one spouse/civil partner was born before 6 April 1935. Married couple's/civil partners' allowance reduced by £1 for every £2 of adjusted net income over £37,700 (£37,000 for 24/25) until minimum reached.

*** Investment above £1,000,000 must be in knowledge-intensive companies.

NATIONAL INSURANCE CONTRIBUTIONS

Class 1 Employee	Weekly
Lower Earnings Limit (LEL)	£125
Primary threshold	£242
Upper Earnings Limit (UEL)	£967
Total earnings £ per week	CLASS 1 EMPLOYEE CONTRIBUTIONS
Up to 242.00*	Nil
242.00 – 967.00	8%
Above 967.00	2%

**This is the primary threshold below which no NI contributions are payable. However, the lower earnings limit is £125 per week. This £125 to £242 band is a zero-rate band introduced in order to protect lower earners' rights to contributory State benefits e.g. the New State Pension.*

Total earnings £ per week	CLASS 1 EMPLOYER CONTRIBUTIONS
Below £96.00**	Nil***
Over £96.00	15%

***Secondary threshold.*

****No employer NICs on the first £967 pw for employees generally under 21 years, apprentices under 25 years and veterans in first 12 months of civilian employment. No employer NICs on the first £481 pw for employees at freeports and investment zones in Great Britain in the first 36 months of employment*

Employment allowance £10,500 Per business – not available if sole employee is a director

CLASS 2 (self-employed) *	
Flat rate per week	£3,50
Small profits threshold per year	£6,845
Class 2 contributions are credited automatically where profits equal or exceed £6,845 per annum.	
Class 2 contributions can be made voluntarily where profits are below £6,845 per annum.	

Class 3 (voluntary)	Flat rate per week £17.75.
Class 4 (self-employed)	6% on profits between £12,570 and up to £50,270. 2% on profits above £50,270.

PENSIONS

TAX YEAR	LIFETIME ALLOWANCE
2012/2013 & 2013/2014	£1,500,000
2014/2015 & 2015/2016	£1,250,000
2016/2017 & 2017/2018	£1,000,000
2018/2019	£1,030,000
2019/2020	£1,055,000
2020/2021 – 2023/2024*	£1,073,100

*Lifetime allowance abolished from 6 April 2024.

	2024/2025	2025/2026
Lump sum and death benefit allowance (LSDBA)	£1,073,100	£1,073,100
Lump sum allowance (LSA)	£268,275	£268,275

LSA and LSDBA may be higher if transitional protections are available.

Where pension benefits were crystallised prior to 6 April 2024 the LSA and LSDBA may be reduced.

Money purchase annual allowance	£10,000	£10,000
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ANNUAL ALLOWANCE

TAX YEAR	ANNUAL ALLOWANCE
2014/2015 – 2022/2023	£40,000*
2023/2024	£60,000**
2024/2025	£60,000**
2025/2026	£60,000**

*Between 2016/17 and 2019/20 the annual allowance is reduced by £1 for every £2 of 'adjusted income' over £150,000 to a minimum of £10,000 where 'threshold income' is over £110,000.

*Between 2020/21 and 2022/23 the annual allowance is reduced by £1 for every £2 of 'adjusted income' over £240,000 to a minimum of £4,000 if 'threshold income' is also over £200,000.

**From 2023/24 the annual allowance is reduced by £1 for every £2 of 'adjusted income' over £260,000 to a minimum of £10,000 if 'threshold income' is also over £200,000.

ANNUAL ALLOWANCE CHARGE

20% – 45% determined by the member's taxable income and the amount of total pension input in excess of the annual allowance or money purchase annual allowance.

CAPITAL GAINS TAX

ANNUAL EXEMPTIONS	2024/2025	2025/2026	
Individuals, estates etc	£3,000	£3,000	
Trusts generally	£1,500	£1,500	
Chattels proceeds (restricted to five thirds of proceeds exceeding limit)	£6,000	£6,000	
TAX RATES	Pre	Post	2025/2026
	30/10/2024		
Individuals:			
Up to basic rate limit	10%	18%	18%
Above basic rate limit	20%	24%	24%
Surcharge for residential property - Basic Rate	8%	n/a	0%
Higher Rate	4%	n/a	n/a
Surcharge for carried interest**	8%	4%	**32%
Trustees and Personal Representatives:			
Residential property	24%	24%	24%
Other chargeable assets	20%	24%	24%
Business Asset Disposal Relief*	10%		14%
Lifetime limit	£1,000,000		£1,000,000

*For trading businesses and companies (minimum 5% employee or director shareholding) if held for at least two years.

** For 25/26, rate for carried interest for all tax bands is 32%

INHERITANCE TAX

RATES OF TAX ON TRANSFERS 2024/2025 2025/2026

Transfers made on death		
- Up to £325,000 (nil-rate band)	Nil	Nil
- Excess over £325,000	40%	40%
- Reduced rate (where appropriate charitable contributions are made)	36%	36%
Transfers		
- Lifetime transfers to and from certain trusts	20%	20%

MAIN EXEMPTION

Transfers to		
- Long-term UK resident spouse/civil partner	No limit	No limit
- Spouse/civil partner who is not a long-term UK resident (from long-term UK resident spouse/ civil partner)	£325,000	£325,000
- UK-registered charities	No limit	No limit
- Residence nil rate band*	£175,000	£175,000

*Available for estates up to £2,000,000 and then tapered at the rate of £1 for every £2 in excess until fully extinguished.

Lifetime transfers		
- Annual exemption per donor	£3,000	£3,000
- Annual small gifts exemption per donor	£250	£250

Gifts from surplus income are immediately exempt, as long as they are made from income, are made regularly and do not impact donor's standard of living.

Wedding/civil partnership gifts by		
- parent	£5,000	£5,000
- grandparent/bride and/or groom	£2,500	£2,500
- other person	£1,000	£1,000

100% relief: businesses, unlisted/AIM companies, certain farmland/building

50% relief: certain other business assets

Reduced tax charge on gifts made in excess of the nil rate band within 7 years of death:

- Years before death	0-3	3-4	4-5	5-6	6-7
- Inheritance Tax payable	100%	80%	60%	40%	20%

Quick succession relief:

- Years since IHT paid	0-1	1-2	2-3	3-4	4-5
- Inheritance Tax relief	100%	80%	60%	40%	20%

MAIN SOCIAL SECURITY BENEFITS

		2024/2025	2025/2026
		£ (per week)	£ (per week)
Child Benefit	First child	25.60	26.05
	Subsequent children	16.95	17.25
	Guardian's allowance	21.75	22.10
Employment and Support Allowance	Assessment Phase	Up to 71.70	Up to 72.90
	Age 16 - 24		
	Aged 25 or over	Up to 90.50	Up to 92.05
	Main Phase		
	Work-related Activity Group	Up to 126.45	Up to 128.60
	Support Group	Up to 138.20	Up to 140.55
Attendance Allowance	Lower rate	72.65	73.90
	Higher rate	108.55	110.40
Basic State Pension	Category A full rate	169.50	176.45
	Category B (lower) full rate	101.55	105.70
New State Pension	Full rate	221.20	230.25
Pension Credit	Standard minimum guarantee - single	218.15	227.10
	Standard minimum guarantee - couple	332.95	346.60
	Maximum savings ignored in calculating income	10,000.00	10,000.00
Bereavement Support Payment	Higher rate – First payment	3,500.00	3,500.00
	Higher rate – monthly payment	350.00	350.00
	Lower rate – First payment	2,500.00	2,500.00
	Lower rate – monthly payment	100.00	100.00
Jobseeker's Allowance	Age 18 - 24	71.70	72.90
	Age 25 or over	90.50	92.05
Statutory Maternity, Paternity and Adoption Pay		184.03	187.18

CORPORATION TAX

	2024/2025	2025/2026
Small profit rate - for taxable profits below £50,000	19%	19%
Main rate - for taxable profits above £250,000	25%	25%
Companies with profits between £50,000 and £250,000 will pay tax at the effective rate of 26.5%. This provides a gradual increase in the effective Corporation Tax rate.		

VALUE ADDED TAX

	2024/2025	2025/2026
Standard rate	20%	20%
Annual registration threshold	£90,000	£90,000
Deregistration threshold	£88,000	£88,000

STAMP DUTY LAND TAX

	Residential
Value up to £125,000	0%
£125,001 - £250,000	2%
£250,001 - £925,000	5%
£925,001 - £1,500,000	10%
£1,500,001 and over	12%

Additional Stamp Duty Land Tax (SDLT) rules apply as follows:

- *First-time buyers benefit from SDLT relief on first £300,000 for properties up to £500,000 when purchasing their main residence. On purchases up to £300,000, no SDLT is payable. On purchases between £300,001 and £500,000, a flat rate of 5% is charged on the balance above £300,000.*
- *Additional SDLT of 5% may apply to the purchase of additional residential properties purchased for £40,000 or greater.*
- *Additional SDLT of 2% may apply to purchases by non-UK residents over £40,000.*
- *SDLT may be charged at 17% on interests in residential properties costing more than £500,000 purchased by certain corporate bodies or non-natural persons.*
- *SDLT is payable in England and Northern Ireland only. Land Transaction Tax (LTT) is payable in Wales and Land and Buildings Transaction Tax (LBTT) is payable in Scotland. The rates for LTT and LBTT are different to the rates shown above.*

	Non residential
Value up to £150,000	0%
£150,001 and £250,000	2%
£250,001 and over	5%