



Mandatory online filing of Company Tax Returns

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Introduction

Important changes are being made to the filing process for Company Tax Returns. These changes are due to take effect for returns filed after **31 March 2011** and will affect all companies filing UK Company Tax Returns. It is essential that companies understand their new obligations and make appropriate plans to enable their systems for online filing.

Tax Computer Systems is at the forefront of developments in the electronic filing of Company Tax returns. In 2003 the company was the first commercial software organisation accredited to electronically submit CT600s via the Government Gateway and we intend to be the first to release software capable of submitting the full range of tax calculations using the new online filing mechanism. This is made possible by the company's excellent ongoing dialogue with HMRC and with its customer base.

This brief guide explains how the new mandatory online filing regime will work and how Tax Computer Systems is enabling its software packages to provide seamless integration with the new requirements.

Summary of changes to the Corporate Tax filing regime:

For returns filed after **31 March 2011** companies will be **required** to:

- Submit their Company Tax Return (CT600) online using a data format named Extensible Markup Language (XML)
Note that Alphatax pioneered this E-Filing capability in 2003.
- Submit supporting tax computations online using a data format named Inline Extensible Business Reporting Language (iXBRL)
- Submit statutory accounts in iXBRL format
We recommend that you contact your accounts software provider to discuss this issue well in advance of the deadline to discuss the implications of this change on their software

Frequently asked questions:

What is XBRL?

Extensible Business Reporting Language (XBRL) is a common data standard created to aid communication of business and financial information. In its simplest form it is a method of 'tagging' data elements in a report with both a context and an identity. XBRL-enabled systems can automatically extract this data for further analysis.

The definition of individual reporting concepts ('tags') in XBRL is defined by a *taxonomy*. HMRC released a final version of its taxonomy on February 27 this year which provides details of the reporting concepts they expect to be reported under the new e-filing regime. The taxonomy currently includes around 4,500 items.

Tax Computer Systems has provided a number of recommendations to HMRC on the content and structure of the taxonomy since early versions of the taxonomy were released a number of years ago.

What is iXBRL?

The term Inline XBRL (iXBRL) describes the method of delivery. iXBRL indicates that the XBRL tags must be embedded within an HTML document for onward submission to HMRC.

Will Alphatax be equipped to deal with the new filing regime?

Yes, Alphatax will be fully enabled for iXBRL e-filing in the near future. We aim to release this capability later this year so that users can become accustomed to the process and provide us with feedback prior to the mandatory deadline. Our original intention was to make the appropriate changes to Alphatax in our Spring 2009 release (v10) to give our user base additional time to preview these changes but significant delays to the release of the final taxonomy by HMRC prevented us from making the required changes in this timescale.

How will Alphatax 'tag' the data?

Alphatax was designed from day one to label each item in a computation with a unique identity. Currently the Alphatax computational engine specifically identifies around 55,000 unique items. Existing items will be mapped to the items in the HMRC taxonomy. Any new items that are not already identified will be included in the Alphatax computational engine in future releases.

Will the move to XBRL change the way in which I use Alphatax?

Due to the unique way in which Alphatax is designed the changes to existing processes and reports will be minimal and, for the most part, will occur behind-the-scenes. From a user perspective, the major change is that the final computation will be produced in HyperText Markup Language (HTML) rather than as Portable Document Format (PDF) as used at present. The production of HTML reports with embedded XBRL tags (iXBRL) will be handled automatically.

However, please note that the contents of the current taxonomy represent a considerable increase in the level of detail that HMRC will require to be submitted electronically when compared to a CT600 form. Alphatax already includes the vast majority of the data that HMRC will require in its existing reports but the following points should be noted:

- HMRC will require a profit and loss account to be prepared in all instances. Accordingly where a return is e-filed under XBRL it will no longer be possible to start a computation solely from the Profit per accounts value.
- Adjustment items (such as D1 adjustments) that are currently captured in insertable rows will need to be identified as particular types of adjustment for XBRL purposes. We will include a simple mechanism to provide these items with a relevant identity for XBRL purposes.

For users not yet familiar with the current e-filing regime, there are a number of system requirements and it is necessary to register with the Government Gateway. Full details are available from the E-Filing Help pages in Alphatax and from the [HMRC website](#).

Will my data be secure when it is e-filed?

The technology used to transfer data from your workstation to the HMRC website will be identical to existing e-filing technology. HMRC's chosen method is to employ https (a secure hypertext transfer protocol) which is commonly used for payment transactions on the Web and for sensitive transactions in corporate information systems.

What other e-filing related developments are taking place in Alphatax?

We are currently working with interested customers to significantly enhance the workflow and data collection capabilities of our Alphatax package. We will be introducing this new functionality in the next twelve months.

Where can I get more information?

[Get ready for online-only filing of Company Tax Returns](#)

HMRC guidance

iXBRL development update

Entries in this section are taken from the iXBRL Development Update page on our website.

What is XBRL?

24 September 2009

Extensible Business Reporting Language (XBRL) is a data standard designed to ensure that electronic documents can be read by computers and enables numbers contained in those documents to be automatically extracted and reported upon. XBRL uses the Extensible Markup Language (XML) syntax. HMRC have supported e-filing using the XML standard since 2002. Alphatax was the first commercial package to support this e-filing convention and has since been used to file many thousands of tax returns electronically.

The advantage of XBRL over XML is that the names of individual reporting items ('Tags') are defined in a taxonomy which defines the business relationship of the tags. The XBRL standard also defines the format for values with different currencies, periods and decimalisation. In March 2006, HMRC published the first corporation tax taxonomy which included around 4,500 tags. Following discussions with our development team HMRC defined 1,200 of these tags as mandatory. If a mandatory item appears in the computation then HMRC expect this to be tagged with an appropriate XBRL identity. Non mandatory items do not need to be tagged for XBRL purposes even if they appear in the computation.

The disadvantage of XBRL (and XML) is the difficulty viewing the submitted data in a human understandable form. With the original 2006 taxonomy, HMRC provided a viewer ('Style Sheet') of the XBRL tax computation. As everyone who has used Alphatax knows we spend considerable effort to ensure that the tax computation is highly presentable. Our current presentational format is a result of nearly twenty years of improvements and refinements requested by our users. HMRC's style sheet was unacceptably slow and displayed the computation poorly. In addition the stylesheet computation omitted many data items presented by an Alphatax tax computation.

Accordingly, HMRC chose last year to utilise a rendering offering called inline XBRL ('iXBRL'). iXBRL is based around the Extensible Hypertext Markup Language ('XHTML') format. XHTML is also part of the family of XML markup languages. Alphatax will produce XHTML output based on its existing report presentation. XHTML can be easily displayed in a web browser, such as Microsoft Internet Explorer, although the display is not as good as that provided by Alphatax reports. The XBRL tags are embedded in the XHTML version of your computation in such a manner that the browser displays the tax computation only, and ignores the XBRL tags. HMRC's computer systems are able to extract the values denoted by the XBRL tags and analyse those values independently of the original document in order to highlight issues requiring further investigation.

Mandatory online filing of company tax returns

13 March 2009

Important changes are being made to the filing process for Company Tax Returns. These changes are due to take effect for returns filed after 31 March 2011 and will affect all companies filing UK Company Tax Returns. It is essential that companies understand their new obligations and make appropriate plans to enable their systems for online filing.

Alphatax will be fully enabled for the new filing regime. In 2003, Tax Computer Systems was the first commercial software organisation accredited to electronically submit CT600s via the Government Gateway with the current scheme and the company intends to be the first to release software capable of submitting the full range of tax calculations using the new scheme. This is made possible by the company's excellent ongoing dialogue with HMRC and with its customer base.

Tax Computer Systems plans to release this capability later in 2009 so that users can become accustomed to the process and provide feedback prior to the mandatory deadline. Significant delays by HMRC to the completion of the new mechanism have prevented the company from making the required changes in time for the Alphatax UK Spring 2009 Edition.

iXBRL update for computations and returns

6 November 2009

Tax Computer Systems Limited is delighted to announce Alphatax is fully compliant with HMRC's new mandatory e-filing standard. HMRC have confirmed that from April 2011 tax computations and supporting accounts must be filed using the new iXBRL standard and that paper submissions will no longer be accepted. We believe we are the first software provider to provide a fully automated solution covering the completion and submission of comprehensive iXBRL tax returns.

Alphatax automatically embeds all relevant XBRL tag names in the tax computation without user intervention. Accordingly the user does not need to have any knowledge or understanding of the iXBRL syntax. Furthermore, there is no requirement for the user to tag any number manually. Many organisations have expressed concerns that HMRC's use of benchmarking and automated data mining techniques may reveal weaknesses in the data when filing under iXBRL. The Alphatax approach achieves a robust and accurate solution across organisations of any size.

Alphatax was the first software to be accredited for XML e-filing in 2003 and today Alphatax is the leading independent provider of CT e-filing submissions. With one of the highest R&D budgets in the industry TCSL is committed to being the foremost supplier of end-to-end corporate tax compliance software. From the proactive dialogue we have had with HMRC, we are confident we will continue to be the first to provide new technology, using elegant solutions that exceed the expectations of our customers.

iXBRL statutory accounts software solution

6 November 2009

Tax Computer Systems is happy to announce the development of an iXBRL convertor for statutory accounts prepared by companies into the iXBRL prescribed format. The submission of iXBRL statutory accounts to HMRC will be mandatory from 1 April 2011. We have consulted with many of our customers, and they have informed us that in the main they wish to continue using their existing desktop publishing tools for creating the statutory accounts.

TCSL's application converts documents created with these DTP tools to iXBRL. The system tags the statutory accounts prepared to either the UK GAAP or the UK IFRS accounting standards using the appropriate XBRL taxonomies. The user may also add additional XBRL tag names, or amend assigned tags. The software learns from previous choices and applies this knowledge when tagging other companies in the group and later periods. The automation in the conversion will offer significant gains to users compared with manual only mark-up software applications.

The application is due for completion in early 2010, with a comprehensive dictionary for the intelligent automation of the iXBRL tagging a few months later.