

MODULE A - VAT & STAMP TAXES – FA18 CHANGES GUIDE

FA18 Ch	FA17 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	VAT General Principles			✓	
2	2	Registration			✓	
3	3	Definition of Supplies			✓	
4	4	Liability of the Supply			✓	
5	5	Schedule 8 VATA 1994 – Zero-Rating			✓	
6	6	Schedule 9 VATA 1994- Exemptions			✓	
7	7	Deemed Supplies and Self-Supplies			✓	
8	8	Value of the Supply			✓	
9	9	Time of Supply			✓	

10	10	Input Tax - When to Recover			✓	
11	11	Partial Exemption			✓	
12	12	VAT Records and Returns			✓	
13	13	Accounting for VAT			✓	
14	14	Bad Debt Relief			✓	
15	15	HMRC Powers, Appeals and Assessments			✓	
16	16	Penalties for Incorrect Returns			✓	
17	17	Penalties for Failure to Notify			✓	
18	18	Default Surcharge			✓	

19	19	International Aspects - Goods			✓	
20	20	International Aspects - Services			✓	
21	21	Land and Buildings - Zero and Reduced-Rating			✓	
22	22	Land and Buildings - Exemption and Standard-Rating			✓	
23	23	Land and Buildings - Option to Tax			✓	
24	24	Capital Goods Scheme			✓	
25	25	Transfer of a Going Concern			✓	
26	26	Groups			✓	

27	27	The Flat-Rate Scheme			✓	
28	28	Retail Schemes			✓	
	29	Farmers' Flat-Rate Scheme				Not in syllabus
29	30	Charities			✓	
30	31	Second-hand Goods Margin Scheme			✓	
31	32	Stamp duty on shares		✓		<p>Reference to the Air Berlin case where the ECJ held that the 1.5% higher rate on shares transferred to a clearance service will not apply where the sole purpose of the transfer is to list the company's shares on a stock exchange, without there being any change of beneficial ownership; or where the transfer is of newly issued shares on an increase of capital for the sole purpose of offering those new shares to investors for purchase</p> <p>Reference has been made to the 'same day' stamping service where there is a business critical requirement to have it stamped immediately</p>

32	33	Stamp duty land tax		✓	<p>Students in the 2019 exams can choose to answer questions based on either SDLT or Scottish LBTT. These materials only cover SDLT. Welsh LTT is not examinable.</p> <p>Throughout the chapter references to the 'UK' have been changed to 'England and Northern Ireland'.</p> <p>First time buyer's relief applies for purchases from 22 November 2017. Houses up to £300,000 incur no SDLT. Houses up to £500,000 incur 5% SDLT on the excess above £300,000. Houses above £500,000 incur normal rates. This information is on your tax tables.</p> <p>Anti-avoidance legislation has been enacted so that the additional 3% rates on residential properties will still apply where a person buys a new home and that person's spouse or civil partner retains an interest in the old home. Exceptions are available for situations such as disposals on divorce.</p> <p>The Goode Cuisine Company Ltd case from 2018 has been included which held that the 15% anti-avoidance rate for company's purchasing high value dwellings will apply to a dwelling that is bought but then converted into a bed and breakfast. Although using a dwelling in a trade is an exclusion from the charge, the property must remain a dwelling after the conversion. A bed and breakfast is not a 'dwelling'.</p> <p>Clarification that the linked transaction rules do not apply where there is a purchase including a dwelling subject to the 15% anti-avoidance rate and an example has been added to explain this.</p> <p>Expansion on the relief available to charities and possible withdrawal of relief within 3 years of purchase.</p>
33	34	SDLT - administration		✓	<p>Where necessary, references to the 'UK' have been changed to 'England and Northern Ireland'.</p>