ONESOURCE™ CORPORATE TAX

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DOCUMENT HISTORY

VERSION NUMBER	VERSION DATE	SUMMARY
1	02/04/2024	ONESOURCE Corporate Tax v16.0

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RELEASE SUMMARY

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

At the beginning of April, HMRC updated the Corporation tax online service to include the latest business rules and validations (v1.992). ONESOURCE has also been updated to use the v1.992 business rules and validations for all FY 2015 and later submissions and offline validations in line with HMRC's online service.

HMRC have also released updated versions of the following forms supporting those submissions: -

- CT600 (2024)
- CT600M (2024) – Enhanced structures and buildings allowances in Freeports and Investment Zones

HMRC expect the latest version of the CT600 to be used from April, regardless of the period, as it supports the latest disclosures and business rules for submissions. Earlier versions of the CT600 can be used, but only provided no information is included in the computation that can only be returned on the latest version of the form.

We have made changes to the FY 2023 computation template packs and files to support the new forms, whilst continuing to support the existing 2023 CT600 forms. More details relating to the specific changes made are included below.

We have made a more general change to allow the latest CT600 form to be developed into existing files with periods ending in FY 2020 onwards, in addition to other changes to support legislative and administrative changes and correcting some issues that have been raised. Again, more details are included below.

When a company has no profits chargeable to corporation tax but either pays tax on apportioned profits from a controlled foreign company, or the bank levy, and is treated as large for QIPs purposes as a result, HMRC now require the completion of boxes 330 to 345 and 430 of the CT600.

We have a query outstanding with HMRC as there appears to be an issue with one of HMRC's validations around this, and we are currently awaiting a response to confirm exactly how this should be completed. We therefore anticipate that it will be necessary to release a further content update for this once we have received full confirmation from HMRC.

These notes are structured to focus on the key functional areas of change, rather than specifying the changes made to each of the individual modules. Unless otherwise stated, changes have been made to all computation types.

A full list of the updated computation template packs included in this update can be found at Computation template packs released.

UPDATES – CT600 FORMS AND HMRC CT ONLINE SERVICE

AREA OF CHANGE	DETAILS AND LIMITATIONS
Support for the updated HMRC v1.992 online filing service, business rules and validations	We have updated ONESOURCE for the new v1.992 business rules and validations for online filing submissions, and offline validations. These will be applied to all post FY 2015 and later validations and submissions made following the latest update.
Support for the new CT600 (2024) and CT600M (2024)	Support has been added for the new CT600 form and CT600M supplementary pages, relevant from the beginning of April 2024. This supports the disclosures and business rules for validations and submissions under v1.992 of the HMRC online service, however we continue to support the existing CT600 (2023) form together with the CT600M (2022) supplementary pages where these are already being used. Both the CT600 options will be available from the **Tax calculation** [A] and **Information for the return** [P] sheet menus where the CT600 (2023) has not already been developed into the file. To replace the existing form with the CT600 (2024), simply erase the existing form. All new computation template packs and existing files for FY 2023 have been updated to support the new forms, and a note is added to **W_FIXES** to confirm when an existing file has been updated.
Changes in the CT600 (2024)	As referenced in the release notes accompanying both the July 2023 (v16.0) release and the January 2024 content update, new boxes have been added to the *Information about capital allowances and balancing charges/disposal values* section of the CT600 (2024) specifically for: - • Box 688 - Full expensing allowances in trading profits • Box 689 - Full expensing balancing charges in trading profits • Box 733 - Full expensing allowances in non-trading profits • Box 734 - Full expensing balancing charges in non-trading profits We also mentioned in the release notes accompanying the July 2023 (v16.0) release, that we felt the inclusion of “Electricity generators levy” values with those of “Energy (oil and gas) profits levy” was likely to be a temporary measure only. We are not therefore surprised to see that the CT600 (2024) includes new boxes for: - • Electricity generators levy exceptional generation receipts, and • EGL payable We recommend that where any of the above are included in unsubmitted computations for FY 2023, the CT600 (2024) form set is used.
Support for the new CT600M (2024) form	The only changes to the CT600M form from the original 2022 version are that the wording on the face of the form now reflects that the form covers both Freeports and Investment zones. No changes have been required to the data linked into the CT600M form or to the supporting sheet.

AREA OF CHANGE	DETAILS AND LIMITATIONS
Support for the new CT600 (2024) and supplementary pages in earlier years files	HMRC update the CT600 annually in April, and we must retrofit that form into the computation template packs and unsubmitted files for periods ending in the Financial Year that ended in the previous March. As noted above with the CT600 (2024) being retrofitted into FY 2023 computation template packs and files. Background changes have been made to allow the “latest” CT600 forms to be developed into existing files for periods ending in FY 2020 onwards, ensuring that the latest available HMRC forms can be developed into a file if it is required to be re-submitted or is being submitted late. When the existing file is re-opened, the option to develop the latest CT600 form will be added to the **Tax calculation** [A] and **Information for the return** [P] sheet menus, but will be disabled where a CT600 is already developed into the file. To make the option available, erase the existing form. All existing files for FY 2020 onwards can be updated to provide support for the latest form both now and in the future, where the latest available CT600 is not already supported in the file. Note that an additional check has been added to the Online filing wizard, so where the latest version of the form is not used a message is displayed highlighting this. This provides options to either cancel or continue with the submission. A note is added to **W_FIXES** to confirm when a file has been updated to make a new version of the CT600 available, together with the version of the CT600 that is now available. In some rare cases errors may be encountered when you develop the new 2024 return form into an old file. Please contact the customer support team for assistance, and we will monitor support calls for recurring issues and issue further updates as required.

UPDATES – OTHER CHANGES

AREA OF CHANGE	DETAILS AND LIMITATIONS
Validation error when efiling post 31 March 2023 periods with no taxable profits but exempt distributions	As referenced in the release notes accompanying the January content update, there had been cases of a validation error being experienced for post 31 March 2023 periods when there were no taxable profits, but exempt distributions received. As stated at the time, we did not implement a fix to existing files at the time pending any additional changes required to support the CT600 (2024). Similarly, we did not update Investment trust as we felt it unlikely many would be impacted before the release of this update. The Investment trust computation template packs for FY 2023 have now been updated, plus we update all unsubmitted FY 2023 files - except obviously Authorised investment funds (AIFs) - and add a note to **W_FIXES** to confirm whether the file has been updated.
Tagging of text notes requiring the company hypercube	Several reports have been received by the Customer Support team of tagging errors when efiling, caused by incomplete or incorrect dimensions relating to text notes added into the computation. We have identified that this specifically applied to text notes accompanying tagged values within the company hypercube, as the correct default company dimension was not being applied in full by ONESOURCE to the text notes. This has now been corrected. All computation template packs for FY 2023 have been updated. We have not amended existing FY 2023 files, as this can be corrected directly using the XBRL viewer. If you need any assistance with this, please contact the Customer Support team.
Relief from EOGPL for investment expenditure relating to de-carbonisation	We have added support for claims to relief on qualifying expenditure whether entered directly onto the **EPL – investment expenditure** sheet or linked from elsewhere in the computation. The ring-fence computation template packs and unsubmitted ring-fence files for FY 2023 have been updated to support the new claims, and a note is added to **W_FIXES** to confirm when an existing file has been updated. Note that, as stated on **W_FIXES**, the de-carbonisation option will only be available on existing sheets for expenditure entered on newly inserted rows.
Support for Electricity generators levy in investment company computations	Following feedback from clients, we understand that it is common for the "lead member" of a group that is a generating undertaking for the purposes of the levy to be an investment company. As a result of this, we have added support for the **Electricity generators levy** sheet to the investment company template computation packs and existing files for FY 2023.

AREA OF CHANGE	DETAILS AND LIMITATIONS
Trapping when the CT600N form is, and is not, required to be submitted	We have received one or two queries relating to validation errors around the CT600N, particularly when there are RPD losses. Whilst we had an error to trap when the CT600N was required, we did not have an error to advise that the CT600N should be erased when it was not required. We have now added an error that will trap when the CT600N is present but not required. We also received reports that if you had both RPD trading and joint venture losses, the RPD trading loss was not displaying. Bluntly, this was an over-complication on our part which we have now resolved. The trade, multi-trade and both Life tax computation template packs for FY 2023 have been updated. To develop the latest version of the CT600N into an existing FY 2023 file, erase and re-develop the form.
Associated companies for Residential property developer tax purposes	We have received requests to carry forward the number of associated companies for RPDT purposes. At present it reverts to the number of general associated companies each period. To do this it has been necessary to break the link between the number of general associated companies and those for RPDT purposes. For new files, or after rolling forward existing files, it will now be necessary to enter the number of associates brought forward for RPDT purposes. Going forward it will only be necessary to amend this section if there have been changes to the number of RPDT associated companies, as the figure will roll forward from one period to the next. The trade and multi-trade computation template packs for FY 2023 have been updated, but we have not amended existing FY 2023 files as it is straightforward to deal with without the risks associated with amending live files.
Non-deductible derivative movements being double counted in the **Proof of tax** sheet	Following a report made to the Customer Support team, we identified an issue with non-deductible movements from derivative contracts being double counted as a reconciling item in the **Proof of tax** in both the IFRS and FRS 102 sheets. The issue resulted from the fact that we linked the non-deductible value directly from the **Derivative movements disregarded** sheet, as well as the **Derivative contracts** sheet itself. We have amended the **Proof of tax** sheet so that it only links the value from the main derivatives sheet. The trade, investment and multi-trade computation template packs for FY 2023 have been updated. We have not amended existing FY 2023 files, as we believe the majority of tax accounting work for FY 2023 will now have been completed and this issue dealt with where it has arisen.
New REIT Financial Statement efiling schema for periods ending after 31 March 2023	HMRC recently released a new version of their REIT Financial Statements Tool version 2.0.1.10, together with an accompanying updated schema version 2.5 for producing the XML required for submission. The accompanying email from HMRC dated 14 March gives an overview of the changes made, and we have updated the following sheets to support production of the revised XML using the new schema: -

AREA OF CHANGE	DETAILS AND LIMITATIONS
	• **Company HMRC e-filing statement** • **Group HMRC e-filing statement** ○ together with the supporting [W_GZ] sheets • **Summary and balance of business tests** As stated in the HMRC email, this should be used for accounting periods ending after 31 March 2023. Both trading and investment REIT computation template packs for FY 2023 have been updated, but we have been unable to amend existing files as we received the final changes from HMRC at too late a stage in our release cycle. If you require the latest version of the sheets for either of the new values requiring disclosure - as shown below - you will need to erase and re-develop the sheets. Any data already entered will need to be re-entered. • Amounts excluded under s544(4A) CTA 2010. • Non-UK outside financing costs.
Double taxation relief calculations and banking surcharge	We have been notified of one or two instances where ONESOURCE has calculated too much double tax relief in cases where the foreign profits involved are subject to both CT and banking surcharge. The specific cases seem to be rare, so we have kept the solution simple by providing an override to the *Creditable foreign tax* calculated on the **Overseas branch** sheets. This ensures that both the correct relief is given, and the correct amount of unrelieved foreign tax is carried forward. The trade and multi-trade computation template packs for FY 2023 have been updated, together with any unsubmitted FY 2023 files with the **Overseas branch** sheets present. A note is added to **W_FIXES** to confirm when a file has been updated.
Hire cap restriction and completion of the CT600	We have been pressing HMRC for some considerable time to provide detail on exactly how the CT600 should be completed when claims are made to utilise the hire cap restriction against total profits. We have finally received a detailed response from HMRC, but we did not receive this soon enough to be able to include the required changes in this update. We will include the required changes in a future update. If you face this scenario in the meantime, please contact the Customer Support team and we will assist with any changes required based on the guidance now provided by HMRC.
Printing of headings of the **Tax payments and interest** sheet	Following requests from clients, we have made a change to the printing of the headings on the **Tax payments and interest** sheet. The heading will now print indicating whether the instalment payments have been made under the “large” or “very large” companies’ arrangements.

AREA OF CHANGE	DETAILS AND LIMITATIONS
	It was also identified that in long periods, one of the stub period headings was printing regardless of whether there were any payments due or not. We have corrected this. The trade, investment and multi-trade computation template packs for FY 2023 have been updated. We have not amended existing FY 2023 files, as that would risk making changes to the layout of live files that may already have been printed or otherwise finalised.
Support for full expensing and the SRA 50% FYA rate for investment trusts	We have added support for the claims and related calculations in respect of plant and machinery: - • qualifying for 100% first year allowance as main rate expenditure, and • qualifying for 50% first year allowance as special rate expenditure The relevant expenditure from 1st April 2023 should be included as first year allowance expenditure of the relevant capital allowance type on the **Fixed asset** sheet. New fields have been added to the following sheets, to allow the relevant qualifying expenditure to be identified: - • **Capital allowances – Plant** • **Plant capital allowances – Property business**, and • **Special rate assets pool** New sheets have been added to track the individual assets/expenditure on which claims have been made, to ensure that balancing charges can be calculated as required when the asset is disposed of. The Investment trust computation template packs and unsubmitted files for FY 2023 have been updated to support the claims and new sheets, and a note is added to **W_FIXES** to confirm when an existing file has been updated. Note that you will need to erase and re-develop any of the above capital allowance sheets, if they are required to support the new claims and sheets.

UPDATES – LIFE TAX SPECIFIC CHANGES

AREA OF CHANGE	DETAILS AND LIMITATIONS
BLAGAB I-E excluding BLAGAB gains qualifying profits for loss restriction	We have identified that the figure of *BLAGAB I-E excluding BLAGAB gains* on the **Losses – post-March 2017 utilisation** sheet can sometimes be overstated where current period non-BLAGAB capital losses have been offset against the shareholders' share of BLAGAB gains. We have therefore amended the value *Total profits / BLAGAB I-E profit* in the relevant column to correct this, and have also modified the *Less offset of b/f capital losses* value in the "Reconciliation of shareholders' share of BLAGAB I-E" to ensure that this creates no check errors. Both proprietary and mutual computation template packs and unsubmitted files for FY 2023 have been updated, and a note is added to **W_FIXES** which requires review if non-BLAGAB capital losses are offset in the period.
Group relief for carried forward losses claimed as part of the group deductions allowance	During development work for the new web-based version of the ONESOURCE Life tax module, we identified that if group relief for carried forward losses was claimed as part of the group deductions allowance, which was allocated against BLAGAB or LTBFC gains, this caused an error on the **Tax calculations** [A] sheet. We have adjusted the relevant formulae to ensure that the check error no longer arises in this scenario. Both proprietary and mutual computation template packs for FY 2023 have been updated. We have not amended existing FY 2023 files, as we have received no reports of this being an issue for clients, and we don't want to risk amending live files without good reason. If you do face this issue, please contact the Customer Support team and we can make the required changes.
Profit-related threshold for the purposes of group relief	We also identified two issues with the calculation of the profit-related threshold in the current module, which again do not appear to have been reported to us, during development work for the new web-based version of the ONESOURCE Life tax module: - • *Gross profits* did not include the figure of net chargeable gains, and • BLAGAB management expenses were not being included, despite being an element of the overall I-E profit. We have adjusted the calculation on the **Group relief** sheet, so that the *Gross profits* figure now includes net gains, plus we have specifically added a new row to include BLAGAB management expenses. Both proprietary and mutual computation template packs for FY 2023 have been updated. We have not amended existing FY 2023 files in this case, as we understand from cases received via the Customer Support team that the two *Adjustment* rows are being utilised for this.

AREA OF CHANGE	DETAILS AND LIMITATIONS
Associated companies for Residential property developer tax purposes	As stated above for trade and multi-trade companies, we have received requests to carry forward the number of associated companies for RPDT purposes. Due to the difference in structure of the Life tax computation template packs, we have been able to implement a simpler solution. The link to the number of general associated companies remains, as does the ability to over-write this if needed. Now however, the number of associates will be statically rolled forward as a value, whether entered directly or linked from the general associated companies' section. Both proprietary and mutual computation template packs for FY 2023 have been updated, but we have not amended existing FY 2023 files as again it straightforward to deal with.
Freeports sheet not rolling forward	This is not an issue that has been reported to us, but one that was identified during our testing and subsequently resolved. Both proprietary and mutual computation template packs for FY 2023 have been updated. We have not amended existing files as we understand that the majority, if not all FY 2023 files, have now been created.

UPDATES – GROUP AND CIR CHANGES

AREA OF CHANGE	DETAILS AND LIMITATIONS
Group tax payments not including interest on very large payments	One or two reports were made to the Customer Support team that interest payable or receivable in respect of instalments payments for very large companies, were not being linked to and included in the group module. We have corrected this, so these values can link through to the **Group tax payments** sheet to give a full picture of the group. The FY 2021, FY 2022 and FY 2023 standard group templates have been updated. If the issue arises in existing group files, this can be cleared by removing and re-linking the company via the **Group members** sheet, although any data manually entered for that company will need to be re-entered.
The *Interest allowance (non-consolidated investment) election* flag causing an issue on roll forward	We identified during testing that there was an issue with the *Interest allowance (non-consolidated investment) election* flag, which was unintentionally being rolled forward to the following period. This resulted in the flag for the later period being over-written and no longer behaving as a selector, so it was therefore necessary to manually enter when the election was made in the later period rather than use the selector as intended. We have now corrected this to ensure that the flag does not roll forward from one period to the next. The FY 2021, FY 2022 and FY 2023 Interest restriction group templates have been updated. We have not amended existing group files as this is straightforward to deal with when required.
Interest restriction returns completed by a non-UK company that is tax resident in the UK	We received a report via the Customer Support team of an issue where a group was unable to file their interest restriction return due to a validation error. The ultimate parent company was not incorporated in the UK but had a UTR as it is tax resident in the UK. After consulting with HMRC, we have been advised that in such cases the ultimate parent company should enter the *Country of incorporation if not UK*, but should <u>not</u> enter the *UTR*, as it is the completion of both fields that causes the validation error. We have therefore added an error to trap when both ranges have been completed, and HMRC advise that the UTR should be removed. The FY 2021, FY 2022 and FY 2023 Interest restriction group templates have been updated. We have not amended existing group files as again this is straightforward to deal with when required.
Interest restriction returns and foreign currencies	Following a query raised through the Customer Support team, we asked HMRC to confirm if interest restriction returns can be completed in currency. HMRC have confirmed this this is not possible, and that returns must be completed in GBP.

RELEASE DEPLOYMENT

Hosted customers

The update for ONESOURCE Corporate Tax v16.0 will be deployed by Thomson Reuters as part of our hosting services for ONESOURCE Corporate Tax users on the evening of Monday 1st 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 v16.0 will be made available by Thomson Reuters via a secure download site during the week ending Friday 5th April.

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

Non-hosted customers

The update for ONESOURCE Corporate Tax v16.0 will be made available on Tuesday 2nd April.

To be able to apply the update, you will need to have installed ONESOURCE Corporate Tax v16.0. If you have not yet installed v16.0, 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 v16.0 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

COMPUTATION PACK	COMPUTATIONS, CLAIMS AND FORMS SUPPORTED
Corporation tax, AIF, Investment trust and Life	Updated versions of the computation template packs covering periods ending in FY 2023 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 • 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 (2024) – Company tax return • CT600 v3 (2023) – 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 • 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 (2024) – Freeports and Investment Zones • CT600M v3 (2022) – Freeports • CT600N v3 (2023) – Residential property developer tax

COMPUTATION PACK	COMPUTATIONS, CLAIMS AND FORMS SUPPORTED
Standalone tax accounting	Updated versions of the computation template packs covering periods ending in FY 2023 for tax accounting/provisioning only calculations
Group	Updated versions of the group module templates covering periods ending in FY 2021, FY 2022, and FY 2023 for the following group type: - • Standard – All calculations and reliefs except corporate interest restriction (CIR) • 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