

VALUE ADDED TAX – FA24 CHANGES GUIDE

This guide refers to changes from both Finance Act 2024 and Finance (No 2) Act 2024.

Throughout the study manual changes have been made to reflect the new £90,000 registration limit and £88,000 deregistration limit

FA24 Ch	FA23 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	VAT general principles		✓		Mention of Windsor Framework
2	2	Registration		✓		New registration limit of £90,000 and £88,000 deregistration limit Applications for registration from 13 November 2023 must generally be made online rather than through the old paper VAT 1 form More detail added on what amounts to a business activity and who is a 'person' for VAT
3	3	Definition of supplies			✓	
4	4	Liability of the supply			✓	
5	5	Schedule 8 VATA 1994 – Zero-rating		✓		The 0% rate on Energy Saving Materials (ESMs) in Group 23 has been extended to include relevant charitable buildings and other ESMs such as electrical battery storage, water-source heat pumps and diverters
6	6	Schedule 9 VATA 1994 – Exemptions			✓	

7	7	Deemed supplies and self-supplies			✓	
8	8	Value of the supply		✓		The designated deposit scheme will not come into operation until October 2027
9	9	Time of supply			✓	
10	10	Input tax – When to recover		✓		Advisory fuel rates have been updated to rates that apply from 1 March 2024 as per the Tax Tables
11	11	Partial exemption			✓	
12	12	VAT records and returns			✓	
13	13	Accounting for VAT			✓	
14	14	Bad debt relief			✓	
15	15	HMRC powers, appeals and assessments			✓	
16	16	Penalties for incorrect returns			✓	
17	17	Penalties for failure to notify			✓	

18	18	Penalties for late returns and late payment		✓		Under the new penalty regime, a VAT group has a single liability for points, which are held by the representative member. A new member joining will not affect the points total even if they have points before joining. If a member leaves and sets up its own VAT registration, it will start at zero points
19	19	Interest and other points		✓		There is no right of appeal against late payment interest, but HMRC has updated its guidance to say that a taxpayer can object if HMRC has made a mistake or caused an unreasonable delay which has contributed to the build-up of interest or in certain other circumstances. The tax must have been paid in full. Note added regarding assumed rate of interest to use (7.75%) as per the Tax Tables
20	20	Refunds and repayment interest		✓		Note added regarding assumed rate of interest to use (4.25%) as per the Tax Tables
21	21	VAT: International aspects – Goods			✓	
22	22	VAT: International aspects – Services			✓	

23	23	Land and buildings – Zero and reduced rating		✓		SI 2023/1201 enables claims under the DIY scheme to be submitted electronically. The time limit is extended to six months (from three months). HMRC have a statutory power to request additional information, including invoices, if a claimant does not provide sufficient information to support the claim at the time it is submitted
24	24	Land and buildings – Exemption and standard-rating			✓	
25	25	Land and buildings – Option to tax			✓	
26	26	Capital goods scheme			✓	
27	27	Transfer of a going concern			✓	
28	28	Groups			✓	
29	29	The flat-rate scheme			✓	
30	30	Retail schemes			✓	
31	31	Farmers' flat-rate scheme			✓	
32	32	Charities			✓	

n/a	33	VAT in Company Financial Statements				This chapter is no longer in the syllabus for Paper 6.
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