

BUSINESS TAXATION – FA25 CHANGES GUIDE

Note that all chapters have been updated for 2025/26 and FY 2025 rates.

FA25 Ch	FA24 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	Introduction to Business Compliance and Business Taxation			✓	
2	2	Tax year basis			✓	
3	3	Introduction to partnerships			✓	
4	4	Partnership changes			✓	
5	5	Partnership admissions and retirements			✓	
6	6	Calculating the income tax liability			✓	
7	7	Introduction to self-assessment			✓	
8	8	Further aspects of self-assessment			✓	

9	9	Payment dates, interest and penalties			✓	
10	10	Class 4 National insurance			✓	
11	11	Introduction to corporation tax			✓	
12	12	Computation of corporation tax	✓			Material on FY2022 and APs straddling 1.4.23 deleted as no longer in the syllabus.
13	13	Long periods of account			✓	
14	14	Corporation tax self-assessment (CTSA)			✓	
15	15	Payment of corporation tax			✓	
16	16	Interest on late paid corporation tax and repayments		✓		
17	17	CTSA Penalty regime			✓	
18	18	Close companies		✓		Treatment of associates clarified where their shareholdings are attributed to another participator. Statutory references to bed and breakfasting rules updated for FA 2025.
19	19	Companies Accounting for Income Tax			✓	

VALUE ADDED TAX – FA25 CHANGES GUIDE

FA25 Ch	FA24 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	VAT General Principles			✓	
2	2	Registration	✓			<p>VAT can be recovered on services incurred prior to registration if the services were used wholly for supplies that would have been taxable had the business been registered. Where they relate to supplies after registration, VAT can be recovered subject to normal rules</p> <p>Generally a person has one month to submit their final VAT return after de-registering. Under an SI, HMRC now have the power to extend this time limit</p> <p>Paragraphs added re private schools and when they need to register and recovery of VAT when they started making taxable supplies of education (broadly from 1.1.25). Pre registration VAT on goods can have a pro-ration of 5 years economic life</p>
3	3	Liability of the Supply			✓	
4	4	Schedule 8 VATA 1994 – Zero-Rating		✓		Update to the British Standard for caravans so they still qualify for zero-rating
5	5	Schedule 9 VATA 1994 – Exemptions		✓		Private schools charge VAT on supplies of education fees and board and lodging from 1.1.25 (subject to special pre-payment rules)

6	6	Deemed Supplies & Self-Supplies			✓	
7	7	Value of the Supply			✓	
8	8	Time of Supply		✓		A section has been added on Private Schools and tax points
9	9	Input Tax – When to Recover		✓		Advisory fuel rates have been updated – they are on the tax tables
10	10	VAT Records & Returns			✓	
11	11	Partial Exemption		✓		A sentence has been added about Private Schools being partially exempt from 1.1.25
12	12	Bad Debt Relief			✓	
13	13	Accounting for VAT			✓	
14	14	The Flat-Rate Scheme			✓	
15	15	Penalties for Incorrect Returns			✓	
16	16	Penalties for Failure to Notify			✓	

17	17	Penalties for Late Returns & Late Payment	✓			Penalty percentages have risen: 15-30 days is 3% (2% prior to 1.4.25) 30 days is 3% (2% prior to 1.4.25) 31 days and over is 10% (4% prior to 1.4.25)
18	18	International Aspects – Goods		✓		Movement of own goods between GB and NI have been added
19	19	International Aspects – Services	✓			There are no technical changes but the chapter has been reordered and some points have been added for clarity
20	20	Transfer of a Going Concern			✓	
21	21	Groups			✓	
22	22	Retail Schemes			✓	

EMPLOYMENT TAXATION – FA25 CHANGES GUIDE

Note that all chapters have been updated for 2025/26 thresholds, rates and allowances.

FA25 Ch	FA24 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	Introduction to employment taxes			✓	
2	2	Introduction to employment income and benefits		✓		From 6 April 2027, all benefits apart from living accommodation and beneficial loans must be reported and taxed via payroll.
3	3	Company car and fuel benefits		✓		4% supplement re diesel cars no longer examinable as most diesel company cars meet RDE2 standard.
4	4	Living accommodation –taxable benefits			✓	
5	5	Loans to employees and use of assets			✓	
6	6	Miscellaneous benefits		✓		Exemptions for childcare schemes joined pre 4 October 2018 no longer examinable.
7	7	Introduction to PAYE		✓		In 2025/26 a PAYE scheme will be required where at least one employee is paid at or above the secondary threshold for Class 1 NIC purposes, any employee has another job or receives any pension, or is receiving any benefits or expenses from the employer.

8	8	PAYE forms and end of year returns		✓		In 2025/26 a PAYE scheme will be required where at least one employee is paid at or above the secondary threshold for Class 1 NIC purposes, any employee has another job or receives any pension, or is receiving any benefits or expenses from the employer.
9	9	PAYE – Penalties and Interest			✓	
10	10	Apprenticeship levy			✓	
11	11	Class 1 National Insurance Contributions		✓		From 2025/26, the employment allowance is available regardless of whether the amount of the previous year's Class 1 NICs liability exceeds £100,000.
12	12	Class 1 NICs and directors			✓	
13	13	Class 1A and 1B National Insurance Contributions			✓	
14	14	Introduction to share schemes			✓	
15	15	Share incentive plans			✓	
16	16	Save As You Earn Share Option Schemes			✓	

17	17	Company Share Option Plans			✓	
18	18	Enterprise Management Incentives			✓	
19	19	Share schemes – Employer obligations			✓	
20	20	Employment income and residence	✓			New foreign employment relief claim replaces the OWR rules from 6 April 2025. The concept of domicile no longer relevant for tax purposes from 6 April 2025.
21	21	Expenses of employment			✓	
22	22	Gifts to charity and pension contributions			✓	
23	23	Termination payments			✓	
24	24	Statutory leave and payments	✓			Statutory Neonatal Care Leave and Pay added for 2025/26. General simplification of chapter.
25	25	Statutory sick pay			✓	
26	26	Student and postgraduate loans			✓	
27	27	Employed or self-employed?			✓	

28	28	Construction industry deduction scheme		✓		Amends made for clarity
29	29	Off-Payroll working			✓	