

AW MODULE A – FA25 CHANGES GUIDE

FA25 Ch	FA24 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	VAT General Principles			✓	
2	2	Registration	✓			<p>VAT can be recovered on services incurred prior to registration if the services were used wholly for supplies that would have been taxable had the business been registered. Where they relate to supplies after registration, VAT can be recovered subject to normal rules</p> <p>Generally a person has one month to submit their final VAT return after de-registering. Under an SI, HMRC now have the power to extend this time limit</p> <p>Paragraphs added re private schools and when they need to register and recovery of VAT when they started making taxable supplies of education (broadly from 1.1.25). Pre registration VAT on goods can have a pro-ration of 5 years economic life</p>
3	3	Definition of Supplies			✓	
4	4	Liability of the Supply			✓	
5	5	Schedule 8 VATA 1994 – Zero-Rating		✓		Update to the British Standard for caravans so they still qualify for zero-rating

6	6	Schedule 9 VATA 1994 – Exemptions		✓		Private schools charge VAT on supplies of education fees and board and lodging from 1.1.25 (subject to special pre-payment rules)
7	7	Deemed Supplies & Self-Supplies			✓	
8	8	Value of the Supply			✓	
9	9	Time of Supply		✓		A section has been added on Private Schools and tax points
10	10	Input Tax – When to Recover		✓		Advisory fuel rates have been updated – they are on the tax tables
11	11	Partial Exemption		✓		A sentence has been added about Private Schools being partially exempt from 1.1.25
12	12	VAT Records & Returns			✓	
13	13	Accounting for VAT			✓	
14	14	Bad Debt Relief			✓	
15	15	HMRC Powers, Appeals & Assessments			✓	
16	16	Penalties for Incorrect Returns			✓	

17	17	Penalties for Failure to Notify			✓	
18	18	Penalties for Late Returns & Late Payment	✓			Penalty percentages have risen: 15-30 days is 3% (2% prior to 1.4.25) 30 days is 3% (2% prior to 1.4.25) 31 days and over is 10% (4% prior to 1.4.25)
19	19	International Aspects – Goods			✓	
20	20	International Aspects – Services	✓			There are no technical changes but the chapter has been reordered and some points have been added for clarity
21	21	Land & Buildings – Zero & Reduced Rating			✓	
22	22	Land & Buildings – Exemption & Standard-Rating			✓	
23	23	Land & Buildings – Option to Tax			✓	

24	24	Capital Goods Scheme	✓			<p>HMRC plans to increase the limits for CGS - £600k for buildings and removal of computers from the scheme</p> <p>A new section has been added on Private Schools and recovering VAT on capital assets from 1 January 2025 due to school fees becoming standard rated from that date</p>
25	25	Transfer of a Going Concern			✓	
26	26	Groups			✓	
27	27	The Flat-Rate Scheme			✓	
28	28	Retail Schemes			✓	
29	29	Charities			✓	
30	30	Second-hand goods margin scheme		✓		<p>Roscoe Noonan FTT case 2025. Do not have the required documentation for the second hand goods scheme and VAT will be due on turnover</p> <p>HMRC has removed some of its guidance and example of how the scheme works for Northern Ireland</p>
31	31	Stamp duty on shares			✓	

32	32	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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33	33	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 FTI 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 FTI 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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