ONESOURCE™ CORPORATE TAX

UNITED KINGDOM RELEASE NOTES

September 2022

Document Version 1

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DOCUMENT HISTORY

VERSION NUMBER	VERSION DATE	SUMMARY
1	16/09/2022	ONESOURCE Corporate Tax v15.0
2	21/09/2022	Updated hyperlinks

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RELEASE SUMMARY

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

This release includes support for the updated HMRC Corporation Tax online service, together with changes to support the disclosure and submission of hybrid and other mismatches for periods ending prior to 1 April 2021. Details of the principal changes are included in this document.

On 1st April HMRC released an updated version of the CT600 and Corporation Tax online service, including changes to the CT600B, CT600L, and the introduction of the CT600M. HMRC acknowledged that were issues impacting the ability to submit and/or re-submit correct figures, particularly with the CT600L, and originally aimed to update the service by the end of June. This was subsequently revised by HMRC to the “end of summer”, and we were finally advised in August that the service would be updated on 16th September.

HMRC have recently acknowledged that there remain issues that impact the ability to submit, and have updated the Changes and issues affecting the corporation tax online service page of their website with the details. Where it is not possible to submit correctly, HMRC’s stated guidance is to file a paper submission accompanied by form WT1.

You will also note from the HMRC website that the guidance around the completion of box 830 has been amended, when brought forward non-trading losses on intangible fixed assets have been offset in the period. We have included new templates for all computation types for periods ending in FY 2021 and FY 2022 to support this.

As previously advised, HMRC have advised that they now require the new CT600B to be completed with details of hybrid and other mismatches, where appropriate, for all new submissions for periods ending after 1st January 2017 when the relevant legislation came into effect. We have made the relevant ONESOURCE supporting sheet and CT600B (2022) form available for relevant earlier periods.

COMPUTATION PACKS

<table>
<tr><th>COMPUTATION PACK</th><th>COMPUTATIONS, CLAIMS AND FORMS SUPPORTED</th></tr>
<tr><td>Corporation tax</td><td>Revised templates for periods ending in FY 2021 and FY 2022 for the following computation types: -

Trading companies
Multi-trade companies
Investment companies
Oil ring fence companies
Real Estate Investment Trust (REIT) investment companies
Real Estate Investment Trust (REIT) trading companies
Return only simplified computations
Authorised Investment Funds
Investment trusts

Supporting, where required, the following returns and supplementary pages: -

CT600 v3 (2021) - Company tax return
CT600 v3 (2022) - Company tax return
CT600A v3 (2015) - Loans and arrangements to participators by close companies
CT600B v3 (2015) – Controlled foreign companies and foreign permanent establishment exemptions
CT600B v3 (2022) - Controlled foreign companies, foreign permanent establishment exemptions, hybrid and other mismatches
CT600C v3 (2018) - Group and consortium
CT600E v3 (2015) - Charities and Community Amateur Sports Clubs
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 (2021) - Research and Development
CT600L v3 (2022) - Research and Development
CT600M v3 (2022) - Freeports
</td></tr>
</table>

<table>
<tr><th>COMPUTATION PACK</th><th>COMPUTATIONS, CLAIMS AND FORMS SUPPORTED</th></tr>
<tr><td>Life assurance</td><td>Revised templates for periods ending in FY 2021 and FY 2022 for the following computation types: -
• Proprietary life assurance companies
• Mutual life assurance companies
Supporting, where required, the following returns and supplementary pages: -
• CT600 v3 (2021) - Company tax return
• CT600 v3 (2022) - Company tax return
• CT600B v3 (2015) – Controlled foreign companies and foreign permanent establishment exemptions
• CT600B v3 (2022) - Controlled foreign companies, foreign permanent establishment exemptions, hybrid and other mismatches
• CT600C v3 (2018) - Group and consortium
• CT600D v3 (2015) - Insurance
• CT600J v3 (2015) - Disclosure of tax avoidance schemes
• CT600K v3 (2017) - Restitution tax
• CT600L v3 (2021) - Research and Development
• CT600L v3 (2022) - Research and Development
• CT600M v3 (2022) - Freeports</td></tr>
</table>

<table>
<tr><th>COMPUTATION PACK</th><th>COMPUTATIONS, CLAIMS AND FORMS SUPPORTED</th></tr>
<tr><td>Group</td><td>Revised templates for periods ending in FY 2020, FY 2021, and FY 2022 for the following group files: -

Standard – Supports the following: -

Capital gains/losses transfers
Carried forward group relief claims and surrenders
Current period group relief claims and surrenders
Group tax payments
R & D expenditure credit claims and surrenders
Group deductions allowance allocation
Patent box group loss offsets
Shadow ACT group claims and surrenders
Shadow ACT group carry back claims and surrenders
Tax accounting consolidation
Tax capacity statement
Tax payments surrenders
Transfer pricing adjustments

Joint amended return – Supports the following: -

Carried forward group relief claims and surrenders
Current period group relief claims and surrenders

Tax reporting – Supports tax accounting consolidation
Interest restriction – Supports the following: -

Corporate interest restriction calculations
Interest restriction return (IRR)
Electronic submission of IRR

Transfer pricing – Supports transfer pricing adjustments
</td></tr>
<tr><td>Partnership</td><td>Revised template for 2020/21 supporting, where relevant, the following return form and supplementary pages: -

SA800
SA801
SA802
SA803
SA804
</td></tr>
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CHANGES AND UPDATES – CT ONLINE SERVICE

AREA OF CHANGE	DETAILS AND LIMITATIONS
HMRC CT online service update	We now support the amended business rules and validations introduced by HMRC to the CT online service on 16th September 2022. The main changes are to validations for the following: - • reversion of the Annual Investment Allowance cap to £200,000; • rate of tax charge on loans to participators; and, • research and development credit claims. HMRC have detailed a number of scenarios on the Changes and issues affecting the corporation tax online service page of the HMRC website, that had been causing issues that will be rectified with the 16th September update. There was only a small window of two weeks to carry out detailed testing, as the test submission service provided by HMRC was only updated on 2nd September. Rather than merely testing that the reported issues had been fixed, we have worked through a comprehensive set of tests aimed at testing the widest range of scenarios. We have come across one continuing issue that HMRC have now acknowledged on the web page linked above. It is still not be possible, via the CT online service, to submit where a “step 2” restriction is brought forward and offset in the period, but where there is no current period Research and Development Expenditure Credit (RDEC) claimed. This must still be filed on paper with form WT1, as per HMRC’s guidance, as this will not now be resolved before April next year. We have updated all computation templates and all existing files, for periods ending in FY 2021 and FY 2022, to use the updated rules and validations where required.

CHANGES AND UPDATES – CORPORATION TAX

<table>
<tr><th>AREA OF CHANGE</th><th>DETAILS AND LIMITATIONS</th></tr>
<tr><td>Hybrid and other mismatch disclosure for earlier periods</td><td> The requirement to disclose details of hybrid and other mismatches was added to the CT600B from April 2022. As stated in the release notes accompanying the ONESOURCE v15.0 update in July, HMRC have advised that they require the new form to be completed for all <u>new</u> submissions regardless of the accounting period to which they relate.
All files for periods ending in FY 2017, FY 2018, FY 2019, and FY 2020 will be updated, to allow the following to be developed <u>from the Information for the return [P] sheet</u>: -
Hybrid and other mismatches supporting sheet; and,
CT600B (2022) form
The option to develop the CT600B (2022) form will be disabled by default and will only be enabled when the Hybrid and other mismatches supporting sheet has been developed.
We have not removed the option to develop the CT600B (2015) from the file, and this continues to be the option available from page 1 of the CT600 form itself. This been done to ensure that, if disclosure of mismatches is not required, the original form can continue to be used.
As stated, we have made the changes to all files whether already submitted or not, as we did not want to restrict the option should HMRC guidance change again. We have only made changes to working papers or system sheets, so no data is changed that has already been printed or submitted. </td></tr>
<tr><td>CT600 guidance for non-trading losses on intangible fixed assets</td><td> As stated in the release notes accompanying the ONESOURCE v14.0 update in April, HMRC amended their previous guidance on completing the figures for losses, deficits, and excess amounts on page 9 of the CT600 form.
This specifically covered brought forward losses that are legislatively treated as being current period losses, and the revised guidance stated that only actual losses arising in the period should be included.
We also advised that we were waiting for advice from HMRC as to how the CT600 was to be completed when brought forward non-trading losses on intangible fixed assets were being offset in the period, as this triggered an error on validation that prevented submission via the CT online service. Guidance has now been provided, albeit via the <u>Changes and issues affecting the corporation tax online service page</u> of the HMRC website rather than in the CT600 guide itself. HMRC have partly reversed the revised guidance provided earlier this year, and now require that in this case box 830 should include the brought forward loss offset in the period.
We have updated computation templates for all periods ending in FY 2021 and FY 2022, to reflect the further revised guidance.
If the CT600 form is already developed, erasing and re-developing the form will ensure that box 830 is completed correctly in this scenario. </td></tr>
</table>

CT600 boxes 255 and 260 in stub period	We have corrected an issue with boxes 255 and 260 on the CT600 stub period form being calculated incorrectly, which will be available in FY 2021 and FY 2022 templates. If the CT600 form for the stub period is already developed, erasing and re-developing the form will ensure that these boxes are calculated correctly.

CHANGES AND UPDATES – LIFE ASSURANCE

AREA OF CHANGE	DETAILS AND LIMITATIONS
Hybrid and other mismatch disclosure for earlier periods	The requirement to disclose details of hybrid and other mismatches was added to the CT600B from April 2022. As stated in the release notes accompanying the ONESOURCE v15.0 update in July, HMRC have advised that they require the new form to be completed for all new submissions regardless of the accounting period to which they relate. All files for periods ending in FY 2017, FY 2018, FY 2019, and FY 2020 will be updated, to allow the following to be developed from the **Information for the return** [P] sheet: - • **Hybrid and other mismatches** supporting sheet; and, • **CT600B (2022)** form The option to develop the **CT600B (2022)** form will be disabled by default and will only be enabled when the **Hybrid and other mismatches** supporting sheet has been developed. We have not removed the option to develop the **CT600B (2015)** from the file, and this continues to be the option available from page 1 of the **CT600** form itself. This been done to ensure that, if disclosure of mismatches is not required, the original form can continue to be used. As stated, we have made the changes to all files whether already submitted or not, as we did not want to restrict the option should HMRC guidance change again. We have only made changes to working papers or system sheets, so no data is changed that has already been printed or submitted.
CT600 guidance for non-trading losses on intangible fixed assets	As stated in the release notes accompanying the ONESOURCE v14.0 update in April, HMRC amended their previous guidance on completing the figures for losses, deficits, and excess amounts on page 9 of the CT600 form. This specifically covered brought forward losses that are legislatively treated as being current period losses, and the revised guidance stated that only actual losses arising in the period should be included. We also advised that we were waiting for advice from HMRC as to how the CT600 was to be completed when brought forward non-trading losses on intangible fixed assets were being offset in the period, as this triggered an error on validation that prevented submission via the CT online service. Guidance has now been provided, albeit via the Changes and issues affecting the corporation tax online service page of the HMRC website rather than in the CT600 guide itself. HMRC have partly reversed the revised guidance provided earlier this year, and now require that in this case box 830 should include the brought forward loss offset in the period. We have updated computation templates for all periods ending in FY 2021 and FY 2022, to reflect the further revised guidance. If the CT600 form is already developed, erasing and re-developing the form will ensure that box 830 is completed correctly in this scenario.

CHANGES AND UPDATES – GROUP

AREA OF CHANGE	DETAILS AND LIMITATIONS
Adjusted net group-interest expense (ANGIE) of the worldwide group	HMRC have mandated that all interest restriction return 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. HMRC published a notice under TIOPA 2010, Schedule 7A on 25th August, setting out details of additional information that HMRC require to be included in interest restriction returns (IRR) submitted on or after 1st October. Details of the notice can be access from the gov.uk website here. ONESOURCE was updated last year to support the e-filing of both full and abbreviated returns, and items 4.1 to 4.4. in the notice are already included in every IRR submission as HMRC validate that the information is included in the submission. The final item is not validated by HMRC, and so was not being included by ONESOURCE when the group ratio was being used. We have amended ONESOURCE to include the ANGIE value in all IRR submissions, regardless of the ratio used as the calculation method. The change will be effective for all IRR submissions made after the update has been deployed. Although the notice applies to submissions from 1st October, the data can correctly be included in all submissions prior to this date.

CHANGES AND UPDATES – PARTNERSHIP

AREA OF CHANGE	DETAILS AND LIMITATIONS
Unable to develop new sheets into 2020/21 files	Following the release of ONESOURCE v15.0 in July, it was not possible to develop new sheets into an existing 2020/21 file. A new 2020/21 computation template is provided that will resolve the issue.

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 23rd September. 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 customers

The update for ONESOURCE Corporate Tax v15.0 will be made available by Thomson Reuters via a secure download site during the week ending 23rd September.

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 from 23rd September.

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.