

PERSONAL INCOME TAX – 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	Introduction to the UK tax system			✓	
2	2	Calculating the income tax liability			✓	
3	3	The taxation of interest			✓	
4	4	The taxation of dividend income			✓	
5	5	Relief for married couples			✓	
6	6	Deductible payments			✓	
7	7	Scottish taxpayers			✓	

8	8	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>
9	9	Payment dates, interest and penalties			✓	
10	10	Self-assessment – further aspects			✓	
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		✓		<p>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.</p> <p>From 6 April 2027, all benefits apart from living accommodation and beneficial loans must be reported and taxed via payroll.</p>
18	18	Operation of the PAYE system		✓		<p>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.</p>
19	19	PAYE – Penalties and Interest			✓	
20	20	Class 1 National Insurance Contributions		✓		<p>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.</p>
21	21	Class 1 NICs and directors			✓	

22	22	Class 1A and 1B National Insurance Contributions			✓	
23	23	Termination payments			✓	
24	24	Employed or self-employed?	✓			Updated to take account of current HMRC position following recent cases.
25	25	Off-Payroll working			✓	
26	26	Pension schemes		✓		FHL removed from the definition of net relevant earnings as regime abolished from 6 April 2025.
27	27	Introduction to share schemes			✓	
28	28	Share incentive plans			✓	
29	29	Company Share Option Plans			✓	
30	30	Non-tax advantaged share option schemes			✓	
31	31	Enterprise Management Incentives			✓	

CAPITAL GAINS TAX – 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	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. Detail added re anti-forestalling provisions in respect of increase in rates of CGT.
2	2	Calculation of capital gains			✓	
3	3	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. Detail added re anti-forestalling provisions in respect of increase in rates of CGT applying to gains eligible for BADR.
4	4	Reporting of gains and payment of CGT			✓	
5	5	Connected persons and inter spouse transfers			✓	
6	6	CGT and employee share schemes			✓	

7	7	Rollover relief		✓		Following abolition of FHL regime from 6 April 2025, FHL are not a trade for the purposes of rollover relief
8	8	Rollover relief and depreciating assets			✓	
9	9	Rollover relief – further aspects			✓	
10	10	Gift relief		✓		Following abolition of FHL regime from 6 April 2025, FHL are not a trade for the purposes of gift relief
11	11	Gift relief – restrictions			✓	
12	12	Gift relief – further aspects		✓		References to FHL removed
13	13	Partnership capital gains – basic principles			✓	
14	14	Partnership capital gains – further aspects			✓	
15	15	Partnership capital gains – asset revaluations			✓	
16	16	Inheritance Tax			✓	
17	17	Introduction to anti-avoidance			✓	

BUSINESS TAX – FA25 CHANGES GUIDE

This guide refers to changes from Finance Act 2025.

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	Introduction to business entities			✓	
2	2	Trading income and the badges of trade			✓	
3	3	Cash basis		✓		Clarification of the treatment when an asset purchased by the trader for private purposes is introduced into the trade
4	4	Cash basis – Common expenses			✓	
5	5	Cash basis – Further expenses		✓		Clarification of treatment of pre-trading capital expenditure
6	6	Capital allowances for cars – General principles		✓		FYA on zero-emission cars extended to apply to expenditure incurred before 6 April 2026

7	7	Capital allowances for cars – Further points			✓	
8	8	Basics of accounting			✓	
9	9	Accruals basis			✓	
10	10	Accruals basis – Further rules		✓		Amendment to FRS 102 treatment of leases for accounting periods beginning on or after 1 January 2026
11	11	Stock adjustments			✓	
12	12	Capital allowances for plant and machinery			✓	
13	13	Capital allowances – Computations		✓		FYA on zero-emission cars and electric vehicle charging points extended to apply to expenditure incurred before 6 April 2026
14	14	Capital allowances – Further computations			✓	

15	15	Structures and buildings allowances			✓	
16	16	Change of basis for calculating profits			✓	
17	17	Tax year basis			✓	
18	18	Losses – Continuous trades			✓	
19	19	Losses on Commencement and Cessation of Trade	✓			Chapter renamed. Terminal loss relief section rewritten for clarity
20	20	Introduction to partnerships			✓	
21	21	Partnership changes			✓	
22	22	Partnership admissions and retirements			✓	

23	23	Partnership losses			✓	
24	24	Limited liability partnerships		✓		Update re <i>HMRC v Bluecrest Capital Management (UK) LLP</i>
25	25	Mixed partnerships			✓	
26	26	Class 4 National insurance			✓	
27	27	Incorporation – Income tax aspects			✓	
28	28	Incorporation – Capital gains aspects			✓	
29	29	Incorporation – Other aspects			✓	

CORPORATION TAX – FA25 CHANGES GUIDE

This guide refers to changes from the Finance Act 2025.

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	Introduction to corporation tax		✓		End date of FYAs for special tax sites extended.
2	2	Computation of corporation tax	✓			Material on FY2022 and APs straddling 1.4.23 deleted as no longer in the syllabus.
3	3	Long periods of account			✓	
4	4	Corporation tax self-assessment (CTSA)			✓	
5	5	Payment of corporation tax			✓	
6	6	Interest on late paid corporation tax and repayments			✓	
7	7	CTSA Penalty regime			✓	

8	8	Loan relationships			✓	
9	9	Corporate capital gains			✓	
10	10	Intangible fixed assets			✓	
11	11	Intangible fixed assets – related parties			✓	
12	12	Research and development expenditure		✓		New R&D disclosure facility explained.
13	13	Companies with investment business		✓		Explanation about the identification of management expenses reordered for clarity.
14	14	Relief for trading losses			✓	
15	15	Relief for other losses		✓		Short explanation of FHL losses following the abolition of FHL regime given.
16	16	Change in ownership of a company		✓		Examples on interaction of MCINOCOT and MCINOCOB added.
17	17	Transfers of trade			✓	
18	18	Sale of shares		✓		EOT conditions updated for FA 2025.

19	19	Close company definition		✓		Treatment of associates clarified where their shareholdings are attributed to another participator.
20	20	Close company implications		✓		Statement of entities within the charge to s.455 tax clarified and statutory references to bed and breakfasting rules updated for FA 2025.
21	21	Close company implications – Further aspects			✓	
22	22	Accounting for income tax Accounting for income tax			✓	
23	23	Tax law and accounting practice	✓			Notes restructured to enable better understanding of the interaction of tax law and accounting practice.
24	24	Tax and provisions			✓	
25	25	Purchase of own shares		✓		Change in CGT rate.
26	26	Informal winding up	✓			Explanation of informal winding-up procedure restructured and more explanatory detail given (with extra illustration added).
27	27	Dividends and other distributions			✓	

28	28	Corporation tax deductions for share schemes			✓	
29	29	Extracting profits from a company			✓	