

CORPORATION TAX – FA 2020 CHANGES GUIDE

FA20 Ch	FA19 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	Introduction to Corporation Tax			✓	
2	2	Computation of Corporation Tax			✓	
3	3	Long Periods of Account			✓	
4	4	Corporation Tax Self-Assessment (CTSA)		✓		Updated to reflect syllabus change to CT admin rules that apply in practice rather than the harmonised regimes for interest and penalties
5	5	Payment of Corporation Tax			✓	
6	6	Interest on Late Paid Tax & Repayments		✓		Updated to reflect syllabus change to CT admin rules that apply in practice rather than the harmonised regimes for interest and penalties
7	7	CTSA Penalty Regime		✓		Updated to reflect syllabus change to CT admin rules that apply in practice rather than the harmonised regimes for interest and penalties
8	8	Property Income			✓	
9	9	Loan Relationships			✓	

10	10	Loan Relationships – Connected Companies			✓	
11	11	Relief for Trading Losses			✓	
12	12	Relief for Other Losses			✓	
13	13	Corporate Capital Gains		✓		Updated to include corporate capital loss restriction
14	14	Substantial shareholding exemption			✓	
15	15	Intangible Fixed Assets		✓		Detail moved to new Chapter 16.
16	n/a	Intangible Fixed Assets – Related Parties	✓			New chapter for Related Parties - including new rules on pre-FA 2002 IFAs
17	16	Research & Development Expenditure		✓		Changed RDEC rate from 12% to 13%
18	17	Companies with Investment Business			✓	
19	18	The Principles of Group Relief			✓	
20	19	Group Relief – further aspects			✓	

21	20	Consortium Relief			✓	
22	21	Group Consortium Companies			✓	
23	22	Group Administration			✓	
24	23	Group Capital Gains		✓		Updated to include corporate capital loss restriction
25	24	Group Gains – further aspects			✓	
26	25	Change in Ownership of a Company			✓	
27	26	Transfer of Trade			✓	
28	27	Sale of Shares			✓	
29	28	Close Company Definition			✓	
30	29	Close Company Implications			✓	
31	30	Close Company Implications – further aspects			✓	
32	31	Accounting for Income Tax			✓	

33	32	Overseas Matters for Companies			✓	
34	33	Transfer Pricing			✓	
35	34	Purchase of Own Shares			✓	

OTHER TAXES & ACCOUNTING – FA20 CHANGES GUIDE

FA20 Ch	FA19 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	Incorporation		✓		Entrepreneurs' relief renamed as business asset disposal relief and updated for change in limit.
2	2	Limited Liability Partnerships			✓	
3	3	Mixed Partnerships			✓	
4	4	Termination payments		✓		Charge to Class 1A in respect of termination payments in excess of £30,000 exemption from 6.4.20.
5	5	Employed or self-employed?			✓	
6	6	Personal service companies			✓	
7	7	Connected persons			✓	
8	8	Takeovers			✓	
9	9	Gilts & QCBs			✓	

10	10	Bad Debt Relief		✓		If an employee diverts funds from customers directly into their own bank account, then bad debt relief is available as the supplier has not been paid. If, however, an employee steals from the till, bad debt relief is not available as the supplier was technically paid.
11	11	Accounting for VAT			✓	
12	12	Retail Schemes			✓	
13	13	Further Fixed Assets			✓	
14	14	Company Financial Statements and Associated Matters			✓	
15	15	Tax in Company Financial Statements			✓	

REQUIRED KNOWLEDGE FROM PAPER 2 – FA20 CHANGES GUIDE

FA20 Ch	FA19 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	Introduction to Business Entities			✓	
2	2	The Basics of Calculating Income Tax		✓		Updated for FA20 allowances and thresholds
3	3	The Basics of Accounting			✓	
4	4	Adjustment of profit – General principles			✓	
5	5	Common Adjustments			✓	
6	6	Current Year Basis			✓	
7	7	Capital Allowances - Definitions			✓	
8	8	Capital Allowances – Basic Computations			✓	
9	9	Capital Allowances – First Year Allowances & the Annual Investment Allowance		✓		FYAs no longer available for environmentally efficient plant and machinery

10	10	Capital Allowances – Special Rate Pool			✓	
11	11	Capital Allowances – Cars & Other Aspects		✓		SBA now 3% and taken straight line over 33 and a third years.
12	12	Sole Traders & Self Assessment			✓	
13	13	Sole Traders - Payment Dates & Penalties			✓	
14	14	Trading Losses for Sole Traders			✓	
15	15	Introduction to Partnerships			✓	
16	16	Partnership Changes			✓	
17	17	Partnership Losses			✓	
18	18	Classes 2 & 4 National Insurance Contributions		✓		Updated for FA20 allowances and thresholds
19	18	Introduction to the UK tax system			✓	
20	20	Calculating the income tax liability			✓	

21	21	The taxation of interest			✓	
22	22	The taxation of dividend income			✓	
23	23	Class 1 & Class 1A National Insurance Contributions			✓	
24	24	Introduction to capital gains tax			✓	
25	25	Calculation of capital gains			✓	
26	26	Relief for capital losses			✓	
27	27	Chattels			✓	
28	28	Business asset disposal relief	✓			Updated for change in limit and change in name of relief from 'entrepreneurs' relief' to 'business asset disposal relief'
29	29	Rollover relief			✓	
30	30	Rollover relief & depreciating assets			✓	
31	31	Rollover relief – further aspects			✓	

32	32	Gift relief			✓	
33	33	Gift relief - restrictions			✓	
34	34	EIS and SEIS reinvestment relief			✓	
35	35	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.
36	36	Registration			✓	
37	37	Definition of Supplies		✓		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%.
38	38	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.
39	39	Schedule 8 VATA 1994 – Exemptions			✓	

40	40	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.
41	41	Time of the Supply			✓	
42	42	Input Tax – When to Recover			✓	
43	43	VAT Records & Returns			✓	
44	44	Place of Supply			✓	Chapter renamed and rules for place of supply of goods added.