

## PERSONAL INCOME 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 2024/25 thresholds, rates and allowances.

FA24 Ch	FA23 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			✓	

9	9	Payment dates, interest and penalties			✓	
10	10	Self-assessment – further aspects			✓	
11	11	Introduction to employment income and benefits			✓	
12	12	Company car and fuel benefits			✓	
13	13	Living accommodation – taxable benefits			✓	
14	14	Loans to employees and use of assets			✓	
15	15	Miscellaneous benefits and other points			✓	
16	16	Expenses of employment			✓	
17	17	Introduction of PAYE			✓	

18	18	Operation of the PAYE system			✓	
19	19	PAYE – Penalties and Interest			✓	
20	20	Class 1 National Insurance Contributions		✓		Class 2 NICs are no longer mandatory for self-employed individuals from 6 April 2024.
21	21	Class 1 NICs and directors			✓	
22	22	Class 1A and 1B National Insurance Contributions			✓	
23	23	Termination payments		✓		HMRC guidance now only provided via Non-Statutory Clearance Service.
24	24	Employed or self-employed?			✓	
25	25	Off-Payroll working			✓	
26	26	Pension schemes		✓		Reference added to lump sum allowance.
N/A	27	Pension schemes – further aspects				Chapter removed. Relevant content moved to Pension schemes chapter.

27	28	Introduction to share schemes			✓	
28	29	Share incentive plans			✓	
29	30	Company Share Option Plans			✓	
30	31	Non-tax advantaged share option schemes			✓	
31	32	Enterprise Management Incentives		✓		From 6 April 2024, deadline for notifying EMI option grant extended to 6 July following the end of the tax year.

## CAPITAL GAINS 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 2024/25 thresholds, rates and allowances.

FA24 Ch	FA23 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	Introduction to capital gains tax		✓		Rate of CGT on residential property gains for higher rate taxpayers is 24% from 2024/25. Beneficial to set balance of BR band against gains on other assets in priority.
2	2	Calculation of capital gains			✓	
3	3	Business asset disposal relief			✓	
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			✓	

8	8	Rollover relief and depreciating assets			✓	
9	9	Rollover relief – further aspects			✓	
10	10	Gift relief			✓	
11	11	Gift relief – restrictions			✓	
12	12	Gift relief – further aspects			✓	
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	An introduction to anti-avoidance			✓	

## BUSINESS TAX – FA24 CHANGES GUIDE

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

The study manual material has been extensively re-written and re-ordered for the 2025 examinations, primarily as a result of the cash basis becoming the default basis for the calculation of taxable trade profits from 2024/25. As a result, a direct comparison between the chapters in the FA 2023 material and the FA 2024 material is not possible.

This changes guide highlights the changes arising from both Finance Act 2024 and Finance (No 2) Act 2024 which are relevant to each chapter.

FA24 Ch	Chapter Title	Notes
1	Introduction to business entities	
2	Trading income and the badges of trade	Sections of this chapter have been re-written for clarity
3	Cash basis	The cash basis is the default method of calculating taxable trade profits from 2024/25. The limit on business receipts of £150,000 has been removed. There is no longer a restriction for the deduction of interest expense or in the use of trade losses.
4	Cash basis – Common expenses	
5	Cash basis – Further expenses	
6	Capital allowances for cars – General principles	
7	Capital allowances for cars – Further points	

8	Basics of accounting	
9	Accruals basis	
10	Accruals basis – Further rules	
11	Stock adjustments	
12	Capital allowances for plant and machinery	
13	Capital allowances – Computations	
14	Capital allowances – Further computations	
15	Structures and buildings allowances	
16	Change of basis for calculating profits	
17	Tax year basis	The current year basis and calculation of transition profits on the move to the tax year basis are no longer in the syllabus. The taxation of transition profits remains examinable.
18	Losses – Continuous trades	
19	Losses – Opening and closing years	Section on terminal loss relief re-written as a result of the move to the Tax Year Basis.



20	Introduction to partnerships	
21	Partnership changes	
22	Partnership admissions and retirements	
23	Partnership losses	
24	Limited liability partnerships	
25	Mixed partnerships	
26	Class 4 National insurance	Class 2 NICs are not due in respect of taxable trade profits from 2024/25. Where profits are less than the small profits threshold the individual can pay voluntary Class 2 NICs in order to preserve entitlement to the state pension.
27	Incorporation – Income tax aspects	The previous chapter on Incorporation has now been split into three separate chapters.
28	Incorporation – Capital gains aspects	
29	Incorporation – Other aspects	

## 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	Introduction to corporation tax	✓			Section on FYAs rewritten
2	2	Computation of corporation tax			✓	
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		✓		Updated for interest rate changes
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	✓			Chapter rewritten to cover merged scheme and relief for R&D intensive SMEs
13	13	Companies with investment business			✓	
14	14	Relief for trading losses		✓		Terminal loss relief illustration added for case of loss in penultimate accounting period
15	15	Relief for other losses			✓	
16	16	Change in ownership of a company			✓	
17	17	Transfer of trade			✓	

18	18	Sale of shares			✓	
19	19	Close company definition			✓	
20	20	Close company implications			✓	
21	21	Close company implications – Further aspects			✓	
22	22	Accounting for income tax			✓	
23	23	Tax law and accounting practice			✓	
24	24	Tax and provisions			✓	
25	25	Purchase of own shares			✓	
26	26	Informal winding up		✓		Section on Transaction in Securities rules rewritten
27	27	Dividends and other distributions			✓	

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