

AW FOR APS VAT – FA25 CHANGES GUIDE

PERSONAL INCOME TAX & NIC

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	Introduction to the UK tax system		✓		
2	2	Calculating the income tax liability			✓	
3	3	Relief for married couples			✓	
4	4	Deductible payments			✓	
5	5	Tax relief on donations to charity			✓	
6	6	Scottish taxpayers			✓	
7	7	An introduction to self-assessment		✓		<p>Examples of who may have to file a tax return updated</p> <p>Taxpayers wishing to file a paper return can now download and print a copy from the Gov.UK website.</p> <p>Clarification re taxpayers who might be sent simple assessments.</p>

8	8	Payment dates, interest and penalties			✓	
9	9	Introduction to property income		✓		References to FHLs removed as regime abolished from 6 April 2025.
10	10	Property income – further aspects	✓			FHL regime abolished from 6 April 2025. Transitional rules re capital allowances and losses added.
11	11	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.
12	12	Company car and fuel benefits		✓		4% supplement re diesel cars no longer examinable as most diesel company cars meet RDE2 standard.
13	13	Living accommodation – taxable benefits			✓	
14	14	Loans to employees and use of assets			✓	
15	15	Miscellaneous benefits and other points		✓		Exemptions for childcare schemes joined pre 4 October 2018 no longer examinable.
16	16	Expenses of employment			✓	
17	17	Introduction to PAYE		✓		From 6 April 2027, all benefits apart from living accommodation and beneficial loans must be reported and taxed via payroll.

18	18	Operation of the PAYE system		✓		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.
19	19	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.
20	20	Class 1A and 1B National Insurance Contributions			✓	
21	21	Class 4 National insurance			✓	
22	22	Termination payments			✓	
23	23	Employed or self-employed?	✓			Updated to take account of current HMRC position following recent cases.
24	24	Off-Payroll working			✓	
25	25	Construction industry deduction scheme		✓		Amends made for clarity

CAPITAL GAINS TAX

FA25 Ch	FA24 Ch	Topic	Major changes	Minor changes	No changes	Notes
26	26	Introduction to capital gains tax		✓		Change in rates of CGT from 30 October 2024 (10% to 18% and 20% to 24%) Separate rate for residential property abolished from 30 October 2024.
27	27	Calculation of capital gains			✓	
28	28	Business asset disposal 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.
29	29	Relief for capital losses			✓	
30	30	Reporting of gains and payment of CGT			✓	
31	31	Part disposals			✓	
32	32	Sales of leases			✓	
33	33	Grants of leases			✓	
34	34	Chattels			✓	

35	35	Connected persons and inter spouse transfers			✓	
36	36	Shares and securities – matching rules			✓	
37	37	Bonus issues and rights issues			✓	
38	38	Takeovers			✓	
39	39	Gilts and QCBs			✓	
40	40	Earn-outs and deferred consideration			✓	
41	41	Options			✓	
42	42	Rollover relief			✓	
43	43	Rollover relief and depreciating assets			✓	
44	44	Gift relief			✓	
45	45	Gift relief – restrictions			✓	
46	46	EIS and SEIS reinvestment relief			✓	

47	47	Gains and Losses on EIS and SEIS shares			✓	
48	48	Private residence relief			✓	
49	49	PRR – further aspects			✓	
50	50	Assets lost or destroyed			✓	
51	51	Compensation for assets damaged			✓	
52	52	Purchase of own shares			✓	
53	53	Transactions in UK land			✓	
54	54	Annual tax on enveloped dwellings (ATED)			✓	

BUSINESS TAX

FA25 Ch	FA24 Ch	Topic	Major changes	Minor changes	No changes	Notes
55	55	Introduction to business entities			✓	
56	56	Trading income and the badges of trade			✓	
57	57	Cash basis		✓		Clarification of the treatment when an asset purchased by the trader for private purposes is introduced into the trade
58	58	Cash basis – Common expenses			✓	
59	59	Cash basis – Further expenses		✓		Clarification of treatment of pre-trading capital expenditure
60	60	Capital allowances for cars – General principles		✓		FYA on zero-emission cars extended to apply to expenditure incurred before 6 April 2026
61	61	Capital allowances for cars – Further points			✓	
62	62	Basics of accounting			✓	
63	63	Accruals basis			✓	
64	64	Accruals basis – Further rules			✓	
65	65	Stock adjustments			✓	

66	66	Capital allowances for plant and machinery			✓	
67	67	Capital allowances – Computations		✓		FYA on zero-emission cars and electric vehicle charging points extended to apply to expenditure incurred before 6 April 2026
68	68	Capital allowances – Further computations			✓	
69	69	Structures and buildings allowances			✓	
70	70	Tax year basis			✓	
71	71	Losses – Continuous trades			✓	
72	72	Losses on Commencement and Cessation of Trade		✓		Chapter renamed. Terminal loss relief section rewritten for clarity
73	73	Introduction to partnerships			✓	
74	74	Partnership changes			✓	
75	75	Partnership admissions and retirements			✓	
76	76	Partnership losses			✓	
77	77	Limited liability partnerships			✓	
78	78	Partnership capital gains – basic principles			✓	

79	79	Partnership capital gains – further aspects			✓	
80	80	Partnership capital gains – asset revaluations			✓	
81	81	Incorporation – Income tax aspects			✓	
82	82	Incorporation – Capital gains aspects			✓	
83	83	Incorporation – Other aspects			✓	

CORPORATION TAX

FA25 Ch	FA24 Ch	Topic	Major changes	Minor changes	No changes	Notes
84	84	Introduction to corporation tax		✓		End date of FYAs for special tax sites extended.
85	85	Computation of corporation tax	✓			Material on FY2022 and APs straddling 1.4.23 deleted as no longer in the syllabus.
86	86	Associated companies	✓			Material on APs straddling 1.4.23 deleted as no longer in the syllabus.
87	87	Long periods of account			✓	
88	88	Corporation tax self-assessment (CTSA)			✓	
89	89	Payment of corporation tax			✓	
90	90	Interest on late paid corporation tax and repayments			✓	
91	91	CTSA Penalty regime			✓	
92	92	Property income		✓		Abolition of capital allowances for FHL.
93	93	Loan relationships			✓	
94	94	Corporate capital gains			✓	

95	95	Intangible fixed assets			✓	
96	96	Research and development expenditure		✓		New R&D disclosure facility explained.
97	97	Companies with investment business		✓		Explanation about the identification of management expenses reordered for clarity.
98	98	Relief for trading losses			✓	
99	99	Relief for other losses		✓		Short explanation of FHL losses following the abolition of FHL regime given.
100	100	The principles of group relief			✓	
101	101	Group relief – Effective use of losses			✓	
102	102	Group relief – Further aspects			✓	
103	103	Group capital gains			✓	
104	104	Group gains – Further aspects			✓	
105	105	Change in ownership of a company		✓		Examples on interaction of MCINOCOT and MCINOCOB added.
106	106	Transfers of trade			✓	
107	107	Sale of shares		✓		EOT conditions updated for FA 2025.

108	108	Residence and Double Tax Relief			✓	
109	109	Dual and non-resident companies		✓		Abolition of ORIP charge noted.
110	110	Transfer pricing			✓	
111	111	Administration and liquidation		✓		Changes made for capital gains tax rates applicable in 2025/26.
112	112	Informal winding up	✓			Explanation of informal winding-up procedure restructured and more explanatory detail given (with extra illustration added).