A Practical guide to iXBRL for tax advisers

Guidance for CIOT Members

The guide has been written for the CIOT by Nichola Ross Martin & Tina Riches; members are free to download copies for their own personal use.

Contents

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Introduction

This guidance is aimed at tax advisers and businesses coming to terms with the implementation of iXBRL – whether they are yet to implement software or are part way through the implementation process. Sections 15 and 16 include links to further information and guidance on HMRC's and other websites.

At a glance

From 1 April 2011, for accounting periods ending on or after 1 April 2010 HM Revenue and Customs (HMRC) will require most companies and other entities which submit CT returns to file online their:

- Financial statements;
- Tax computations; and
- CT600 tax returns and supplementary pages.

The financial statements and the tax computations will need to be filed in iXBRL format, returns in XML format and other documents as PDF attachments.

Entities will also be required to pay their corporation tax (CT), relevant interest and penalties electronically from 1 April 2011. Details of what counts as acceptable electronic payment are on the HMRC website[1].

HMRC will no longer accept filing on paper. However, there are limited exemptions for:
- Those who cannot file electronically on religious grounds
- Companies and LLPs subject to certain insolvency arrangements

In addition, limited exceptions for some entities who can continue to file PDF accounts:
- Small unincorporated charities, clubs and unincorporated organisations; and
- Certain financial institutions and specialist entities.

In addition:
- Online filing submission must be achieved by using suitable software or outsourcing.
- Most commercially available CT software has recently been made iXBRL compliant; iXBRL enabled software is gradually coming to the market.
- HMRC provides basic software, for accounts production as well as CT returns and computations; however, it is only suitable for smaller and less complex companies
- Companies and their advisers will have to consider:
  - Who produces the final accounts;
  - The method in which they can be made iXBRL compliant;
  - Who will tag them and review the tagging; and
  - Making contingency plans should online filing fail initially.

Although iXBRL has been a major challenge for software companies, many leading tax and accounting software suppliers say that they will have obtained HMRC recognition for their products by 1 April 2011. However, this still leaves installation and implementation issues for businesses and tax advisers to resolve.

The Exchequer Secretary to the Treasury has confirmed that HMRC will operate a 'soft-landing' for the first two years following the introduction of compulsory online filing and HMRC have confirmed this will last for at least two years while software beds down. HMRC have confirmed in their 'transitional guidance[2]' that companies will not be penalised provided that they have made a 'reasonable attempt' to XBRL tag a submission.

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[1] See: http://www.hmrc.gov.uk/payinghmrc/corporationtax.htm

[2] See: http://www.hmrc.gov.uk/ct/mandatory-online-filing.pdf

iXBRL overview

What is iXBRL?

iXBRL stands for **i**nline e**X**tensible **B**usiness **R**eporting **L**anguage. It is a variant of the business reporting standard XBRL, published by XBRL International Inc, for embedding 'XBRL fragments' into Hypertext Mark-up Language (XHTML) documents, as used on web pages, such that the fragments can be extracted to form a complete XBRL document.

XBRL fragments consist of machine-readable tags; each unique tag represents an individual piece of financial data. This enables the data to be transferred easily between different IT systems and for a computer program to be applied to data from multiple sources to mine, sort, and analyse the data. This clearly has enormous potential for HMRC who can use the data supplied in risk assessing companies without requiring manual data inputting into their systems.

One of the early concerns about filing in XBRL was that humans could not easily read XBRL tags, which are written in code. iXBRL was developed to surmount this issue by embedding the XBRL code in a human readable document. iXBRL accounts therefore look like a traditional set of accounts to the human eye; however, the data can be extracted and manipulated by a computer.

Consequently, the advantage of iXBRL over XBRL is that it preserves the style such as formatting, branding and terminology of the original accounts. This means that an HMRC officer viewing the accounts on-screen will see the same version of the accounts that the company has approved.

Tags, taxonomies and tuples

How much you need to know about the different terms used in iXBRL depends to some extent on the solution used and the complexity of the particular accounts and computations. Here we provide an overview; further links appear at the end of the guidance.

Tags
Tags are the recognised pieces of code used to uniquely identify a piece of data. Much iXBRL enabled software will allocate appropriate tags to most of the data for the user, although the rest of the data may require manual mapping to iXBRL tags – i.e. an individual may have to manually go through a list of tags and find the one most relevant to the data. Manual mapping requires judgement and skill.

Taxonomies
Taxonomies are structured dictionaries or lists of tags. Each accounting standard uses a different combination of tags, so has its own taxonomy. There is also a 'common data taxonomy' and a taxonomy for the corporation tax computations data that HMRC requires. The legislation indicates that anything in a set of accounts or computation that appears on the relevant taxonomies should be tagged.

The UK taxonomies[3], which are owned by iXBRL UK, a not-for-profit organisation, include:
- UK GAAP 2008 and 2009 – updated 31 December 2010
- UK IFRS 2009 – updated 31 December 2010 and includes modules for: banking, investment funds, and oil, mining and gas companies
- UK Charities
- CT 2009 – the corporation tax data HMRC requires
- CDT 2009 – the Common Data Taxonomy that has been imported into UK GAAP and UK IFRS taxonomies.

While the full taxonomies can be used immediately, HMRC is permitted to accept accounts tagged to a lower level and has published much shorter 'minimum tagging lists[4]' for the UK GAAP, UK-IFRS and

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[3] See: http://www.hmrc.gov.uk/ebu/ct_techpack/index.htm
[4] See: http://www.hmrc.gov.uk/ebu/ct_techpack/min-tag-req.htm

Corporation Tax computational taxonomies, which can be used until further notice. However, see section 9 on the 'soft landing' for a further refinement of this requirement.

HMRC's minimum tagging list contains some 1,200 tags, as compared to over 5,000 tags in total under UK GAAP. HMRC have published a useful guide to tagging on their website[5].

Further changes to taxonomies are in the pipeline as accounting standards move from GAAP to IFRS and reporting to Companies House in iXBRL becomes mandatory. Most software companies have indicated that their software will keep abreast of these expected developments.

Tuples, Extensions and Dimensions
You may encounter terms such as tuples (groups of tags), extensions (a company-defined iXBRL tag which enable a company to expand the taxonomy to suit their business) and dimensions (forms or columns of data to distinguish between similar data for different years, geographical area or class of fixed asset etc) when using iXBRL, especially if you are manually mapping or tagging accounts. However, in most cases the software will take care of these for you, so these are not explored further here. The XBRL UK website provides more information on these.[6]

Embedding iXBRL tags

iXBRL tags are embedded into a document on an item-by-item basis for those items that appear in the relevant taxonomy, including most items in the directors' report, profit and loss account, balance sheet and notes to the accounts.

Generally, iXBRL enabled accounts production and CT software will automatically tag most of the relevant items. Because most users customise accounts to some extent, manual mapping may be necessary, often of around 20% of the data. However, this is relaxed during the soft landing.

Bespoke notes to the accounts may often require manual iXBRL mapping. Commercial accounts production software will generally allow the user to select the correct tags from a drop down menu or an equivalent function.

Where a company has complex accounting disclosures it may need to discuss its requirements in detail with a potential software provider.

If statutory accounts are prepared in programmes such as Word or Excel, conversion software can be used to convert the accounts into iXBRL format.

However, where iXBRL enabled software is used and accounts have not been customised, users will not normally need any detailed knowledge of iXBRL in order to produce the required documents to the iXBRL standard.

Initially, comparative figures in accounts are not required to be tagged, although the majority of commercial accounts production software will automatically tag most of these figures.

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[5] See: http://www.hmrc.gov.uk/ct/ct-online/file-return/online-xbrltag.pdf
[6] See: http://www.xbrl.org/uk/TechGuidance/

Formats for online filing with HMRC

Most documents should be filed in the following format to HMRC:

Document	Format
Full statutory accounts	Online in iXBRL
Computation	Online in iXBRL
Corporation tax return CT600 and additional pages	Online in XML
Additional documents, such as a written claim or an election	Online in PDF format.

Accounts

- It will no longer be possible to file accounts in a PDF format apart from in the limited exceptions to this rule – see section 12 and Appendix 2.
- HMRC now operate a limited joint-filing system with Companies House for those using the HMRC free software to submit 'simple' accounts.
- Under joint filing, submissions can be made separately, or at the same time, of the appropriate data to each department.
- Companies House currently accept accounts in all traditional formats.
- Online filing in iXBRL to Companies House is due to become compulsory in 2013.

Tax computations and form CT600

- It will no longer be possible to file returns and computations in a PDF format apart from in the defined limited exceptions to this rule.
- To submit a return and computations in the appropriate format a company will need to use:
  - Appropriate HMRC-recognised third party software;
  - HMRC's software; or
  - Outsource the work.

Types of software and other solutions

There are currently several types of solutions available to companies and agents. These include software and services:
- Integrated software package that combines a database with accounts and tax software;
- Mixture of stand-alone software packages, including:
  - Accounts production package
  - Submission package which produces and submits the tax computation and CT600 return and supplementary pages, to which iXBRL accounts or PDF documents can be attached;
  - Conversion software
- Managed tagging service – or outsourcing
- Manual tagging
- HMRC's own free software

Integrated software

When software is 'fully integrated', a company's key data is input into a content manager database which shares this information with its associated applications. Financial data is input via a bookkeeping module or a trial balance is keyed into an accounts production module, which creates full and, where relevant, abbreviated financial statements. Customisation is required in all but the most straightforward cases, e.g. in order to include additional P&L categories or to adjust the notes to the accounts. When the accounts are

complete, data is then pulled across into the CT module that produces tax computations and a company tax return.

Accounts, computations and returns (including supplementary pages and claims) are created and the software automatically tags them to a greater or lesser extent in iXBRL.

Advantages
- Cost-savings: once a company's details are input there is little duplication of effort;
- Ease of making late adjustments – e.g. changes to the accounts are automatically adjusted for in the tax computation and CT600 return;
- Minimisation or errors due to automatic rather than manual transfer of data between modules; and
- Ease of use, flexibility to deal with most size of company.

Disadvantages
- The start-up and on-going licence costs of fully integrated software tend to more expensive than stand alone products;
- Sometimes additional staff training is required to enable such packages to be operated optimally; and
- On a module-by-module basis, some stand-alone products may achieve better functionality and flexibility.

Stand-alone accounts production and tax software

The alternative to purchasing a fully integrated product is to combine several different software packages from different suppliers or write your own. These can sometimes be used in conjunction with HMRC's CT software.

Accounts production packages

A growing range of iXBRL enabled accounts production packages of varying sophistication are now available. These products are diverse; some will allow a user to completely customise a set of accounts, others permit only a rigid format. Accounts can be produced from data that is input manually from a trial balance or it can be carried across from a spreadsheet or bookkeeping software. iXBRL coding is generally embedded when the accounts are completed.

Advantages
- The cost is usually lower than a fully integrated package;
- It may have better functionality than a similar individual component included with an integrated suite of products;
- Data can often be exported to other packages; and
- It enables the user to cherry-pick the best package to suit its needs.

Disadvantages
- There can be some duplication of data input between programmes;
- Export functionality can be limited; and
- Other functionality can be limited - many basic packages will not deal with group accounts, complex accounts or extensive disclosures; a potential buyer will need to establish these limitations prior to purchase.

Corporation tax software

Corporation tax software automatically tags entries in iXBRL. There is a range of products available which are all broadly similar in appearance. Some are more basic than others, but in most cases the user is required to enter the data that would go into a tax return, adjust profits, maintain a fixed asset register in order to calculate capital allowances and then make claims for losses and other reliefs as required.

Advantages/disadvantages
- Functionality can vary significantly, especially on areas such as group relief.

Conversion software

Where accounts have been prepared in Excel, Word or a PDF format, conversion software will convert the accounts into iXBRL. There are many new products available for companies that prepare their accounts in non-iXBRL compatible software. There are also some established products which allow accounts to be prepared in Excel and then auto-tagged once finalised. The ease of use depends on the complexity of the accounts being tagged and the tag selection process. In some products a significant amount of manual mapping is required, although the software usually 'learns' the more it is used.

Advantages
- Cost and ease of use; and
- Software 'learns' the more it is used by business.

Disadvantages
- Software may not always cope with non-standard disclosures; a prospective purchaser will need to examine a product and try a test-run to gauge its limitations; and
- Can require a significant amount of manual mapping to tags.

Outsourcing

Accounts can be prepared in any format (including Word, Excel, PDF and even hand written) and are sent, often via the internet, to another firm, perhaps in another country to automatically or manually convert into iXBRL.

Advantages
- No up front software outlay;
- Minimal staff training and implementation costs; and
- A useful 'stop gap' pending a decision on software purchase.

Disadvantages
- Annual cost;
- May need to book time slot with provider;
- Accounts requiring later adjustments will need to be re-tagged by the provider and re-approved, which may be difficult to do at short notice; and
- Financial reporting decisions may be taken by the outsourcer.

Manual tagging

As an alternative to purchasing new software, it is theoretically possible to manually tag a set of accounts in iXBRL – i.e. actually write the iXBRL code. This is different to manual mapping which involves selecting the appropriate code from a list.

Advantages
- Minimal cash outlay.

Disadvantages
- Extremely difficult and slow process;
- Costly in terms of labour; and
- Requires a detailed knowledge of iXBRL together with the relevant taxonomies and this makes it impossible for most advisers. It is unlikely that any firm outside of the largest accountancy firms would contemplate a DIY approach on cost grounds alone, as there is a range of different alternatives that will suit most budgets.

HMRC's free software

HMRC provides basic free online software that allows users to produce accounts, computations and CT returns and submit them online. The service is not designed with agents in mind, although they are not currently precluded from using it. It is aimed at individual businesses.

Companies must register for HMRC's online services in order to access the service.

After logging in, data is input directly online via a series of screens and templates in order to create full and abbreviated accounts together with tax computations and the following supplementary pages:
* CT600A - Loans to participators by close companies;
* CT600E - Charities and Community Amateur Sports Clubs (CASCs); and
* CT600J - Disclosure of tax avoidance schemes.

Advantages
* HMRC's software is currently free and requires no knowledge of iXBRL.

Disadvantages
* HMRC's software is basic. Use is limited to small and uncomplicated CT cases (those who would have been able to file a short form CT600) with a turnover limit of £6.5 million and other restrictions as set out on the HMRC website[7].
* Early users say that data-entry is time-consuming;
* Frequent duplication of input is required, especially to produce the notes to the accounts;
* 'Trust settings' on any computer using the software may need to be changed, this may require specialist help and may affect other security settings; and
* The service has a 5mb file size limit for any attachments.

Practicalities: preparing for filing after 1 April 2011

Online filing of company accounts and tax returns in iXBRL is compulsory for accounting periods ending on or after 1 April 2010 submitted on or after 1 April 2011.

Companies and their advisers will need to review and then set up systems to enable online filing after 1 April 2011. Areas to consider, whether you are a business or an agent include:

Dealing with HMRC:

* Ensure you are registered with HMRC for online filing – whether as an agent or a business;
* Agents who wish to access the full online functionality need to ensure they are authorised for the clients for whom they intend to submit accounts etc online – are they on your online list? And
* Agents can access a 'file only' service with limited functionality.

Within the firm:

* Consider how you prepare statutory accounts at the moment (e.g. a final accounts production package, Excel, Word or mixture) and how many sets of accounts you deal with;
* Agree who is responsible for accounts production, iXBRL tagging and validation of tagging – whether the accounts or tax departments, client or agent – and ensure there is adequate co-ordination between them (Companies House mandation means this will become more than a tax issue);
* Agree who is responsible for tagging decisions and agree a process for ensuring consistency; and
* UK GAAP or IFRS – consider which to use to minimise future changes.

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[7] See: http://www.hmrc.gov.uk/ct/ct-online/file-return/use-hmrc-software.htm#2

Software:

- Consider whether you should defer making a decision on software purchase by outsourcing in the short term by using a managed tagging solution;
- Ensure that existing software is iXBRL compliant – you may need to discuss this with your software company; or
- Select suitable new software – see section 8;
- Ensure servers and other hardware are adequate – many firms report needing server upgrades to support iXBRL enables software; and
- Ensure all software in use is regularly updated in accordance with the vendor's instructions.

Implementation:

- Agree new processes within the firm to ensure a level of quality, accuracy and consistency;
- Agree processes (including clarity over responsibilities for tagging, reviewing and approving tagging);
- As tagging requires judgement, decide who will do the work and who will review it;
- Agree standard templates for accounts, especially for group subsidiaries to simplify the iXBRL tagging process;
- Ensure staff are trained to use new software;
- Ensure staff are trained in the firms new processes; and
- Consider being an early engager - once you have the software ready you can start filing in iXBRL straight away – you do not have to wait until 1 April 2011.
  - Early engagers may have the advantage of ironing out internal problems before mandation or before the soft landing expires and have a competitive edge;
  - Late engagers may have the advantage of software bugs being eliminated by their peers before they start.

Dealing with clients

- Review terms of engagement and agree with clients who will deal with the production of statutory accounts and tagging;
- Revise engagement letters as necessary;
- Ensure timings and deadlines are set to ensure that sufficient time is given to deal with any e-filing problems should they occur;
- Ensure clients are aware that they are responsible in law for tagged accounts, even if an agent prepares and submits them;
- Agree how accounts and returns will be approved by clients – the unique 'IR Mark' cannot be generated until the date the accounts have been approved has been input to the return, meaning the return with the IR Mark may need to be approved as a separate step after the statutory accounts have been agreed.

Future plans

- Consider other scope for iXBRL within the organisation. Larger companies or large firms of agents may consider developing iXBRL to use on a wider basis within the firm, including as part of their accounting or other systems; and
- Other Governments and regulatory bodies around the world are moving towards XBRL or iXBRL. HMRC are at the forefront of the developments that are becoming global standards so UK business might have a head start, albeit a painful one for some.

Registering for online filing

A company is required to register with HMRC in order to file online. It does this online. HMRC will then send out a code that must be activated within a set time in order to set up the service.

Alternatively, an agent must register separately with HMRC in order to use their agent's online services. A new agent must obtain an agent code (which is obtainable from the Agent Maintainer in the HMRC Central Authorisation Team (CAAT) at Long Benton) before registering for online services. The agent can then view and manage their clients' online records.

- Where an agent wants to do provide more than a 'file only' service' and gain access to the full functionality, such as seeing the client's account, he must obtain agent authorisation.
- When a client has a UTR, authorisation can be obtained through online services for agents.
- After applying for authorisation HMRC will send out an activation code to the client within 7 to 10 days, this must be given to the agent and used by him within 30 days.
- When a client has no UTR, authorisation can only be obtained by submitting a paper form 64-8 to the CAAT.

Users of commercial accounts production and corporation tax software

Companies need to work with their tax advisers to ensure that all documents required for online filing can be generated in the correct format and in order to minimise duplication of effort between the parties.

Tagging

- Where a company prepares its own accounts it will have to consider whether it is going to produce them in iXBRL format, convert them into an iXBRL format, or leave this task to its advisers.
- Advisers who normally accept a client company's accounts on paper or in an electronic format (e.g. in Word or Excel or PDF format), or have clients using bespoke accounting software will have to consider whether they request that the client convert its accounts into iXBRL format, or whether the adviser should offer to deal with the task.

Tagging: areas of risk

Accounting disclosures have created some of the biggest difficulties for software developers. Commercial accounting packages provide a range of standardised notes that deal with the common disclosures for accounting policies and balance sheet items. Bespoke notes covering areas such as transactions with Related Parties and Directors, for example, will require special consideration. It is advisable to discuss disclosure requirements in advance with a software supplier when appraising a product as the flexibility for customising and tagging accounts varies between products.

Additional voluntary disclosure in statutory accounts should be tagged where they form part of the minimum tagging list. However, the professional bodies have asked HMRC to relax this rule so as not to discourage additional voluntary disclosure. A decision on this is currently awaited.

Validation and submission of accounts

Accounts saved in iXBRL format are submitted online to HMRC together with the CT600 return and tax computations. This part of the process should be no different from submitting a PDF file.

An online submission to HMRC using commercial software has to pass a small number of validation checks[8] when passing the Government Gateway. A package passing the validation checks could still contain errors.

When using any new software it is essential to check with the vendor that the latest version of the software is in use and to also allow sufficient time to diffuse any validation conflicts.

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[8] See: http://www.hmrc.gov.uk/ebu/ct_techpack/joint-filing-validation-checks.pdf

Choosing software or other solutions – what to look out for

Companies and agents still to choose, or considering changing, how they will deal with their accounts and iXBRL following the 1 April 2011 commencement of compulsory online filing will need to consider a variety of factors. Here we list some of the things to consider when looking at the various solutions on the market:

- Ease and speed of use;
- Amount of staff training required;
- Integration with other packages including agent's or clients' software;
- The capacity to deal with the necessary complexity of accounts including the level of disclosure required – including specific types of accounts and taxonomies – e.g. charities, banking etc;
- The capacity to deal with the necessary range of computations and returns, including additional supplementary pages;
- Overall functionality – e.g. does it include bookkeeping and management accounts modules;
- Price – and flexibility to change the number of staff or companies covered by any software licence or service agreement;
- Timing – e.g. does managed tagging service require pre-booking;
- Reliability and testing – has the product been tested by peers;
- Availability – whether the product already available;
- Accreditation by a reputable body;
- Ability to customise;
- Amount of automated tagging v manual mapping required; and
- Whether it can be combined with the HMRC free software.

HMRC does not endorse any products; however, they list the commercial solutions that they recognise as having successfully filed through the Government Gateway[9].

Soft landing and rejection of accounts

Under the regulations[10] governing online filing of returns, HMRC have the power to disregard a return and treat it as not having been delivered. They can therefore reject accounts that do not meet the minimum tagging requirements. However, the legislation also states that HMRC should accept the return where:
'at least one of the contraventions or failures to comply was necessary in order to deliver the company tax return by the filing date or within any extra time arising, despite genuine efforts not to undermine that purpose.'

As a consequence, HMRC will be operating a soft landing for at least the first two years. In their guidance for the transitional period[11], they have stated:
'Only in very extreme circumstances would a return which clears this Gateway be rejected later because of poor tagging. This would only happen where HMRC believe there has not been a reasonable attempt made to XBRL tag a part of the submission
- and they would discuss this with you first.'

Incomplete tagging

In addition, HMRC have helpfully agreed that, during the soft landing, accounts produced by software that automatically tags most of the data can be submitted without further manual mapping and will not be rejected.

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9   See: http://www.hmrc.gov.uk/efiling/ctsoft_dev.htm
10 See: http://www.legislation.gov.uk/uksi/2009/3218/contents/made
11 See: http://www.hmrc.gov.uk/ct/mandatory-online-filing.pdf

Late software

If you are unable to produce iXBRL accounts due to late delivery of software (e.g. if it has not arrived in sufficient time to enable you to install and implement the software) you need to contact HMRC at Marketing.online@hmrc.gsi.gov.uk as soon as possible to discuss your options.

HMRC have indicated that they intend to use the first two years as part of an educational process to help filers develop a common standard.

Penalties and reasonable excuse

There are no penalties for poor tagging. HMRC's only power in this regard is to reject the accounts package.

The only penalties are for late returns. If a return is rejected after the filing deadline, or there is insufficient time to resubmit a 'corrected' return following rejection before the deadline, a late filing penalty could arise.

Taxpayers or their agents can consider making a claim for reasonable excuse in response to any penalty levied. Alternatively, a claim can be made in advance. Claims are made on a 'reasonable excuse claim form.' Forms will be available on the HMRC website before 1 April 2011. It is expected that they will need to be converted into PDF format and submitted with the return. A dedicated HMRC team is expected to deal with appeals to provide consistency of treatment.

A late return can have other implications, such as contributing to the loss of CIS gross payment status. The specialist team will be aware of this and where the form is received in advance will aim to suppress any loss of gross payment status due to the return being late.

Practically, this means that HMRC will not accept excuses such as, 'we did not understand the technology' because they expect companies to use appropriate software and bring in the necessary expertise to complete the task where needed.

Other transitional measures

Issue of paper returns

HMRC has stopped issuing blank paper return forms and guidance notes (forms CT600 & CT600 Guide) with the 'Notice to deliver a Company Tax Return' (form CT603).
- These forms may still be downloaded and printed, but a paper return can only be used for a period ending after 31 March 2010 if it is submitted before 1 April 2011.
- Returns filed after that date must be filed online, unless the company is exempted.

Companies and agents not yet ready for iXBRL with returns due shortly after 1 April 2011 may wish to consider filing them on paper by 31 March 2011 to provide more time to prepare for iXBRL.

Inclusions, exemptions and exceptions

Companies

All companies filing accounts under the Companies Act 2006 together with companies that prepare accounts under the legislation governing certain financial institutions, such as building societies, friendly societies and industrial and provident societies must submit accounts and computations in iXBRL format, unless exempted or HMRC have made other provisions.

Exemptions

The regulations exempt several types of entities from online filing (for accounts, computations and also returns). These are:
1. Entities where all the directors (and, if there is one, the company secretary) or all the individuals in the unincorporated association are practising members of a religious society or order whose beliefs are incompatible with the use of electronic communications. If this applies the company must write to its CT Office providing full details for confirmation as to whether the exemption applies;
2. A company or organisation subject to a 'winding-up order', in administrative receivership or being managed by an administrator;
3. A company in a creditors' voluntary winding up, with a provisional liquidator appointed, with a company voluntary arrangement in place, or with a compromise or arrangement in place; and
4. A limited liability partnership being wound up.

Amended returns

Amendments to returns are not covered by the regulations – they can be submitted online or on paper. Amended returns submitted online require manual intervention by HMRC staff, so there may be a delay in the figures feeding through to HMRC's corporation tax system.

Groups of companies

- Companies that are part of a group must submit their individual company accounts in iXBRL format.
- If a parent company chooses, or is required to prepare group accounts as well as individual accounts, it may instead deliver consolidated accounts in iXBRL format. Its consolidated accounts must contain the same information about the parent company as its individual accounts would have done.
- A parent company that does not prepare consolidated accounts must provide its individual accounts in iXBRL format and any group accounts as a PDF.

Exceptions and other provisions

The full details of which accounts should be provided in which format and which can be provided in PDF are on the HMRC website[12] at Appendix 2 and are summarised below:

Overseas entities

Any overseas entity with a UK corporation tax filing requirement must file online, including:
- Overseas entities that are UK tax resident; and
- Non-resident companies trading in the UK via a permanent establishment including a branch or agency.

They are required to submit their accounts and computations relating to UK activities in iXBRL format. However, there are some exceptions to this in the guidance, e.g. where there is no relevant taxonomy – see the HMRC note on formats at Appendix 2.

Special cases

a. Small and unincorporated charities, clubs and societies

Small unincorporated charities, clubs and societies can choose whether to file their accounts in iXBRL or PDF format (using the minimum tagging list including the charities extension), although computations must be in iXBRL format.

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[12] See: http://www.hmrc.gov.uk/ct/ct-returns-format-accs.pdf

As the accounts template included in HMRC's free software may not be suitable for small charities, HMRC will continue to accept accounts from smaller charities in PDF format. However, computations must be filed in iXBRL format and HMRC's free software should be suitable for these cases.

- A 'small charity' for the purposes of this arrangement is one where, together with any wholly owned subsidiaries (companies owned by the charity), the combined income does not exceed £6.5 million for the accounting period and is:
  - an unincorporated charity with incoming resources under £100,000 and prepares accounts on the receipts and payments basis under Charities Act 2006 and charities SORP; or
  - an unincorporated charity with incoming resources over £100,000 and prepares accounts on the accruals basis under Charities Act 2006 and charities SORP.
- Other charities will usually need to use commercially available software to file their Company Tax Return, their accounts and any computations in iXBRL format.

Unincorporated associations and charities that are incorporated by guarantee, shares or charter (or in future, are incorporated under the Charities Act) must submit computations in iXBRL format, but can continue to submit accounts as a PDF or in iXBRL format.

Subsidiary companies of charities are required to submit returns online with accounts and computations in iXBRL format.

All computations forming part of a Company Tax Return must be in iXBRL. However, no computation is required where the Company Tax Return supplementary page CT600E is completed and confirms that all income and gains of the charity are exempt from tax and have been or will be applied for charitable purposes. These charities should attach a letter (as a PDF file) to their online return stating that no computation is required.

b. Other cases

HMRC have made provision for certain other groups to file their accounts in PDF for the time being. These include Authorised Investment Funds, including Open Ended Investment Company, Unit Trusts, etc; UK branches of some overseas companies; Community Amateur Sports Clubs; and some Societas Europaea.

Authenticating company tax returns submitted by agents

Formal directions have been issued by HMRC setting out certain rules in relation to the format and delivery of returns and making of payments. These directions are important for agents submitting returns on behalf of clients.

Following representations made by the CIOT, the directions were changed with effect from 4 January 2011. The new directions[13] state that:
- Agents sending returns on behalf of companies must include in the return a declaration that the return is correct and complete to the best of the knowledge of the officer or person authorised to act for the company; and
- Before the company tax return is sent:
  - The agent must make a copy (electronic or paper) of the information; and
  - Obtain the confirmation by the officer or person authorised to act for the company, that the information is correct and complete to the best of the knowledge and belief of that person.

The confirmation must be in writing, but may be given in electronic (e.g. email) or non-electronic form. The earlier directions were worded so as to put the responsibility for the correctness of the return on the agent. HMRC have indicated that the new directions will be treated in this regard as having been effective since January 2010.

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[13] See; http://www.hmrc.gov.uk/ebu/mandatory-online-filing-version04012011.pdf

How will HMRC use the iXBRL files submitted?

HMRC have invested in computer software to trawl, mine and analyse the data submitted to them. This will enable them to:

- Risk assess companies and flag up those for a review by an HMRC officer (including examining additional documentation submitted by PDF);
- Make better-targeted enquiries or compliance checks.

It is hoped this will lead to a reduction in administrative burdens for those not targeted.

In addition, HMRC, taxpayers and agents are expected to benefit from HMRC's use of iXBRL, which will reduce error on input and speed up processing.

Links to the legislation and directions

Statutory Instrument 2003/282 - Electronic Communications

To authorise and regulate online filing of returns and electronic payment and repayment of tax - http://www.legislation.gov.uk/uksi/2003/282/contents/made

Statutory Instrument 2009/3218 - Corporation Tax

Amendment to require companies to submit Company Tax Returns online, with accounts and computations in iXBRL format, and pay Corporation Tax electronically - http://www.legislation.gov.uk/uksi/2009/3218/contents/made

Statutory Instrument 2010/2942 - The Income and Corporation Taxes (Electronic communications) (Amendment) Regulations 2010

Amendment to SI 2003/282 creating further exceptions to the obligation to file a Company Tax Return electronically - http://www.legislation.gov.uk/uksi/2010/2942/contents/made

HMRC Directions under SI 2003/282

HMRC directions that apply until 3 January 2011 on approved methods and form of electronic communications for sending Corporation Tax information online and paying electronically - http://webarchive.nationalarchives.gov.uk/20101008110305/http:/www.hmrc.gov.uk/ebu/mandatory-online-filing.pdf

HMRC Directions under SI 2003/282

HMRC directions that apply from 4 January 2011 on approved methods and form of electronic communications for sending Corporation Tax information online and paying electronically - http://www.hmrc.gov.uk/ebu/mandatory-online-filing-version04012011.pdf

Links to additional guidance and information

CIOT website technical area – the Newsdesk and topics area include alerts on iXBRL http://www.tax.org.uk/tax-policy

HMRC – Main landing page for CT online filing and electronic payment http://www.hmrc.gov.uk/thelibrary/ct-online.htm

HMRC Amending CT returns
http://www.hmrc.gov.uk/ct/managing/company-tax-return/amend.htm

HMRC Answers to commonly asked questions about CT online filing and payment
http://www.hmrc.gov.uk/agents/ct-online-questions.htm

HMRC Context entity identifiers in iXBRL tagging (for those preparing iXBRL documents using conversion tools, manual mapping or tagging and developers)
http://www.hmrc.gov.uk/ct/ct-online/file-return/xbrl-tagging.pdf

HMRC Format to be used for different types of company accounts forming part of an online return – PDF or iXBRL
http://www.hmrc.gov.uk/ct/ct-returns-format-accs.pdf

HMRC Guidance on switching to online filing
http://www.hmrc.gov.uk/ct/ct-online/file-return/switching.htm

HMRC Company accounts that HMRC require as part of a Company Tax Return
http://www.hmrc.gov.uk/ct/company-accounts.pdf

HMRC's CT online filing software – who can use it
http://www.hmrc.gov.uk/ct/ct-online/file-return/use-hmrc-software.htm

HMRC's CT online filing software - a beginner's guide
 http://www.hmrc.gov.uk/ct/online-return.pdf

HMRC CT Online demonstrator - for filing returns, viewing your account and changing contact details
http://www.hmrc.gov.uk/demo/organisation/corporation-tax/

HMRC Find your CT office
http://search3.openobjects.com/kbroker/hmrc/locator/locator.jsp?type=0

HMRC Format for accounts – iXBRL or PDF
http://www.hmrc.gov.uk/ct/ct-returns-format-accs.pdf

HMRC Guidance on changing 'trust' settings to use Adobe online
www.hmrc.gov.uk/ct/inline-xbrl/

HMRC Help to file your Company Tax Return online
http://www.hmrc.gov.uk/ct/ct-online/file-return/online-help.htm

HMRC How to tag, when to tag and what to tag, with links to the taxonomies
http://www.hmrc.gov.uk/ct/ct-online/file-return/online-xbrltag.pdf

HMRC Joint filing service (HMRC and Companies House) overview
http://www.hmrc.gov.uk/ct/ct-online/file-return/joint-filing.htm

HMRC Joint filing service - sample accounts and computations
http://www.hmrc.gov.uk/ct/online-sample-accounts/index.htm

HMRC Log in to online services
https://online.hmrc.gov.uk/login

HMRC Minimum tagging requirements
http://www.hmrc.gov.uk/ebu/ct_techpack/min-tag-req.htm

HMRC Online services helpdesk
www.hmrc.gov.uk/olshelpdesk

HMRC Paying corporation tax electronically
http://www.hmrc.gov.uk/payinghmrc/corporationtax.htm

HMRC Penalties for CT
http://www.hmrc.gov.uk/ct/change/problems/penalties.htm

HMRC Recognised commercial software
http://www.hmrc.gov.uk/efiling/ctsoft_dev.htm

HMRC Registration and Enrolment FAQs
https://online.hmrc.gov.uk/information/faqs/registration?affinitygroup=

HMRC Service availability for CT – scheduled downtime
http://customs.hmrc.gov.uk/channelsPortalWebApp/channelsPortalWebApp.portal?_nfpb=true&_pageLabel=pageOnlineServices_ShowContent&propertyType=document&id=HMCE_MIG_009921#P28_2059

HMRC Service issues for CT – known problems
http://customs.hmrc.gov.uk/channelsPortalWebApp/channelsPortalWebApp.portal?_nfpb=true&_pageLabel=pageOnlineServices_ShowContent&id=HMCE_PROD1_026876&propertyType=document

HMRC Setting up and managing your HMRC online account
http://www.hmrc.gov.uk/ct/ct-online/file-return/online.htm

HMRC Signing up for CT online – a beginner's guide
http://www.hmrc.gov.uk/ct/sign-up-for-online.pdf

HMRC Specials and exclusions for CT filing
http://www.hmrc.gov.uk/ebu/ct_techpack/ct-specials-exclusions-v1.7.pdf

HMRC Switching from paper to online CT returns and electronic payment
http://www.hmrc.gov.uk/ct/ct-online/file-return/switching.htm

HMRC Technical pack for software developers – with useful links
http://www.hmrc.gov.uk/ebu/ct_techpack/index.htm

HMRC Transitional arrangements – including soft landing, reasonable excuse and late software delivery problems
http://www.hmrc.gov.uk/ct/mandatory-online-filing.pdf

HMRC Validation checks – joint filing
http://www.hmrc.gov.uk/ebu/ct_techpack/joint-filing-validation-checks.pdf

HMRC XBRL guide for UK businesses
http://www.hmrc.gov.uk/ct/ct-online/file-return/xbrl-guide.pdf

XBRL UK
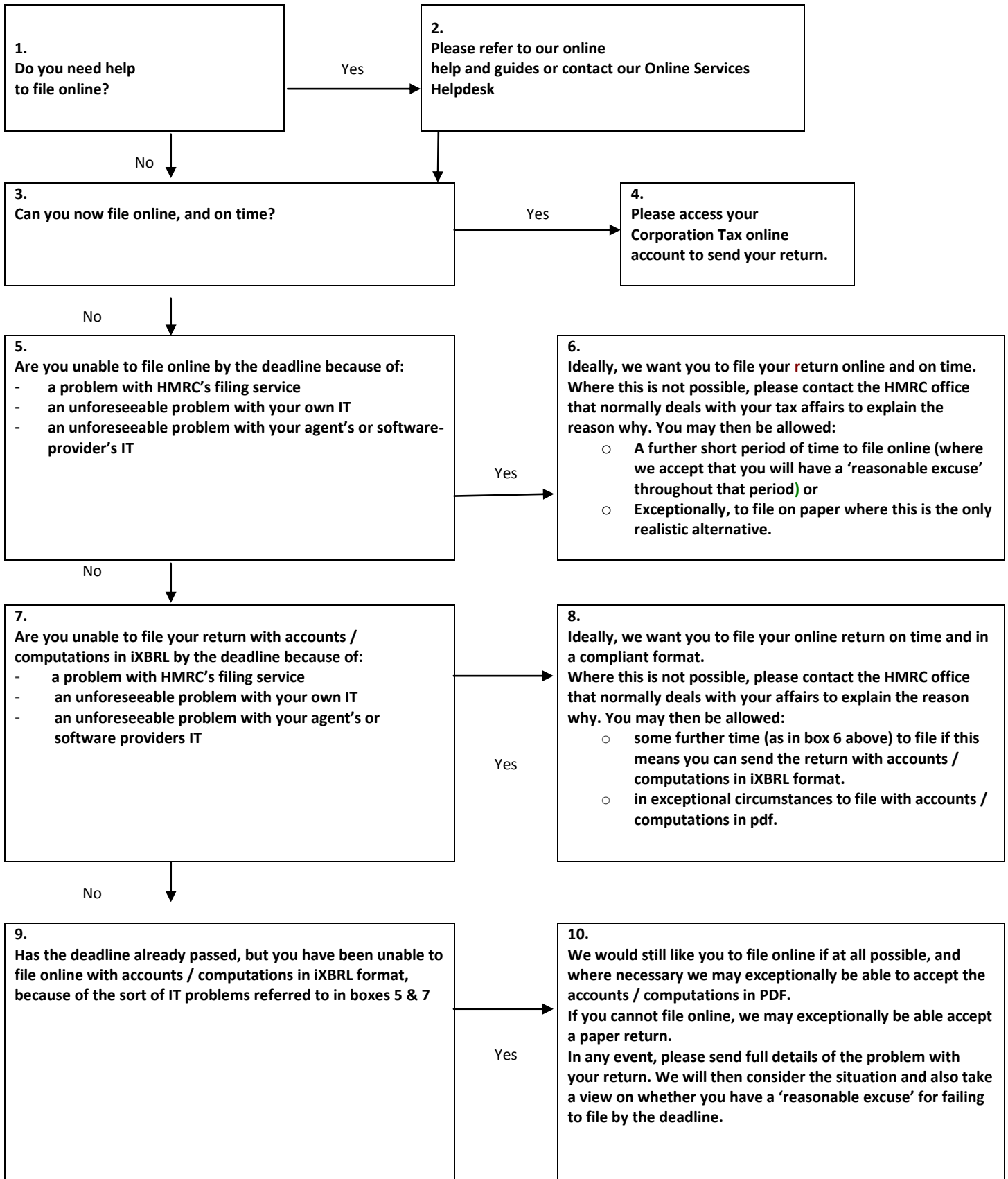http://www.xbrl.org/uk/TechGuidance/

XBRL UK Preparers and Developers Guide -31March 2010
http://www.xbrl.org/uk/TechGuidance/XBRL%20UK%20Preparers%20and%20Developers%20Guide-2010-03-31.doc

XBRL UK Taxonomies
http://www.xbrl.org/uk/Taxonomies/

And finally – iXBRL for dummies – has some useful information about choosing software
http://www.claritysystems.com/eu/lp/Pages/DummiesiXBRLCCW.aspx

Appendix 1: Draft HMRC Company Tax Return online filing guide

1.
Do you need help to file online?

→ Yes →

2.
Please refer to our online help and guides or contact our Online Services Helpdesk

No ↓

3.
Can you now file online, and on time?

→ Yes →

4.
Please access your Corporation Tax online account to send your return.

No ↓

5.
Are you unable to file online by the deadline because of:
- a problem with HMRC's filing service
- an unforeseeable problem with your own IT
- an unforeseeable problem with your agent's or software-provider's IT

→ Yes →

6.
Ideally, we want you to file your return online and on time. Where this is not possible, please contact the HMRC office that normally deals with your tax affairs to explain the reason why. You may then be allowed:
- A further short period of time to file online (where we accept that you will have a 'reasonable excuse' throughout that period) or
- Exceptionally, to file on paper where this is the only realistic alternative.

No ↓

7.
Are you unable to file your return with accounts / computations in iXBRL by the deadline because of:
- a problem with HMRC's filing service
- an unforeseeable problem with your own IT
- an unforeseeable problem with your agent's or software providers IT

→ Yes →

8.
Ideally, we want you to file your online return on time and in a compliant format.
Where this is not possible, please contact the HMRC office that normally deals with your affairs to explain the reason why. You may then be allowed:
- some further time (as in box 6 above) to file if this means you can send the return with accounts / computations in iXBRL format.
- in exceptional circumstances to file with accounts / computations in pdf.

No ↓

9.
Has the deadline already passed, but you have been unable to file online with accounts / computations in iXBRL format, because of the sort of IT problems referred to in boxes 5 & 7

→ Yes →

10.
We would still like you to file online if at all possible, and where necessary we may exceptionally be able to accept the accounts / computations in PDF.
If you cannot file online, we may exceptionally be able accept a paper return.
In any event, please send full details of the problem with your return. We will then consider the situation and also take a view on whether you have a 'reasonable excuse' for failing to file by the deadline.

Appendix 2: HMRC paper on the format of accounts

Company Tax Returns: format for accounts forming part of an online return

Overview

From 1 April 2011, for accounting periods ending on or after 1 April 2010, Company Tax Returns must be filed online. A Company Tax Return comprises the CT600 form (including any supplementary pages), accounts and computations, together with any other supporting documentation. In all cases where a Company Tax Return is filed online, the computations must be in iXBRL format.

For most companies and organisations, accounts forming part of the return must also be in iXBRL format, but there are exceptions. Where accounts are not filed in iXBRL format, they must be filed as a PDF attachment.

The following table provides more information for particular types of companies and organisations.

Type of company/organisation		Accounts prepared in accordance with:	Format for accounts submitted with Company Tax Return
Company incorporated under Companies Act	Any - except those listed below	Companies Act - UK IFRS or UK-GAAP	iXBRL (minimum tagging list*)
	Bank	Companies Act - UK-IFRS or UK-GAAP - Banking SORPs	iXBRL (minimum tagging list* - for IFRS this includes the Banking additional module)
	Extractive companies (e.g. oil and gas)	Companies Act - UK-IFRS or UK-GAAP - Oil & Gas SORP	iXBRL (minimum tagging list* - for IFRS this includes the Extractive Industries additional module)
	Investment Trust	Companies Act - UK-IFRS or UK-GAAP - AITC SORP	iXBRL (minimum tagging list* - for IFRS this includes the Investment Funds additional module)
	Real Estate Investment Trust	Companies Act - UK-IFRS	iXBRL (minimum tagging list*) Financial Statements required under CTA 2010 S527(2)(e) in PDF
	Insurance (General)	Companies Act - UK-IFRS or UK-GAAP - ABI SORP	iXBRL (minimum tagging list*)
	Insurance (Life)	Companies Act - UK-IFRS or UK-GAAP - ABI SORP	iXBRL (minimum tagging list*) Financial Services Authority Return where submitted as part of the return to be in PDF
	Charity	Companies Act - UK-GAAP - Charity SORP	iXBRL (minimum tagging list* plus charities extension) Note: There are transitional arrangements for smaller charities, which may use pdf.
Trading company owned by Charity		Companies Act - UK-GAAP	iXBRL (minimum tagging list*)

Appendix 2 continued - Company Tax Returns: format for accounts forming part of an online return
Format for accounts submitted with Company Tax Return

Type of company/organisation	Accounts prepared in accordance with:	Format for accounts submitted with Company Tax Return
Building Society	Building Societies Act 1986 – UK-IFRS or UK GAAP - Banking SORPs	iXBRL (minimum tagging list* for IFRS this includes the banking additional module)
Friendly Society	Either Friendly and Industrial Provident Societies Act 1968 or Friendly Societies Act 1992 – ABI SORP	iXBRL (minimum tagging list*)
Co-operative	Friendly and Industrial and Provident Societies Act 1968	iXBRL (minimum tagging list*)
Authorised Investment Funds, including Open Ended Investment Company, Unit Trusts, etc	Financial Services Act – UK-IFRS or UK-GAAP - IMA SORP	PDF or iXBRL (minimum tagging list*)
Registered Social Landlord	Friendly and Industrial and Provident Societies Act 1968 - Registered Social Landlords SORP	iXBRL (minimum tagging list*)
Company Resident in the UK but incorporated elsewhere	UK-IFRS or UK-GAAP	iXBRL (minimum tagging list*, including additional module/extension taxonomy where appropriate)
	('local') accounting standard of the country of incorporation	iXBRL - where there is a relevant XBRL taxonomy for the accounting standard (**Note**: HMRC online systems recognise some taxonomies that exist for 'local' accounting standards. However, there may be occasions where HMRC online system does not recognise a taxonomy. In such cases the accounts should be submitted as a PDF attachment) PDF - where there is no taxonomy for the accounting standard.
Branch of non-UK incorporated company	As part of the Company Tax Return required to include worldwide balance sheet and profit and loss account, together with P&L for UK branch and if prepared balance sheet for UK branch (UK branch P&L and balance sheet prepared under UK-GAAP or UK-IFRS)	Where prepared, UK branch balance sheet and P&L account in iXBRL (minimum tagging list*) In many cases where no UK branch balance sheet is prepared, the P&L forms part of the Corporation Tax computations. In such cases there will be no UK branch accounts 'file' as part of the return. The computations must be in iXBRL - Corporation Tax computational taxonomy) Worldwide balance sheet and P&L to be included as a PDF file.

Appendix 2 continued - Company Tax Returns: format for accounts forming part of an online return
Format for accounts submitted with Company Tax Return

Type of company/organisation	Accounts prepared in accordance with:	Format for accounts submitted with Company Tax Return
Members Club or voluntary Association (unincorporated)	N/A	PDF or iXBRL (minimum tagging list*)
Community Amateur Sports Clubs	N/A	PDF or iXBRL (minimum tagging list*)
Other unincorporated clubs and societies	N/A	PDF or iXBRL (minimum tagging list*)
Housing Association (not incorporated under Companies Act)	Friendly and Industrial and Provident Act 1968	iXBRL (minimum tagging list*)
Societas Europaea		Depending on country of registration, residence, UK branch etc - follow above guidance as appropriate
Charity - incoming resources under £100k (unincorporated)	Charities Act 2006 (Receipts and payments basis) - Charities SORP	PDF or iXBRL (minimum tagging list* including charities extension)
Charity - incoming resources over £100k (unincorporated) and, together with any wholly owned subsidiaries, does not exceed £6.5m.	Charities Act 2006 (accruals basis) - Charities SORP	PDF or iXBRL (minimum tagging list* including charities extension)

*Minimum tagging list
The data items required to be XBRL tagged are those specified in the Corporation Tax Online Technical Pack for Software Developers. You will find this on the HM Revenue & Customs (HMRC) website. (Follow the link below)

This pack includes a minimum tagging list for the UK-GAAP, UK-IFRS and Corporation Tax computational taxonomies. The minimum tagging lists are subsets of the list of tags in the full taxonomies. The minimum tagging lists include specific taxonomy modules/extension taxonomy (for example - banking) which will be applicable to certain businesses.

Initially, HMRC will accept accounts and computations with data tagged using the appropriate tag within the relevant minimum tagging list, and where appropriate the additional taxonomy module/extension taxonomy. The minimum tagging lists for UK-GAAP and UK-IFRS will be withdrawn - probably by 2013 - from when the full taxonomy will apply.

Corporation Tax Online Technical Pack for Software Developers
Corporation Tax commercial software options