



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

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Dear Chas

CT Online filing: Response to Professional bodies

Thank you for your letter of 1st February about Corporation Tax online filing.

You expressed your concern about the forthcoming mandatory requirement that all UK companies should submit statutory accounts to HM Revenue and Customs (HMRC) in iXBRL format with effect from 1 April 2011 and about HMRC's proposals for the transition. You asked that plans be revised in the light of delays in software availability and made a number of recommendations as to how this should be done.

My objective is the smooth introduction of mandatory online filing of CT returns in iXBRL format from 1 April 2011. It seems to me that there will never be a perfect time to mandate filing in iXBRL. There will always be implementation challenges, and HMRC's challenge



here is to work through them in collaboration with the representative bodies.

Having read your letter and considered it along with other representations, I would like you and HMRC to proceed on the basis that mandation of online filing in iXBRL will go ahead as planned on 1 April. I do, however, also want HMRC to continue their dialogue with you, and to ensure that any transitional issues are managed effectively.

Many software developers have already delivered their products and they and their customers are taking the necessary steps to comply with mandation. Whilst I understand that one developer has announced a delay in the full release of its iXBRL enabled software, I also understand that they are to deliver an interim solution to their customers very soon. That, together with HMRC's approach to the transitional period, during which they will be sympathetic to any difficulties caused by lack of familiarity with new software or delays in receiving software, lead me to believe that the best approach is to move forward in the way I have described, above.

I should emphasise again that no-one who has made a reasonable effort to comply will be penalised. Any customer with real difficulties should contact HMRC. These are key points in HMRC's guidance on the transitional arrangements and I have asked HMRC to publicise that guidance as soon as possible so that your members and other customers are reassured.



Thank you for your willingness to continue working with HMRC through CASG. I am confident that the continuing dialogue between the professional bodies, the software industry, taxpayers and HMRC will lead to the long term success of online filing for CT.

Yours ever
David

David Gauke MP

