

## 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	Business Property Relief – further aspects		✓		Add clarification re BPR on qualifying subsidiaries in groups of companies.
9	9	Agricultural Property Relief			✓	

10	10	APR & BPR on death			✓	
11	11	"Fall in value" relief			✓	
12	12	The death estate			✓	
13	13	Nil Rate Bands		✓		Extra illustrations to show tapering of the b/fwd allowance.
14	14	Restrictions on the Deduction of Debts		✓		Addition of a point re the treatment of loans taken out to fund failed PETs of business property.
15	15	IHT valuation rules			✓	
16	16	Quick Succession Relief			✓	
17	17	Post mortem reliefs			✓	
18	18	Gifts with reservation of benefit			✓	
19	19	Double charges relief			✓	
20	20	Pre-owned Assets			✓	

21	21	Domicile & double tax relief		✓		Extra detail on the application of the non-domiciled spouse exemption
22	22	Deemed domicile		✓		New section on losing deemed domicile status
23	23	IHT on UK Residential Property			✓	
24	24	Deeds of variation			✓	
25	25	Grossing-up of legacies		✓		Points added re tax on assets passing by survivorship or under GWROB rules.
26	26	Double Grossing			✓	
27	27	Section 39A IHTA 1984			✓	
28	28	The 36% lower rate – advanced aspects			✓	
29	29	IHT administration			✓	
30	30	Payment of tax & the instalment option		✓		Confirmation that late payment penalties do not apply for IHT.

31	31	Heritage Property		✓		Clarification that undertakings need to be given to HMRC to secure NGNL treatment for lifetime gifts of heritage property
32	32	Woodlands			✓	
34	34	IHT Avoidance			✓	
33	33	IHT Planning			✓	

## 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		✓		New paragraph added on the effect of PETs on the trust nil rate band
6	6	Inheritance tax – principal charges			✓	
7	7	Relevant property trusts – added property		✓		New paragraph added on the availability of BRP/APR on added property
8	8	Relevant property trusts – further aspects		✓		New paragraph added on the effect of settlor of an excluded property trust becoming a formerly domiciled resident

9	9	Accumulation & maintenance trusts			✓	
10	10	Other trusts for children			✓	
11	11	Interest in possession trusts – IHT issues			✓	
12	12	Interest in possession trusts – further aspects			✓	
13	13	Trusts for vulnerable beneficiaries & disabled persons			✓	
14	14	Annuities			✓	
15	15	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 16.
16	16	CGT & UK trusts – further aspects		✓		Section on CGT relief for IHT paid moved from chapter 15 and expanded.

17	17	Trust income taxed on the settlor			✓	
18	18	Businesses & the settlements legislation			✓	
19	19	Settlor interested trusts – CGT & IHT			✓	
20	20	Overseas trusts – Income tax issues			✓	
21	21	Overseas trusts – CGT & IHT issues			✓	
22	22	Overseas trusts – further aspects			✓	
23	23	Overseas trusts – Non-dom issues for IT & CGT			✓	
24	24	Bare trusts			✓	
25	25	Estates in administration			✓	

26	26	Beneficiaries of deceased estates			✓	
27	27	Tax Planning using Trusts			✓	



## IT & CGT – FA21 CHANGES GUIDE

All chapters have been updated for changes in the rate of personal allowances and tax bands.

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	Introduction to capital gains tax			✓	
7	7	Calculation of capital gains			✓	

8	8	Business asset disposal relief & Investors' relief			✓	
9	9	Relief for capital losses			✓	
10	10	Reporting of CGT & capital gains			✓	
11	11	Part disposals			✓	
12	12	Sales of leases			✓	
13	13	Grants of leases			✓	
14	14	Grants of leases – advanced aspects			✓	
15	15	Chattels			✓	
16	16	Valuation, Connected persons & Inter Spouse Transfers			✓	
17	17	Shares & securities: Matching rules			✓	

18	18	Bonus issues & rights issues			✓	
19	19	Scrip issues & sales of rights			✓	
20	20	Takeovers & reorganisations			✓	
21	21	Gilts & QCBs			✓	
22	22	Earn-outs & deferred consideration			✓	
23	23	Gift relief			✓	
24	24	Gift relief - restrictions			✓	
25	25	Gift relief – further aspects & exchanges of assets			✓	
26	26	Principal private residence relief			✓	

27	27	PPR relief – further aspects			✓	
28	28	Assets lost or destroyed			✓	
29	29	Compensation for assets damaged			✓	