

INHERITANCE TAX – FA21 CHANGES GUIDE

FA21 Ch	FA20 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	Introduction to IHT			✓	
2	2	Chargeable transfers			✓	
3	3	Chargeable lifetime transfers – calculation of tax			✓	
4	4	Lifetime transfers – “grossing-up”			✓	
5	5	Close companies			✓	
6	6	Additional tax on death			✓	
7	7	Business Property Relief			✓	
8	8	Agricultural Property Relief			✓	
9	9	APR & BPR on death			✓	

10	10	"Fall in value" relief			✓	
11	11	The death estate			✓	
12	12	Nil Rate Bands		✓		Extra illustrations to show tapering of the b/fwd allowance.
13	13	Restrictions on the Deduction of Debts			✓	
14	14	IHT valuation rules			✓	
15	15	Quick Succession Relief			✓	
16	16	Post mortem reliefs			✓	
17	17	Gifts with reservation of benefit			✓	
18	18	Pre-owned Assets			✓	
19	19	Domicile & double tax relief			✓	
20	20	Deemed domicile		✓		New section on losing deemed domicile status
21	21	Deeds of variation			✓	

22	22	IHT administration			✓	
23	23	Payment of tax & the instalment option		✓		Confirmation that late payment penalties do not apply for IHT.
24	24	Heritage Property		✓		Clarification that undertakings need to be given to HMRC to secure NGNL treatment for lifetime gifts of heritage property

TRUSTS AND ESTATES – FA21 CHANGES GUIDE

FA21 Ch	FA20 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	Introduction to trusts			✓	
2	2	Income tax on interest in possession trusts			✓	
3	3	Income tax on discretionary trusts			✓	
4	4	Income tax on “mixed” trusts			✓	
5	5	Exit charges on relevant property trusts			✓	
6	6	Inheritance tax – principal charges			✓	
7	7	Accumulation & maintenance trusts			✓	
8	8	Other trusts for children			✓	

9	9	Interest in possession trusts – IHT issues			✓	
10	10	Interest in possession trusts – further aspects			✓	
11	11	Trusts for vulnerable beneficiaries & disabled persons			✓	
12	12	Annuities			✓	
13	13	Capital gains & UK trusts		✓		Add point re gift relief being available if UK land and property is transferred to a non-resident trust. Section on CGT relief for IHT paid moved to chapter 14.
14	14	CGT & UK trusts – further aspects		✓		Section on CGT relief for IHT paid moved from chapter 13 and expanded.
15	15	Trust income taxed on the settlor			✓	
16	16	Settlor interested trusts – CGT & IHT			✓	

17	17	Bare trusts			✓	
18	18	Estates in administration			✓	
19	19	Beneficiaries of deceased estates			✓	

PERSONAL INCOME TAX – FA21 CHANGES GUIDE

Note that all chapters have been updated for 2021/22 thresholds, rates and allowances.

FA21 Ch	FA20 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	An introduction to self-assessment			✓	
4	4	Payment dates, interest & penalties			✓	
5	5	Self-assessment – further aspects		✓		Minor amends to HMRC Information and Inspection Powers
6	6	The Accrued Income Scheme			✓	
7	7	Beneficiaries of deceased estates			✓	

8	8	Introduction to capital gains tax			✓	
9	9	Calculation of capital gains			✓	
10	10	Business asset disposal relief & Investors' relief			✓	
11	11	Relief for capital losses			✓	
12	12	Reporting of CGT & capital gains			✓	
13	13	Chattels			✓	
14	14	Valuation, Connected persons & Inter Spouse Transfers			✓	
15	15	Shares & securities: Matching rules			✓	
16	16	Gift relief			✓	

17	17	Gift relief - restrictions			✓	
18	18	Gift relief – further aspects & exchanges of assets			✓	
19	19	Principal private residence relief			✓	
20	20	PPR relief – further aspects			✓	