

## AW FOR APS VAT – FA21 CHANGES GUIDE

### PERSONAL 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       | Relief for married couples           |               |               | ✓          |       |
| 4       | 4       | Deductible payments                  |               |               | ✓          |       |
| 5       | 5       | Tax relief on donations to charity   |               |               | ✓          |       |
| 6       | 6       | Scottish taxpayers                   |               |               | ✓          |       |
| 7       | 7       | An introduction to self assessment   |               |               | ✓          |       |
| 8       | 8       | Payment dates, interest & penalties  |               |               | ✓          |       |

|    |    |  |  |  |   |  |
|----|----|--|--|--|---|--|
| 9  | 9  | Introduction to property income              |  |  | ✓ |  |
| 10 | 10 | Property income: further aspects             |  |  | ✓ |  |
| 11 | 11 | Introduction to employment income & benefits |  |  | ✓ |  |
| 12 | 12 | Company car & fuel benefits                  |  |  | ✓ |  |
| 13 | 13 | Living accommodation: taxable benefits       |  |  | ✓ |  |
| 14 | 14 | Loans to employees & use of assets           |  |  | ✓ |  |
| 15 | 15 | Miscellaneous benefits                       |  |  | ✓ |  |
| 16 | 16 | Expenses of employment                       |  |  | ✓ |  |
| 17 | 17 | Introduction to PAYE                         |  |  | ✓ |  |
| 18 | 18 | Operation of the PAYE System                 |  |  | ✓ |  |

|    |    |   |  |   |   |  |
|----|----|---|--|---|---|--|
| 19 | 19 | Class 1 National Insurance Contributions                    |  | ✓ |   | 0% rate for secondary NICs where employee is an armed forces veteran..   |
| 20 | 20 | Class 1A & 1B National Insurance                            |  |   | ✓ |  |
| 21 | 21 | Classes 2 and 4 National Insurance                          |  |   | ✓ |  |
| 22 | 22 | Termination payments  |  |   | ✓ |  |
| 23 | 23 | Employed or self employed?                                  |  |   | ✓ |  |
| 24 | 24 | Off-Payroll Working (previously Personal Service Companies) |  |   | ✓ | 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. |
|    | 25 | <i>Employment Intermediaries and the Public Sector</i>      |  |   | ✓ | <i>Deleted for FA2021</i>  |
| 25 | 26 | Construction Industry Deduction Scheme                      |  | ✓ |   | Minor amends including to definition of contractor.  |

## CAPITAL GAINS TAX

| 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            |               |               | ✓          |       |
| 4       | 4       | Relief for capital losses                 |               |               | ✓          |       |
| 5       | 5       | Reporting of gains and payment of CGT     |               |               | ✓          |       |
| 6       | 6       | Part disposals                            |               |               | ✓          |       |
| 7       | 7       | Sales of leases                           |               |               | ✓          |       |
| 8       | 8       | Grants of leases                          |               |               | ✓          |       |
| 9       | 9       | Chattels                                  |               |               | ✓          |       |
| 10      | 10      | Connected person & Inter Spouse Transfers |               |               | ✓          |       |

|    |    |  |  |  |   |  |
|----|----|--|--|--|---|--|
| 11 | 11 | Shares & securities:<br>Matching rules     |  |  | ✓ |  |
| 12 | 12 | Bonus issues & rights<br>issues            |  |  | ✓ |  |
| 13 | 13 | Takeovers and<br>reorganisations           |  |  | ✓ |  |
| 14 | 14 | Gilts & QCBs                               |  |  | ✓ |  |
| 15 | 15 | Earn-outs & deferred<br>consideration      |  |  | ✓ |  |
| 16 | 16 | Options                                    |  |  | ✓ |  |
| 17 | 17 | Rollover relief                            |  |  | ✓ |  |
| 18 | 18 | Rollover relief &<br>depreciating assets   |  |  | ✓ |  |
| 19 | 19 | Gift relief                                |  |  | ✓ |  |
| 20 | 20 | Gift relief - restrictions                 |  |  | ✓ |  |
| 21 | 21 | EIS and SEIS<br>reinvestment relief        |  |  | ✓ |  |
| 22 | 22 | Gains and Losses on<br>EIS and SEIS shares |  |  | ✓ |  |

|    |    |                                    |  |   |   |   |
|----|----|------------------------------------|--|---|---|---|
| 23 | 23 | Incorporation relief               |  |   | ✓ |   |
| 24 | 24 | Principal private residence relief |  |   | ✓ |   |
| 25 | 25 | PPR relief - further aspects       |  |   | ✓ |   |
| 26 | 26 | Assets lost or destroyed           |  |   | ✓ |   |
| 27 | 27 | Compensation for assets damaged    |  |   | ✓ |   |
| 28 | 28 | Purchase of Own Shares             |  | ✓ |   | Expanded details of condition for capital treatment when discharging inheritance tax liability. |
| 29 | 29 | Transactions in UK Land            |  |   | ✓ |   |
| 30 | 30 | Annual Tax on Enveloped Dwellings  |  |   | ✓ |   |

## BUSINESS TAX

| FA21 Ch | FA22 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                                     |               |               | ✓          |       |
| 4       | 4       | Current Year Basis and Opening Year Rules              |               |               | ✓          |       |
| 5       | 5       | Overlap Relief and Closing Year Rules                  |               |               | ✓          |       |
| 6       | 6       | Change of Accounting Date                              |               |               | ✓          |       |
| 7       | 7       | Capital Allowances - Definitions                       |               |               | ✓          |       |
| 8       | 8       | Capital Allowances - Basic Computations                |               |               | ✓          |       |
| 9       | 9       | Capital Allowances - First Year Allowances and the AIA |               |               | ✓          |       |

|    |     |  |  |   |   |   |
|----|-----|--|--|---|---|---|
| 10 | 10  | Capital Allowances - Further Computations      |  |   | ✓ |   |
| 11 | 11  | Capital Allowances - Cars and Other Points     |  | ✓ |   | Section on Structures and Buildings Allowances moved to new separate chapter. |
| 12 | n/a | Structures and Buildings Allowance             |  | ✓ |   | Detail moved from previous chapter.   |
| 13 | 12  | Losses - Continuous Trades                     |  | ✓ |   | New section on temporary three year carry back.                               |
| 14 | 13  | Losses - Opening and Closing Year Rules        |  |   | ✓ |   |
| 15 | 14  | Introduction to Partnerships                   |  |   | ✓ |   |
| 16 | 15  | Partnership Changes                            |  |   | ✓ |   |
| 17 | 16  | Partnership Admissions and Retirements         |  |   | ✓ |   |
| 18 | 17  | Partnership Losses                             |  |   | ✓ |   |
| 19 | 18  | Limited Liability Partnerships                 |  |   | ✓ |   |
| 20 | 19  | Partnership Capital Gains - basic principles   |  |   | ✓ |   |
| 21 | 20  | Partnership Capital Gains - further aspects    |  |   | ✓ |   |
| 22 | 21  | Partnership Capital Gains - asset revaluations |  |   | ✓ |   |



## CORPORATION TAX

| FA21 Ch | FA20 Ch | Topic                                    | Major changes | Minor changes | No changes | Notes  |
|---------|---------|--|---------------|---------------|------------|--|
| 1       | 1       | Introduction to Corporation Tax          |               | ✓             |            | Changes to reflect enhanced FYA.   |
| 2       | 2       | Computation of Corporation Tax           |               |               | ✓          |  |
| 3       | 3       | Long Periods of Account                  |               |               | ✓          |  |
| 4       | 4       | Corporation Tax Self-Assessment (CTSA)   |               |               | ✓          |  |
| 5       | 5       | Payment of Corporation Tax               |               | ✓             |            | Removed references to pre 1 April 2019.  |
| 6       | 6       | Interest on Late Paid Tax and Repayments |               |               | ✓          |  |
| 7       | 7       | CTSA Penalty Regime                      |               |               | ✓          |  |
| 8       | 8       | Property Income                          |               |               | ✓          |  |
| 9       | 9       | Loan Relationships                       |               |               | ✓          |  |
| 10      | 12      | Corporate Capital Gains                  |               | ✓             |            | Updated to include corporate capital loss restriction  |
| 11      | 13      | Intangible Fixed Assets                  | ✓             |               |            | Treatment of goodwill simplified with acquisitions between 1 April 2002 and 7 July 2015 removed, to reflect reduced scope of syllabus. |

|    |    |                                      |  |   |   |   |
|----|----|--------------------------------------|--|---|---|---|
| 12 | 14 | Research and Development Expenditure |  | ✓ |   | New PAYE and NIC cap on SME R&D tax credit.<br>Tax relief for capital expenditure on R&D added to this chapter.   |
| 13 | 15 | Companies with Investment Business   |  |   | ✓ |   |
| 14 | 10 | Relief for Trading Losses            |  | ✓ |   | Temporary extended carry back loss relief for accounting periods ending between 1.4.20 and 31.3.22. Removal of pre-1 April 2017 losses throughout losses chapters reflecting syllabus changes. Chapter rewrite. |
| 15 | 11 | Relief for Other Losses              |  | ✓ |   | Removal of pre-1 April 2017 losses throughout losses chapters reflecting syllabus changes.  |
| 16 | 16 | The Principles of Group Relief       |  | ✓ |   | Removal of reference to pre-1 April 2017 losses reflecting syllabus change.   |
| 17 | 17 | Group Relief – Further Aspects       |  |   | ✓ |   |
| 18 | 18 | Group Capital Gains                  |  |   | ✓ |   |
| 19 | 19 | Group Gains – Further Aspects        |  |   | ✓ |   |
| 20 | 20 | Change in Ownership of a Company     |  |   | ✓ |   |

|    |    |                                 |  |   |   |  |
|----|----|---------------------------------|--|---|---|--|
| 21 | 21 | Residence and Double Tax Relief |  |   | ✓ |  |
| 22 | 22 | Dual and Non-Resident Companies |  |   | ✓ |  |
| 23 | 23 | Transfer Pricing                |  |   | ✓ |  |
| 24 | 24 | Administration and Liquidation  |  | ✓ |   | Minor points of clarification on the treatment of groups and the application of the second subsidiary SSE. |
| 25 | 25 | Informal Winding Up             |  |   | ✓ |  |