



BOURNER BULLOCK

Chartered Accountants

iXBRL

**CORPORATION TAX (CT) CHANGES:
COMPULSORY ONLINE FILING AND
ELECTRONIC PAYMENT**

From 1 April 2011, all companies and organisations which are required to file a Company Tax Return will have to file online for accounting periods ending after 31 March 2010. Organisations which may be required to file a Company Tax Return include unincorporated charities, clubs and societies.

This is clearly an additional administration burden for companies so we have set out an overview of these important changes. This includes the action you may need to take in order to be ready and able to comply with the new requirements for online filing and online payment of CT liabilities.

WHAT DOES CT ONLINE FILING INVOLVE?

The submission of Company Tax Returns online includes the tax computations and the accounts which are submitted as part of the Company Tax Return. This will involve the conversion of those accounts and tax computations into an electronic language referred to as iXBRL (inline extensible business reporting language). This enables business and financial data to be communicated and processed automatically by computer software.

Companies will either have to take steps to convert accounts and computations into the required iXBRL format themselves or use a third party such as their accountant. In theory the conversion process should be done automatically by commercially available final accounts production (FAP) and tax preparation software. However, you may need to check whether the relevant software upgrades will be available by the time you need to prepare the information and file your return.

HMRC and Companies House provide free software for small companies with simple accounts which do not currently use FAP software or rely on an accountant to file for them. Some organisations may produce their accounts and tax computations using a word processor or spreadsheet programme rather than FAP software. They can continue to do this, if they choose, but they will still need to insert 'XBRL tags' and convert the documents or spreadsheets into an iXBRL file before filing as part of their Company Tax Return.

ARE THERE ANY EXEMPTIONS FROM ONLINE FILING?

It will generally no longer be acceptable for most companies to send either the accounts or computations on paper or as a PDF attachment to an online return. However, specific compromise arrangements currently exist as follows:

- Unincorporated charities, clubs and societies may use either iXBRL or PDF for their accounts, but any computations must be in iXBRL format.
- As a transitional measure - until the accounts template forming part of the HMRC filing software can accommodate the format of a charity's accounts - small charities will be able to file accounts in either PDF or iXBRL. Any computations must be in iXBRL format.

Contact us and speak to a Partner for more information on these issues



Contact our office: Bournier Bullock, Sovereign House, 212-224 Shaftesbury Avenue London WC2H 8HQ
Tel: +44 (0)207 240 5821 **Fax:** +44 (0)207 240 5827 **Email:** info@bournierbullock.co.uk
Website: www.bournierbullock.co.uk



A member of the JPA International network of independent accountancy firms.

Registered to carry out audit work in the UK and regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales.



PAYMENT OF CT ELECTRONICALLY

Many companies already pay their CT electronically but from 1 April 2011 **all** CT and related payments **must** be made electronically. Related payments include interest charged on overdue CT and penalties for not filing your Company Tax Return on time.

Online electronic payment methods include - Direct Debit, debit or credit card via the BillPay service and the company's bank or building society's internet banking service. It currently excludes the Faster Payments Service (FPS), which is offered by some banks. You should also note that an additional transaction fee of 1.25% applies to credit card payments.

You can only set up a Direct Debit for HMRC to collect the payment if you are registered for CT online.

Other electronic payment methods include - Bacs (Bankers Automated Clearing System) Direct Credit, telephone banking services, CHAPS (Clearing House Automated Payment System), Bank Giro and payment at a participating Post Office.

Payment at the Post Office can be made by cheque, cash or debit card without charge and HMRC will treat any such payment as electronic.

For further guidance on different electronic methods and how to set them up visit:

www.hmrc.gov.uk/payinghmrc/corporationtax.htm#1

RELATED DEVELOPMENTS

As part of the online facilities developments, Companies House and HMRC now provide a joint filing service for company accounts. Most small companies or their authorised agent should be able to use the facility within the accounts template provided in HMRC's CT online filing software to submit the statutory, abbreviated or dormant accounts to Companies House.

Change is often difficult but we are here to help. Please do get in touch with David Matkins if you would like to discuss any of these changes in more detail.

Email: david.matkins@bournerbullock.co.uk

Tel: +44 (0)207 240 5821



This factsheet is one of a series produced for general reference purposes for clients and contacts of Bournier Bullock Chartered Accountants, on the basis that no responsibility is accepted for any action taken, or refrained from being taken, based on this fact sheet. The matters set out are necessarily of a general nature and professional advice should be taken before applying the information outlined to specific situations.



Contact our office: Bournier Bullock, Sovereign House, 212-224 Shaftesbury Avenue London WC2H 8HQ

Tel: +44 (0)207 240 5821 **Fax:** +44 (0)207 240 5827 **Email:** info@bournerbullock.co.uk

