ONESOURCE™ CORPORATE TAX

UNITED KINGDOM RELEASE NOTES

June 2020

Document Version 1

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DOCUMENT HISTORY

VERSION NUMBER	VERSION DATE	SUMMARY
1	06/24/2020	ONESOURCE Corporate Tax v13.0 release

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ONESOURCE CORPORATE TAX RELEASE NOTES

For documentation and other product information, search the Customer Center.

COMPUTATION PACKS

COMPUTATION PACK	COMPUTATIONS, CLAIMS AND FORMS SUPPORTED
Corporation tax, AIF and Investment trust	Covering the following computation templates for the Financial Year 2020: - • Trading companies • Multi-trade companies • Investment companies • Oil ring fence companies • REIT investment companies • REIT trading companies • Return only computations • Authorised investment funds • Investment trusts We will be issuing the Life tax computation templates for FY 2020 in a few weeks' time. Supporting, where relevant, the following return form and supplementary pages: • CT600 v3 (2020) – Company tax return • CT600A v3 (2015) – Loans to participators • CT600B v3 (2015) – CFCs and foreign PEs • CT600C v3 (2018) – Group and consortium relief • CT600D v3 (2015) - Insurance • CT600E v3 (2015) - Charities and CASCs • CT600F v3 (2015) – Tonnage tax

COMPUTATION PACK	COMPUTATIONS, CLAIMS AND FORMS SUPPORTED
Corporation tax, AIF and Investment trust	• CT600H v3 (2015) – Cross border royalties • CT600I v3 (2019) – Supplementary charge on RF trades • CT600J v3 (2015) – Disclosure of tax avoidance schemes • CT600K v3 (2017) – Restitution tax
Standalone tax accounting	Covering computation templates supporting tax accounting calculations for periods ending in FY 2020 and FY 2021.
Group	Covering the following group module templates for the Financial Year 2020: - • Standard – All calculations and reliefs except Corporate interest restriction • Joint amended return – Group relief and carried forward group relief • Tax reporting – Tax accounting consolidation • Interest restriction – Corporate interest restriction calculations • Transfer pricing – Transfer pricing adjustments The group tax reporting template to support tax provisioning consolidation for periods ending in FY 2021.
PRT	Covering the following computation templates for periods ending December 2020 and June 2021: - • PRT return • PRT declarations • Participators additional return; and, • Expenditure claims Supporting returns forms, statements, claims and notices: - • PRT1 (parts 1, 2 and 3) – PRT returns • PRT6 – Statement of tax payable on accounts

<table>
<tr><th>COMPUTATION PACK</th><th>COMPUTATIONS, CLAIMS AND FORMS SUPPORTED</th></tr>
<tr><td>PRT</td><td>PRT30 – Expenditure claim
PRT40 – Expenditure claim
PRT47 – Unrelievable field loss
PRT60 – Abortive exploration expenditure claim
PRT60A – Exploration and appraisal expenditure claim
PRT60B – Research expenditure claim
PRT65 – Cross field allowance claim
PRT80 – Notice of transfer</td></tr>
<tr><td>Partnership</td><td>Updated computation templates for the Tax Year 2019/20:
UK Partnership
Supporting, where relevant, the following return form and supplementary pages:
SA800
SA801
SA802
SA803
SA804</td></tr>
<tr><td>NRL</td><td>Covering computation templates supporting NRL calculations and supporting SA700 return form for the year ended 5 April 2020.</td></tr>
</table>

CHANGES AND UPDATES – FORMS / E-FILING

AREA OF CHANGE	DETAILS AND LIMITATIONS
New CT600 forms and schema	We have updated ONESOURCE to include the latest versions of the CT600 tax return forms and associated e-filing rules and validations. The updates relate to new sections added for CT600 reporting of structures and buildings allowances, electric charge-points allowances and proceeds from disposals of certain assets on which 100% first year allowance were claimed. This release also supports e-filing of computations including the amended Corporation tax rate for FY 2020, which has only just been released by HMRC. For further guidance please refer to the updated CT600 guide included in this release.
New computation taxonomy	We have also updated ONESOURCE to include the latest HMRC taxonomies.
Structures and buildings allowances	Finance Act 2019 introduced a Structures and buildings allowance (SBA) for qualifying expenditure on non-residential structures and buildings. We have updated all relevant file types to include allowances in newly added boxes 711, 736 and 771 of the FY 2020 version of the CT600 form, or boxes 3.18A, 1.35C and 2.21B of the 2019/20 SA800 forms. In the FY 2019 version of the CT600 form, the allowances continue to be included in boxes 725, 750 and 775.
Electric charge-points allowances	We have updated all relevant file types to include first year allowances on “Electric vehicle charge points” in newly added boxes 713, 714, 737 and 738 of the FY 2020 version of the CT600 forms, or boxes 3.18, 1.13A and 2.21A of the 2019/20 SA800 forms. In the FY 2019 version of the CT600 form, the allowances continue to be included in boxes 725 and 750.
Disposal values of assets included in the **Plant pool**	The FY 2020 CT600 requires disposal values to be reported that arose on the disposal of assets on which first year allowances have been claimed for: - • Electric charge points – Box 714 • Enterprise zones – Box 722 • Zero emissions goods vehicles – Box 724

AREA OF CHANGE	DETAILS AND LIMITATIONS
Disposal values of assets included in the **Plant pool**	We have added a new section *Disposal values included in proceeds* to the **Plant pool** sheet of all relevant file types. This requires that *Fixed asset disposal proceeds* are analysed**,** and the analysed figures are linked to new columns on the **Capital allowances summary** sheet, and from there to the CT600 form.

CHANGES AND UPDATES - OTHER

AREA OF CHANGE	DETAILS AND LIMITATIONS
Corporate Capital Loss Restriction	As was announced at Budget 2018 and then legislated in Finance Bill 2020, the use of carried-forward capital losses is restricted to 50% of relevant gains from 1 April 2020. We have made changes to the following sheets for all relevant files to calculate the restriction from April 2020. • **Losses - post-March 2017 utilisation** • **Chargeable gains summary** • **Chargeable gains – Connected person** We are producing a Quick Reference Guide to provide more help and guidance.
Structures and buildings allowances rate change to 3%	We have updated all relevant file types so that the Structures and buildings allowances increased rate of 3% will have effect for allowance claims from 1 April 2020.
Structures and buildings allowances - Allowance statement	Amendments have been made to the **Structures and buildings allowances** sheet to include all information required by an allowance statement under CAA 2001, s270IA.
Structures and buildings allowances and Tax Accounting	The treatment of timing differences arising on Structures and buildings within the FRS102 Tax accounting sheets has been updated. The default position now is that timing differences do not arise in relation to Structures and buildings held for use. The linking of TWDVs of Structures and buildings from the computation has been removed from the **Owned fixed assets realised through use** sheet, and the Structures and buildings allowances are now a reconciling item in the **Proof of tax** sheet. A new row has been added to the **Other assets** sheet for *Structures and buildings – account values*. The accounts values should be manually entered to remove them from the qualifying net book value on the **Owned fixed assets realised through use** sheet. Deferred tax may still need to be recognised on timing differences in relation to Structures and buildings held for sale or a mixture of sale/use. These differences should be calculated and entered manually on the **Gross timing differences** sheet.

AREA OF CHANGE	DETAILS AND LIMITATIONS
Structures and buildings allowances and Tax Accounting	These changes have been made for relevant FY 2019 and FY 2020 new files. For existing FY 2019 files, the sheet should be erased and re-developed.
Research and Development Expenditure Credit (RDEC) rate increase to 13%	We have updated all relevant file types so that the Research and Development Expenditure Credit increased rate of 13% will have effect for expenditure incurred on or after 1 April 2020.
Non-resident landlords become subject to CT from April 2020	Changes have been made to all relevant files to support non-resident landlords becoming subject to Corporation tax from 6 April 2020. A new sheet has been added to support multiple property rental businesses, where UK property income is received as part of income from a Partnership as well as directly. Additionally, we have made changes to support the tracking and offset of Income tax property losses carried forward at April 2020. A new “Landlord” dimension has been added to the UK Property hypercube for FY 2020, to deal with Non-resident landlords transitioning to Corporation tax. The default is set to “UK resident”, but it is possible to change the dimension via a dropdown that’s been added to the **UK property** sheet. Tagging will change automatically to reflect this when the computation is validated or e-filed. We have tried to keep the changes simple and straightforward but will continue to review feedback to help determine future changes, including for the next generation ONESOURCE CT offering. We are producing a Quick Reference Guide to provide more help and guidance.
Overseas branch summary	We have made changes to the **Overseas branch summary** to correctly pick up post April 2017 losses.
Surcharge on banking companies: transferred in losses	We have added a new addback category of *Non-banking transferred-in loss relief* to the **Surcharge on banking companies** sheet for relevant FY 2019 and FY 2020 new files. We have not amended existing FY 2019 files.
Bank levy	We have added an option to override the calculated *High Quality Liquid Assets* on the **Bank Levy** sheet, to relevant FY 2019 and FY 2020 new files. We have not amended existing FY 2019 files.

AREA OF CHANGE	DETAILS AND LIMITATIONS
Box 40 ticked if step 7 RDEC	We now automatically check box 40 of the CT600 for relevant FY 2019 and FY 2020 new files, where the company has an RDEC payable credit. For existing FY 2019 files, the CT600 should be erased and re-developed.
Group tax payments for very large companies	Following changes made last year to support the calculation of quarterly instalment payments for “very large companies”, we have now amended the functionality within the group module to ensure that where this is relevant, any tax payments updated from the group module are correctly assigned on the **Tax payments and interest** sheet of the company file.
FY 2020 Corporation tax rate remains at 19%	The closing rate within the FRS102 and IFRS Tax Accounting sheets has been changed to 19%.
Interest distributions	We have amended the Investment Trust **Loan relationships** sheet to make sure that interest distributions are not included in the calculation of qualifying interest income. This amendment has been included in both FY 2019 and FY 2020 new files, and a fix written to existing FY 2019 files that have not already been submitted.
Surrender of post 1 April 2017 management expenses	We have amended validations in the **Losses and allowances** sheet on *Group relief surrendered* for losses arising on or after 1 April 2017. The validations now inform the user when *Group relief surrendered* and *Group relief surrendered - other periods* are greater than the *Losses brought forward, beginning of period*. This amendment has been included in both FY 2019 and FY 2020 new files, and a fix written to existing FY 2019 files that have not already been submitted.
Transfer of depreciation between the Income Statement and the OCI	A new note has been added to the **Account disclosures** sheet to advise when a depreciation transfer needs to be reflected in the statutory accounts in respect of the current period. The depreciation transfer figures in respect of the prior period have been linked through from the **Revaluations** sheet to the bottom of the **Gross timing differences** sheet. A review note advises the user when the *Opening per accounts* figures need to be amended to reflect the depreciation transfer. We have also updated the wording of the depreciation transfer sections at the bottom of the **Revaluations** sheet, to make it clearer what each section relates to.

AREA OF CHANGE	DETAILS AND LIMITATIONS
Transfer of depreciation between the Income Statement and the OCI	These changes have been made for relevant FY 2019 and FY 2020 new files. For existing FY 2019 files, the sheet should be erased and re-developed.
Validation for surplus capacity in Group module	In ensure consistency in the validation of surplus capacity in the **Group relief matrix** sheet, we have slightly re-structured the **Losses - post-March 2017 utilisation** sheet in the company files. This amendment has been included in both FY 2019 and FY 2020 new files, and a fix written to existing FY 2019 files that have not already been submitted.
Partnership amendments	A new category of low emissions cars has been added to the **Partners cars** sheet for new 2019/20 files. In order to claim first year allowances on low emissions cars, the option “100% car” should be selected from the *Car type* dropdown for the relevant item.
Restricted BLAGAB management expenses	Following changes made to the offset of BLAGAB trade losses in Finance Act 2018, the circular recalculation was not including the BLAGAB trade losses offset post July 2018 in the restriction of “Adjusted BLAGAB management expenses” under step 4 of FA 2012, s76. We have now amended the circular calculation in both FY 2019 and FY 2020 new files, and a fix has been written to existing FY 2019 files that have not already been submitted.

Removal of restriction on BLAGAB trade loss offset	Following changes to the structure of **Losses – post-March 2017 utilisation** sheet as a result of the Finance Act 2018 changes, a number of calculational issues have been identified and corrected: -
	• The calculation of “modified” *BLAGAB I-E* profits, where relief has been claimed under FA 2012, s95
	• The calculation of the *Total available current period losses* where *BLAGAB I-E* profits are available
	• Formulae in the computation included links to values that are no longer relevant: -
	  • *Adjusted BLAGAB trade profit* on **Policyholders’ share of I-E profits**
	  • *Adjusted BLAGAB trade profit* on **Sundry receipts and minimum profits charge**
	  • *Less brought forward losses* on **BLAGAB trade**

AREA OF CHANGE	DETAILS AND LIMITATIONS
Removal of restriction on BLAGAB trade loss offset	These amendments have been included in both FY 2019 and FY 2020 new files, and a fix written to existing FY 2019 files that have not already been submitted.
“Permitted amount” carried forward	A logical error has been corrected in the carry forward calculation of the “Permitted amount” on the **Ring-fencing of BLAGAB capital losses** sheet, when the override option on the **Capital gains and losses** sheet was selected. The amendment has been included in both FY 2019 and FY 2020 new files, and a fix written to existing FY 2019 files that have not already been submitted.