

AW FOR APS TOLC – FA21 CHANGES GUIDE

INCOME TAX & NIC

Note that all chapters have been updated for 2021/22 thresholds, rates and allowances.

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	The taxation of dividend income			✓	
4	4	Relief for married couples			✓	
5	5	An introduction to self assessment			✓	
6	6	Payment dates, interest & penalties			✓	
7	7	Introduction to employment income & benefits			✓	
8	8	Company car & fuel benefits			✓	

9	9	Living accommodation: taxable benefits			✓	
10	10	Loans to employees & use of assets			✓	
11	11	Miscellaneous benefits			✓	
12	12	Expenses of employment			✓	
13	13	Introduction to PAYE			✓	
14	14	Operation of the PAYE System			✓	
15	15	Class 1 National Insurance Contributions		✓		0% rate for secondary NICs where employee is an armed forces veteran.
16	16	Class 1A & 1B National Insurance			✓	
17	17	Apprenticeship Levy			✓	
18	18	Classes 2 and 4 National Insurance			✓	
19	19	Termination payments			✓	

20	20	Employed or self employed?			✓	
21	21	Off-Payroll Working <i>(previously Personal Service Companies)</i>			✓	Content combined with content from Employment Intermediaries and the Public Sector chapter. Rewritten and updated to take account of the changes to the rules from 6 April 2021.
	22	Employment Intermediaries and the Public Sector				Deleted as content now included in previous chapter.
22	23	Pension schemes			✓	
23	24	The Enterprise Investment Scheme			✓	
24	25	Venture Capital Trusts			✓	
25	26	Introduction to share schemes			✓	
26	27	Share Incentive Plans (SIPs)			✓	
27	28	Save As You Earn Share Option Schemes			✓	

28	29	Company Share Option Plans			✓	
29	30	Non-tax advantaged share option schemes			✓	
30	31	Enterprise Management Incentives (EMIs)			✓	
31	32	Restricted securities - general principles			✓	
32	33	Residence – The Statutory Residence Rules			✓	
33	34	Domicile			✓	
34	35	Deemed domicile			✓	
35	36	Taxation of foreign income - general principles			✓	
36	37	The remittance basis			✓	
37	38	The remittance basis charge			✓	

38	39	Double Tax Relief			✓	
39	40	Overseas aspects of employment income			✓	
40	41	Construction Industry Deduction Scheme		✓		Minor amends including to definition of contractor.

CGT & IHT

FA21 Ch	FA20 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	Introduction to capital gains tax			✓	
2	2	Calculation of capital gains			✓	
3	3	Business asset disposal relief & Investors' relief			✓	
4	4	Reporting of gains and payment of CGT			✓	
5	5	Options			✓	
6	6	Gift relief			✓	
7	7	Gift relief - restrictions			✓	
8	8	Gains and Losses on EIS and VCT shares			✓	
9	9	Principal private residence relief			✓	
10	10	PPR relief - further aspects			✓	

11	11	Foreign aspects of CGT			✓	
12	12	Foreign aspects - special rules			✓	
13	13	Annual Tax on Enveloped Dwellings			✓	
14	14	Transactions in Securities			✓	
15	15	Basic Principles of IHT			✓	

CORPORATION TAX

FA21 Ch	FA20 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	Close Company Definition			✓	
2	2	Close Company Implications			✓	
3	3	R&D for SMEs		✓		New PAYE and NIC cap on SME R&D tax credit. Tax relief for capital expenditure on R&D added to this chapter.
4	n/a	Purchase of Own Shares			✓	Chapter now included here in AW for APS TOLC material rather than in AT TOMC material.
5	n/a	Informal Winding Up			✓	Chapter now included here in AW for APS TOLC material rather than in AT TOMC material.

VAT & STAMP TAXES

FA21 Ch	FA20 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	VAT General Principles		✓		An introductory paragraph explains the impact on VAT as a result of the UK leaving the EU (and its transition phase) and how EU law impacts on Great Britain and Northern Ireland from 1 January 2021
2	2	Registration			✓	
3	3	Definition of Supplies			✓	
4	4	Liability of the Supply			✓	
5	5	Schedule 8 VATA 1994 – Zero-Rating		✓		HMRC won their appeal in the case of News Corp. The Court of Appeal held that electronic publications of newspapers were standard rated. (This affects historic claims only)
6	6	Schedule 9 VATA 1994- Exemptions			✓	
7	7	Self-Supplies			✓	
8	8	Value of the Supply			✓	
9	9	Time of Supply			✓	
10	10	Input Tax - When to Recover		✓		Advisory fuel rates from 1 June 2021 are included
11	11	Partial Exemption			✓	

12	12	VAT Records and Returns		✓		Businesses under the current VAT threshold will have to use MTD from 1 April 2022
13	13	Accounting for VAT		✓		New rules from 1 April 2022 about repayment interest to align VAT rules with Income Tax. Overpayments of VAT for POA regime are included
14	14	Bad Debt Relief			✓	
15	15	HMRC Powers, Appeals and Assessments		✓		The FA 2021 has amended the rules on third party notices and in certain circumstances the taxpayer cannot be disclosed the notice by the third party. Failure to comply can result in a £1,000 penalty
16	16	Penalties for Incorrect Returns			✓	
17	17	Penalties for Failure to Notify			✓	
18	18	Default Surcharge			✓	
19	n/a	Penalties for late returns and late payment		✓		Added to syllabus for 2022 exams.
20	19	International Aspects - Goods	✓			Due to Brexit, the syllabus has changed, and the chapter has been substantially re-written
21	20	International Aspects – Services	✓			Due to Brexit, the syllabus has changed, and the chapter has been substantially re-written
22	21	Land and Buildings - Zero and Reduced-Rating			✓	

23	22	Land and Buildings - Exemption and Standard-Rating		✓		The 5% de minimis rule has been added to the DRC on construction services. If a maximum 5% of the value of the invoice relates to services subject to the DRC, normal VAT rules will apply to the entire invoice
24	23	Land and Buildings - Option to Tax			✓	
25	24	Capital Goods Scheme			✓	
26	25	Transfer of a Going Concern			✓	
27	26	The Flat-Rate Scheme			✓	
28	27	Second-hand Goods Margin Scheme		✓		A section has been inserted concerning the operation of the second-hand goods scheme in Northern Ireland following Brexit
29	28	Groups			✓	
30	29	Agency			✓	
31	30	Stamp duty reserve tax		✓		Where CJEU case law is quoted in the chapters, it generally continues to apply in the UK until UK Parliamentary law or the Supreme Court overrides it. This is by virtue of the EU Withdrawal Act 2018 ('Brexit').