ONESOURCE™ CORPORATE TAX

UNITED KINGDOM RELEASE NOTES

April 2022

Document Version 2

THOMSON REUTERS®

DOCUMENT HISTORY

VERSION NUMBER	VERSION DATE	SUMMARY
1	01/04/2022	ONESOURCE Corporate Tax v14.0 – Partnership module
2	20/04/2022	ONESOURCE Corporate Tax v14.0

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RELEASE UPDATE - OVERVIEW

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

As you may be aware, on 1st April HMRC released an updated version of the CT600 including changes to the CT600B, CT600L and the introduction of the CT600M. Our plan was to update ONESOURCE Corporate Tax as close as possible to this date to support the new forms.

As part of our testing processes, we identified and reported a number of issues in the e-filing schema and business rules to HMRC. HMRC have acknowledged some of those issues and have informed us that changes will be made to the schema files, as per the emails included as Appendices to these release notes.

Given the nature of the issues, we felt HMRC would act quickly to address them. To avoid sending out two updates in quick succession, it was therefore decided to delay the release until HMRC updated their schema so we could incorporate this into a single release.

We have been pressing HMRC for the last couple of weeks for a timetable of when the new schema and business rules will be released into their test and live environments, and have now been notified that the Changes and issues affecting the corporation tax online service page of the HMRC website has been updated to indicate that the new schema will not be released by HMRC until the end of June.

Based on this information, we now feel that we have to release the new forms for Financial Year 2021 ahead of HMRC correcting their schema. This does mean that there will be some cases where the returns have been completed correctly but cannot be e-filed. HMRC's current guidance, as per the webpage, is to wait to file them when they update the schema. If this is not possible, the guidance provided to us by HMRC is that the submission should be made on paper.

When HMRC issue their update in June, we will release another update to ONESOURCE Corporate Tax to use the new HMRC schema.

Unfortunately, all this has meant a short delay to this release of ONESOURCE Corporate tax.

COMPUTATION PACKS

COMPUTATION PACK	COMPUTATIONS, CLAIMS AND FORMS SUPPORTED
Corporation tax, AIF, Investment trust and Life	Updates for the following computation templates for the FY 2021: - • 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 • Proprietary Life companies • Mutual Life companies Supporting, if relevant, the following returns and supplementary pages: - • CT600 v3 (2021) – Company tax return • CT600 v3 (2022) – Company tax return • CT600A v3 (2015) – Loans to participators • CT600B v3 (2015) – CFCs and foreign PEs • CT600B v3 (2022) – CFCs, foreign PEs & hybrid mismatches • CT600C v3 (2018) – Group and consortium relief • CT600D v3 (2015) - Insurance • CT600E v3 (2015) - Charities and CASCs • CT600F v3 (2015) – Tonnage tax • 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 • CT600L v3 (2021) – Research & Development • CT600L v3 (2022) – Research & Development • CT600M v3 (2022) – Freeports

<table>
<tr><th>COMPUTATION PACK</th><th>COMPUTATIONS, CLAIMS AND FORMS SUPPORTED</th></tr>
<tr><td>Standalone tax accounting</td><td>Updates for the computation templates supporting tax accounting only calculations for periods ending in FY 2021</td></tr>
<tr><td>Group</td><td>Updates for the following group module templates for the FY 2020 and FY 2021: -
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 calculation and return
Transfer pricing – Transfer pricing adjustments</td></tr>
<tr><td>Partnership</td><td>Computation templates for the Tax Year 2021/22: -
UK Partnerships
UK Partnerships – Multiple bases
Supporting, where relevant, the following return form and supplementary pages: -
SA800
SA801
SA802
SA803
SA804</td></tr>
</table>

CHANGES AND UPDATES – CORPORATION TAX, AIF AND INVESTMENT TRUST

AREA OF CHANGE	DETAILS AND LIMITATIONS
New CT600, supplementary forms and e-filing	ONESOURCE has been updated to include the new 2022 versions of the following forms: - • CT600 • CT600B • CT600L • CT600M – New supplementary page for 2022 The associated business rules and validations for e-filing submissions supporting these forms have also been updated, these being relevant for submissions made after 1 April 2022. Detail of the specific changes and updates for each of the above is included below. ONESOURCE will continue to support the existing 2021 CT600, CT600B and CT600L forms if required, where these cover all necessary disclosure. The default option for new and existing FY 2021 files will be the new 2022 forms. A switch has been added to the **Information for the return** sheet to allow the 2021 forms to be used, where there is no data that should be returned using the 2022 form. We have amended all new and existing FY 2021 files to support the new 2022 forms. Existing FY 2021 files with the CT600 and supplementary pages already developed are updated to support the new forms, but the existing forms and supporting data are not changed.
CT600 – Exporter information	The CT600 (2022) form requires disclosure where either goods or services are exported outside of the UK. These are three simple checkboxes to the question "…did the company export goods or services…": - • Yes – goods • Yes – services • No – neither We have added a new section to the **Information for the return** sheet, made up of a series of tick boxes that complete the boxes on the CT600. The default is set to *Neither goods nor services*, but this changes automatically if either - or both - of the other options are selected. In this case, it will be necessary to use the CT600 (2022) forms for submission purposes. The new section has been updated for all new and existing FY 2021 files, as the updated sheet is a working paper and does not directly change any printed or submitted data. For further guidance refer to the new CT600 guide included in this release.

AREA OF CHANGE	DETAILS AND LIMITATIONS
CT600 – Super-deduction and special rate allowance claims	The CT600 (2022) form has added new boxes for specific disclosure of the following for both super-deduction and special rate allowances: - • capital allowances included in trading calculations; • balancing charges included in trading calculations; • capital allowances included in non-trading calculations; • balancing charges included in non-trading calculations; and, • qualifying expenditure. Changes have been made to the **Capital allowances summary** and **Capital and other expenditure** sheets to support the figures required for the CT600. The sheets have been updated for all new and existing FY 2021 files, as both the updated sheets are working papers that do not directly change any printed or submitted data. If the file has not yet been submitted and super-deduction and special rate allowance are being claimed, the **Super-deduction expenditure** and **SR allowance expenditure** sheets will need to be erased and re-developed, and the CT600 (2022) forms used. We highlight this in the **W_FIXES** sheet. For further guidance refer to the new CT600 guide included in this release.
CT600B – Hybrid and other mismatches	The supplementary form CT600B has been updated for disclosure of data relating to hybrid and other mismatches. This is made up of a series of questions, together with some specific values. We have added a new **Hybrid and other mismatches** sheet to support completion of the form, developable from the **Information for the return** sheet. Where the new sheet is completed, it will be necessary to use the CT600 (2022) forms for submission purposes. The new sheet is available for all new and existing FY 2021 files. For further guidance refer to the new CT600 guide included in this release.

<table>
<tr><th>AREA OF CHANGE</th><th>DETAILS AND LIMITATIONS</th></tr>
<tr><td>CT600L – Research and development</td><td>
The supplementary form CT600L has been amended as follows: -

a new section for Pre-step 1 restriction for research and development expenditure credit (RDEC);
changes to Step 2 – Calculation of notional tax charge and Step 7 – Payable Research and Development expenditure credit sections;
related changes, plus further changes to the guidance; and,
additional reporting for R&D payable tax credit for small and medium-sized enterprises (SME).

Changes have been made to the R and D expenditure credit sheet to support the RDEC figures required for the new CT600. We have also made changes to the set-off order relating to “step 5” group relief <u>claims</u> to follow HMRC’s amended guidance.
We have added a new Credit surrendered to group members sheet, to support HMRC’s new guidance to include details of the group companies being surrendered to. This sheet is developable from the R and D expenditure credit sheet.
Changes have also been made to the R and D tax credit calculation sheet, to support the increased reporting required for SME R&D. Where CT600 (2022) forms are used for submission, it will be necessary to erase and re-develop this sheet to use the latest version.
We have added a new Relevant PAYE references sheet to support completion of the updated form, that automatically develops with the latest version of the R and D tax credit calculation sheet.
We have also raised queries with HMRC that remain outstanding: -

confirmation that the new “Pre-step 1” calculation should take account of income tax deducted at box L35; and,
confirmation that the “step 2” calculation should take account of “step 3” brought forward at boxes L60 and L62.

We believe that these should not cause any validation issues but may create differences between figures in the computation and the CT600L, which in turn may lead to check errors, as these differences should be highlighted prior to submission.
The sheets have been updated for all new and existing FY 2021 files.
For further guidance refer to the new CT600 guide included in this release.
</td></tr>
</table>

<table>
<tr><th>AREA OF CHANGE</th><th>DETAILS AND LIMITATIONS</th></tr>
<tr><td>CT600M - Freeports</td><td> A supplementary form CT600M has been introduced for disclosure of information relating to expenditure on freeport sites. We have added a new Freeport expenditure and allowances sheet to support completion of the form, developable from the Information for the return sheet. Where the new sheet is completed, it will be necessary to use the CT600 (2022) forms for submission purposes. The sheet is split into two sections, one for structures and buildings allowances and the other for enhanced capital allowances on plant and machinery. Select one of the designated freeport sites from the dropdown list, then complete the first two lines of the address information. Note that the address details should be completed line-by-line for submission purposes. The sheet has not been linked to the computations themselves, as the details required are separate from the capital allowance claims. The new sheet is available for all new and existing FY 2021 files. For further guidance refer to the new CT600 guide included in this release. </td></tr>
<tr><td>CT600 guidance – Losses and amounts available for group relief</td><td> HMRC have amended the guidance for completing page 9 of the CT600, relating to brought forward losses or excesses that are legislatively treated as being current period losses or excesses. This covers: - Boxes 805 / 810 - UK property business losses
Boxes 830 / 835 - Non-trading losses on intangible fixed assets
Boxes 850 / 855 - Management expenses Original guidance stated these needed to be included as “arising” in the period, and those arising post April 2017 should be included as “available for surrender as group relief”. HMRC have now advised that only current period losses should be included in these cases and brought forward values should be ignored. We have amended both the 2021 and 2022 CT600 forms to follow this amended guidance. This will not change details in any existing files that have already been submitted. We have identified that HMRC have not yet corrected all e-filing validations around this area, in particular if non-trading losses on IFA are brought forward and profits are sufficient to allow these to be offset. We are awaiting a response from HMRC on how this issue is to be dealt with. Where the CT600 is already developed, and we identify that any of the boxes 805, 830 or 850 contain values, we highlight that the CT600 should be erased and re-developed in the W_FIXES sheet. </td></tr>
</table>

AREA OF CHANGE	DETAILS AND LIMITATIONS
Tax payments - Coronavirus support scheme overpayments	Coronavirus support scheme (CSS) overpayments were being incorrectly included in the figure of tax outstanding. We have re-configured part of the **Calculation of tax liability** sheet to remove this figure from tax outstanding, whilst keeping the figures in-line with those included in the CT600 form. We have also amended the calculations of instalments for QIPs purposes, plus the calculations on the **Tax payments and interest** sheet, to ensure that these only take account of actual tax payable. The sheets have been updated for all new and existing FY 2021 files, that have not already been submitted. Where there is a CSS overpayment in the computation, we highlight the need to review the figures in the **W_FIXES** sheet.
Creative industries - Tax credit rates	The **Creative industries relief** sheet has been updated to support the increased rates of tax credit available. To indicate if the increased rates are available, a tick box has been added to indicate where production began on or after 27 October 2021. Where this is the selected, the increased rate of credit will be used to calculate relevant loss surrenders. If the sheet is already present in the file and the increased rate is relevant, you should erase and re-develop the sheet to get the latest version.
Annual investment allowance – Extension of increased limit	We have updated the **Annual investment allowance** sheet, to reflect that the annual limit of £1,000,000 does not reduce back to £200,000 until 1 April 2023. The sheet has been updated for all new and existing FY 2021 files.

Corporate interest restriction	Improvements have been made to the corporate interest restriction sheets.
	
	The specific changes are: -
	
	• **Corporate interest restriction - adjustments** sheet
	  ○ to allow the removal of brought forward tax-interest expense amounts that can no longer be carried forward
	  ○ to further analyse, for FRS 102 purposes, tax-interest expense amounts removed that relate to financing arrangements, to ensure they are reversed correctly from the trade or non-trade section of the **Gross timing differences** sheet
	• **Corporate interest restriction - values** sheet
	  ○ to amend the *Losses from other periods* value to include the offset of income tax losses brought forward from an NRL
	
	The sheets have been updated for all new trade, investment, and multi-trade FY 2021 files.
	
	If the sheets are already present in the file, and either of the changes are required, erase and re-develop the sheets to get the latest version.

<table>
<tr><th>AREA OF CHANGE</th><th>DETAILS AND LIMITATIONS</th></tr>
<tr><td>REIT financial statements reporting – Removing subsidiaries</td><td> ONESOURCE was updated in August 2020 to allow the submission of REIT FS data to HMRC via XML. This allowed data to be entered either directly, or linked from subsidiaries, into the principal company file from where the XML is produced for the group. We have added the facility to delete subsidiaries from the Group HMRC e-filing statements sheet, via a menu option. This will delete both the selected column, and the linked [W_GZ] sheet from which the XML is produced. If XML has been produced, it will need to be re-produced following the deletion of the subsidiary's data. This option will be available for all new and existing FY 2021 REIT "principal company" files. </td></tr>
<tr><td>REIT financial statements reporting – Small enhancements</td><td> Following feedback on usage of the financial statement reporting functionality, we have made some minor enhancements to help avoid some specific issues that have been reported: - validation has been added to ensure that, where a UTR is entered, it is in the correct format;
validation has also been added to ensure that Beneficial interest percentage always contains a percentage value; and,
protection has been added to all descriptions, as these are defined by HMRC and cannot be changed. These enhancements have been made for new sheets in FY 2021 files, so will be present in all new files. They will also be present in any of the following sheets if they are developed into existing files after the update: - all Company HMRC e-filing statements sheets;
the Group HMRC e-filing statements sheet; and,
any [W_GZ] sheet supporting subsidiary details added, i.e., when a new subsidiary is added via the menu option.</td></tr>
</table>

CHANGES AND UPDATES – LIFE

AREA OF CHANGE	DETAILS AND LIMITATIONS
New CT600, supplementary forms and e-filing	ONESOURCE has been updated to include the new 2022 versions of the following forms: - • CT600 • CT600B • CT600L • CT600M – New supplementary page for 2022 The associated business rules and validations for e-filing submissions supporting these forms have also been updated, these being relevant for submissions made after 1 April 2022. Detail of the specific changes and updates for each of the above is included below. ONESOURCE will continue to support the existing 2021 CT600, CT600B and CT600L forms if required, where these cover all necessary disclosure. The default option for new and existing FY 2021 files will be the new 2022 forms. A switch has been added to the **Information for the return** sheet to allow the 2021 forms to be used, where there is no data that should be returned using the 2022 form.
CT600 – Exporter information	The CT600 (2022) form requires disclosure where either goods or services are exported outside of the UK. These are three simple checkboxes to the question "...did the company export goods or services...": - • Yes – goods • Yes – services • No – neither We have added a new section to the **Information for the return** sheet, made up of a series of tick boxes that complete the boxes on the CT600. The default is set to *Neither goods nor services*, but this changes automatically if either - or both - of the other options are selected. In this case, it will be necessary to use the CT600 (2022) forms for submission purposes. The new section has been updated for all new and existing FY 2021 files, as the updated sheet is a working paper and does not directly change any printed or submitted data. For further guidance refer to the new CT600 guide included in this release.

AREA OF CHANGE	DETAILS AND LIMITATIONS
CT600B – Hybrid and other mismatches	The supplementary form CT600B has been updated for disclosure of data relating to hybrid and other mismatches. This is made up of a series of questions, together with some specific values. We have added a new **Hybrid and other mismatches** sheet to support completion of the form, developable from the **Information for the return** sheet. Where the new sheet is completed, it will be necessary to use the CT600 (2022) forms for submission purposes. The new sheet is available for all new and existing FY 2021 files. For further guidance refer to the new CT600 guide included in this release.
CT600L – Research and development	The supplementary form CT600L has been amended as follows: - • a new section for *Pre-step 1 restriction* for research and development expenditure credit (RDEC); • changes to *Step 2 – Calculation of notional tax charge* and *Step 7 – Payable Research and Development expenditure credit* sections; and, • related changes, plus further changes to the guidance. Changes have been made to the **R and D expenditure credit** sheet to support the RDEC figures required for the new CT600. We have also made changes to the set-off order relating to "step 5" group relief claims to follow HMRC's amended guidance. We have added a new **Credit surrendered to group members** sheet, to support HMRC's new guidance to include details of the group companies being surrendered to. This sheet is developable from the **R and D expenditure credit** sheet. We have also raised queries with HMRC that remain outstanding: - • confirmation that the new "Pre-step 1" calculation should take account of income tax deducted at box L35; and, • confirmation that the "step 2" calculation should take account of "step 3" brought forward at boxes L60 and L62. We believe that these should not cause any validation issues but may create differences between figures in the computation and the CT600L, which in turn may lead to check errors, as these differences should be highlighted prior to submission. The sheets have been updated for all new and existing FY 2021 files. For further guidance refer to the new CT600 guide included in this release.

AREA OF CHANGE	DETAILS AND LIMITATIONS
CT600M - Freeports	A supplementary form CT600M has been introduced for disclosure of information relating to expenditure on freeport sites. We have added a new **Freeport expenditure and allowances** sheet to support completion of the form, developable from the **Information for the return** sheet. Where the new sheet is completed, it will be necessary to use the CT600 (2022) forms for submission purposes. The sheet is split into two sections, one for structures and buildings allowances and the other for enhanced capital allowances on plant and machinery. Select one of the designated freeport sites from the dropdown list, then complete the first two lines of the address information. Note that the address details should be completed line-by-line for submission purposes. The sheet has not been linked to the computations themselves, as the details required are separate from the capital allowance claims. The new sheet is available for all new and existing FY 2021 files. For further guidance refer to the new CT600 guide included in this release.
CT600 – Super-deduction and special rate allowance claims	The CT600 (2022) form has added new boxes for specific disclosure of the following for both super-deduction and special rate allowances: - • capital allowances included in trading calculations; • balancing charges included in trading calculations; • capital allowances included in non-trading calculations; • balancing charges included in non-trading calculations; and, • qualifying expenditure. Changes have been made to the **Summary of capital allowances on management assets** sheet to support the figures required for the CT600. We have also corrected an issue with values in relation to LTBFC allowances, charges, expenditure, and disposal values being shown as trade-related in the CT600. The sheets have been updated for all new and existing FY 2021 files, where the file has not been submitted to HMRC. For further guidance refer to the new CT600 guide included in this release.

AREA OF CHANGE	DETAILS AND LIMITATIONS
CT600 guidance – Losses and amounts available for group relief	HMRC have amended the guidance for completing page 9 of the CT600, relating to brought forward losses or excesses that are legislatively treated as being current period losses or excesses. This covers: - • Boxes 805 / 810 - UK property business losses • Boxes 830 / 835 - Non-trading losses on intangible fixed assets • Boxes 850 / 855 - Management expenses Original guidance stated these needed to be included as "arising" in the period, and those arising post April 2017 should be included as "available for surrender as group relief". HMRC have now advised that only current period losses should be included in these cases and brought forward values should be ignored. We have amended both the 2021 and 2022 CT600 forms to follow this amended guidance. This will not change details in any files that have already been submitted. We have identified that HMRC have not yet corrected all e-filing validations around this area, in particular where non-trading losses on IFA are brought forward and profits are sufficient to allow these to be offset. We are awaiting a response from HMRC on how this issue is to be dealt with. Where the CT600 is already developed, and we identify that any of the boxes 805, 830 or 850 contain values, we highlight that the CT600 should be erased and re-developed in the **W_FIXES** sheet.
Annual investment allowance – Extension of increased limit	We have updated the **Annual investment allowance** sheet, to reflect that the annual limit of £1,000,000 does not reduce back to £200,000 until 1 April 2023. The sheet has been updated for all new and existing FY 2021 files.

Chargeable gains – BLAGAB losses offset against non-BLAGAB gains	TCGA 1992, s210A(4) states that the offset cannot exceed a maximum of: -
	• non-BLAGAB gains; less
	  ○ current period non-BLAGAB losses; and,
	  ○ brought forward non-BLAGAB losses
	This figure is then compared to the *permitted amount* and the BLAGAB losses available, to determine the actual offset in the period.
	The maximum non-BLAGAB gains figure was being miscalculated as it was taking the figure of non-BLAGAB losses brought forward <u>utilised</u>, rather than the actual amount brought forward.
	The **Capital gains and losses** sheet has been updated for all new and existing FY 2021 proprietary files, where the file has not been submitted to HMRC.

CHANGES AND UPDATES – GROUP

AREA OF CHANGE	DETAILS AND LIMITATIONS
CIR - Interest restriction return e-filing	The launch of the IRR e-filing platform was delayed by HMRC several times in 2021, eventually going live in Q4. ONESOURCE was updated last year to support the e-filing of both full and abbreviated IRRs. HMRC have advised that they intend to mandate that all IRR submissions after 1 September 2022 must be submitted electronically; either using the "G-form" available through the government portal, or via APIs using relevant software such as ONESOURCE. We have included the full text of the email from HMRC as appendix C to these release notes. For access to the e-filing functionality in ONESOURCE, please contact your relationship manager.
Loss carry-back allocation statement	FA 2021 introduced the temporary extension to the carry back of trade losses, and provided that claims were to be made via a group allocation statement as defined in SI 2021/704. We have added a **Loss carry-back allocation statement** sheet, developable from the **Group income summary** sheet. The sheet is intended to allow information to be provided to HMRC as set out in the Statutory Instrument, so does not link data down to the company computations. The new sheet is available for all new and existing FY 2021 group files.
Group tax payments – Very large company instalments	Very large instalments, as calculated in the company files, were not being correctly linked into the **Group tax payments** sheet in group. The relevant backing sheets have been updated to link the value for all new and existing FY 2021 group files, and the **Group tax payments** sheet itself has been amended to include the amount in the *Instalments due* column. For existing files where large instalment payments are missing, it will be necessary recreate links for the relevant companies.

CHANGES AND UPDATES – PARTNERSHIP

<table>
<tr><th>AREA OF CHANGE</th><th>DETAILS AND LIMITATIONS</th></tr>
<tr><td>New SA800 forms</td><td>ONESOURCE has been updated to include the 2021/22 partnership tax return forms and associated e-filing rules and validations.

For further guidance refer to the new SA800 guide included in this release.</td></tr>
<tr><td>SA800 – Exporter information</td><td>The SA800 (2022) form requires disclosure where either goods or services are exported outside of the UK.

These are three simple checkboxes to the question “…did the company export goods or services…”: -
Yes – goods
Yes – services
No – neither
We have added a new section to the Partnership-wide figures and reliefs sheet, made up of a series of tick boxes that complete the boxes on the SA800.

The default is set to Neither goods nor services, but this changes automatically if either - or both - of the other options are selected.

For further guidance refer to the new SA800 guide included in this release.</td></tr>
<tr><td>Zero emissions cars allowance</td><td>Partnerships can now claim 100% first year allowances on the costs of acquisition of new zero-emission cars.
SA800 Box 3.16A - is populated by adding the cost to the Fixed assets acquired sheet.
Note that the Plant pool sheet for the trade needs to be developed prior to this
SA801 Boxes 1.13B and 1.35E - are also populated by adding the cost to the Fixed assets acquired sheet.
Note that the Plant pool sheet for the property business needs to be developed prior to this.
The cost will be allocated to “Other property income” by default. This can be changed to “UK or EEA holiday lets income” on the Capital allowances sheet.
SA802 Box 2.21C - is populated on the Foreign land and property sheets developed from the appropriate Profit and loss account.</td></tr>
</table>

<table>
<tr><th>AREA OF CHANGE</th><th>DETAILS AND LIMITATIONS</th></tr>
<tr><td>Super-deduction and temporary first year allowance</td><td>ONESOURCE has been updated to support claims and related calculations in respect of the: -
super-deduction of 130% on plant and machinery, and
temporary first year allowance of 50% for special rate expenditure
The relevant expenditure should be included as first year allowance expenditure on the Fixed asset sheet.
New fields have been added to the Plant pool and Special rate assets pool sheets, to allow the relevant qualifying expenditure to be identified.
New sheets have been provided to track the individual assets/expenditure on which claims have been made, as balancing charges may be due when the asset/expenditure is subsequently disposed of.
We have received no guidance from HMRC on how these amounts should be reported on the SA800. We therefore add this to “All other capital allowances”.
We continue to press HMRC to provide confirmation that this approach is correct, or to provide alternative guidance. If alternative guidance is provided, we will provide relevant instructions and updates as required. </td></tr>
<tr><td>Annual Investment Allowance</td><td>We have updated the AIA validations sheet, to reflect that the annual limit of £1,000,000 does not reduce back to £200,000 until 1 April 2023.</td></tr>
<tr><td>Hiding the “Sheet/Description” column</td><td>We have been advised that the “Sheet/Description” column on Profit reconciliation sheet is in some scenarios not required.
It is now possible to choose between the following options: -
Printing the column;
Only printing the column in review mode; and,
Hiding the column.
The required option is selected via a dropdown at the bottom of the sheet, which defaults to print the column. </td></tr>
</table>

AREA OF CHANGE	DETAILS AND LIMITATIONS
Freeports	ONESOURCE has been updated to support claims and related calculations in respect of the: - • enhanced Structures and buildings allowance (SBA) of 10% in designated Freeport tax sites • enhanced Capital Allowance (ECA) of 100% on qualifying plant and machinery in designated Freeport tax sites For ECAs, the relevant expenditure is included as first year allowance expenditure on the **Fixed asset** sheet. The expenditure is then allocated in the "Expenditure qualifying for FYA" section on **Plant pool** sheet For enhanced SBA, a dropdown has been added to the **Structures and buildings allowance** sheet, to identify assets/expenditure eligible for the enhanced 10% rate. Freeport SBA amounts are reported in new boxes 3.18B and/or 1.35D depending on the business. We have received no guidance from HMRC on how Freeport ECA figures should be reported on the SA800. We therefore add this to "All other capital allowances". We continue to press HMRC to provide confirmation that this approach is correct, or to provide alternative guidance. If alternative guidance is provided, we will provide relevant instructions and updates as required. Please note that HMRC require additional information to be added where Freeport allowances are claimed, and we have added a warning to the **Additional information** sheet. For further guidance refer to the new SA800 guide included in this release.

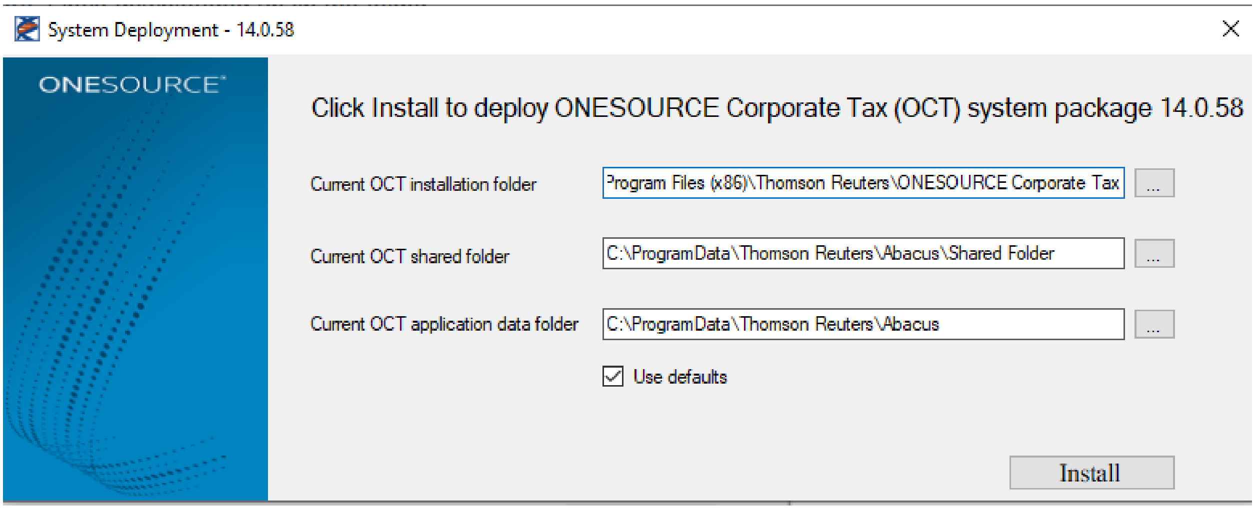
RELEASE DEPLOYMENT

Hosted Customers
ONESOURCE Corporate Tax 14.0 will be deployed by Thomson Reuters as part of our hosting services for ONESOURCE Corporate Tax users on 22nd April 2022. There will be a period of downtime to support this update. For further details relating to the scheduled maintenance, including the start time and end time of the maintenance, please click here to access our system status page. ONESOURCE Corporate Tax is currently identified as 'Corporate Tax (legacy) [EMEA]' and can be found under our 'Direct Tax' applications. If you would like to receive emails to notify of updates to our status page, you can subscribe through our status page. We recommend you use a modern browser such as Chrome, Firefox, or Edge to set your subscription preferences. More information about our new status page is available here.

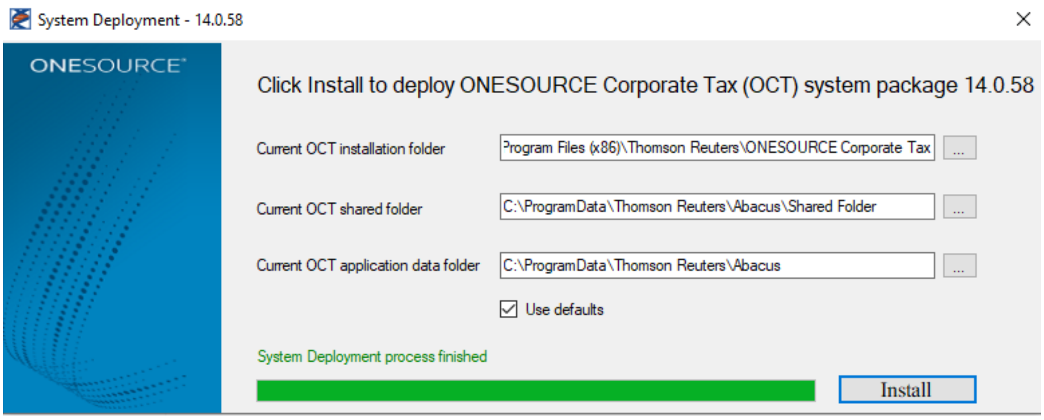
Non-Hosted Customers

For customers that are using version 14.0, please follow the steps listed below:

- Launch Corporate Tax.
- Select Help > Check for updates.
- Close the application.
- Download the zip folder from here.
- Extract the zip folder once downloaded.
- Run the System Deployment - 14.0.58.exe" as an Administrator, i.e. Right-click > Run as Administrator. You may need to contact your IT team for this.
- The following window will launch.



- The locations given are the default install, shared and application data folders. If these differ to when the Corporate Tax application was installed, uncheck "Use defaults" and update the paths respectively.
- Click Install.
- The following confirmation message will be given once complete:



- Re-launch the application.

Non-Hosted Customers

This patch update has also been made available for customers using version 14.1. If you're running version 14.1, you simply need to apply the content updates via:

- Launch Corporate Tax.
- Select Help > Check for updates.
- Close the application.
- Re-launch the application.

For users who are unable to install the content updates via Help > Check for updates, the content updates will need to be installed manually:

Version 14.0:

- Download the following two folders:

  http://www.abacus.thomsonreuters.com/AbacusAutoUpdate/AbacusContent-System21.0-Package7.zip

  http://www.abacus.thomsonreuters.com/AbacusAutoUpdate/AbacusContent-System21.0-Package8.zip
- Extract the zip folders.
- Place all the files in the APPDATA\ folder. The default location for this is C:\ProgramData\Thomson Reuters\Abacus
- Select to overwrite any existing files already in that location.

Version 14.1:

- Download the following two folders:

  http://www.abacus.thomsonreuters.com/AbacusAutoUpdate/AbacusContent-System21.1-Package1.zip

  http://www.abacus.thomsonreuters.com/AbacusAutoUpdate/AbacusContent-System21.1-Package2.zip
- Extract the zip folders.
- Place all the files in the APPDATA\ folder. The default location for this is C:\ProgramData\Thomson Reuters\Abacus
- Select to overwrite any existing files already in that location.

APPENDIX A - EMAIL FROM HMRC 14 MARCH 2022

HM Revenue & Customs
Software Developer Support Team

Dear Developer

We are aware of some issues with the CT600 (Version 3) 2022 V1.97 RIM artefacts following its deployment into the test services, thank you to all developers who have notified us of these issues. We will be releasing updated RIM artefacts that will address the issues identified. The changes to the artefacts will be:

- Box 660 (Error Code 9604) – This validation will be removed
- Box 660 (Error Code 9605) – Will amend the validation to remove the 'If [30] on or after '2022-04-01' then', as there will be valid cases where box 660 can be completed without completing the CT600L. However if L166 is completed then box 660 must equal 230% of that figure.
- L30 (Error code 9719) – Validation is correct but the transactional message needs updating to the following 'Box L30 must be completed if the Step 1 section on supplementary form CT600L is present and Box 475 or Box L9 is completed'.
- L65 (Error Code 9631) – Validation will be amended to account for box L35, so the new validation will be 'If box L9 is completed or the return period start date in Box 30 is on or after 1 April 2022 and Box L60 is less than the sum of Boxes L35 and L62, then Box L65 must equal the sum of Boxes L35 and L62 minus Box L60, otherwise Box L65 must equal 0 (zero)'.
- SME section (Error Code 9635) – Validation will be amended to add the following 'If [30] is on or after '2022-04-01'' to the validation, which will make the new boxes backwards compatible.
- L150 (Error Code 9775) – L129 will be removed from the validation as it has incorrectly been included.
- M5F (Error Code 9654) – This validation will be removed.
- Annual Investment Allowance (AIA) limit – Will remain at 1000000.00 until 31/03/2023 and then will revert back to 200000.00. This will be corrected in the next release.
- Loans Participator Rate – This has increase to 33.75% from 06/04/2022 and will be corrected in the next release.

Please also find attached an advance draft copy of the guidance that will be added to the '[Changes and issues affecting the Corporation Tax online service]' page in April.

We will shortly provide further information about the updated RIM artefacts along with the proposed deployment dates into LTS, TPVS/ETS and Live.

Kind regards

APPENDIX B - DRAFT SERVICES ISSUE PAGE APRIL 2022

Service issues

Annual Investment Allowance (AIA)

The Autumn Budget 2021 extended the Annual Investment Allowance (AIA) provisional £1 million cap until April 2023. The extension of the temporary £1 million cap was originally due to revert to £200,000 on 1 January 2022 but this will now happen on 1 April 2023.
The Corporation Tax online service will be updated to reflect this change. You can file online before the service is updated if you're filing a return and you do not need to claim this additional AIA.

Loans to Participators

The Autumn Budget 2021 raised the rate of tax charged under section 455 on loans to participators from 32.5% to 33.75% from 1 April 2022.
The Corporation Tax online service will be updated to reflect this change. You can file online before the service is updated if you're filing a return and you do not need to report this increase.

Research and Development claims

In 2021, HMRC introduced supplementary form CT600L for companies claiming either of the following credits:

- Small and Medium Enterprise Research and Development Payable Tax Credit
- Research and Development Expenditure Credit

Companies only claiming Research and Development enhanced expenditure are not required to complete this supplementary form and just use Box 660 on the CT600 to report their claim.

Due to a recent update to the CT600 and CT600L forms, HMRC are aware that a small number of customers may have online filing issues due to some restrictions within the revised HMRC Corporation Tax online service.

1. **Companies claiming Research and Development enhanced expenditure but not SME Payable Tax Credit or Research and Development Expenditure Credit**

Customers will only be affected if:

- your accounting period starts on or after 1st April 2022

and

- you are only claiming Research and Development enhanced expenditure (included in box 660) but no other Research and Development credits so would not be completing a CT600L.

The service will be updated to fix the issue and affected customers should wait until then to file your return.

2. Companies claiming Research and Development Expenditure Credit and reporting Income Tax deducted from profits

Customers will only be affected if you are reporting:

- an amount carried forward under section 104N(2), step 2 of the Corporation Tax Act 2009, from a previous accounting period (included in box L5)

and

- Income Tax deducted from profits (included in box L35)

The service will be updated to fix the issue and affected customers should wait until then to file your return.

If you have a deadline or an urgent requirement to file your return before the update, HMRC will accept a paper return for these exceptional cases. In this instance, a paper return should include:

- form WT1, explaining (in box 6) that your Research and Development claim includes Income Tax deducted from profits – place this form under your return
- form CT600
- form CT600L
- your accounts and computations

Send your paper return to:

Corporation Tax Services
HM Revenue and Customs
BX9 1AX
United Kingdom

3. Companies claiming Research and Development Expenditure Credit and reporting an amount of brought forward Step 2 restriction to be carried forward to the next Accounting Period

This is for information only as it will not affect your ability to submit a CT600L to the HMRC Corporation Tax online service.

A new Pre-step 1 section has been added to the CT600L for customers to report the amount of Step 2 restriction brought forward from previous accounting periods. Any balance not used and carried forward to the next accounting period is captured in new Boxes L8 and L129.

The figure in Box L129 is correctly included in Box L140 – Balance carried forward to next accounting period, but has been captured twice in Box L150 – Total carried forward to next AP. This means that your software will be reporting an incorrect figure in Box L150 but this is used by HMRC for statistical purposes only.

The figure in Box L129 will be the one included in Box L5 in your next CT Self-Assessment.

APPENDIX C - EMAIL FROM HMRC 22 MARCH 2022

HM Revenue & Customs
Software Developer Support Team

Dear Developer

Please be aware HMRC intends to mandate that all reporting company appointments/revocations and IRRs must be submitted using either the G-form or the IRR API. This is expected to have effect for all submissions on or after 1 September 2022. This means that after that date, HMRC will not accept appointments/revocations and IRRs that are sent by email, post or attached to company tax returns.

As you are aware, the IRR API is now live and HMRC welcome submissions through this route ahead of the mandation date, as well as any feedback on issues encountered.

Further information can be found in the latest Agent Update.

Kind regards