

# Help with getting ready for iXBRL

## **What to know, what to do**

*iXBRL is the new online HMRC system for submission of all UK Corporate Tax Returns. First announced by HMRC in September 2009, the mandatory requirement is that from 1 April 2011 all UK Corporate Tax Returns must be submitted on-line. Key details of the returns and financial statements must be allocated an electronic "tag".*

*As many businesses have discovered, software suppliers have been slow to market with solutions for this new compliance regime and there are only a limited number of packages available on the market.*

*Is your organisation still struggling to be ready for iXBRL? There are some circumstances within HMRC's 'Sympathetic Approach' to implementation, where you may be eligible for either a reduction or waiver of potential late filing penalties.*

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On 1 February 2011 CIOT and a number of other financial bodies presented the case for delaying the introduction of this regime to the Treasury, but were unsuccessful in securing a delay. Treasury conceded that late availability of software has meant most businesses only have a short time in which to test their systems. However, they highlighted HMRC's planned 'Sympathetic Approach' to implementation which in some cases may reduce the penalties for late compliance.

## HMRC's "Sympathetic" approach

HMRC state that in certain circumstances penalties will be reduced, or waived where the tax payer can show that they've made a reasonable effort to tag their submission:

- HMRC will accept returns as long as the minimum number of tags have been used
- If there has been a delay in the delivery of your software, taxpayers should contact HMRC's dedicated team, who will contact you to agree a solution
- Where the taxpayer has made no attempt to source a reasonable product, HMRC will continue to enforce their full penalty regime

## How we can help

We can provide impartial advice tailored to your business needs as we are not a provider of software solutions for this issue:

- We can give advice in relation to the most appropriate software option for your business needs
- We can provide all elements of the tax compliance process, as a full package or as individual elements, from the preparation of your tax computation through to mapping your financial statements to your tax computation and return
- We can also assist you with evaluating your in-house software implementation to ensure that it is being used effectively

**If you would like to discuss the ideal solution for you, please get in touch with any of the specialists listed below:**

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