

UK CORPORATION TAX – FA19 CHANGES GUIDE

FA19 Ch	FA18 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	Company Residence	✓			<i>Development Securities</i> FTT decision has been overturned on appeal to the UT – updated discussion of the judgment. Discussion of CMC test restructured to adopt the analysis of the UT. Brief comment on residence of <i>Societas Europaea</i> added.
2	2	Introduction to CT	✓			Notes added on the Structures and Buildings Allowance.
3	3	Computation of CT	✓			Illustration added to show straddle between FY2019 and FY2020, as rate of CT is due to be reduced to 17% for FY2020.
4	4	Long Periods of Account			✓	
5	5	Corporation Tax Self-Assessment (CTSA)			✓	
6	6	Payment of Corporation Tax		✓		Minor changes of wording. New case on meaning of ordinary share capital discussed.
7	7	Interest on Late Paid Tax and Repayments			✓	
8	8	CTSA Penalty Regime		✓		Section on corporate governance added.
9	9	Property Income		✓		Minor points of clarification added to explanations.
10	10	Loan Relationships – Basics		✓		Minor points of clarification added to explanations. Changes to ECPP for company migration added.

11	11	Loan Relationships - Connected Companies		✓		Notes added on new s.352B CTA 2009 eliminating the mismatch for loan relationships with a qualifying link.
12	12	Loan Relationships - Advanced Aspects		✓		Transfer of income streams no longer in syllabus and so removed from notes.
13	13	Derivative Contracts			✓	
14	14	Relief for Trading Losses		✓		Minor changes to reflect the fact that for expenditure incurred on or after 1 April 2020, First Year Tax Credits have been abolished.
15	15	Relief for Other Losses			✓	
16	16	Corporate Capital Gains			✓	
17	17	Intangible Fixed Assets	✓			FA 2019 changes to rules on degrouping and amortisation of relevant assets. Chapter restructured in places to enhance explanation of tax treatment of relevant assets. New illustrations added to show effect of new rules.
18	18	Research and Development Expenditure	✓			CIOT confirmed R&D relief for SMEs is not in the syllabus for AT TOMC, so notes referring to SME reliefs removed. Chapter restructured to explain R&D regime from perspective of a large company only. Patent box written for post-1.7.16 regime only.
19	19	Companies with Investment Business			✓	
20	20	The Principles of Group Relief		✓		New case on meaning of ordinary share capital discussed.

21	21	Group Relief – Further Aspects		✓		Notes added on <i>Farnborough Airport Properties Company</i> case on whether the appointment of receivers would break the group and restrict the surrender of losses for group relief. New definition of “UK related” in s.134 CTA 2010 and related changes to s.107 CTA 2010 in relation to surrender of losses by non-resident companies.
22	22	Consortium Relief			✓	
23	23	Group Consortium Companies			✓	
24	24	Group Administration			✓	
25	25	Group Capital Gains		✓		Definition of a capital gains group restated to bring it into line with the legislation.
26	26	Group Gains – Further Aspects		✓		Brief note added on the new rules relating to degrouping events where the original tax neutral transfer was of an IFA and the transfer that led to the degrouping qualifies for SSE.
27	27	Substantial shareholding exemption	✓			Brief note added on the new rules relating to degrouping events where the original tax neutral transfer was of an IFA and the transfer that led to the degrouping qualifies for SSE.
28	28	Change in Ownership of a Company			✓	
29	29	Transfer of Trades			✓	
30	30	Demergers			✓	

31	31	Sale of Shares		✓		Brief note added on the new rules relating to degrouping events where the original tax neutral transfer was of an IFA and the transfer that led to the degrouping qualifies for SSE.
32	32	Accounting for Income Tax		✓		Profits arising from loan relationships or derivative contracts to which a non-UK company is party for the purposes of a UK property business are subject to corporation tax with effect from 1 April 2020.
33	33	Tax Law and Accounting Practice		✓		Brief note added on the adoption of IFRS 16 (Accounting for Leases) and consequent changes to the legislation to ensure it continued to work as intended.
34	34	Tax and Provisions			✓	
35	36	Administration and Liquidation			✓	
36	38	Sale and Leaseback				
37	39	Distributions			✓	
38	40	Dividend Exemptions			✓	
39	41	Depreciatory Transactions and Value Shifting			✓	
40	42	CT deductions for share schemes			✓	
41	35	Purchase of Own Shares			✓	No longer in AT TOMC - included as examinable for APS TOLC
42	37	Informal Winding up			✓	No longer in AT TOMC - included as examinable for APS TOLC

OVERSEAS CORPORATION TAX – FA19 CHANGES GUIDE

FA19 Ch	FA18 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	The UK Taxation of Non-UK Resident Companies	✓			Chapter restructured. Notes added on new charge to CT of profits of a UK property business carried on by NR companies (which come into force on 6 April 2020); chargeable gains on direct and indirect disposals of land by non-UK resident companies; and profit fragmentation rules in the auxiliary or subsidiary exemption from the definition of a PE.
2	2	International Movement of Capital			✓	
3	3	Migration of a Company	✓			Rules on deferral of exit charges and Exit Charge Payment Plans amended for migrations taking place on or after 1 January 2020.
4	4	Incorporation of an Overseas PE			✓	
5	5	Transfer Pricing	✓			Notes added on new profit fragmentation rules, under which small and medium companies not caught by the transfer pricing rules may still be required to apply the arm's length rule.
6	6	Transfer Pricing – Further Aspects			✓	

7	7	Double Tax Treaties		✓		Minor updates to highlight updated guidance on Mutual Agreement Procedure and implementation of MLI Convention.
8	8	Double Tax Relief – Credit Relief			✓	
9	9	Double Tax Relief – Exemption for Overseas Pes			✓	
10	10	Corporate Interest Restriction (CIR) – The Basics		✓		Restatement of formulae to calculate BIA (to make them more comprehensive). Note added explaining application of IFRS 16 accounting rules for leases in context of CIR.
11	11	CIR – Further Aspects		✓		Removal of material on overlapping periods to reflect syllabus changes. Minor technical updates from FA 2019. Addition of rules on companies carrying on UK property business.
n/a	12	CIR - The Basic Interest Allowance				The content of this chapter is no longer required following syllabus changes for your exam.
12	13	CIR - Excess and Brought Forward Amounts		✓		Changes to notes on EDC to improve clarity and understanding. Removal of material on BFIA to reflect syllabus changes. Minor technical updates from FA 2019.
13	14	Controlled Foreign Companies		✓		Updated definition of control.
14	15	Controlled Foreign Companies – Further Aspects		✓		Updated rules on finance company exemption.

15	16	Foreign Currency in Accounts – Translations in Accounts			✓	
16	17	Foreign Currency in Accounts - Transactions in Accounts			✓	
n/a	18	Societas Europeas				This chapter is no longer required due to syllabus changes. The topics still required for the exam are now included in an earlier chapter.
17	19	Diverted Profits Tax		✓		Various technical updates to the rules in FA 2019. Brief notes added on DPT disclosure facility.

BUSINESS TAX, CORPORATE GAINS AND STAMP TAXES – FA19 CHANGES GUIDE

FA19 Ch	FA18 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	Trading Income and the Badges of Trade			✓	
2	2	Adjustment of Profit - General Principles			✓	
3	3	Common Adjustments		✓		Amendment to the definition of a long funding lease.
4	4	Stock - Adjustments			✓	
5	5	Capital Allowances - Definitions			✓	
6	6	Capital Allowances - Basic Computations			✓	
7	7	Capital Allowances - First Year Allowances and the AIA	✓			Increase in AIA to £1,000,000 from 1 January 2019. Inclusion of rules for accounting periods straddling change in rate of AIA.
8	8	Capital Allowances - Further Computations		✓		Rate of WDA in Special Rate Pool reduced to 6% from 1 April 2019.
9	9	Capital Allowances - Cars and Other Assets	✓			Rate of WDA in Special Rate Pool reduced to 6% from 1 April 2019. New Structures and Buildings Allowance.

10	10	Capital Allowance Buying				
11	11	Introduction to corporate chargeable gains		✓		Reference to disposals by non-resident companies of UK land and shares in companies with interests in UK land. More detail on this in the Overseas Aspects of Corporation Tax material.
12	12	Calculation of corporate chargeable gains			✓	
13	13	Enhancement expenditure			✓	
14	14	Part disposals			✓	
15	15	Sales of leases			✓	
16	16	Grants of leases			✓	
17	17	Grants of leases - advanced aspects			✓	
18	18	Chattels			✓	
19	19	Connected persons & series of transactions			✓	
20	20	Shares & securities - matching rules			✓	
21	21	Takeovers			✓	
22	22	Gilts & QCBs			✓	

23	23	Earn-outs & deferred consideration			✓	
24	24	Intangible assets			✓	
25	25	Rollover relief			✓	
26	26	Rollover relief & depreciating assets			✓	
27	27	Rollover relief - further aspects			✓	
28	28	Assets lost or destroyed			✓	
29	29	Compensation for assets damaged			✓	
30	30	An Introduction to Anti-Avoidance			✓	
31	31	Transactions in Securities			✓	
32	32	Transactions in UK Land			✓	
33	33	Disclosure of Tax Avoidance Schemes			✓	
34	34	Follower Notices and Accelerated Payments			✓	

35	35	Stamp duty on shares		✓		<p>New SI enacted in March 2019 allowing HMRC the use of a machine to stamp documents.</p> <p>A transfer of a hybrid capital instrument (in s.475C CTA 2009) is exempt from SD.</p> <p>Clarification that purchases of shares in SIPs (eg partnership or dividend shares) are exempt from SD.</p> <p>A targeted market value rule was introduced for listed securities transferred to connected companies from 29 October 2018. The purpose was to simplify stamp taxes on shares and prevent contrived arrangements being used to avoid tax. The tax is charged on the higher of the actual consideration and the market value of the securities.</p>
36	36	Stamp duty land tax		✓		<p>Inclusion of the four conditions to be met before the 3% additional rates are due on the purchase of a residential property.</p> <p>Expansion on the exclusions from the additional 3% rates on the purchases of residential property.</p> <p>Inclusion of 'granny flats' and the 3% additional rates and MDR.</p> <p>Shared ownership schemes whereby the person pays the SDLT in instalments can benefit from the first-time buyers' relief.</p> <p>Expanded section on charities relief and added that if a charity buys a property with another party as tenants in common, relief is available for the charitable element.</p> <p>More detail provided on consideration and when works carried out are included or excluded.</p> <p>Sequence Care Group case added concerning the 'relievable trade' exclusion in the legislation for the 15% anti avoidance rate for dwellings.</p>
37	37	SDLT - administration		✓		<p>Time limit for filing return and paying tax is reduced from 30 days to 14 days.</p>