

R03 Personal Taxation

Exam Overview

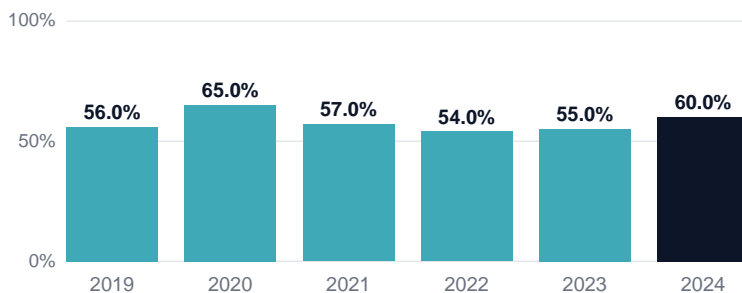


R03 Personal Taxation is the taxation unit of the CII Level 4 Diploma in Regulated Financial Planning. It is a 50-question multiple-choice paper covering Income Tax, Capital Gains Tax, Inheritance Tax, National Insurance, stamp duties, the taxation of trusts, and self-assessment. Despite carrying only half the credits of the other R0 units, R03 consistently posts the lowest pass rate of the series.

This guide is a primer. It covers the format, the marking, the study approach that works for time-poor working advisers, and the most common reasons candidates underperform. Use it to plan your preparation. For the deep-dive tactical material — 300 MCQs, build-your-own mock exams and one-to-one expert support — see R0 Hub's full R03 preparation suite at r0hub.com.

One-Hour Exam ✓ 50 multiple-choice questions in just 60 minutes.	Taxation Unit ✓ Heavy on calculations — Income Tax, CGT, IHT.	50 Total questions — 39 standard + 11 multi-response.	65% CII pass mark — 33 of 50 to pass.
Sit On Demand ✓ Computer-based — book any working day at a test centre.	Annual Refresh ✓ Tax year changes every September — currency matters.	50 hrs CII recommendation — most candidates need closer to 60.	10 cr Credits at RQF Level 4 — half the credits of other R0 units.

National Pass Rates



Source: National pass rate data published by the CII (collated by Wizard Learning and Brand Financial Training).

Recent trend: 60%

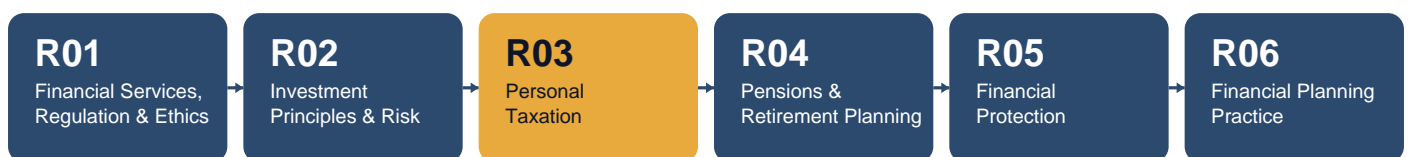
R03 has the lowest pass rate of any R0 unit and has rarely climbed above 65% in recent years. The 2024 pass rate of 60% means four in ten candidates fail at each sitting. The combination of tight time pressure and dense calculation work catches out candidates who underestimate the unit. The pass mark is fixed at 65%.

Topics That Recur in Every Sitting

Income Tax Computations across earnings, savings and dividends — every paper.	Capital Gains Tax Annual exempt amount, rates, BADR, share matching rules.	Inheritance Tax NRB, RNRB, gifting, exemptions, the seven-year rule.	National Insurance Class 1, 2, 4 — rates, bands and self-employed treatment.	Trusts Bare, IIP, discretionary — taxation of each trust type.
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Where R03 Sits in the Diploma

R03 is the taxation unit. Worth half the credits but often the toughest pass — most candidates underestimate it.



How to Prepare

Building Your R03 Study Plan



Preparation Strategy

Where you spend your time matters more than how much time you spend.

A practical study framework for time-poor working advisers — by R0 Hub

When to Start Studying

8–12 weeks

If new to UK personal tax.

5–7 weeks

If you advise on tax planning.

R03's challenge is the time pressure. Most questions are calculation-based — Income Tax computations, CGT workings, IHT calculations — and you have just 72 seconds per question. Candidates who try to learn tax from the textbook alone routinely fail. The candidates who pass build muscle memory by working hundreds of computations until each tax type's structure is automatic.

How to Study

- **Master the Income Tax computation first.**
It's the foundation of half the paper. Work the structure (earnings → savings → dividends) until it's automatic.
- **Drill CGT and IHT in parallel.**
Both are technical, both have specific reliefs. Practise share-matching rules, BADR, NRB, RNRB and the seven-year rule.
- **Build a current tax figures cheat sheet.**
Allowances, bands, thresholds, exemptions — they change every September. Memorise the latest figures cold.
- **Practise multi-response questions separately.**
11 of 50 questions need every correct option. They are the highest-loss area for most candidates.
- **Sit timed mocks early and often.**
The 1-hour limit is the single biggest reason candidates fail. Practice under timed conditions from week 3.

Key Facts

Format	50 MCQs (39 std + 11 multi)
Duration	1 hour
Pass Mark	65% (33 of 50)
Latest Pass Rate	60% (2024)
Sittings	Year-round, computer-based
Recommended Study	50 hours (CII)
Credits	10 (RQF Level 4)
Calculator	Allowed — non-programmable
Tax Year Tested	2025/26 from Sep 2025

Common Mistakes

- Underestimating the time pressure.
- Using last year's tax figures by mistake.
- Mixing up Income Tax bands and rates.
- Forgetting the savings starting rate band.
- Confusing the IHT NRB and RNRB rules.
- Misapplying the CGT share-matching rules.
- Skipping NICs and stamp duty entirely.

The Final Two Weeks

How the strongest candidates spend the fortnight before sitting R03.

Days 1–2 Sit a baseline mock. Identify weakest tax type.	Days 3–6 Income Tax and CGT computation drills.	Days 7–10 IHT, trusts, NICs and multi-response practice.	Days 11–13 Full timed mocks back to back. Build pace.	Day 14 Light review. Reread the tax figures sheet. Sleep well.
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Question Mix: A Quick Reference

Every question is worth 1 mark. You need 33 to pass — but the time pressure is what trips most candidates.

39 standard One correct answer from four. The bulk of the paper.	11 multi-response All correct options must be selected. No partial credit.	33 to pass 65% pass mark — fixed. Score 33 of 50 questions correctly.	~72 sec each Tightest pace of any R0 unit — calculations bite hard.
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Tips for Success

○○○ What the Markers Reward



Why Candidates Fail

The five reasons that come up year after year — and how to avoid each one.

Synthesised from CII candidate feedback and tutor observations across recent R03 sittings.

- 1 Time pressure breaks candidates.**
1 hour, 50 questions, mostly calculation-based. Candidates who haven't sat full timed mocks routinely run out of time on the final 10 questions.
- 2 Outdated tax figures cost easy marks.**
The tax year changes every September. Candidates revising from older materials walk into the exam using last year's bands, allowances and rates.
- 3 Income Tax computations are misordered.**
The structure (earnings → savings → dividends, with the savings starting rate band) trips up candidates who didn't drill the order until automatic.
- 4 CGT and IHT are studied superficially.**
Share-matching rules, BADR, NRB, RNRB, gifting and the seven-year rule all appear in every paper — but candidates often skim them.
- 5 Multi-response is the silent loss.**
11 of 50 questions need every correct option ticked. No partial credit means most candidates lose more marks here than they realise.

Quick Wins on Exam Day

- Note the current tax year's allowances on scratch paper at the start.
- If a calculation takes more than 90 seconds, flag it and move on.
- Watch for 'in the tax year 2025/26' wording — the figures matter.
- On multi-response, only tick options you can defend with reason.
- Use the Income Tax computation order religiously — never skip steps.
- Reserve the last 5 minutes to review every flagged question.

R0 Hub by the Numbers

300+

MCQs in our R03 question bank

All LOs

Weighted to match the real exam

∞

Build-your-own exam combinations

1:1

Chat with our content expert

Your R03 toolkit, all in one place

R0 Hub gives serious R03 candidates the tactical edge:

- 300 MCQs covering the full R03 syllabus
- Questions cover all LOs at the same weighting as the real exam
- Progress tracking by weak area
- Timed or practice exams with detailed explanations
- Build your own exam — filter by topic, LO or calculation-style questions
- Chat to our content expert — ask any question in the run-up to exam day
- Study card feature lets you build custom notes as you revise

Find the full R03 suite at r0hub.com.