ONESOURCE™ CORPORATE TAX

UNITED KINGDOM RELEASE NOTES

July 2021

Document Version 1

THOMSON REUTERS®

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DOCUMENT HISTORY

VERSION NUMBER	VERSION DATE	SUMMARY
1	09/07/2021	ONESOURCE Corporate Tax v14.0 July content 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, Investment trust, AIF, and Life	New computation templates for periods ending in FY 2021 and updates to the computation templates for FY 2020, covering computations for the following company types: - • 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, where relevant, the following return forms and supplementary pages: - • CT600 v3 (2021) – 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 • 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

Computation packs

<table>
<tr><td>Standalone tax accounting</td><td>New computation templates supporting tax accounting calculations for periods ending in FY 2022, together with updates to the computation templates for FY 2021</td></tr>
<tr><td>Group</td><td>New group module templates for periods ending in FY 2021 and updates to the group module templates for FY 2020, covering group files created for the following purposes: -
Standard – All group relief calculations, consolidations, and adjustments
<u>Except</u> Corporate interest restriction
Joint amended return – Group relief and carried forward group relief only
Tax reporting – Tax accounting consolidation
Interest restriction – Corporate interest restriction calculations and Interest restriction return
Transfer pricing – Transfer pricing adjustments</td></tr>
<tr><td>PRT</td><td>New templates for periods ending December 2021 and June 2022: -
PRT return
PRT declarations
Participators additional return; and,
Expenditure claims
Supporting the following return forms, statements, claims and notices: -
PRT1 (parts 1, 2 and 3) – PRT returns
PRT6 – Statement of tax payable on accounts
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>
</table>

CHANGES AND UPDATES – CORPORATION TAX

AREA OF CHANGE	DETAILS AND LIMITATIONS
Super-deduction and temporary first year allowance	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. The FY 2021 computation template has been updated for all file types with the exception of AIF, where capital allowances are dealt with on a simplified basis. Currently there is no guidance from HMRC on how these amounts should be reported on the CT600. Further updates may be required if the CT600 changes or guidance is issued that sets out a specific treatment.
Freeports	ONESOURCE has been updated to support claims and related calculations in respect of the: - • enhanced Structures and buildings allowance (SBA) of 10% on qualifying structures or buildings in designated Freeport tax sites • enhanced Capital Allowance (ECA) of 100% on qualifying plant and machinery in designated Freeport tax sites 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. For enhanced SBA, an additional dropdown has been made available on the **Structure and Buildings allowance** sheet, to identify assets/expenditure eligible for the enhanced 10% rate. The FY 2021 computation template has been updated for all file types with the exception of AIF, where capital allowances are dealt with on a simplified basis. Currently there is no guidance from HMRC on how these amounts should be reported on the CT600. Further updates may be required if the CT600 changes or guidance is issued that sets out a specific treatment.

Extension to the loss carry back provisions	No changes have been required to the computations to support the extension to trade loss carry back. Fields are already available, where relevant, on the **Losses and allowances** and **Calculation of tax liability** sheets to allow the claims and relief. SI 2021/704 setting out the requirements for the group *Loss carry-back allocation statement*, has only recently been legislated and come into force. We will review this for a future release to determine if there are changes that can be made to help support this.
Restriction on SME R&D tax credit claims	The Finance Act 2021 introduced a limit on the amount of payable tax credit that can be claimed by a company under the R&D SME tax relief scheme. The **R&D tax credit calculation** sheet has been updated to calculate the tax credit cap, where the period begins after 31 March 2021. A flag can be set to indicate that the tax credit cap exceptions apply, otherwise the tax credit claimed will be restricted where necessary. The FY 2021 computation template has been updated for all file types that support SME R&D tax relief claims.
Reduction in AIA limit from January 2022	The Annual Investment Allowance (AIA) limit of £1,000,000 has been extended until 31st December 2021 by Finance Bill 2021. The **Annual Investment Allowance** sheet has been updated to reflect this extension. The FY 2021 computation template has been updated for all relevant file types.
Zero emission cars	The CT600 2021 form has introduced new boxes to identify the first-year allowance claimed on, and any disposal value brought into account for, zero emission cars. New fields have been added to the **Plant pool** sheet to allow the relevant qualifying expenditure and disposal values to be identified, and the figures are cumulated on the **Capital allowances summary** sheet. From there, the cumulative figures are linked to the new boxes on the CT600 form. The FY 2021 computation template has been updated for all file types with the exception of AIF, where capital allowances are dealt with on a simplified basis.
New CT600 and CT600L forms and e-filing	The release notes accompanying the May 2021 release, detailed two queries that were outstanding with HMRC in relation to the completion of the CT600L: - • Confirmation that "step 5" group relief claimed has been correctly included in box L15; and, • Confirmation that the restriction calculated at box L65 is incorrect where a "step 3" restriction has been brought forward but not off-set in the period

	Despite reminders, we have still not received a response to either of these queries from HMRC. It seems clear HMRC have under-estimated the impact of this change, as we continue to be told that they are receiving a very high number of queries, but we will continue to chase a detailed response to these queries.
Box 526 not always being completed	In some instances, box 526 was not being completed when coronavirus support scheme details had been entered, but there was no overpayment to report. This would lead to a validation error on e-filing. This did not entail a change to the computation templates, and the error should no longer be encountered on validation or submission.
SME R&D tax credits not included in box 875	Prior to the introduction of the CT600L, box 530 of the CT600 required SME R&D tax credits to be included. On making the change to the logic for box 530, we missed the knock-on impact of this change on the logic used to complete box 875. The FY 2020 and FY 2021 computation templates have been updated to link box 875 directly to box L180 in the CT600L, for all new relevant file types. All existing files that have not already been submitted are also updated, and a comment added to the **W_FIXES** sheet if the value of box 875 is changed.
CO_2 limits on car lease rental restrictions	The default thresholds for CO_2 emissions have been changed from 110g/km to 50g/km on the **Car lease rental restriction** sheets. The FY 2021 computation template has been updated for all file types supporting car lease rental restriction calculations based on CO_2 emissions.
Coronavirus support schemes and overpayments	We have updated the FY 2021 computation templates for Investment trust and AIF files, to include the CT600 (2021) form. The form requires disclosure of overpayments received in respect of: - • Job Support Scheme, • Coronavirus Job Retention Scheme, • Job Retention Bonus • Eat Out to Help Out Scheme. Consistent with other CT and Life files, we have added a separate section to the bottom of the **Calculation of tax liability** sheet to allow entry of the relevant values, which are included on the CT600 and reflected in the overall computation. The FY 2020 computation templates for trading, investment, multi-trade, oil ring fence and REIT files were updated in May, so the above changes and the new form are already included in the FY 2021 templates.

Deferred tax closing rate increase	The closing rates included in **Tax Accounting** sheets, have been updated to reflect the new CT rate of 25% applicable from 1 April 2023. The FY 2020 and FY 2021 tax accounting templates have been updated for all new relevant file types.
REIT financial reporting data	HMRC have provided an update to the XML schema used to produce the financial reporting data required for submission, as a result of discovering some differences in the data being produced by ONESOURCE. We have built the new schema into ONESOURCE, and have worked closely with HMRC to test that the output is correct. Some minor changes have been made to the templates to support the revised schema, for all new FY 2020 and FY 2021 REIT files. For existing FY 2020 REIT files, the **Group HMRC e-filing statement** sheets should be erased and re-developed if the XML still needs to be produced and submitted.

CHANGES AND UPDATES – LIFE

AREA OF CHANGE	DETAILS AND LIMITATIONS
Super-deduction and temporary first year allowance	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. The FY 2021 computation templates have been updated. Currently there is no guidance from HMRC on how these amounts should be reported on the CT600. Further updates may be required if the CT600 changes or guidance is issued that sets out a specific treatment.
Freeports	ONESOURCE has been updated to support claims and related calculations in respect of the: - • enhanced Structure and buildings allowance (SBA) of 10% on qualifying structures or buildings in designated Freeport tax sites • enhanced Capital Allowance (ECA) of 100% on qualifying investments in plant and machinery in designated Freeport tax sites 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. For Enhanced SBA, an additional dropdown has been made available on the **Structure and Buildings allowance** sheet to identify assets eligible for the enhanced 10% rate. The FY 2021 computation templates have been updated. Currently there is no guidance from HMRC on how these amounts should be reported on the CT600. Further updates may be required if the CT600 changes or guidance is issued that sets out a specific treatment.
Extension to loss carry back provisions	No changes have been required to the computations to support the extension to trade loss carry back. Fields are already available, where relevant, on the **Losses and reliefs summary** and **Tax liability** sheets to allow the claims and relief.

	SI 2021/704 setting out the requirements for the group *Loss carry-back allocation statement*, has only recently been legislated and come into force. We will review this for a future release to determine if there are changes that can be made to help support this.
Reduction in AIA limit from January 2022	The Annual Investment Allowance (AIA) limit of £1,000,000 has been extended until 31st December 2021 by Finance Bill 2021. The **Annual Investment Allowance** sheet has been updated to reflect this extension. The FY 2021 computation templates have been updated.
New CT600 and CT600L forms and e-filing	The release notes accompanying the May 2021 release, detailed two queries that were outstanding with HMRC in relation to the completion of the CT600L: - • Confirmation that “step 5” group relief claimed has been correctly included in box L15; and, • Confirmation that the restriction calculated at box L65 is incorrect where a “step 3” restriction has been brought forward but not off-set in the period Despite reminders, we still not received a response to either of these queries from HMRC. It is clear HMRC have under-estimated the impact of this change, as we continue to be told that they are receiving a very high number of queries, but we will continue to chase a detailed response to these queries.
Box 526 not always being completed	In some instances, box 526 was not being completed when coronavirus support scheme details had been entered, but there was no overpayment to report. This would lead to a validation error on e-filing. This did not entail a change to the computation templates, and the error should no longer be encountered on validation or submission.

CHANGES AND UPDATES – GROUP

AREA OF CHANGE	DETAILS AND LIMITATIONS
Life companies linked to RDEC group modules	We added the **Research and development expenditure credit** (RDEC) sheet to the FY 2020 Life tax computation templates in the May 2021 release. We have now updated the **R and D expenditure credit** sheet in the standard group module, allowing data from Life files to be linked into the sheet, and any relevant data to be written back to the Life file. The FY 2020 and FY 2021 standard group templates have been updated. For existing Life files already linked to a group, remove and re-link the Life file.
Loss restriction changes	Changes have been made to the **Group deductions allowance** sheet in standard and Joint amended return group files, to limit the amount of group deductions allowance that can be allocated to companies that have joined or left in the period.
Investment trust company name being duplicated	In the **Group relief matrix** sheet in standard and Joint amended return group files, the investment trust company name was being duplicated.
Interest restriction return e-filing	The release notes accompanying the May 2021 release detailed the optional sheets available in Interest restriction group files to support e-filing of the interest restriction return. It has been confirmed by HMRC in the past few days that the launch of this e-filing platform has been further delayed. As yet no new launch date has been set. HMRC have been continuing to amend and refine the data they wish collected, and we are continuing to work with them regarding testing.

RELEASE DEPLOYMENT

HOSTED CUSTOMERS

The July 2021 update of ONESOURCE Corporate Tax will be deployed by Thomson Reuters as part of our hosting service on 14th July 2021. 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

To be able to apply the July 2021 update of ONESOURCE Corporate Tax, you will need to be on v14.0. If you have not yet upgraded to v14.0 you can upgrade by downloading the Setup files from the download site at http://abacus.thomsonreuters.com/downloads/corporatetax, which contains all of the necessary instructions.

Once you have v14.0 installed, you will need to access the application and select the option *Check for updates* from the "Help" menu. This will initiate the download of the relevant update files, placing those files into the directory where the application is installed on your workstation. You will then need to close and restart the application for the updates to be applied.