ONESOURCE™ CORPORATE TAX

UNITED KINGDOM RELEASE NOTES

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Document Version 1

THOMSON REUTERS®

DOCUMENT HISTORY

VERSION NUMBER	VERSION DATE	SUMMARY
1	28/04/2023	ONESOURCE Corporate Tax v15.0

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RELEASE SUMMARY

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

On 1st April, HMRC updated the Corporation tax online service to include the latest business rules and validations (v1.991), and released updated versions of the following forms supporting those submissions: -

- CT600 (2023)
- CT600F (2023) - Tonnage tax
- CT600N (2023) - Residential property developer tax (RPDT)

As several of the changes made by HMRC are relevant for accounting periods ending before April 2023, we have made changes to FY 2022 files and templates to support the new forms, validations, and online filing. More details relating to the specific changes made are included below.

We have also enhanced the Corporate interest restriction functionality, including improving support for companies joining or leaving a group. Again, more details are included below.

This release also includes the updates for the latest HMRC rates of interest on underpaid and overpaid tax.

We have amended the structure of these notes to focus on the key functional areas of change, rather than specifying the changes made to each of the individual modules. Unless otherwise stated below, changes have been made to all computation types.

UPDATES – CT600 FORMS AND HMRC CT ONLINE SERVICE

AREA OF CHANGE	DETAILS AND LIMITATIONS
Support for the new CT600 and supplementary forms, and updated HMRC online filing service	Support has been added for the new CT600 form, CT600F and CT600N supplementary pages, together with the latest business rules and validations of the HMRC CT online service for submissions made after 1 April 2023. We continue to support the existing CT600 (2022) form and CT600F (2015) supplementary page where these are already being used. The default option for new and existing FY 2022 files will be the 2023 forms, and the new v1.991 business rules and validations. A switch has been added to the **Information for the return** sheet to allow the 2022 forms plus the old (v1.99) business rules and validations to be used, where this covers all the data that needs to be disclosed for submission. All new computation templates and existing FY 2022 files have been updated to support the new forms. Existing FY 2022 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.
Number of associated companies for small profits rate and marginal relief purposes	We have made changes to support the disclosure of the maximum number of associated companies, prior to the re-introduction of the small profits rate and marginal relief. Disclosure of the maximum number of associates is required if either the small profits rate or marginal relief apply for the accounting period. Where all the following are true, then the maximum number of associates must be provided for each relevant financial year: - • the period straddles two financial years, • the marginal relief limits have changed between financial years, and • the maximum number of associates has changed between the financial years. The changes primarily update existing functionality and aim to ensure that all the relevant computation templates function consistently. All new computation templates and existing FY 2022 files have been updated, apart from Authorised investment funds (AIFs) to which this does not apply.
Support for Qualifying asset holdings companies (QAHCs)	We have added the option “Qualifying asset holding company” to the list available under the *Type of CT return form* dropdown on the **Information for the return** sheet, which completes box 4 of the CT600. We have been unable to determine the extent to which specific support for QAHCs is required by clients. We have therefore not made any specific computational changes, as we believe that the required calculational adjustments can already be completed if required. Please contact us if you feel that further calculational support or specific disclosure is required.

AREA OF CHANGE	DETAILS AND LIMITATIONS
Support for the Energy (oil and gas) profits levy (EOGPL)	The new CT600 (2023) form requires only basic details in respect of the EOGPL, namely: - • EOGPL profits liable • EOGPL payable The *Energy (oil and gas) profits levy payable* is entered on the **Calculation of tax liability** sheet, as this figure needs to be included in the total of tax payable on the CT600. The *Energy (oil and gas) profits levy (EOGPL) profits liable* is entered on the **Information for the return** sheet, as this is disclosed separately on the CT600 and not included in the calculation of profits subject to Corporation tax. Both figures must be completed for submission via the HMRC CT online service, and we have added validations to advise when this is not the case so that this can be corrected before submission. The computation templates and existing FY 2022 files for ring-fence and multi-trade files containing a trade within the oil production ring-fence have been amended. We aim to provide further computational support for EOGPL in the July update. However, we are still awaiting detailed responses from HMRC to queries raised in relation to this several months ago.
Support for the new CT600F (2023) form	The only changes to the CT600F form from the original 2015 version, is that wording on the face of the form has been amended to reflect the UK's exit from the EU. As a result, no changes have been required to the data linked into the CT600F form, or to the supporting sheets within ONESOURCE. However, we do recommend you review the updated CT600F to ensure that none of the descriptive changes impact the information you disclose on this form. The CT600F (2023) is developed from page one of the CT600 (2023) form. If the CT600 (2022) form is used, then the original CT600F (2015) version will be available to develop. The computation templates and existing FY 2022 files for trade, investment and multi-trade that support Tonnage tax have been amended. Note that there does appear to be a discrepancy between the note on the CT600F form accompanying boxes F35A and F35B, and the business rule around those boxes (validation code 9665). In effect, the business rule applied on submission appears to be the opposite of the guidance to boxes F35A and F35B. We are awaiting a response from HMRC, as this will cause issues for submissions for periods beginning on or after 1st April 2022.

AREA OF CHANGE	DETAILS AND LIMITATIONS
Updated HMRC guidance for submission of Freeports for the CT600M	HMRC guidance has been updated in respect of the reporting of qualifying expenditure on structures and buildings in Freeports. The revised guidance is available and can be found at [Supplementary pages CT600M: Freeports - GOV.UK (www.gov.uk)](https://www.gov.uk). In effect this means that column E must be completed in all cases, either with the cost if it's a new building, or "0". The CT600M form in all relevant computation templates has been updated. If the CT600M has already been developed into the file, this can be erased and re-developed if required.
Support for the new CT600N form and Residential property developer tax (RPDT)	We included computational support for RPDT when the FY 2022 trade and multi-trade computation packs were released in July 2022. As was anticipated in the release notes accompanying the July 2022 update, HMRC have now updated the online service and CT600 form to include RPDT. We have updated the **Calculation of tax liability** sheet to include *Residential property developer tax (RPDT) payable*. This will automatically be linked from the **RPDT calculation** sheet where this has already been developed. We have amended the **Calculation of tax liability** sheet for all computation templates and existing FY 2022 files, apart from the Investment trust and AIF templates and files as these are not intended to support RPDT. For all existing trade and multi-trade files with the RPDT computation sheets developed, we automatically include a new **Calculation of RPDT profits and RPDT payable** working paper which feeds data into page 8 of the new CT600N supplementary pages. HMRC also require significant additional information to be submitted, as included in the CT600N: - • Allocation statement (RPD allowance) • Joint venture companies (excluded members) • Claims to RPDT group relief • Amounts surrendered as RPDT group relief • Claims to RPDT group relief for carried forward losses • Amounts surrendered as RPDT group relief for carried forward losses We have added new optional sheets to support the data required to complete the CT600N for each of the above. • The following sheets are available to develop from the **RPDT calculation** sheet: - o RPDT - Allocation statement o RPDT - Joint venture companies

AREA OF CHANGE	DETAILS AND LIMITATIONS
	• The following sheets are available to develop from the **RPDT – Loss relief** sheet: - o RPDT - Group relief claimed o RPDT - Group relief surrendered o RPDT - Group relief claimed for c/f losses o RPDT - Group relief surrendered for c/f losses The CT600N form can only be developed from the new CT600 (2023). If the CT600 (2022) has been developed and RPDT is payable, a validation message will advise to erase the existing form so the new forms can be developed. We have raised queries with HMRC relating to business rules around claims for RPDT group relief: - Group relief for carried forward losses Guidance on the CT600N, and the accompanying business rule (validation code 9862), require that box N265 must equal box N165 - the amount of group relief for carried forward losses included in the calculation of profits chargeable to RPDT, must be the same as the amount of group relief for carried forward losses actually claimed. The legislation at FA 2022, s42 states it is possible to claim more group relief for carried forward losses than can be utilised in the period, and the unutilised balance can be carried forward as the company's own losses. This is also confirmed by the example given in the HMRC RPDT manual at RPDT20445 - The charge to RPDT: reliefs: restrictions on RPDT relief - extended example - HMRC internal manual - GOV.UK (www.gov.uk). This query has been outstanding now for several months, and we continue to chase for a response. Authorisation for group relief claims We raised with HMRC that there is a logical error in the business rule (validation code 9665), relating to authorisation of group relief claims. The logic states that for new claims it is not possible to attach notices of consent with the submission, instead the authorisation in section 3 of the CT600N must be completed whether simplified arrangements are in force or not. HMRC have recently acknowledged that this is an issue, but do not intend to fix this until April 2024. HMRC have asked that we contact them if any of our customers experience this issue when trying to submit, so please contact the Hotline in this case. We have asked HMRC to update the Changes and issues affecting the Corporation Tax online service - GOV.UK (www.gov.uk) webpage with these details as soon as possible.

AREA OF CHANGE	DETAILS AND LIMITATIONS
HMRC CT600 guidance now online only	HMRC no longer produce a printable guide covering completion of the CT600 and supplementary pages and have instead added dedicated pages to the HMRC website. The option under the 'Help' menu previously opened the PDF version of the guide, but this has now been amended to open a link to the relevant HMRC webpage for the form or supplementary page currently displayed.

UPDATES – CIR CHANGES AND ENHANCEMENTS

AREA OF CHANGE	DETAILS AND LIMITATIONS
Additional support for disregarded periods when the company was not a member of the Corporate interest restriction (CIR) group	Changes have been made to the **Corporate interest restriction – values** sheet, to provide additional support where part of the *Net tax-interest expense/(income)* and *Tax-EBITDA* for the company period are to be disregarded as they relate to periods when it was not a member of the relevant CIR group. Typically, periods falling before the company joined the group, or after it left. We have amended the description of the switch indicating if all company values are attributable to the relevant CIR group period, as this now covers both non-coterminous and disregarded periods. New switches have also been added to indicate whether the company joined or left the relevant CIR group in the period. The setting of these switches makes changes to the functionality of the sheet that, we believe, make it easier to use and clearer as to what values are being linked to which group file. All FY 2021 and FY 2022 computation templates have been updated, so new and existing FY 2021 or FY 2022 files that develop the CIR sheets will get the updated sheets. Where existing FY 2021 and FY 2022 files already have the CIR sheets developed, these can be erased and re-developed if the updated functionality is required.
Interest restriction brought forward extinguished on change in ownership or cessation	Following client requests, we previously made a change to trade, investment, and multi-trade files to allow extinguished interest restriction to be removed from the amounts carried forward on the **Corporate interest restriction – adjustments** sheet. We have now extended this change to all FY 2021 and FY 2022 proprietary and mutual life, investment trust and AIF computation templates. New and existing FY 2021 or FY 2022 files that develop the CIR sheets will get the updated sheets. Where existing FY 2021 and FY 2022 files already have the CIR sheets developed, these can be erased and re-developed if the updated functionality is required.
Allocated disallowance errors in the Interest restriction return (IRR) sheets for some non-coterminous companies	We received reports of some instances where there were errors in the *AP1* or *AP2 allocated disallowance* on the **UK group companies – values and allocations** sheet, in some companies that were not coterminous with the CIR group period. It was identified that the issue was specific to companies that were linked to two CIR group files, and that had an allocated disallowance calculated in both those files. Both FY 2021 and FY 2022 CIR group templates have been updated. If the issue arises in existing FY 2021 or FY 2022 CIR group files, it should be possible to clear the issue by removing and re-linking the company in the usual way via the **Group members** sheet.

UPDATES – OTHER CHANGES AND IMPROVEMENTS

AREA OF CHANGE	DETAILS AND LIMITATIONS
Additions being added to existing Structures and buildings allowance assets	We have received requests to trap instances of additions being added to existing Structures and buildings allowance assets, as this can result in incorrect allowances being calculated. We have therefore added a validation that traps when both a *TWDV b/f* and *Expenditure incurred on construction or acquisition of unused structure or building* has been entered for a particular structure or building. All FY 2022 computation templates have been updated, apart from Authorised investment funds (AIFs) that do not support Structures and buildings allowances.
Double counting of ABGH distributions for box 620 of the CT600 in some instances	We received reports of some instances of double counting of ABGH distributions when completing box 620 of the CT600. We have been able to identify that the issue arose for periods ending in FY 2022, potentially impacting trade, investment, and multi-trade files. Proprietary and mutual life, Investment trust and AIF files were not affected. The FY 2022 computation templates for trade, investment, and multi-trade have been updated. If the issue has arisen in existing FY 2022 files, erase and re-develop the CT600.
Validation errors 9629 and 9710 when only 'step 2' group relief claimed	An error was noted on the HMRC changes and issues affecting the Corporation Tax online service webpage last year, which meant that it was not possible to submit if there was 'step 2' utilised in the period but no current period RDEC. HMRC state in their guidance that RDEC group relief claimed under 'step 2' can be included but is "…not required…". We include this automatically and included an error to develop the CT600L in such cases. There were instances where only 'step 2' group relief claimed was present, and due to the HMRC error it was not possible to file. In these cases, we removed the error to develop the CT600L so that the form could be erased, and submission made without it. We have now made this change permanent, so that 'step 2' group relief in isolation will no longer require the CT600L to be developed. All new computation templates and existing FY 2021 and FY 2022 trade, multi-trade, proprietary and mutual life files have been updated.
Overseas branch capital allowance support, pool super-deduction adjustment	We were made aware that the **Plant pool – Overseas branch analysis** sheet had not been updated for the adjustment required to the tax written down value carried forward when super-deduction has been claimed. We have now added this to the overseas branch analysis sheet, and for completeness have also included this in the **Notional plant pool** sheet. The FY 2021 and FY 2022 computation templates for trade and multi-trade have been updated. If the issue has arisen in existing FY 2021 or FY 2022 files, the sheet should be erased and re-developed.

AREA OF CHANGE	DETAILS AND LIMITATIONS
Losses sheet error in multi-trade companies when formula entered	We received a report that an error was experienced when a formula was used to enter *Group relief surrendered* for a specific trade loss in a multi-trade computation. The issue was found to relate to a format that wasn't being cleared correctly when not required. The FY 2022 computation templates for multi-trade computations have been updated. If the issue has arisen in an existing FY 2022 or earlier multi-trade file, please contact the Hotline team.
Oil contractor ring fence rate transfer miscalculating	We received a report that the *Oil contractors ring fence transfer rate* was being miscalculated. Following investigation, this was found to be due to a value having the incorrect sign applied to it. The FY 2022 computation templates for ring-fence computations have been updated. If the issue has arisen in an existing FY 2022 or earlier ring-fence file, please contact the Hotline team.
HMRC guidance regarding excess BLAGAB expenses and the CT600	A query was raised as to whether excess BLAGAB expenses should be included as excess management expenses in box 850 of the CT600. We did not include them, as they are not deducted under CTA 2009, s1219 as stated in the guidance notes. We raised this query with HMRC, who have confirmed that excess BLAGAB expenses should <u>not</u> be included. As a result, no changes are required.

UPDATES – HMRC INTEREST RATES

AREA OF CHANGE	DETAILS AND LIMITATIONS
Rates of interest on underpaid and overpaid tax	We have updated the four CTSA interest rates used within the software. The rates updated cover interest: - • charged on underpayments of QIPs • paid on overpayments of QIPs • charged on late payments of Corporation Tax • paid on repayments of Corporation Tax The rates used are defined on the HMRC interest rates for late and early payments page of the HMRC website. You can check the current and historical rates being used by ONESOURCE, by selecting *Data* then *CTSA interest rates* and selecting the relevant option. ONESOURCE Corporate Tax uses these rates in the **Tax payments and interest** sheet, and automatically calculates interest arising on outstanding tax balances or owed on amounts overpaid. Interest rate calculations will have a footnote, indicated by "§", which will show in detail how the interest is calculated. The footnote will show at the bottom of the page when printed or reviewed and can also be viewed in the bottom left of the screen. We will continue to issue updates with the revised interest rates, as and when required.

RELEASE DEPLOYMENT

Hosted customers

The update for ONESOURCE Corporate Tax v15.0 will be deployed by Thomson Reuters as part of our hosting services for ONESOURCE Corporate Tax users on the evening of Friday 28th April. We will minimise the downtime required for 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.

Self-hosted enterprise customers

The update for ONESOURCE Corporate Tax v15.0 will be made available by Thomson Reuters via a secure download site on Tuesday 2nd May.

Installation instructions along with other relevant documentation will be included in the download file.

Non-hosted customers

The update for ONESOURCE Corporate Tax v15.0 will be made available on Tuesday 2nd May.

To be able to apply the update, you will need to have installed ONESOURCE Corporate Tax v15.0. If you have not yet installed v15.0, you can download the setup files from the Thomson Reuters download site. Installation instructions along with other relevant documentation will be included in the download file.

Once you have v15.0 installed, access the application, and select the *Check for updates* option from the "Help" menu. This will initiate the download of the relevant files. You should then close and restart the application and the updates will be applied.

If you are unable to install the updates via the OCT application, please contact our support team.

COMPUTATION PACKS RELEASED

<table>
<tr><th>COMPUTATION PACK</th><th>COMPUTATIONS, CLAIMS AND FORMS SUPPORTED</th></tr>
<tr><td>Corporation tax, AIF, Investment trust and Life</td><td>Updated versions of the computation templates covering periods ending in FY 2021 and FY 2022 for the following company types: -

Trading companies
Investment companies
Multi-trade companies
Oil ring-fence companies
Real estate investment trust (REIT) investment companies
Real estate investment trust (REIT) trading companies
Return only computations
Authorised investment funds (AIFs)
Investment trusts
Proprietary Life companies
Mutual Life companies

Which support, where required, the following Corporation tax return forms and supplementary pages: -

CT600 v3 (2023) – Company tax return
CT600 v3 (2022) – Company tax return
CT600A v3 (2015) – Close company loans and arrangements to confer benefits on participators
CT600B v3 (2022) – Controlled foreign companies and foreign permanent establishment exemptions, hybrid, and other mismatches
CT600C v3 (2018) – Group and consortium relief
CT600D v3 (2015) - Insurance
CT600E v3 (2015) - Charities and Community Amateur Sports Club’s
CT600F v3 (2023) – Tonnage tax
CT600F v3 (2015) – Tonnage tax
CT600H v3 (2015) – Cross-border royalties
CT600I v3 (2019) – Supplementary charge in respect of ring fence trades
CT600J v3 (2015) – Disclosure of tax avoidance schemes
CT600K v3 (2017) – Restitution tax
CT600L v3 (2022) – Research and development
CT600M v3 (2022) – Freeports
</td></tr>
</table>

COMPUTATION PACK	COMPUTATIONS, CLAIMS AND FORMS SUPPORTED
	• CT600N v3 (2023) – Residential property developer tax
Standalone tax accounting	Updated versions of the computation templates covering periods ending in FY 2021 and FY 2022 for tax accounting/provisioning only calculations
Group	Updated versions of the group module templates covering periods ending in FY 2020, FY 2021, and FY 2022 for the following group type: - • Standard – All calculations and reliefs except 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 only • Transfer pricing – Transfer pricing adjustments only