

ONESOURCE® CORPORATE TAX UK

NEWSLETTER

Volume 6

NOVEMBER 2013

WHAT'S NEW? ONESOURCE CORPORATE TAX 6.1

UK CORPORATE TAX

This release includes product maintenance changes and minor enhancements for 2013.

Unless otherwise stated, these enhancements will be available to you, if you first develop the relevant schedules after installing this release.

CORPORATION TAX

Controlled foreign company (CFC) schedules

We have simplified the CFC schedules as the transitional rules relating to CFC holding companies and the Acceptable Distribution Policy no longer apply.

Foreign branches – notional capital allowances

For 2013 files and subsequent years, we have created “notional” capital allowances schedules for plant, special rate assets pools, non pooled cars, short life assets and general allowances. The new schedules enable you to:

- Calculate notional allowances and charges on branches subject to the foreign branch exemption;
- Track the “notional” written down value between periods; and
- Analyse additions and disposals across foreign branches and link to the overseas branch schedules.

To develop any of the notional capital allowance schedules:

- Go to the *Overseas branch* summary schedule;
- Select Develop > Notional capital allowances; and
- Select the relevant schedule required.

We have also inserted a new row / column on the following trade capital allowance schedules, being *Plant pool*, *Special rate assets pool*, *Non pooled cars*, *Short life assets and General allowance* and the related taxable overseas branch analysis schedules so you can record the branch assets (exempted) by election.

Where assets are included as exempted, ONESOURCE Corporate Tax will calculate any non balancing adjustments, first year allowances, writing down allowances and written down values carried forward.



THOMSON REUTERS™

Exempt dividends

We have enhanced the *Exempt UK dividends* schedule and the *Foreign dividends* schedule, so you can choose to disclose the basis for claiming an exemption.

Amounts deductible on a paid basis

We have created a new schedule, *Multiple deductible as paid*, so you can record multiple amounts deductible on a paid basis on one schedule. To develop it:

- Go to the *Profit and loss account* schedule;
- Select Provisions and reserves > Multiple deductible as paid.

Patent box

We have expanded the *Patent box* schedules to:

- Include additional rows in which to analyse the add back of non routine expenses when using the apportionment method;
- Increase the amount of automation where there is a set off amount carried forward to a subsequent period, thereby reducing the amount of data entry required by you; and
- Insert additional rows to support offset amounts allocated between group members.

The existing patent box schedules will be automatically updated when you open and save your file in the new release.

Research and development expenditure credit

We have re-designed the *R and D expenditure credit* schedule:

- To make it easier for you to calculate the Step 2 restriction and the Step 3 restriction in relation to expenditure on workers; and
- To enable the CT600 to be populated in line with the latest guidance received from HMRC.

GROUP MODULE

Two new matrices have been added to the group module and will be available for group files from the 2013 financial year.

The *Patent box* matrix supports the allocation of set off amounts between group members. To develop it:

- Go to the *Group summary* schedule; and
- Select Reliefs > Patent box.

The *R and D expenditure credit* matrix supports the allocation of the Step 5 set-off amount and the Step 2 amount between group members. To develop it:

- Go to the *Group summary* schedule; and
- Select Reliefs > R and D expenditure credit.

XBRL

In response to changes by HMRC, we have:

- Added new tags, primarily to deal with the new tags that HMRC have introduced for patent box and above the line tax credits; and
- Updated ONESOURCE to ensure there is no interruption to your tax return submissions during HMRC's switch to a new dimensional computation taxonomy and detailed profit and loss taxonomy in 2014. New 2014 files will contain the new tags and the tagging wizard dictionary has been updated to apply the new tags to the relevant period computations. Financial Year 2013 files will continue to use the current taxonomy.

TAX ACCOUNTING

We have made several enhancements to the tax accounting schedules.

Research and development expenditure credit

The tax accounting sheets for UK GAAP and IFRS are updated to show the appropriate current and deferred tax disclosures in respect of research and development expenditure credits. These changes are also reflected in the group tax accounting sheets.

Non deductible short lease premiums

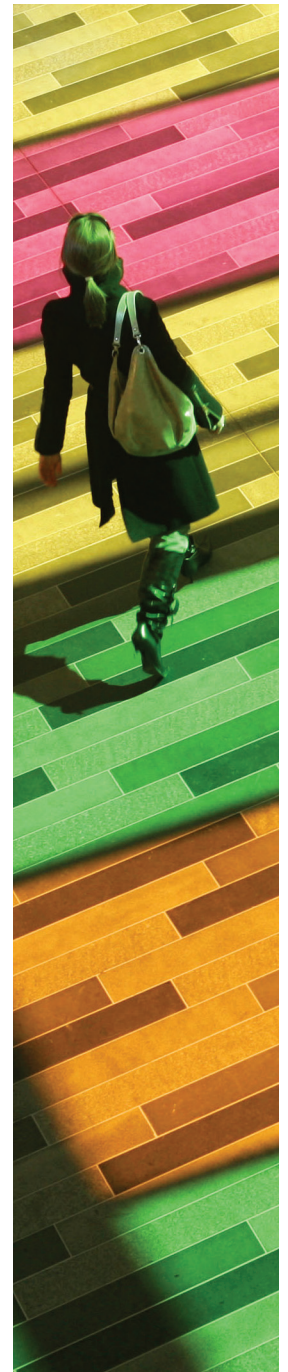
In response to your feedback, the non deductible amount arising on the payment of a premium for a lease of less than 50 years, has been moved to the accounts section of the *Fixed Asset Timing Differences* schedule. Previously the adjustment was included in the Tax section of this schedule.

Non qualifying amortisation on intangible fixed assets

We have expanded the *Factors affecting the tax charge* and the *Non qualifying, exempt and other assets* schedules, to include non qualifying amortisation of intangible fixed assets.

Effective tax rate

In response to user feedback, we now disclose the effective rate of tax on the *Tax accounting disclosures* schedules for both UK GAAP and IFRS.



Losses foregone and CTA 2010 s944 losses transferred

Amounts entered into the Losses foregone fields and those related to CTA 2010 s944 losses transferred in / out in the *Losses and allowances* schedule now automatically flow to the *Factors affecting the tax charge* schedule, thereby eliminating the need for manual entry of these amounts.

Standalone and tax reporting group 2014 files

Standalone tax reporting files and group reporting files with year ends after 31 March 2014 are now available.

TAXPACK

We have expanded the number of schedules which can be exported to and imported from Taxpack. These now include:

- The *Special rate assets* pool; and
- The *Tax account*, *Disclosure narrative* and *Accounts disclosures* schedules from the IFRS tax accounting schedules.

PRINTING

We have improved the appearance of the printed copies of the following schedules:

- *Exempt UK dividends*;
- *Patent box*; and
- Where there are capital allowances pools, but no qualifying fixed asset additions in the period, the *Fixed asset additions analysis* schedule.

CT600 GUIDE

HMRC's new guide to the CT600 can now be viewed from ONESOURCE Corporate Tax. To access it, select Help > Authority's Help Sheets.

INVESTMENT TRUSTS

Classification of dividends

Property income distributions (PIDs) included within UK dividends in the profit and loss account, can now be identified as PIDs on the *UK dividends* schedule.

LIFE

Deferred Acquisition Costs and Deferred Income Reserve

These schedules have been redesigned, to allow you to track timing differences on accrued costs and deferred income.

Controlled Foreign Companies

We have enhanced these schedules to address the additional adjustments brought in by the Insurance Companies and CFCs (Avoidance of Double Charge) Regulations 2012 (SI 2012/3044).

Non-trade Intangible Fixed Assets (NTIFA) within Long-Term-Business-Fixed-Capital (LTBFC)

When the LTBFC business category is brought in, there is now a supporting schedule that formalises the offsets and reliefs for NTIFAs.

CONTACTS

Managing Director, Corporate Market EMEA:

Mike Roberts 020 7375 6733
mike.roberts@thomsonreuters.com

ONESOURCE Corporate Tax, REIT, PRT and Life:

Mark Blackwell 020 7375 6702
mark.blackwell@thomsonreuters.com

ONESOURCE Group, Partnership, Authorised Investment Funds and Investment Trusts:

Stuart Moffatt 020 7375 6726
stuart.moffatt@thomsonreuters.com

ONESOURCE Electronic Filing and Indirect Tax

Pete Swann 020 7375 6739
peter.swann@thomsonreuters.com

Thomson Reuters for FATCA:

Laurence Kiddle 020 7375 6720
laurence.kiddle@thomsonreuters.com

