

## AW FOR APS OMB – FA25 CHANGES GUIDE

### INCOME TAX

All chapters have been updated for changes in the rate of personal allowances and tax bands.

FA25 Ch	FA24 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	Tax relief on donations to charity			✓	
2	2	Introduction to property income		✓		References to FHLs removed as regime abolished from 6 April 2025.
3	3	Property income – further aspects	✓			FHL regime abolished from 6 April 2025. Transitional rules re capital allowances and losses added.
4	4	Miscellaneous provisions		✓		Introduction of digital reporting for HICBC.
5	5	The Enterprise Investment Scheme			✓	

6	6	Employment Related Securities - Restricted securities			✓	
7	7	Residence – The Statutory Residence Rules			✓	
8	8	Residence – the 'Split Year' Rules			✓	
9	<i>n/a</i>	Taxation of Foreign Income: UK residents	✓			Brand new chapter
10	<i>n/a</i>	UK Residents: Relief for Foreign Tax	✓			Brand new chapter. Based on existing material but updated to take account of post April 2025 rules and FIG relief.
11	<i>n/a</i>	Non-UK residents – UK Tax Position	✓			Brand new chapter. Based on existing material but updated to take account of post April 2025 rules
12	13	Construction industry deduction scheme		✓		Amends made for clarity

## CAPITAL GAINS TAX

FA25 Ch	FA24 Ch	Topic	Major changes	Minor changes	No changes	Notes
13	14	Investors' relief		✓		Change in rate of BADR from 10% to 14%.  Furnished holiday lettings (FHL) regime abolished from 6 April 2025. Disposals of FHL properties from 6 April 2025 do not qualify for BADR.
14	15	Relief for capital losses			✓	
15	16	Part disposals			✓	
16	17	Sales of leases			✓	
17	18	Grants of leases			✓	
18	19	Chattels			✓	
19	20	Connected persons and inter spouse transfers			✓	

20	21	Shares and securities – matching rules			✓	
21	22	Bonus issues and rights issues			✓	
22	23	Takeovers		✓		
23	24	Gilts and QCBs			✓	
24	25	Earn-outs and deferred consideration			✓	
25	26	Options and other intangible assets			✓	
26	27	EIS and SEIS reinvestment relief			✓	
27	28	Gains and Losses on EIS and SEIS shares			✓	

28	29	Private residence relief			✓	
29	30	PRR – further aspects			✓	
30	31	Assets lost or destroyed			✓	
31	32	Compensation for assets damaged			✓	
32	<i>n/a</i>	Foreign aspects of CGT - The FIG regime	✓			Brand new chapter.
33	<i>n/a</i>	Foreign Aspects of CGT - Miscellaneous Rules	✓			Brand new chapter.
34	35	Double Tax Relief for CGT		✓		Minor changes as a result of the new FIG regime rules.
35	36	Transactions in UK land			✓	
36	37	Annual tax on enveloped dwellings (ATED)			✓	

## CORPORATION TAX

FA25 Ch	FA24 Ch	Topic	Major changes	Minor changes	No changes	Notes
37	38	Associated companies	✓			Material on APs straddling 1.4.23 deleted as no longer in the syllabus.
38	39	Property income		✓		Abolition of capital allowances for FHL.
39	40	Relief for property losses		✓		Short explanation of FHL losses following the abolition of FHL regime given.
40	41	Corporate capital gains			✓	
41	42	The principles of group relief			✓	
42	43	Group relief – Effective use of losses			✓	
43	44	Group relief – Further aspects			✓	

44	45	Group capital gains			✓	
45	46	Group gains – Further aspects			✓	
46	47	Administration and liquidation		✓		Changes made for capital gains tax rates applicable in 2025/26.
47	48	Residence and Double Tax Relief			✓	

## INHERITANCE TAX

FA25 Ch	FA24 Ch	Topic	Major changes	Minor changes	No changes	Notes
48	49	Introduction to inheritance tax	✓			'Long-term UK resident' replaces 'domiciled' as basis of IHT charge in 'Scope of IHT' section  Note. 'Excluded property' moved into this chapter
49	50	Chargeable transfers		✓		'Long term UK resident' replaces 'domiciled' in section on exempt transfers  Note. Excluded property moved to introductory chapter
50	51	Chargeable lifetime transfers – calculation of tax			✓	
51	52	Lifetime transfers – 'grossing-up'			✓	
52	53	Additional tax on death			✓	
53	54	Business property relief			✓	

54	55	Agricultural property relief			✓	Tutorial note added regarding non-examinability of new APR & BPR rules
55	56	APR and BPR on death			✓	
56	57	'Fall in value' relief			✓	
57	58	The death estate		✓		'Long term UK resident' replaces 'domiciled' in section on exempt transfers
58	59	Nil Rate Bands			✓	
59	60	IHT valuation rules		✓		'Long term UK resident' replaces 'domiciled' in section on foreign assets
60	61	Quick succession relief			✓	
61	62	Gifts with reservation of benefit	✓			'Long term UK resident' replaces 'domiciled' and definition of 'excluded property' updated
62	n/a	Overseas aspects of IHT	✓			New chapter as a result of the abolition of the old domicile regime which is replaced with a system under which IHT liability is determined by 'long-term UK residence'.

## VAT AND STAMP TAXES

FA25 Ch	FA24 Ch	Topic	Major changes	Minor changes	No Changes	Notes
63	65	VAT General Principles			✓	
64	66	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>
65	67	Definition of Supplies			✓	
66	68	Liability of the Supply			✓	

67	69	Schedule 8 VATA 1994 – Zero-Rating		✓		Update to the British Standard for caravans so they still qualify for zero-rating
68	70	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)
69	71	Value of the Supply			✓	
70	72	Time of Supply		✓		A section has been added on Private Schools and tax points
71	73	Input Tax – When to Recover		✓		Advisory fuel rates have been updated – they are on the tax tables
72	74	Partial Exemption		✓		A sentence has been added about Private Schools being partially exempt from 1.1.25
73	75	VAT Records & Returns			✓	
74	76	Accounting for VAT			✓	
75	77	Bad Debt Relief			✓	

76	78	HMRC Powers, Appeals & Assessments			✓	
77	79	Penalties for Incorrect Returns			✓	
78	80	Penalties for Failure to Notify			✓	
79	81	International Aspects – Goods			✓	
80	82	International Aspects – Services	✓			There are no technical changes but the chapter has been reordered and some points have been added for clarity
81	83	Land & Buildings – Zero & Reduced Rating			✓	
82	84	Land & Buildings – Exemption & Standard-Rating			✓	

83	85	Land & Buildings – Option to Tax			✓	
84	86	Capital Goods Scheme	✓			HMRC plans to increase the limits for CGS - £600k for buildings and removal of computers from the scheme  A new section has been added on Private Schools and recovering VAT on capital assets from 1 January 2025 due to school fees becoming standard rated from that date
85	87	Transfer of a Going Concern			✓	
86	88	The Flat-Rate Scheme			✓	
87	89	Second-hand goods margin scheme			✓	

88	90	Stamp duty on shares			✓	
89	91	Stamp duty land tax	✓			<p>Additional dwelling rate is 5% (3% prior to 1.4.25)</p> <p>Higher rate for enveloping dwellings is 17% (15% prior to 1.4.25)</p> <p>Bands have changed for residential properties.</p> <p>First time buyer rates/bands have changed (0% on first £300k – max £500k purchase)</p> <p>All new rates/bands for residential properties are on the tax tables</p> <p>A new part has been written on specific issues concerning 'Bed and Breakfast' properties and whether they are residential or non-residential and the relief in para 5B</p> <p>MDR has been removed from the syllabus</p>
90	92	SDLT – administration	✓			<p>Two new parts on 'claims for overpaid tax' and 'refunds of overpaid tax' have been written.</p>