

Corporation Tax Online Filing: Are You Ready?



What's the change?

Annually, all UK companies have to submit accounts, tax computations and corporation tax returns (Form CT600) to HM Revenue & Customs ("HMRC").

From 1 April 2011, HMRC will require UK companies with accounting periods ending after 31 March 2010 to submit both Corporation Tax Returns and company accounts online using the inline eXtensible Business Reporting Language ("iXBRL") format. Ultimately, the responsibility falls on the company directors to ensure that their organisations are in position to comply with this deadline.

Why are HMRC introducing this change?

The emphasis on online filing is a direct response to points raised in the 2006 Carter Review (www.hmrc.gov.uk/budget2006/carter-review) to provide better data quality and faster completion of administrative tasks. For the general public, this is meant to lead to faster repayments and greater certainty. For HMRC, the improvement in data quality will enable them to be more directed in their reviews and enquiries.

What is iXBRL?

XBRL is a web-based computer language, written specifically for business reporting, which has been in existence for nearly 10 years and has already been adopted by various regulatory bodies in the US, Japan, Australia, Belgium and the Netherlands. iXBRL translates the core codes of XBRL into a format which is readable by users – in effect, making it a PDF-like file viewable in a web browser.

How can I prepare iXBRL accounts and corporation tax returns?

Most organisations, or their tax agents, already use commercial software to prepare accounts, tax computations and tax returns.

www.hmrc.gov.uk/efiling/ctsoft_dev.htm contains details of software suppliers that have tested successfully for compatibility with HMRC's online systems.

If you file your tax return yourself, then you will need to register with the Government Gateway in order to file your tax return online, and check with your software provider that the software you're using will allow you to submit your return online in the correct format from 1 April 2011. If you have a tax agent, then you should speak to them about their arrangements to comply with online filing requirements.

Do I still have to file paper accounts at Companies House?

The original intention was for a single filing mechanism, thus reducing the administrative burden on companies. However, Companies House has decided not to mandate XBRL filing at this current time, and therefore companies are required to continue filing company accounts separately to HMRC and Companies House.

Can I still file paper returns and accounts after 31 March 2011?

No. HMRC have clearly stated that paper submissions will be rejected after 31 March 2011.

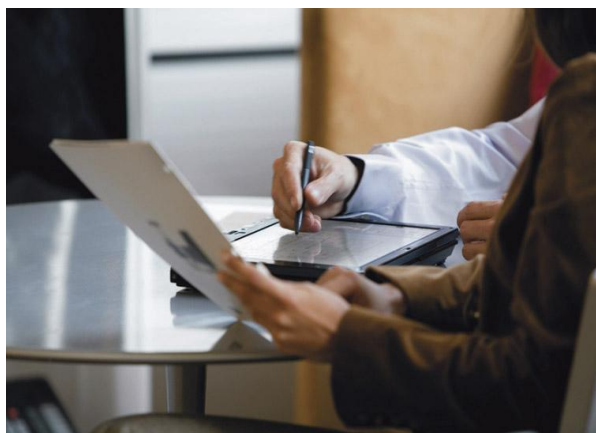
What else should I know?

From 1 April 2011, all companies and organisations will have to pay any corporation tax and related payments due electronically, e.g. by direct debit, BACS transfer, internet or telephone banking, etc.

How can we help?

We have been working closely with our software providers to ensure our clients are ready for the iXBRL filing deadline, and can assist you in:

- i. Preparing accounts to be converted into iXBRL format for submission to HMRC
- ii. Preparing and submitting corporation tax returns in iXBRL format



Who are we?

We are a firm of business advisers, tax advisers, corporate recovery and insolvency specialists based in London. What makes us different is our core values in how we look after your interests as we would our own and strive for a long term mutually beneficial relationship.

We strive to help businesses regardless of size to achieve their goals helping clients maximise their potential, adding value wherever possible. Our international contacts, being also a member of *Integra International*, enable us to unite our clients with accountants around the world who share our ethos and can provide the service you expect.

Tax minimisation and wealth maximisation is integral to everything that we do for you. We are driven to ensure you achieve the best possible cash return for your business in a work ethic of straightforward, honest and open discussion.

Contact

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