

BUSINESS TAXATION – FA20 CHANGES GUIDE

This study pack is **new for the 2021 exams** due to the changes in the Paper 3 syllabus.

Note that all chapters have been updated for 2020/21 thresholds, rates and allowances.

FA20 Ch	FA19 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	<i>n/a</i>	Introduction to Business Compliance and Business Taxation			✓	New chapter
2	<i>n/a</i>	Current Year Basis and Opening Year Rules			✓	New chapter
3	<i>n/a</i>	Overlap Relief and Closing Year Rules			✓	New chapter
4	<i>n/a</i>	Introduction to Partnerships			✓	New chapter
5	<i>n/a</i>	Partnership Changes			✓	New chapter
6	<i>n/a</i>	Partnership Admissions and Retirements			✓	New chapter
7	<i>n/a</i>	Calculating the Income Tax Liability			✓	New chapter
8	<i>n/a</i>	An Introduction to Self-Assessment			✓	New chapter
9	<i>n/a</i>	Further Aspects of Self-Assessment			✓	New chapter
10	<i>n/a</i>	Payment Dates, Interest and Penalties			✓	New chapter

11	<i>n/a</i>	Classes 2 and 4 National Insurance Contributions			✓	New chapter
12	<i>n/a</i>	Calculating Corporation Tax			✓	New chapter
13	<i>n/a</i>	Long Periods of Account			✓	New chapter
14	<i>n/a</i>	Corporation Tax Self-Assessment (CTSA)			✓	New chapter
15	<i>n/a</i>	Payment of Corporation Tax			✓	New chapter
16	<i>n/a</i>	Interest on Late Paid Corporation Tax and Repayments			✓	New chapter
17	<i>n/a</i>	CTSA Penalty Regime			✓	New chapter. Updated to reflect syllabus change to CT admin rules that apply in practice rather than the harmonised regimes for interest and penalties. The change effects the penalty for late returns and the penalty for late payment of quarterly instalments.
18	<i>n/a</i>	Close Companies			✓	New chapter
19	<i>n/a</i>	Companies Accounting for Income Tax			✓	New chapter

EMPLOYMENT TAXATION – FA20 CHANGES GUIDE

Note that all chapters have been updated for 2020/21 thresholds, rates and allowances.

FA20 Ch	FA19 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	Introduction to Employment Taxes			✓	
2	2	Introduction to Employment Income & benefits			✓	
3	3	Company car & fuel benefits		✓		Changes to structure of car benefit percentages. Note that the Advisory Fuel Rates are now included in the Tax Tables for your exam.
4	4	Living accommodation: taxable benefits			✓	
5	5	Loans to employees & use of assets			✓	
6	6	Miscellaneous benefits and other points			✓	

7	7	Introduction to PAYE			✓	
8	8	PAYE Forms and End of Year Returns			✓	
9	9	Class 1 National Insurance Contributions		✓		Change in eligibility rules for the employment allowance.
10	10	Class 1 National Insurance Contributions - Directors			✓	
11	11	Class 1A & 1B NIC		✓		Minor additions in respect of Class 1A and termination payments.
12	12	Apprenticeship Levy		✓		Minor amends for clarity.
	13	Class 2 & 4 National Insurance Contributions				Moved to the Business Taxation Manual
13	14	Introduction to Share Schemes			✓	

14	15	Share Incentive Plans			✓	
15	16	Save as You Earn Share Option Schemes			✓	
16	17	Company Share Option Plans			✓	
17	18	Enterprise Management Incentives			✓	
18	19	Share Schemes – Employer Obligations			✓	
19	20	Employment Income & Residence & Domicile			✓	
20	21	Expenses of Employment			✓	
21	22	Gifts to Charity & Pension Contributions	✓			Relief for personal pension contributions added
22	23	Termination Payments		✓		Charge to Class 1A in respect of termination payments in excess of £30,000 exemption from 6.4.20
23	27	Construction Industry Deduction Scheme			✓	

24	28	Statutory Leave & Payments	✓			Statutory Parental Bereavement Leave and Pay Added.
25	29	Statutory Sick Pay			✓	
26	30	Student & Postgraduate Loans			✓	
27	24	Employed or Self Employed?			✓	
28	25	Personal Service Companies			✓	
29	26	Employment intermediaries & the public sector			✓	

VALUE ADDED TAX – FA20 CHANGES GUIDE

FA20 Ch	FA19 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	VAT General Principles			✓	Note that for exams in 2021 the syllabus is the same as that for 2020. Therefore, although the UK is in a transition phase for Brexit, exams will be set as though the UK is still a member of the EU and that EU law on VAT still applies in the UK. In addition, temporary measures introduced, as a result of COVID-19, are not examinable.
2	2	Registration			✓	
3	3	Liability of the Supply		✓		The reduced rate on sanitary products is to go from 1 January 2021 when the UK leaves the EU transition phase. They will be liable to 0%.
4	4	Schedule 8 VATA 1994 – Zero-Rating		✓		From 1 May 2020 electronic versions of publications falling within items 1-3 of Group 3 are also zero-rated.
5	5	Schedule 8 VATA 1994 – Exemptions			✓	
6	6	Deemed Supplies & Self-Supplies			✓	

7	7	Value of the Supply		✓		Insertion of a new section on increases and decreases in consideration for supplies that have already taken place and when debit and credit notes are required and how the VAT is adjusted.
8	8	Time of the Supply			✓	
9	9	Input Tax – When to Recover		✓		Advisory fuel rates from 1 June 2020 have changed. The new rates are in the Tax Tables provided for the 2021 exams.
10	10	Partial Exemption			✓	
11	11	VAT Records & Returns		✓		The 'soft landing' period for MTD has changed. Businesses will not be required to have digital links between software programs until their first VAT return period starting on or after 1 April 2021.
12	12	Bad Debt Relief			✓	
13	13	Accounting for VAT			✓	
14	14	The Flat-Rate Scheme			✓	
15	15	Penalties for Incorrect Returns			✓	
16	16	Penalties for Failure to Notify			✓	
17	17	Default Surcharge			✓	

18	18	International Aspects - Goods			✓	
19	19	International Aspects - Services			✓	
20	20	Transfer of a Going Concern			✓	
21	21	Groups	✓			From 1 November 2019 the eligibility rules for VAT groups have changed. Individuals, partnerships and Scottish partnerships are now eligible to join, subject to conditions.
22	22	Retail Schemes			✓	
23	23	VAT in Company Financial Statements			✓	