

CORPORATION TAX – FA21 CHANGES GUIDE

FA21 Ch	FA20 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	Introduction to Corporation Tax		✓		Changes to reflect enhanced FYA.
2	2	Computation of Corporation Tax		✓		Corporation tax rate increase in FY 2023, with a small profits rate.
3	3	Long Periods of Account		✓		Changes to reflect enhanced FYA.
4	4	Corporation Tax Self-Assessment (CTSA)			✓	
5	5	Payment of Corporation Tax		✓		Removed references to pre 1 April 2019.
6	6	Interest on Late Paid Corporation Tax & Repayments			✓	
7	7	CTSA Penalty Regime			✓	
8	8	Property Income			✓	

9	9	Loan Relationships			✓	
10	10	Loan Relationships – Connected Companies			✓	
11	13	Corporate Capital Gains			✓	
12	n/a	Corporate Capital Gains - Shares			✓	New chapter created to bring all the material on capital gains on shares together
13	14	Substantial shareholding exemption			✓	
14	15	Intangible Fixed Assets	✓			Treatment of goodwill simplified with acquisitions between 1 April 2002 and 7 July 2015 removed, to reflect reduced scope of syllabus.
15	16	Intangible Fixed Assets – Related Parties	✓			Detail of 1 July 2020 rule changes removed and treatment of goodwill on incorporation simplified as above to reflect reduced scope of syllabus.

16	17	Research & Development Expenditure		✓		<p>New PAYE and NIC cap on SME R&D tax credit.</p> <p>Tax relief for capital expenditure on R&D added to this chapter.</p> <p>Patent Box removed as no longer in P4 syllabus.</p>
17	18	Companies with Investment Business			✓	
18	11	Relief for Trading Losses	✓			<p>Temporary extended carry back loss relief for accounting periods ending between 1.4.20 and 31.3.22. Removal of pre-1 April 2017 losses throughout losses chapters reflecting syllabus changes. Chapter rewrite.</p>
19	12	Relief for Other Losses	✓			<p>Removal of pre-1 April 2017 losses throughout losses chapters reflecting syllabus changes. Chapter rewrite.</p>
20	19	The Principles of Group Relief		✓		<p>Removal of reference to pre-1 April 2017 losses reflecting syllabus change.</p>
21	20	Group Relief – further aspects			✓	
22	21	Consortium Relief		✓		<p>Removal of reference to pre-1 April 2017 losses reflecting syllabus change.</p>

23	23	Group Administration			✓	
24	24	Group Capital Gains			✓	
25	25	Group Gains – further aspects			✓	
26	26	Change in Ownership of a Company			✓	
27	27	Transfer of Trade		✓		Treatment of goodwill on transfer between connected companies changed to reflect scope of syllabus.
28	28	Sale of Shares			✓	
29	29	Close Company Definition			✓	
30	30	Close Company Implications			✓	
31	31	Close Company Implications – further aspects			✓	
32	32	Accounting for Income Tax		✓		Payments to an EU associate company can no longer be paid gross from 1 June 2021.

33	33	Overseas Matters for Companies			✓	
34	34	Transfer Pricing			✓	
35	35	Purchase of Own Shares		✓		Expanded details of condition for capital treatment when discharging inheritance tax liability.

OTHER TAXES AND ACCOUNTING – FA21 CHANGES GUIDE

FA21 Ch	FA20 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	Incorporation			✓	
2	2	Limited Liability Partnerships			✓	
3	3	Mixed Partnerships			✓	
4	4	Termination payments			✓	
5	5	Employed or self-employed?			✓	
6	6	Off-Payroll Working <i>(previously Personal Service Companies)</i>	✓			Re-written and updated to take account of the changes to the rules from 6 April 2021.
7	7	Connected persons			✓	
8	8	Takeovers			✓	
9	9	Gilts & QCBs			✓	
10	10	Bad Debt Relief			✓	

11	11	The Annual and Cash Accounting Schemes			✓	
12	12	The Flat-Rate Scheme			✓	
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 – FA21 CHANGES GUIDE

FA21 Ch	FA20 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	Introduction to Business Entities			✓	
2	2	The Basics of Calculating Income Tax			✓	
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		✓		Added a section on the capital gains implications of plant & machinery.

9	9	Capital Allowances – First Year Allowances & the Annual Investment Allowance		✓		AIA limit remains £1million until 31 December 2021. It is £200,000 from 1 January 2022.
10	10	Capital Allowances – Special Rate Pool			✓	
11	11	Capital Allowances – Cars & Other Aspects		✓		Section on Structures and Buildings Allowances moved to new separate chapter.
12	n/a	Structures and Buildings Allowance	✓			New chapter, content moved from earlier chapter.
13	12	Sole Traders & Self Assessment			✓	
14	13	Sole Traders - Payment Dates & Penalties			✓	
15	14	Trading Losses for Sole Traders		✓		Temporary extension of carry back of trade losses to three years is available for losses in 2020/21 and 2021/22.
16	15	Introduction to Partnerships			✓	

17	16	Partnership Changes			✓	
18	17	Partnership Losses		✓		Temporary extension of carry back of trade losses applies to partnership losses.
19	18	Classes 2 & 4 National Insurance Contributions		✓		Updated for changes to thresholds.
20	19	Introduction to the UK tax system			✓	
21	20	Calculating the income tax liability			✓	
22	21	The taxation of interest			✓	
23	22	The taxation of dividend income			✓	
24	23	Class 1 & Class 1A National Insurance Contributions			✓	
25	24	Introduction to capital gains tax			✓	

26	25	Calculation of capital gains			✓	
27	26	Relief for capital losses			✓	
28	27	Chattels			✓	
29	28	Business asset disposal relief and investors' relief	✓			A new section on investors' relief is included this year because for FA2021 this relief is examinable in ATT Paper 2.
30	29	Rollover relief			✓	
31	30	Rollover relief & depreciating assets			✓	
32	31	Rollover relief – further aspects			✓	
33	32	Gift relief			✓	
34	33	Gift relief - restrictions			✓	
35	34	EIS and SEIS reinvestment relief			✓	

36	35	VAT General Principles			✓	
37	36	Registration			✓	
38	37	Definition of Supplies			✓	
39	38	Schedule 8 VATA 1994 – Zero-Rating			✓	
40	39	Schedule 9 VATA 1994 – Exemptions			✓	
41	40	Value of the Supply			✓	
42	41	Time of the Supply			✓	
43	42	Input Tax – When to Recover			✓	
44	43	VAT Records & Returns			✓	
45	44	Place of Supply		✓		Due to Brexit, there are a few changes in this chapter