

iXBRL: The UK Experience

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STILL HAVEN'T FOUND WHAT
YOU'RE LOOKING FOR?
HARNESS THE POWER OF
JOINED UP BUSINESS REPORTING

HOSTED BY XBRL IRELAND

The UK requirement

Compulsory online filing for all corporation tax (CT) returns and electronic payment of corporation tax

- CT600 corporate return
- Computations*
- Accounts*

Filing of * must use the 'inline extensible business reporting language' (iXBRL)

How would the business meet this requirement?

Practice issues

Check engagement letters.

Client's permission to file online at all?

Make it clear

- Who is responsible for preparing the iXBRL versions of the computations and accounts
- Agree the time line
- Risk of error or late delivery

Disengagement letters?

Effective date

'For accounting periods ending after 31 March 2010, where the return is delivered after 31 March 2011.'

Result was early filing of many returns

Eg

Ye 30 June 2010 returns submitted at least 3 months early

Pre commencement worries

What if you couldn't file your CT return?

- Systems failure
- Software delivered late
- Hardware couldn't cope

The soft landing

HMRC announcement in February 2011

'You will not be penalised if you have tried to make the iXBRL file and failed or only partly completed the task, for good reasons.

Only in very extreme circumstances would a return clearing the Gateway be rejected later because of poor tagging.

Eg HMRC believes there has not been a reasonable attempt made to XBRL tag a part of the submission - and they would discuss this with you first.'

And....

- HMRC will accept a set of accounts tagged to your accounts production software package's automated standard.
- Email marketing.online@hmrc.gsi.gov.uk

The bare minimum

To ensure the filing will pass through the Government Gateway:

- Company name
- Period start date
- Period end date
- Balance sheet date
- Balance sheet date of approval
- Name of director approving balance sheet
- Dormant/non-dormant indicator
- Trading/non-trading indicator
- Date of signing directors' report
- Name of director signing directors' report

Exemptions

All companies, associations and clubs which must file CT returns are affected by requirements

BUT

Unincorporated bodies such as clubs, associations and some charities may attach accounts as a PDF

(Although they must still use iXBRL for their tax computations)

Ongoing challenges

Changes in tax rates may require systems changes which can prevent filing by companies affected, eg,

- Corporation tax rate,
 - Budget 2011, HMRC system was not updated until October 2011
 - Budget 2012 faster response!
- Capital allowances

Ongoing challenges for the software market

HMRC's free software product: 270,000 users

- Limited functionality
- The 'free filing' debate

Accountants who refuse to buy commercial software?

Ongoing challenges from simplification?

Financial reporting changes require new taxonomies

- FRS102 approved 14 March 2013 with early adoption possible
- Department for Business Innovation and Skills proposals for simpler financial reporting for micro-entities

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