

Company Tax Return - taxonomy for new financial reporting standards and EU-adopted IFRS

A new taxonomy for the new standards

The Financial Reporting Council (FRC) published new UK GAAP Financial Reporting Standards (FRS) during 2012 and 2013. These new accounting standards (FRS101 and FRS102) are mandatory for periods of account beginning on or after 1 January 2015 though early adoption was permitted.

Accounts submitted to HM Revenue and Customs (HMRC) as part of the Company Tax Return are required to be 'tagged' using the computer-readable Extensible Business Reporting Language (XBRL). Guidance issued in May 2013 ([Online filing of Company Tax Returns: two years on](#)) told early adopters of the new standards to tag their accounts with the existing IFRS (International Financial Reporting Standards) taxonomy until such time as a new taxonomy was available.

In September 2014, the FRC published a new XBRL taxonomy which supports tagging under the new standards and also under EU-adopted IFRS.

The quality of XBRL data will be improved when accounts prepared under the new accounting standards or EU-adopted IFRS are tagged with the new taxonomy.

HMRC filing requirement

HMRC updated its systems in December 2014 and can now accept Company Tax returns containing accounts that have been tagged with the new taxonomy.

HMRC is therefore mandating the use of the new taxonomy. Accounts:

- prepared under the new accounting standards or EU-adopted IFRS
- submitted as part of a Company Tax Return
- filed with HMRC on or after 1 April 2015

must be tagged with the new taxonomy.

But HMRC will not ask companies to re-tag their accounts. Companies that produce and tag their accounts, with the existing IFRS taxonomy, before 1 April 2015 can still submit them regardless of when the Company Tax Return is filed. Accounts that are prepared after 1 April 2015 must be tagged with the new taxonomy.

Software issues

Commercial software companies are planning to update and release their software to allow preparation and tagging of accounts under the new taxonomy. If the delivery date of particular XBRL-enabled software prevents you from submitting your returns on time, HMRC will consider this sympathetically.

Please email mailbox.ctprocessteam@hmrc.gsi.gov.uk if you urgently need to file a Company Tax Return after 1 April 2015 and have an issue with your software.

Minimum tagging set

During transition to mandatory online filing using XBRL, HMRC permitted limited tagging of accounts. XBRL has now been in place for a number of years and with the arrival of easier-to-use taxonomies, further development of software packages, and new consumers of XBRL, limited tagging is no longer desirable.

There will not therefore be a minimum tagging set for the new accounts taxonomy. HMRC requirements for the existing UK GAAP and IFRS taxonomies remain unchanged.

UK GAAP and IFRS taxonomies

The existing UK GAAP and IFRS accounts taxonomies will remain in force until they are no longer relevant. HMRC will continue to accept appropriate accounts that been tagged with these taxonomies.