

Filing Company Tax Returns online: the XBRL¹ tagging requirement

In his 'Review of HMRC Online Services' (March 2006), Lord Carter of Coles recommended that companies should be required to file their Company Tax Returns online using XBRL tagging in accounts and computations. The recommendation has been implemented with effect from 1 April 2011.

The vast majority of companies have successfully delivered their first online return using XBRL². HMRC received 1.6 million such returns in the first year. HMRC acknowledges that this has been a major change. The department's approach during the transitional period in the first two years is to advise and support people to comply with filing requirements, not to reject returns or penalise people for getting things wrong. For example, HMRC does not reject returns where a reasonable attempt has been made with XBRL tagging and does not open Corporation Tax enquiries solely or mainly to check the quality of XBRL tagging.

HMRC undertook that there would be no extension before 31 March 2013 of the list of specified information which, where present in accounts or computations, must have an XBRL tag. The 'list of specified information' means items within the 'minimum tagging requirements' documents on the HMRC website.

[Find the documents on minimum tagging requirements](#)

The present Government is committed to an expansion of public services provided digitally. As set out in the 'Digital by default' consultation document published on 8 August 2011, HMRC will be playing its part in this initiative. On 29 February 2012, HMRC published its summary of responses to this consultation. HMRC had asked for views on increasing the amount of XBRL tagging when the transitional period expires at the end of March 2013. All responses agreed that there should be no major extension of the list of specified information from April 2013. HMRC has accepted this view and the tagging requirement will not change in April 2013.

[Read the summary of responses to the 'Digital by default' consultation](#)

HMRC is working with software suppliers and other representatives to make limited changes to the list from autumn 2013. There will be a single requirement for detailed profit and loss account tags, whether appearing in the accounts or the tax computations, and an improvement to the structure of the computations tags. Beyond that, there will be no major change without full consultation.

HMRC is continuing to expand the effective exploitation of XBRL, by quality assurance of XBRL tagging in a selection of returns already received and by development of the effective use of XBRL tags in risk assessment and other compliance work.

¹ XBRL is 'eXtensible Business Reporting Language', an internationally recognised method of making financial information machine readable.

² The documents submitted must either use HMRC's own accounts and computations templates or be in iXBRL format. That is, 'inline XBRL', a form which defines how XBRL tags are embedded within HTML documents to enable them to be both machine and human readable.

Some software products already support fuller tagging of accounts than is required by the list of specified information and others are coming to market. This is welcome, even though HMRC is not yet making full tagging compulsory. More information with XBRL tags helps HMRC's risk assessment, reducing the demands it needs to make on the majority of companies in assuring compliance with tax obligations. It also helps HMRC to analyse accounts information across all or part of the population for policy research and monitoring.

As XBRL-tagged accounts become available on the public record, HMRC will work with Companies House, software developers and other interested parties to encourage the development of accounts preparation products and online services which best support the wider Government digital agenda.