

UK CORPORATION TAX – FA25 CHANGES GUIDE

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

FA25 Ch	FA24 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	Company residence			✓	
2	2	Entities and hybrid mismatch arrangements			✓	
3	3	Introduction to corporation tax		✓		Additional material regarding the criteria to treat voluntary receipts as taxable trading receipts, on the definition of capital expenditure and on disallowance of fines.
4	4	Computation of corporation tax			✓	
5	5	Associated companies	✓			Material on accounting period straddling 1 April 2023 deleted as no longer in the syllabus.
6	6	Long periods of account			✓	
7	7	Corporation tax self-assessment (CTSA)			✓	
8	8	Payment of corporation tax			✓	

9	9	Interest on late paid tax and repayments		✓		New interest rates
10	10	CTSA Penalty regime			✓	
11	11	Property income		✓		Brief explanation on abolition of FHLs added.
12	12	Loan relationships - Basics		✓		Further, brief explanatory notes on unallowable purpose added.
13	13	Loan relationships – Connected companies			✓	
14	14	Derivative contracts			✓	
15	15	Corporate capital gains			✓	
16	16	Intangible fixed assets		✓		Some headings altered to better reflect content of sections. References to HMRC manual added to assist understanding of classification of assets.
17	17	Research and development expenditure – All-Company regime	✓			Brief commentary added on overseas R&D activities of externally provided workers and expenditure on contracted out R&D conducted overseas. Further examples on claim notifications. New R&D disclosure facility explained.
18	18	Research and development expenditure – SME regime			✓	

19	19	Companies with investment business		✓		Explanation concerning management expenses extended and clarified following the Supreme Court's decision in <i>Centrica</i> .
20	20	Losses: Current year relief and carry back relief		✓		Brief explanation on abolition of FHLs and its effect on loss relief added.
21	21	Losses: Carry forward relief: The basics		✓		Brief explanation on abolition of FHLs and its effect on loss relief added.
22	22	Losses: Carry forward relief: Further aspects			✓	
23	23	The principles of group relief			✓	
24	24	Group relief – Further aspects			✓	
25	25	Consortium relief			✓	
26	26	Group consortium companies			✓	
27	27	Group administration			✓	
28	28	Group capital gains			✓	
29	29	Group gains – Further aspects			✓	

30	30	Substantial shareholding exemption			✓	
31	31	Loan relationships and intangible fixed assets for groups			✓	
32	32	Change in ownership of a company			✓	
33	33	Transfers of trades			✓	
34	34	Demergers			✓	
35	35	Sale of shares			✓	
36	36	Accounting for income tax			✓	
37	37	Tax law and accounting practice	✓			Notes restructured to improve the discussion of the interaction of tax law and accounting practice
38	38	Tax and provisions			✓	
39	39	Administration and liquidation		✓		Changes made for capital gains tax rates applicable in 2025/26.
40	40	Sale and leaseback			✓	

41	41	Dividends and other distributions			✓	
42	42	Depreciatory transactions and value shifting			✓	
43	43	Corporation tax deductions for share schemes			✓	

OVERSEAS CORPORATION TAX – FA25 CHANGES GUIDE

This guide refers to changes from Finance Act 2025.

FA25 Ch	FA24 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	The UK taxation of non-UK resident companies		✓		No changes apart from recording HMRC's view that a server in the UK does not constitute a PE and noting the abolition of the charge to income tax on offshore receipts in respect of intangible property (ORIP).
2	2	Non-UK resident companies and UK land			✓	
3	3	International movement of capital			✓	
4	4	Migration of a company			✓	
5	5	Incorporation of an overseas PE			✓	
6	6	Transfer pricing		✓		Descriptions of transfer pricing methods recast in simpler terms. Brief commentary of HMRC's new Transfer Pricing Guidelines for Compliance added.
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	✓			The charge to income tax on offshore receipts in respect of intangible property (ORIP) has been repealed and the relevant notes have been deleted.
19	19	Multinational top-up tax – The charge to tax	✓			Additional material written for the UTPR which comes into force on 31 December 2024 in relation to the Pillar Two rules.
20	20	Multinational top-up tax – Assessment and administration		✓		Explanation of rules corrected/clarified in places following the introduction of the UTPR which comes into force on 31 December 2024 in relation to the Pillar Two rules.

BUSINESS TAX, CORPORATE GAINS, AND STAMP TAXES – 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	Trading income and the badges of trade			✓	
2	2	Adjustment of profit – general principles			✓	
3	3	Common adjustments		✓		Amendment to FRS 102 treatment of leases for accounting periods beginning on or after 1 January 2026
4	4	Stock adjustments for companies			✓	
5	5	Capital allowances – Definitions			✓	
6	6	Capital allowances – Basic computations for companies		✓		FYA on zero-emission cars and electric vehicle charging points extended to apply to expenditure incurred before 1 April 2026

7	7	Capital allowances – First year allowances for companies			✓	
8	8	Capital allowances – More computations for companies			✓	
9	9	Capital allowances – Further computations for companies			✓	
10	10	Capital allowances – Cars and other points for companies			✓	
11	11	Structures and buildings allowances			✓	

12	12	Avoidance involving allowance buying and other			✓	
13	13	Introduction to corporate chargeable gains		✓		Rates of CGT for individuals and trusts updated.
14	14	Calculation of corporate chargeable gains			✓	
15	15	Enhancement expenditure			✓	
16	16	Part disposals			✓	
17	17	Sales of leases			✓	
18	18	Grants of leases			✓	
19	19	Grants of leases – advanced aspects			✓	
20	20	Chattels			✓	

21	21	Connected persons and series of transactions			✓	
22	22	Shares & securities – matching rules			✓	
23	23	Takeovers			✓	
24	24	Gilts and QCBs			✓	
25	25	Earn-outs and deferred consideration			✓	
26	26	Intangible assets			✓	
27	27	Rollover relief		✓		Following abolition of FHL regime from 6 April 2025, FHL are not a trade for the purposes of rollover relief.
28	28	Rollover relief and depreciating assets			✓	
29	29	Rollover relief – further aspects			✓	

30	30	Assets lost or destroyed			✓	
31	31	Compensation for assets damaged			✓	
32	32	Introduction to anti-avoidance			✓	
33	33	Transactions in securities			✓	
34	34	Transactions in UK Land			✓	
35	35	Disclosure of tax avoidance schemes (DOTAS)			✓	
36	36	Follower notices and accelerated payment notices			✓	
37	37	Stamp duty on shares			✓	

38	38	Stamp duty land tax	✓			<p>Goldsmith FTT case 2024. When has 'substantial performance' taken place. Being allowed to access the property between exchange and completion to carry out decorative works but handing back the keys at the end of the day is not 'substantial performance'</p> <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>
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39	39	SDLT – administration	✓			<p>Two new parts on 'claims for overpaid tax' and 'refunds of overpaid tax' have been written. BTR Core Fund had a mistake in the calculation of a relief. The FTT denied the claim. Para 34A says a HMRC is not liable to repay tax where there is a 'mistake' in a claim. The taxpayer tried to argue that it was not a mistake in a claim but a calculation error. The tribunal agreed with HMRC</p> <p>The Wool House FTT case in 2024 concerned HMRC's policy of provisionally paying a refund to a taxpayer and then processing the claim (and recovering tax if not due). A closure notice was issued to recover the overpaid tax. The legislation says an assessment should be issued within 30 days of the closure notice. The tribunal agreed with HMRC that notification via a closure notice was in effect the raising of an assessment and was valid</p> <p>The Giovanni Scatola case in 2025 concerned whether an enquiry into a single SDLT return also included another one to which the first one related. The UT held that a reasonable taxpayer would know that both returns were being enquired into</p>
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