

UK CORPORATION TAX – FA24 CHANGES GUIDE

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

Note that all chapters have been updated for FY 2024 rates.

FA24 Ch	FA23 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	Company residence			✓	
2	2	Entities and hybrid mismatch arrangements		✓		Updated HMRC guidance that FYAs available to corporate partners of mixed partnerships.
3	3	Introduction to corporation tax	✓			Enhanced FYAs re-written to reflect scope of 2025 exams. Minor addition on deductibility of payments of fines and penalties.
4	4	Computation of corporation tax		✓		Explanation on charging and calculating corporation tax for financial years and accounting periods respectively rewritten.
5	5	Associated companies		✓		References to related 51% group companies removed.
6	6	Long periods of account			✓	
7	7	Corporation tax self-assessment (CTSA)			✓	
8	8	Payment of corporation tax		✓		References to related 51% group companies removed.

9	9	Interest on late paid tax and repayments		✓		Updated for interest rate changes.
10	10	CTSA Penalty regime			✓	
11	11	Property income			✓	
12	12	Loan relationships - Basics		✓		Minor changes to improve explanation of unallowable purposes rule.
13	13	Loan relationships – Connected companies			✓	
14	14	Derivative contracts			✓	
15	15	Corporate capital gains			✓	
16	16	Intangible fixed assets		✓		Reordering of material to make it easier to read.
17	17	Research and development expenditure – All-Company regime	✓			Material rewritten for the new all-company R&D regime applicable in accounting periods beginning on or after 1 April 2024. 'Old' R&D rules no longer examinable.
18		Research and development expenditure – SME regime	✓			Material rewritten for the new SME 'intensive' R&D regime applicable in accounting periods beginning on or after 1 April 2024. 'Old' R&D rules no longer examinable.

19	18	Companies with investment business		✓		Minor change to explain management expenses of a capital nature.
20	19	Losses: Current year relief and carry back relief		✓		Terminal loss relief illustration added for case of loss in penultimate accounting period. Amount of carry back relief clarified following the <i>Civic Environmental Systems</i> case.
21	20	Losses: Carry forward relief: The basics			✓	
22	21	Losses: Carry forward relief: Further aspects		✓		Alternative presentation added to the answer for the end of chapter Example.
23	22	The principles of group relief		✓		Amendments made to improve relevance for 2025 exams.
24	23	Group relief – Further aspects			✓	
25	24	Consortium relief			✓	
26	25	Group consortium companies			✓	
27	26	Group administration			✓	
28	27	Group capital gains			✓	

29	28	Group gains – Further aspects			✓	
30	29	Substantial shareholding exemption			✓	
31	30	Loan relationships and intangible fixed assets for groups			✓	
32	31	Change in ownership of a company			✓	
33	32	Transfers of trades	✓			Addition of explanation as to how to establish ownership in the context of the succession rules and illustration of treatment of capital allowances on a succession. Explanation of use of carried forward trading losses clarified. Explanation of interaction of succession rules and change in ownership of a company rules rewritten.
34	33	Demergers			✓	
35	34	Sale of shares			✓	
36	35	Accounting for income tax			✓	
37	36	Tax law and accounting practice			✓	

38	37	Tax and provisions			✓	
39	38	Administration and liquidation			✓	
40	39	Sale and leaseback			✓	
41	40	Dividends and other distributions			✓	
42	41	Depreciatory transactions and value shifting			✓	
43	42	Corporation tax deductions for share schemes			✓	

OVERSEAS CORPORATION TAX – FA24 CHANGES GUIDE

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

FA24 Ch	FA23 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	The UK taxation of non-UK resident companies		✓		Definition of a PE expanded and the topical issue of globally mobile employees briefly discussed.
2	2	Non-UK resident companies and UK land			✓	
3	3	International movement of capital			✓	
4	4	Migration of a company		✓		Additional minor comments on choosing a location for a holding company.
5	5	Incorporation of an overseas PE			✓	
6	6	Transfer pricing		✓		Rules on record keeping for transfer pricing updated following amendments to law and commentary on record keeping extended. Court of Appeal decision in the BlackRock case summarised.
7	7	Transfer pricing – Further aspects			✓	

8	8	Double tax treaties			✓	
9	9	Double tax relief – Credit relief			✓	
10	10	Double tax relief – Exemption for overseas PEs			✓	
11	11	Corporate interest restriction – The basics			✓	
12	12	CIR – Excess and brought forward amounts			✓	
13	13	CIR – Further aspects			✓	
14	14	Controlled foreign companies			✓	
15	15	Controlled foreign companies - further aspects			✓	
16	16	Foreign currency in accounts – Translations of accounts			✓	

17	17	Foreign currency in accounts – Transactions in the accounts			✓	
18	18	Diverted profits tax		✓		Commentary on profit diversion compliance facility (PDCF) updated.
19	n/a	Multinational top-up tax – The charge to tax	✓			New chapter added as MTUT added to the syllabus for the 2025 exams.
20	n/a	Multinational top-up tax – Assessment and administration	✓			New chapter added as MTUT added to the syllabus for the 2025 exams.

BUSINESS TAX, CORPORATE GAINS AND STAMP TAXES – FA24 CHANGES GUIDE

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

FA24 Ch	FA23 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	Trading income and the badges of trade		✓		Sections of this chapter have been re-written for clarity
2	2	Adjustment of profit – General principles			✓	
3	3	Common adjustments			✓	
4	4	Stock adjustments for companies			✓	
5	5	Capital allowances – Definitions			✓	
6	6	Capital allowances – Basic computations for companies	✓			The detail re when expenditure is treated as being incurred, how to treat pre trading expenditure, CAs available for assets on hire purchase or that are leased, disclaiming CAs and the capital gains implications of P&M disposals have been moved to Chapter 8. The detail re small P&M pools, specific FYAs and the AIA has been added to this chapter.

7	7	Capital allowances – First year allowances for companies	✓			<p>This is a new chapter which contains the details re FYAs for companies previously covered in a later chapter.</p> <p>The “Temporary” FYAs for companies have now been made permanent.</p>
8	n/a	Capital allowances – More computations for companies	✓			<p>The detail re when expenditure is treated as being incurred, how to treat pre trading expenditure, CAs available for assets on hire purchase or that are leased, disclaiming CAs and the capital gains implications of P&M disposals have been moved to this chapter.</p>
9	8	Capital allowances – Further computations for companies		✓		<p>The rules re FYAs for companies have been moved to their Chapter 7 earlier in the manual.</p>
10	9	Capital allowances – Cars and other points for companies		✓		<p>Amends made for clarity.</p>
11	10	Structures and buildings allowances			✓	
12	11	Avoidance involving allowance buying and other anti-avoidance			✓	
13	12	Introduction to corporate chargeable gains			✓	

14	13	Calculation of corporate chargeable gains			✓	
15	14	Enhancement expenditure			✓	
16	15	Part disposals			✓	
17	16	Sales of leases			✓	
18	17	Grants of leases			✓	
19	18	Grants of leases – Advanced aspects			✓	
20	19	Chattels			✓	
21	20	Connected persons and series of transactions			✓	
22	21	Shares and securities – Matching rules			✓	
23	22	Takeovers			✓	
24	23	Gilts and QCBs			✓	
25	24	Earn-outs and deferred consideration			✓	

26	25	Intangible assets			✓	
27	26	Rollover relief			✓	
28	27	Rollover relief and depreciating assets			✓	
29	28	Rollover relief – Further aspects			✓	
30	29	Assets lost or destroyed			✓	
31	30	Compensation for assets damaged			✓	
32	31	An introduction to anti-avoidance			✓	
33	32	Transactions in securities			✓	
34	33	Transactions in UK Land			✓	
35	34	Disclosure of tax avoidance schemes			✓	
36	35	Follower notices and accelerated payments			✓	

37	36	Stamp duty on shares		✓		The UK government has legislated to preserve the 0% charge on the issue/exempt capital-raising transfers due to the Retained EU Law (Revocation and Reform) Act 2023 which would have reimposed the 1.5% charge. Legislation takes effect from 1 January 2024.
38	36	Stamp duty land tax – General principles	✓			<p>First-time buyers' relief is available for nominee/bare trusts where the purchase is on or after 6 March 2024</p> <p>Henderson Acquisitions lost their tribunal case in 2023. A house with unsound joists and ceilings falling down is still a house and not a non-residential building.</p> <p>In the Bloom case in 2023 a house on one registered title and 5.6 acres on another, with a septic tank on it, was wholly residential land and not mixed use.</p> <p>The Harjono case in 2024 saw a loss for the taxpayer that their dwelling with a paddock attached (that was subject to a grazing agreement), was residential land. Suterwalla had previously one on a similar point and although HMRC appealed Suterwalla to the Upper Tribunal, it lost. The Marie Guerlain-Desai case of 2024 was a success for the taxpayer with a 12-acre wood. Cases will be decided on their facts as to whether they are non-residential or residential .</p> <p>The Bonsu case in 2024 also failed to claim a dwelling with access to a communal garden was non-residential. The facts were virtually the same as the Sexton case.</p>

		Continued...				<p>Daniel Ridgway lost at the Upper tribunal in 2024 – the purchase was residential. He could have benefited from MDR but as he did not claim it, it did not apply.</p> <p>The Kozłowski case in 2023 said that letting a garage wasn't commercial and needed to be in place at the time of purchase and not later in the day. The purchase was wholly residential. The Espalier case also came to the same result where garages were on a separate title document.</p> <p>The Landmaster case in 2023 held that a reservation fee was not an 'option' under SDLT legislation and therefore it did not make the purchase mixed use liable to the non-residential rates.</p> <p>Clarification that the Goode Cuisine case might now fall within the exemption for 'relievable trades' due to the change in law.</p> <p>MDR has been abolished for transactions from 1 June 2024 (subject to transitional rules).</p> <p>More cases on MDR have come before the tribunal. In 2024 Dreyfus lost - their annexe was not a separate dwelling (no separate water/electricity/secure access and after two years minimal construction and no tenants.) Jonathan Ralph failed in 2023. An annexe without a kitchen sink, oven, or washing machine is not a dwelling.</p>
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		Continued...				<p>Newsand Ltd has been granted a right to appeal on MDR. This will come before the tribunal.</p> <p>L-L-O Contracting Ltd in 2023 failed in its claim for MDR as HMRC can deny a claim outside the time limit where the taxpayer makes 'mistake'.</p>
39	38	Stamp duty land tax – Administration		✓		Added in the four year rule for assessments, for clarity