

AW FOR APS OMB – FA19 CHANGES GUIDE

INCOME TAX

Note that all chapters have been updated for 2019/20 thresholds, rates and allowances.

FA19 Ch	FA18 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	Tax relief on donations to charity			✓	
2	2	Introduction to property income			✓	
3	3	Property income: further aspects			✓	
4	4	Miscellaneous provisions			✓	
5	5	The Enterprise Investment Scheme			✓	
6	6	Social Investment Tax Relief			✓	
7	7	Savings Related Share Option Schemes			✓	

8	8	Restricted securities - general principles			✓	
9	9	Residence – The Statutory Residence Rules			✓	
10	10	Residence - the "split year" rules			✓	
11	11	Domicile			✓	
12	13	Deemed domicile			✓	
13	12	Taxation of foreign income - general principles			✓	
14	14	Double Tax Relief			✓	

CAPITAL GAINS TAX

Throughout the manual, legislative references have been amended to take account of the FA 2019 re-write of Part 1 of TCGA 1992. All chapters have been updated for changes in the rate of personal allowances and tax bands.

FA19 Ch	FA18 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	Relief for capital losses		✓		Updated to reflect changes in wording of legislation following FA 2019 re-write of Part 1 TCGA 1992 re offset of capital losses brought forward (or carried back) and the interaction with the AEA.
2	2	Part disposals			✓	
3	3	Sales of leases			✓	
4	4	Grants of leases			✓	
5	5	Chattels			✓	
6	6	Connected person & Inter Spouse Transfers			✓	
7	7	Shares & securities: Matching rules			✓	
8	8	Bonus issues & rights issues			✓	

9	9	Takeovers and reorganisations			✓	
10	10	Gilts & QCBs			✓	
11	11	Earn-outs & deferred consideration			✓	
12	12	Options and other intangible assets			✓	
13	13	EIS, SEIS and Social Enterprise reinvestment relief			✓	
14	14	Gains and Losses on EIS/SEIS/Social Enterprise/VCT shares			✓	
15	15	Principal private residence relief			✓	
16	16	PPR relief - further aspects			✓	
17	17	Assets lost or destroyed			✓	

18	18	Compensation for assets damaged			✓	
19	19	Foreign aspects of CGT			✓	
20	20	Foreign aspects - special rules	✓			Extension to non-resident disposals charged to UK CGT from 6.4.19.
21	21	Double tax relief for CGT			✓	
22	22	Transactions in UK Land			✓	
23	23	Annual Tax on Enveloped Dwellings	✓			CGT on ATED-related gains abolished from 2019/20.

CORPORATION TAX

FA19 Ch	FA18 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	Property Income			✓	
2	2	Relief for Other Losses			✓	
3	3	Corporate Capital Gains			✓	
4	4	The Principles of Group Relief			✓	
5	5	Group Relief – Further Aspects			✓	
6	6	Group Capital Gains		✓		From 6 April 2019, gains made by non-resident group companies from disposals of UK land and buildings used for the purposes of a trade are also eligible for group rollover relief.
7	7	Group Gains – Further Aspects		✓		IFA degrouping charge no longer arises where substantial shareholding exemption applies and transferee company leaves group on or after 7 November 2018.
8	8	Residence and Double Tax Relief		✓		Non-resident companies charged to corporation tax on gains from disposals of interests in UK land and buildings from 6 April 2019.

INHERITANCE TAX

FA19 Ch	FA18 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	Additional tax on death			✓	
6	6	Business Property Relief			✓	
7	7	Agricultural Property Relief		✓		More detail and an extra illustration on businesses eligible for both APR and BPR. Extra points on activities not qualifying for APR.
8	8	APR & BPR on death			✓	
9	9	“Fall in value” relief			✓	
10	10	The death estate			✓	
11	11	Nil Rate Bands			✓	
12	12	IHT valuation rules			✓	
13	13	Quick Succession Relief			✓	

14	14	Gifts with reservation of benefit			✓	
15	15	Domicile & double tax relief			✓	
16	16	Deemed domicile			✓	

VAT AND STAMP TAXES

FA19 Ch	FA18 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	✓			From 1 October 2019 certain types of energy saving materials are no longer reduced-rated and only supplies to qualifying customers will come within the scope of the reduced-rate
5	5	Schedule 8 VATA 1994 – Zero-Rating		✓		The reference to the pre-2012 treatment of 'hot food' has been removed
6	6	Schedule 9 VATA 1994- Exemptions		✓		Added brief information on personal contract purchases (PCP) and the change in VAT rules
7	7	Value of the Supply			✓	
8	8	Time of Supply		✓		The rules on forfeited deposits have changed from 1 March 2019 and details on these changes have been added
9	9	Input Tax - When to Recover		✓		Updated advisory fuel rates for latest figures and the rate for electric cars has been added
10	10	Partial Exemption			✓	
11	11	VAT Records and Returns	✓			Updated with details on the 'Making Tax Digital' (MTD) provisions

12	12	Accounting for VAT		✓		Small revision to rules for leaving the cash accounting scheme
13	13	Bad Debt Relief			✓	
14	14	HMRC Powers, Appeals and Assessments			✓	
15	15	Penalties for Incorrect Returns			✓	
16	16	Penalties for Failure to Notify			✓	
17	17	International Aspects - Goods			✓	
18	18	International Aspects – Services		✓		Updated MOSS with the changes effective from 1 Jan 19 aimed to reduce the impact on small EU businesses (£8,818 threshold before needing to register for MOSS)
19	19	Land and Buildings - Zero and Reduced-Rating			✓	
20	20	Land and Buildings - Exemption and Standard-Rating	✓			Added paragraph regarding HMRC Brief 6/18 and VAT on services provided by a management company to a landlord A new section has been added on the domestic reverse charge for certain building and construction services from 1 October 2020
21	21	Land and Buildings - Option to Tax			✓	

22	22	Capital Goods Scheme			✓	
23	23	Transfer of a Going Concern			✓	
24	24	The Flat-Rate Scheme			✓	
25	25	Second-hand Goods Margin Scheme			✓	
26	26	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>

27	27	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>
28	28	Stamp duty land tax - administration		✓		<p>Time limit for filing return and paying tax is reduced from 30 days to 14 days.</p>