

UK CORPORATION TAX – FA21 CHANGES GUIDE

FA21 Ch	FA20 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	Company Residence		✓		FTT decision in <i>Development Securities</i> case re-instated by Court of Appeal. Some content moved to new chapter that follows.
2	n/a	Entities and Hybrid Mismatch Arrangements		✓		Content moved from previous chapter to here. Minor changes to explanation of Entity Classification.
3	2	Introduction to Corporation Tax		✓		Alterations to the rules on capital allowances (FYAs and Car Emissions).
4	3	Computation of Corporation Tax		✓		Increase in the main rate of corporation tax to 25% from 1 April 2023 and the introduction of the small profits rate.
5	4	Long Periods of Account			✓	
6	5	Corporation Tax Self-Assessment (CTSA)			✓	
7	6	Payment of Corporation Tax			✓	

8	7	Interest on Late Paid Tax & Repayments			✓	
9	8	CTSA Penalty Regime		✓		Added Illustration on calculation of 'potential lost revenue' for losses incorrectly recorded in a tax return but not used.
10	9	Property Income			✓	
11	10	Loan Relationships - Basics		✓		Section on effect of a company migration on loan relationships moved to Overseas Aspects of CT manual.
12	11	Loan Relationships – Connected Companies		✓		Section on LR impairments and consortium relief moved to 'Consortium Relief' chapter.
	12	<i>Loan Relationships – Advanced Aspects</i>		✓		<i>Chapter deleted. Material on group LRs moved to new chapter 'LRs and IFAs for Groups'. Rest of material no longer in the AT TOMC syllabus.</i>
13	13	Derivative Contracts		✓		Removed reference to property derivatives as no longer in syllabus
14	16	Corporate Capital Gains			✓	

15	17	Intangible Fixed Assets		✓		Material on group IFAs moved to new chapter 'LRs and IFAs for Groups'.
16	18	Research & Development Expenditure		✓		Syllabus change so that patent box is now awareness level only.
17	19	Companies with Investment Business			✓	
18	n/a	Losses: Current Year Relief and Carry Back Relief	✓			Chapter extensively re-written to deal with all types of losses in one place. New extended carry back rules for losses incurred in FY 2020 and FY 2021.
19	n/a	Losses: Carry Forward Relief: The Basics	✓			Chapter extensively re-written to deal with all types of losses in one place.
20	n/a	Losses: Carry Forward Relief: Further Aspects	✓			Chapter extensively re-written to deal with all types of losses in one place. Loss refresh rules deleted as no longer in syllabus.
21	20	The Principles of Group Relief		✓		Points of clarification made to text to improve explanations. Definition of a 'normal commercial loan' added.
22	21	Group Relief – further aspects			✓	

23	22	Consortium Relief		✓		Rules on LR impairments and consortium relief moved from earlier LR chapter and included here instead.
24	23	Group Consortium Companies			✓	
25	24	Group Administration			✓	
26	25	Group Capital Gains			✓	
27	26	Group Gains – further aspects		✓		Material on IFA degrouping charge moved to new chapter 'LRs and IFAs for Groups'.
28	27	Substantial Shareholding exemption		✓		Notes added on <i>M Group Holdings</i> case.
29	n/a	Loan Relationships and Intangible Fixed Assets for Groups	✓			Material previously included in earlier chapters on group LRs and IFAs moved to this new chapter. Intra-group transfers and degrouping charges for LRs and IFAs explained.
30	28	Change in Ownership of a Company		✓		Minor points of clarification on major change in business.
31	29	Transfer of Trades			✓	

32	30	Demergers			✓	
33	31	Sale of Shares		✓		Minor extension of analysis to include comments on LR and SDLT degrouping.
34	32	Accounting for Income Tax	✓			Chapter substantially rewritten to improve explanation of the rules.
35	33	Tax Law & Accounting Practice		✓		Removed reference to small companies as no longer in syllabus
36	34	Tax & Provisions			✓	
37	35	Administration & Liquidation		✓		Minor points of clarification on the treatment of groups and the application of the second subsidiary SSE.
38	36	Sale & Leaseback			✓	
n/a	37	<i>Distributions</i>				<i>Chapter deleted - content moved to following chapter.</i>
39	39	Dividends and Other Distributions	✓			Material from the previous chapter incorporated into this chapter. Minor amendments made to discussion of rules.

40	38	Depreciatory Transactions & Value Shifting			✓	
41	40	CT deductions for share schemes			✓	

OVERSEAS CORPORATION TAX – FA21 CHANGES GUIDE

FA21 Ch	FA20 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	The UK Taxation of Non-UK Resident Companies	✓			No technical changes in this chapter - some of the content has been moved to the new chapter "Non-UK resident companies and UK Land" and some has been moved to the chapter on "Diverted Profits Tax".
2	n/a	Non-UK Resident Companies and UK Land	✓			New chapter with material that was in the previous chapter. There are no major technical changes to this material, although some material on transitional rules relating to the taxation of UK property businesses has been removed as it is no longer in the syllabus.
3	2	International Movement of Capital			✓	
4	3	Migration of a Company	✓			Changes made to incorporate exit charges on loan relationships here. Changes also made to reflect repeal of provisions relating to the EU Interest and Royalties Directive.
5	4	Incorporation of an overseas PE			✓	

6	5	Transfer Pricing	✓			EU Arbitration Convention no longer applies to the UK after 31 December 2020. Section on EU Arbitration Convention removed and replaced with a section on arbitration under the MLI.
7	6	Transfer Pricing – Further Aspects			✓	
8	7	Double Tax Treaties			✓	
9	8	Double Tax Relief – Credit Relief			✓	
10	9	Double Tax Relief – Exemption for Overseas PEs		✓		Minor changes made to clarify the answer to the end of chapter example.
11	10	Corporate Interest Restriction (CIR) – The Basics		✓		Minor changes to reflect adjustment for DTR.
12	11	CIR – Excess & Brought Forward Amounts			✓	
13	12	CIR – Further Aspects		✓		Minor update to take account of change in penalty provisions for failure to deliver a return – no penalty due if the company has a reasonable excuse for the failure.

14	13	Controlled Foreign Companies		✓		Case law on old CFC regime deleted as no longer in the syllabus.
15	14	Controlled Foreign Companies - Further Aspects			✓	
16	15	Foreign Currency in Accounts – Translations in Accounts			✓	
17	16	Foreign Currency in Accounts – Transactions in the Accounts	✓			Illustrations 4 and 5 rewritten.
18	17	Diverted Profits Tax			✓	
n/a	18	<i>Digital Services Tax</i>				<i>Chapter no longer required as topic has been removed from the syllabus</i>

BUSINESS TAX, CORPORATE GAINS AND STAMP TAXES – FA21 CHANGES GUIDE

FA21 Ch	FA20 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	Trading Income & the Badges of Trade			✓	
2	2	Adjustment of Profit – General Principles - Corp			✓	
3	3	Common Adjustments - Corp			✓	
4	4	Stock – Adjustments - Corp			✓	
5	5	Capital Allowances - Definitions			✓	
6	6	Capital Allowances – Basic Computations			✓	
7	7	Capital Allowances – First Year Allowances & the AIA		✓		Section on pre-1/1/2019 straddling removed as no longer in the syllabus.

8	8	Capital Allowances – Further Computations	✓			New sections on temporary enhanced first year allowances for companies.
9	9	Capital Allowances – Cars & Other Assets	✓			Section on Structures and Buildings Allowances moved to new separate chapter.
10	<i>n/a</i>	Structures and Buildings Allowances	✓			New chapter - content moved over from earlier chapter
11	10	Avoidance involving Allowance Buying and Other Anti-avoidance		✓		Syllabus change - awareness level of knowledge only now required for capital allowance buying. Section added on other anti-avoidance measures within ss.213 & 215 CAA 2001.
12	11	Introduction to corporate chargeable gains			✓	
13	12	Calculation of corporate chargeable gains			✓	
14	13	Enhancement expenditure			✓	
15	14	Part disposals			✓	

16	15	Sales of leases			✓	
17	16	Grants of leases			✓	
18	17	Grants of leases – advanced aspects			✓	
19	18	Chattels			✓	
20	19	Connected persons & series of transactions			✓	
21	20	Shares & securities - matching rules			✓	
22	21	Takeovers			✓	
23	22	Gilts & QCBs			✓	
24	23	Earn-outs & deferred consideration			✓	
25	24	Intangible assets			✓	
26	25	Rollover relief			✓	

27	26	Rollover relief & depreciating assets			✓	
28	27	Rollover relief – further aspects			✓	
29	28	Assets lost or destroyed			✓	
30	29	Compensation for assets damaged			✓	
31	30	An Introduction to Anti-Avoidance			✓	
32	31	Transaction in Securities			✓	
33	32	Transactions in UK Land			✓	
34	33	Disclosure of Tax Avoidance Schemes		✓		Updated for changes to HMRC powers to issue SRN
35	34	Follower Notices & Accelerated Payments		✓		Amended for changes to penalties. New section on stop notices

36	35	Stamp duty on shares		✓		A 'block' transfer stock form can be sent for multiple chargeable transfers (eg on a takeover), with a schedule detailing the duty on each transfer. This aims to ease the administrative burden on taxpayers.
37	36	Stamp duty land tax	✓			The 2% surcharge for purchases of residential property by non-UK residents is imposed from 1.4.21. Details have been included on what makes a person or company non-UK resident and exceptions to the surcharge.
38	37	SDLT - administration			✓	