ONESOURCE™ CORPORATE TAX

UNITED KINGDOM RELEASE NOTES

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Document Version 1

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DOCUMENT HISTORY

VERSION NUMBER	VERSION DATE	SUMMARY
1	26/07/2024	ONESOURCE Corporate Tax v17.0

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RELEASE SUMMARY

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

This release is primarily to provide the new packs supporting computation and group templates for periods ending in Financial Year 2024 (FY 2024), although updated packs for periods ending in Financial Year 2023 (FY 2023) are also included. Full details of the new and updated template packs included in this release can be found at Computation and template packs released.

We have included a number of legislative updates, details of which are included in the notes that follow: -

- Support for the redemption of the new creative tax expenditure credits
- Support for the new enhanced R&D intensive scheme (ERIS) for SMEs
- Support for the merged RDEC scheme applying to both SMEs and large companies
- Update to the benchmark price for the Electricity generator levy

We have also included several updates relating to e-filing such as the addition of the 2024 computation and detailed profits and loss taxonomies, and have included one or two general improvements as a result of feedback. Again, full details are below.

Furthermore, over the last few years, Thomson Reuters has been enhancing account security to ensure the best protection for customers; as such, Thomson Reuters has been implementing MFA for all customers. As part of this release, Thomson Reuters will be enforcing MFA; currently, it is available as an 'opt-in' feature. Customers will be able to 'opt out' of this newly enforced MFA feature. Please note that MFA is applicable at the client level and not at the user level. Therefore, if you 'opt-out,' it will be disabled for all user accounts under your client profile. If you wish to 'opt out,' please contact your customer support team using the following phone numbers:

- +0800-1577-801 (Toll free)
- +44-020-3788-3125 (International toll)
  - For ONESOURCE Corporate Tax, use options 3, 9, and 2
  - For ONESOURCE Statutory Reporting, use options 3, 9, and 7
  - For ONESOURCE Indirect Tax Compliance, use options 3, 9, and 4

You may also opt out from MFA online by opening a support ticket here: tax.thomsonreuters.com Signon.

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.

UPDATES – FINANCE ACTS 2024

AREA OF CHANGE	DETAILS AND LIMITATIONS

Support for the redemption of the new creative tax expenditure credits	We have added support for the redemption of the new creative tax expenditure credits, for periods ending on or after 1 January 2024.
	
	The **Creative industry expenditure credit** sheet is developed from the "Reliefs" menu of the **Calculation of tax liability** [A] sheet, and comes in as one of the Income statement analysis [D] sheets.
	
	The cumulative *Qualifying expenditure* is entered at the top of the sheet, and the correct *Set-off amount* is calculated once the relevant expenditure credit being claimed is chosen using the *What expenditure credit is being claimed?* selector at the bottom of the sheet.
	
	In multi-trade computations you should just enter the relevant expenditure credit for each trade, as the redemption calculations are done on a trade-by-trade basis whereas reporting in the CT600 is required on a company-wide basis.
	
	The sheet goes through each of the six steps for redeeming the expenditure credit set out in legislation, in particular it: -
	• sets out the corporation tax liability for "step 1" purposes
	• calculates the *Restriction to net value of set off* for "step 2", and
	• allows entry of the following amounts: -
	    ○ *Set off in other periods* at "step 3"
	    ○ *Surrendered as group relief* at "step 4"
	    ○ *Payable to the Commissioners* at "step 5", or
	    ○ *Amounts extinguished under 1179CG or 1179CH*
	
	Where a restriction is calculated at "step 2", this will be automatically carried forward to the next period and offset where possible, unless it is shown as *Surrendered as group relief*.
	
	The creative expenditure credit is taxable and gets taken to the **Adjustment to profit** sheet automatically. We have included a row for the *Creative expenditure credit per accounts* in the "Adjustment to trading result" section on the **Creative industry expenditure credit** sheet, however we now believe this adjustment will not be required. If the starting point for the adjustment to profit under the creative industry regime is calculated correctly, where the appropriate adjustments have been made to reflect the different starting point under the creative industry regime, we don't believe it will also be necessary to adjust for any difference between the creative expenditure credit per the accounts and the actual creative expenditure credit.
	
	We therefore suggest the *Creative expenditure credit per accounts* cell is not completed to ensure that the full credit is included as taxable income. But check to ensure that the adjusted trade profit figures are correct following all the appropriate creative industry profit and loss adjustments.

AREA OF CHANGE	DETAILS AND LIMITATIONS
	We have also included ranges to allow entry of the relevant expenditure details for disclosure of the *Core expenditure condition percentage*. This is only available in single trade files, as this disclosure is required on a trade-by-trade basis. All trade, and multi-trade computation template packs for FY 2023 and FY 2024 include support for the new sheet. Unsubmitted files for FY 2023 have also been updated to support the new sheet, and a note is added to **W_FIXES**.
Support for the new enhanced R&D intensive scheme (ERIS) for SMEs	We have added support for the new enhanced R&D intensive scheme (ERIS) for SMEs, for periods beginning on or after 1 April 2024. The **R and D tax relief** sheet has been amended to differentiate between claims for the old R&D relief for SMEs that applies for periods beginning before 1 April 2024, and the new ERIS scheme that applies for periods beginning thereafter. Little in the way of structural or calculational changes have been required, but validations have been added to ensure that ERIS is not claimed incorrectly. Additionally, a prominent review note has been added as a reminder of the requirements under ERIS. The **R and D tax relief calculation** sheet has been updated to reflect the requirements of claims under both the old R&D for SMEs and the new ERIS schemes. Again, this has not required detailed structural or calculational changes to the sheet. All trade, investment, multi-trade and oil ring fence computation template packs for FY 2024 include the updated sheets.
Support for the merged RDEC scheme applying to both SMEs and large companies	We have added support for the merged RDEC scheme that applies to both SMEs and large companies for periods beginning on or after 1 April 2024. The **R and D expenditure credit** sheet has been amended to take account of the tax credit cap that is to apply at "step 3" of the RDEC set-off calculation, where the period begins on or after 1 April 2024. The *Relevant PAYE and NIC liabilities of the company*, are entered as steps 1-3 according to the legislation at CTA 2009, s1112C(2) at the bottom of the sheet. The net total is then multiplied by three and added to the minimum amount to calculate the tax credit cap. For periods beginning prior to 1 April 2024, the *Total expenditure on workers included above* will continue to be used as per the original legislation. We have identified an issue with the CT600L for periods beginning on or after 1 April 2024 where the tax credit cap exception applies. Our understanding is that box L75 *Total relevant expenditure on R&D workers' PAYE and National Insurance contributions* should be zero when the tax credit cap exception applies, and box L80 Step 3 *restriction carried forward to next AP* should also be zero as there is no restriction to carry forward. However, this scenario will trigger validation error 9746 which states that box L80 must be the maximum of box L70 less box L75 and zero. We have written to HMRC for guidance and await their response.

AREA OF CHANGE	DETAILS AND LIMITATIONS
	We have also made a change to the *Applicable rate of CT for period, applying at step 2,* to ensure that, in line with the legislation, the small profits rate now applies where profits are less than the marginal limit and where there is a loss, otherwise the full rate is applied. All trade, multi-trade and oil ring fence computation template packs for FY 2024 include the updated sheet.
New benchmark price for the Electricity generator levy from 1 April 2024	The new benchmark price has been added to the **Electricity generator levy** sheet. Where the period straddles the change in the benchmark price, the relevant *Megawatt hours* for the periods up to 31 March 2024 and from 1 April 2024 are entered in the relevant ranges, and the *Generation receipts* for each period will be calculated and the total used to calculate exceptional receipts. All trade, investment, multi-trade and oil ring fence computation template packs for FY 2024 include the updated sheet.
New daily profit rates for managed ships under tonnage tax	FA 2024 included the managing of qualifying ships as a qualifying activity within the tonnage tax regime, and introduced specific daily profit rates as well as other regulations. HMRC have advised us that the CT600F will not be amended to deal with this until April 2025. We have asked them for guidance as to how this should be dealt with in the CT600 (2024) in the meantime. However, as yet, we have not received any guidance. We have therefore taken the decision not to release any changes to the **Tonnage tax** sheets within ONESOURCE until we know exactly what data HMRC require and in what form. Once we do, we will review what changes to make.

UPDATES – CT600 FORMS AND CT ONLINE SERVICE

AREA OF CHANGE	DETAILS AND LIMITATIONS
Computation template packs for FY 2024 updated to 2024 computation taxonomy	All FY 2024 computation template packs have been updated to support the 2024 computation taxonomy. Where relevant, and practical, we have added new tags/concepts introduced by the taxonomy.
Computation templates for FY 2024 updated to use the DPL from the FRC 2024 taxonomy	HMRC do not accept income statements tagged using the HMRC detailed profit and loss (DPL) 2021 taxonomy, for accounts and/or computations with periods ending after 31 March 2024. The DPL is no longer managed by HMRC and is now included within the FRC core taxonomies. For periods ending after 31 March 2024, income statements will need to be tagged using the DPL contained within one of the supported FRC core taxonomies. When the tagging wizard is run for a computation with a period ending after 31 March 2024, ONESOURCE now adds the tags/concepts from the DPL contained within the FRC 2024 core taxonomy.
Marginal relief calculations in leap years	Following the re-introduction of the small profits rate and marginal relief for periods ending after 31 March 2023, we have continued to undertake testing to ensure that our calculations match the figures calculated by HMRC and which are used when validating online submissions. During this testing we identified that there were some instances of rounding differences in periods of less than 12 months falling wholly or partly within FY 2023. Following correspondence with HMRC, we have been able to confirm that this is due to a small change in the way the marginal relief limits in leap years are apportioned to that adopted previously. We have therefore amended our calculations to follow the revised guidelines now provided by HMRC. All relevant computation template packs for FY 2023 and FY 2024 have been updated. Unsubmitted files for FY 2023 have also been updated, and a note is added to **W_FIXES**, which requires review if the calculated marginal relief figure is changed.
Non-resident companies and completing box 4 of the CT600	You may have received an email from HMRC regarding this, or seen the revised guidance published by them here [Changes and issues affecting the Corporation Tax online service - GOV.UK (www.gov.uk)](https://www.gov.uk). There was previously no specific disclosure relating to non-resident on the CT600, and so additional text was added in the "Tax payable" section of the **Calculation of tax liability** [A] sheet when the *Type of computation* flag on the **Information for the return** [P] sheet was set to "UK branch – main rate". We have received a number of requests to make this text more flexible, or in some cases to remove it completely. Now that disclosure will be on the CT600, we feel that the text is no longer required on the [A] sheet.

AREA OF CHANGE	DETAILS AND LIMITATIONS
	All trade, investment, multi-trade, oil ring fence and REIT computation template packs for FY 2023 and FY 2024 been updated, as well as all existing FY 2023 files. These must be updated to ensure that there are no errors on roll forward. A note is added to **W_FIXES** confirming that no submitted data is amended by this change.
Rounding issue causing a validation error if oil production ring fence and non-ring fence profits chargeable	We received one or two reports of a validation error being caused by a small rounding difference when there were both oil production ring fence and non-ring fence profits chargeable to corporation tax. On investigation, we found the issue was specific to periods straddling financial years, meaning that to calculate tax for submission purposes the <u>total</u> profits are being apportioned between ring fence and non-ring fence profits, then again between financial years. The apportionment methodology used by ONESOURCE obviously differs slightly from that used by HMRC when validating the figures for online submission, which meant that in some instances there was a small rounding difference that exceeded the tolerance HMRC allow. We have added additional cross-checks to our calculations to ensure that the apportioned figures used by ONESOURCE in the tax calculation match those used by HMRC when validating submissions. The ring fence computation template packs for FY 2023 and FY 2024 have been updated to correct the issue. Unsubmitted ring fence files for FY 2023 have also been corrected, and a note is added to **W_FIXES**.

UPDATES – OTHER CHANGES

AREA OF CHANGE	DETAILS AND LIMITATIONS
Override of the calculated company size for quarterly instalment payments	We have received feedback that this can be used in a variety of different scenarios, and it would be useful to capture the reason why the over-ride has been used. We understand that the override can also be used whilst the computation is still being finalised to allow payment calculations to be processed, but subsequent re-setting of the flag so the company size returns to being calculated can get over-looked. We have therefore added a new data entry range beneath the override flag where the *Reason for override* can be entered. Where the flag is changed so the company size is overridden and no longer calculated, an error is displayed requiring a reason to be entered. The computation template packs for FY 2023 and FY 2024 covering trade, investment, multi-trade, oil ring fence and REIT computations have been updated. Unsubmitted files for FY 2023 have also been updated, and a note is added to **W_FIXES**.
Adding support for RPDT reporting to investment computations	We have received requests to add support for the CT600N to the investment computation template, together with support for the non-trade related backing sheets. We have been advised that it is common for the reporting company of groups containing residential property development companies to be an investment company. In addition to being able to develop the CT600N, the following sheets can now be developed from the **Information for the return** [P] sheet to support the relevant sections of the CT600N: - • **RPDT – Allocation statement** • **RPDT – Joint venture companies** • **RPDT group relief claimed** • **RPDT group relief surrendered** • **RPDT group relief claimed for c/f losses** • **RPDT group relief surrendered for c/f losses** The investment computation template packs for FY 2023 and FY 2024 have been updated, and unsubmitted FY 2023 investment files have been updated and a note is added to **W_FIXES**.
EOGPL calculations including non-ring fence capital allowances	We have been advised that the **EPL – Capital allowances** sheet was linking through all capital allowance figures, rather than only those relating to the oil production ring fence trades. The ring fence computation template packs for FY 2023 and FY 2024 have been updated to correct the issue. Unsubmitted ring fence files for FY 2023 have also been corrected, and a note is added to **W_FIXES** which will require review if any figures may have changed.

AREA OF CHANGE	DETAILS AND LIMITATIONS
Support for the 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.

UPDATES – LIFE TAX SPECIFIC CHANGES

AREA OF CHANGE	DETAILS AND LIMITATIONS
Brought forward loss offsets against BLAGAB or non-BLAGAB gains	During development work for the new web-based version of the ONESOURCE Life tax module, we identified that there could be issues with the calculation of brought forward non-BLAGAB capital losses offset against BLAGAB gains, if there were other brought forward losses offset against total profits in whole or in part by way of the *Deductions allowance* on the **Losses – post-March 2017 utilisation** sheet. The scenario when the issue potentially arose was involved, but we have updated the following formulae on the **Capital gains and losses** sheet to resolve any potential issues: - • *b/f non-BLAGAB losses set against non-BLAGAB gains* • *b/f non-BLAGAB losses set against BLAGAB gains* The calculation in respect of the offset against BLAGAB gains does not exist in mutual files. Computation template packs for FY 2023 and FY 2024 have been updated. Unsubmitted files for FY 2023 have also been updated, and a note is added to **W_FIXES** which requires review if the brought forward non-BLAGAB capital losses offset in the period are changed.
Printing of the **Ring-fencing of BLAGAB capital losses** sheet	We have received feedback requesting that the calculations under the following sub-headings on the **Ring-fencing of BLAGAB capital losses** sheet print when relevant, rather than only printing in "Review": - • Scaling fraction for permitted amount TCGA 1992, s210A(8) • Supporting calculations for shareholders' share of excess losses TCGA 1992, s210A(9) • Calculation of shareholders' share TCGA 1992, s210A(10) Individual rows will now print when there are relevant values present, and the sub-headings will print when any of the related rows print. As you would expect, rows used to override values used elsewhere never print. Computation template packs for FY 2024 only have been updated.
Addition of R&D flags to Life tax files to complete boxes 650-657 of the CT600	We have received feedback that these flags were missing from the **Information for the return** [P] sheet, and that as a result the CT600 boxes had to be completed manually. Computation template packs for FY 2023 and FY 2024 have been updated. Unsubmitted files for FY 2023 have also been updated, and a note is added to **W_FIXES**.

RELEASE DEPLOYMENT

Hosted customers

ONESOURCE Corporate Tax v17.0 will be deployed by Thomson Reuters as part of our hosting services for ONESOURCE Corporate Tax users on Saturday 27th July. 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

ONESOURCE Corporate Tax v17.0 will be made available by Thomson Reuters via a secure download site during the week commencing Monday 29th July.

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

Non-hosted customers

ONESOURCE Corporate Tax v17.0 will be made available from Monday 29th July via our download site. Installation instructions along with other relevant documentation will be included in the download file.

COMPUTATION PACKS RELEASED

COMPUTATION PACK	COMPUTATIONS, CLAIMS AND FORMS SUPPORTED
Corporation tax, AIF, Investment trust and Life	New computation template packs for all computation types covering periods ending in FY 2024: - • 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 Updated versions of all corporation tax computation template packs above covering periods ending in FY 2023, except AIF. Which support, where required, the following Corporation tax return forms and supplementary pages: - • CT600 v3 (2024) – 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 • CT600N v3 (2023) – Residential property developer tax

Computation packs released

COMPUTATION PACK	COMPUTATIONS, CLAIMS AND FORMS SUPPORTED
Standalone tax accounting	New computation template packs covering periods ending in FY 2025, and updated computation template packs covering periods ending in FY 2024 for entity and group tax accounting/provisioning only calculations.
Group	New group module templates covering 12-month periods ending in FY 2024 for the following group types: - • 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
Petroleum revenue tax	New templates for periods ending December 2024 and June 2025, covering the following: - • 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