

FOUNDATION IN VAT COMPLIANCE – FA21 CHANGES GUIDE

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 8 VATA 1994 – Exemptions			✓	
7	7	Deemed Supplies & Self-Supplies			✓	
8	8	Value of the Supply			✓	

9	9	Time of the 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 & Returns		✓		Businesses under the current VAT threshold will have to use MTD from 1 April 2022
13	13	Accounting for VAT			✓	
14	14	Bad Debt Relief			✓	
15	15	HMRC Powers, Appeals & 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 an result in a £1,000 penalty
16	16	Penalties for Incorrect Returns			✓	
17	17	Penalties for Failure to Notify			✓	

18	18	Default Surcharge		✓		There is a new penalty regime that replaces the default surcharge. The mechanics of the scheme is covered in the next chapter.
19	19	Penalties for Late Returns & Late Payment	✓			The chapter has been re-written to include the new penalty regime for late filing and late payment of VAT in the FA 2021, that applies from 1 April 2022
20	20	Interest and other points		✓		New rules from 1 April 2022 about interest on VAT
21	21	Refunds & Repayment Interest		✓		New rules from 1 April 2022 replacing repayment supplement with repayment interest to align VAT rules with Income Tax
22	22	International Aspects – Goods	✓			Due to Brexit, the syllabus has changed and the chapter has been substantially re-written
23	23	International Aspects - Services	✓			Due to Brexit, the syllabus has changed and the chapter has been substantially re-written
24	24	Land & Buildings – Zero & Reduced Rating			✓	
25	25	Land & Buildings – Exemption & Standard-Rating			✓	

26	26	Land & Buildings – Option to Tax			✓	
27	27	Capital Goods Scheme			✓	
28	28	Transfer of a Going Concern			✓	
29	29	Groups			✓	
30	30	The Flat-Rate Scheme			✓	
31	31	Retail Schemes			✓	
32	32	Second-hand goods margin scheme			✓	