

XBRL - when to tag, how to tag, what to tag

Corporation Tax customers will have to file their Company Tax Returns online, with accounts and computations in iXBRL format. Many customers will not need any knowledge of XBRL, or what needs to be tagged. If you use commercial software most of the XBRL tags will be inserted behind the scenes. But, if you need to know a bit more about XBRL tagging, then this document is for you.

Terminology explained

Taxonomy - The 'dictionaries' containing the unique XBRL tags.

XBRL - eXtensible Business Reporting Language (XBRL) is a standard for reporting financial data that uses labels or 'tags' that computers can interpret.

Inline XBRL (iXBRL) - HMRC has adopted the internationally recognised form of XBRL called inline XBRL (iXBRL), which allows the computer-readable tags to be attached to an electronic file which can also be read by people on screen or in printed form. This means that you don't have to change the content, style or layout of your accounts and tax computations, and that HMRC will be able to view your Company Tax Return exactly as you've submitted it.

When and how to tag

You have a choice of when and how to embed XBRL tags into your accounts. The requirement to file a Company Tax Return online with accounts and computations in iXBRL format does not mean you need to change your accounting processes. It is only the final figures that need to be tagged. Your main options are as below.

Use commercially available software for final accounts production

Commercially available final accounts production and Corporation Tax computations software products will attach the XBRL tags automatically. The tagging is done when data items are keyed in to pre-defined default fields or, if enabled, automatically populated from book-keeping or accounting software packages. Some 'Final Accounts Preparation' software presents users with 'free format' fields, which the software can't tag automatically.

You may find it helpful to familiarise yourself with what items within accounts need to be tagged, especially if you have bespoke items not included in the predefined software fields within your chosen software. There is more information on the HMRC minimum tagging lists later in this document.

You'll need to ensure that the software you choose meets your needs, but it should mean that most of the XBRL tags will be embedded automatically.

If you use a customised accounts production package, you'll need to consider how the XBRL tags are to be attached and at what stage in the production process. If you have separate in-house finance and tax departments, then you need to consider who will be responsible for tagging the accounts.

Instruct a tax agent or adviser to prepare your accounts, computations and file your return

Your agent will prepare your accounts in the usual way and insert XBRL tags for you, probably using the commercially available software mentioned above. If you currently give your accounts to your agent as a PDF file, they may need to receive them one stage earlier in the process, perhaps as Word or Excel documents.

Convert accounts prepared using software like Word or Excel

If you currently use software applications such as Excel or Word to produce final accounts, there's no need to change your process. There are 'conversion' software products being marketed that embed XBRL tags into final accounts Excel/Word documents 'after the event' and then convert the accounts to iXBRL format. See later in this document for more detail.

These products will vary in sophistication and their level of automation. Where accounts preparation is standardised across a group of companies, templates created within these applications may be reusable across a group. You may want to think about standardising templates now, but remember that any template should only be tagged using conversion software, otherwise the resulting file won't be in the necessary iXBRL format.

Outsourced XBRL tagging

Outsourcing means you arrange for a specialist provider to tag your company's final accounts and then return them to you in iXBRL format. You would then attach those accounts to your Company Tax Return (CT600), along with your tax computations (also in iXBRL format) to complete your Company Tax Return.

You would then submit your return online. Any other supplementary information you want to disclose may be attached to your Company Tax Return as PDF files.

[Corporation Tax Online commercial software options](#)

Transitional arrangements

Where your Company Tax Return should be submitted online with accounts and/or computations in iXBRL format, then those accounts and/or computations must be iXBRL tagged **at least** in accordance with the minimum tagging requirements specified by HMRC. To help with the introduction of mandatory online filing for returns, HMRC will initially accept accounts and Corporation Tax computations with only some of the data needing to be tagged.

HMRC has published 'minimum tagging lists' for the UK GAAP, UK-IFRS and Corporation Tax computational taxonomies. These lists specify the items that must be tagged **if they're present in any given set of accounts and computations**. Companies may choose to adopt full tagging immediately.

The data items that you need to tag in iXBRL format are those specified in the Corporation Tax Online Technical Pack for Software Developers. This pack is available on the HMRC website.

[Corporation Tax Online Technical Pack for Software Developers](#)

The pack includes a minimum tagging list for each of the UK-GAAP, UK-IFRS and Corporation Tax computational taxonomies, which are subsets of the tags in those full taxonomies.

[View the HMRC minimum tagging lists](#)

These can be viewed by using a freely available taxonomy viewer - type 'taxonomy viewer' into an internet search engine.

The minimum tagging list for the UK-IFRS taxonomy includes specific taxonomy modules for certain businesses: banking, investment funds, and oil, mining and gas companies.

A minimum required level of tagging will continue indefinitely for Corporation Tax computations, although the contents of the list will vary over time to reflect new legislation.

The 'Full List' figures below include elements that provide structure to taxonomies (heading, sub-headings and such like) but the 'Minimum Tagging List' figures exclude those elements.

Taxonomy	Full List	Minimum Tagging List (MTL)
UK GAAP	5292 (excludes <ul style="list-style-type: none"> • 1028 Common Data taxonomy • 334 Charities) 	1253
UK GAAP (Charities)	334	334
UK-IFRS	3820 (excludes 1028 Common Data taxonomy and sector-specific modules)	1629
UK-IFRS sector-specific modules (not applicable to UK GAAP) <ul style="list-style-type: none"> • Banking • Investment Funds • Oil, Mining, Gas companies 	795 152 138	795 (replaces elements of UK-IFRS MTL) 152 138
UK Common Data module (shared by UK GAAP and UK IFRS)	1028	Full tagging required to the extent that items in a company's accounts map to the elements in the Common Data Taxonomy.
Corporation Tax Computational	4164	1207

Taxonomy versioning

Taxonomies are updated periodically to reflect changes in legislation and accounting standards. HMRC will publish a 'valid from' date and (when appropriate) a 'valid to' date for each version of a taxonomy.

In time there will be overlaps, or periods, when more than one version of a taxonomy could be used to tag a set of accounts. It is acceptable to use any one version of the taxonomy, provided the final day within the period of accounts falls within the 'valid from' and 'valid to' dates for that version. For computations, the end date of the accounting period must fall within the 'valid from' or 'valid to' period for the taxonomy used.

Which accounts are required in iXBRL format

The accounts sent with your return need to be in iXBRL format if they are required to be prepared under any of the following legislation:

- Individual accounts required to be prepared under Chapter 4 of Part 15 of the Companies Act 2006.
- Building Societies Act 1986.
- Friendly and Industrial and Provident Societies Act 1968.
- Friendly Societies Act 1992.
- Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations 2008.

In addition, overseas companies resident in the UK must deliver the accounts required by a notice to deliver a return in iXBRL. Also a company not resident in the UK, but carrying on a trade in the UK through a permanent establishment, branch or agency in the UK must deliver any trading and profit and loss account and any balance sheet of the UK establishment, branch or agency required as part of its return in iXBRL format.

In other circumstances, accounts can be sent as either iXBRL or PDF files.

What items within the accounts need to be tagged

Accounts often include more than just financial data, for example charts and diagrams showing trends over a number of years, comparison with sector indices, general descriptive information on the scope of business and operations. Not all this needs to be tagged. The following describes how to identify which data within a set of accounts needs to be tagged:

- The starting point is the accounts you are required to send as part of a Company Tax Return in iXBRL format. For example, a company incorporated under the Companies Act is required to send the individual accounts they are required to prepare for their members - a balance sheet, a profit and loss account, and notes to the accounts - including any Directors' and Auditor's reports similarly required.
- All instances of data within the balance sheet, profit and loss account and notes to the accounts must be tagged. If a data item appears more than once then it must be tagged each time.
- The Directors' report and Auditor's report must also be tagged, but only to the extent that data within these are also within the Directors' report and Auditor's report sections the taxonomy (together with general information, such as company name, CRN, etc).
- Prior period comparative figures within the accounts should be tagged.
- There is no requirement to tag other textual reports, such as Chairman's statement, financial review etc.

It's only necessary to tag items in financial reports for which a tag exists in the appropriate taxonomy. If no tag is available, the data concerned should simply be left as plain text.

What needs to be XBRL tagged - an example

The following table shows what needs to be tagged for a hypothetical set of accounts, which have been prepared using UK GAAP. In this example, the sample accounts contain 200 items of information.

The taxonomy (list) of the elements (descriptions of tags) is the one published for UK GAAP. The full UK GAAP taxonomy, which is published by XBRL UK Ltd, currently contains 6,654 (5,292 plus 1,028 Common Data module items and 334 charities). The minimum tagging list for UK GAAP, published by HMRC, is an exact subset of the UK GAAP taxonomy, and currently has 1,253 items. Remember that you must also tag any data items that map to the Common Data module.

If there are 200 data items in the accounts, a maximum of 200 unique tags will be needed, often less as it will be unusual for all 200 items to appear on the minimum tagging list.

There may be more than one occurrence of an item in the financial statements corresponding to an element in the minimum tagging list. If so, each occurrence of the item must be tagged. This means that a tag may need to be used more than once in a single document.

All repeat occurrences of any individual fact within the financial statements must be tagged - so a data item that appears in say the balance sheet and again in a note prepared as part of the financial statements must be tagged each time.

If your accounts show comparative figures from previous year's accounts, those previous year's figures should be tagged, and as most accounts production software products are based on stencils we expect that in practice comparative figures will often be tagged by default. **Tagging previous year figures in the first year of mandatory online filing is not required.**

However, the same tag cannot be used to mark up different facts. The structure of XBRL taxonomies allows similar facts to be differentiated. For example, the Common Data taxonomy module includes all countries and regions, etc so 'sales to Africa' can easily be differentiated from 'sales to India'.

Also note that XBRL caters for all the current rules and mechanisms for rounding. For example if depreciation of £314,568 appears in the notes but is shown as £315K in the balance sheet, provided proper use is made of the attributes included in XBRL tags, with regard to the level of precision etc, these two items could (and should) be reported, effectively with the same tag.

Identifying what needs to be tagged

Company's accounts		UK GAAP Taxonomy		Minimum Tagging list - UK GAAP	
1 Profit and loss account		1		1	
2 Turnover	1,658,080	2		2	
3 Cost of sales	786,586	.....		.....
4 Gross profit	871,494	.....	Turnover / Gross operating revenue	.....	Turnover / Gross operating revenue
..... Distribution costs	358,125	.....	Cost of sales	.....	Cost of sales
..... Administrative expenses	272,465	.....	Distribution costs	.....	Distribution costs
..... Operating profit	242,914	.....	Administrative expenses	.....	Administrative expenses
..... Interest payable	25,756	.....	Gross profit (loss)	.....	Gross profit (loss)
..... Profit before tax	217,158	.....		.....
..... Tax	48,256	.....		.....
..... Retained profit for year	168,902	.....		.....
Notes to the Accounts					
Analysis of Debtors					
Trade debtors within one year	52,458	.....	Trade debtors within one year	.....
Analysis of income					
Income from DVD rentals	25,458	.....	Financial assets carrying value	.....	Financial assets carrying value
199		5290		1251	
200		5291		1252	
		5292		1253	

You only need to tag a data item in your company's accounts if it also appears in the minimum tagging list. In the example, 'Turnover' is in the company's profit and loss account. As it also appears in the minimum tagging list, the item **must be tagged**.

In the example, 'Trade debtors within one year' is within the accounts and appears in the full taxonomy. But as this item is not also in the minimum tagging list, **it doesn't have to be tagged**. The item is in the UK GAAP taxonomy and can be tagged if you choose to do so.

In the sample accounts, 'Turnover' is further analysed in the notes to the accounts and this analysis includes 'Income from DVD rentals'. This title doesn't appear in the full taxonomy and **it doesn't have to be tagged**. However, you can choose to tag this item by extending the published taxonomy to include this additional description tag. The extended taxonomy would then need to be included as part of the Company Tax Return filed online. This is because one of the basic checks HMRC make when a return is filed is whether all the XBRL tags are recognised, so we need to know about any you have chosen to define and add yourself. How you extend a taxonomy will depend on the software you choose to use. If necessary please refer to your software supplier.

You do not have to create 'Nil' items for those items in the taxonomy (and minimum tagging list) that you do not use in your accounts, nor do you have to tag them. In the example, 'Financial assets carrying value' does not appear in the accounts and can simply be ignored.

Group and consolidated accounts

The accounts requirement (what accounts are required as part of a Company Tax Return) has not changed as a result of the move to online filing. The accounts required are those the company is required to prepare for its members. For most group companies, Companies Act 2006, Section 394 only requires them to prepare **individual** accounts. These companies will include their individual accounts with their online Company Tax Return.

Where a parent company is required to prepare both individual and group accounts (Companies Act 2006, Section 399) it is required to file both of these as part of its online Company Tax Return. However, it is only required to file the individual accounts as an iXBRL document, with the relevant XBRL tags embedded.

Where the group accounts are a separate document these must be included as a PDF file.

There is no requirement to tag group accounts. In some cases, the group accounts and individual accounts will be part of a single consolidated document. This is acceptable provided it contains all the information which would be available from the individual accounts. It must be filed as an iXBRL document. In the case of a single consolidated document containing both the individual and group accounts, only the items relating to the individual accounts are required to be XBRL tagged.

In practice some companies include only individual account balance sheet data within their consolidated accounts and include other information that would have been within the individual accounts (profit and loss account etc) as part of the Corporation Tax computations. This is acceptable provided all the information that would have been included in the statutory profit and loss account is included within the computations, and the data then included in the computations is appropriately tagged using the Corporation Tax computational taxonomy.

Detailed profit and loss account

The statutory accounts a company is required to produce for its members do not include what is often referred to as a 'detailed profit and loss account'. However, some companies choose to produce a detailed profit and loss account as part of the process by which they prepare final accounts and include this as part of the accounts with their Company Tax Return. Others choose to include a detailed profit and loss account/analysis of the statutory profit and loss account as part of their computations. If included as part of the accounts, the data should be XBRL-tagged using the taxonomy appropriate to the accounts. If the data is included as part of the computations then it should be XBRL-tagged using the Corporation Tax computations taxonomy.

Practical example – Controlled Foreign Company

The following applies the XBRL requirements to a situation where a company filing a return needs to report a liability under S747 (Controlled Foreign Companies).

The accounts of the Controlled Foreign Company (CFC) are not legally required as part of the UK 'waters edge' company's return, but often these are sent as part of its return, in addition to its own accounts. Only one iXBRL accounts file can accompany a return and there is no requirement to include the CFC accounts as an iXBRL document. So, if the CFC accounts are included with the return, they need to be attached as a PDF file.

The calculation of tax payable under the CFC legislation has to be reported on supplementary page CT600B. The CT600 and any supplementary pages are not part of an iXBRL file, so the calculation of tax payable under the CFC legislation cannot be XBRL tagged. Where this information is also included in the iXBRL computation it can be XBRL tagged, although it doesn't have to be as the relevant tags, with the exception of the total S747 tax payable, do not form part of the minimum tagging list.

Where the computation includes calculations of the chargeable profits of a CFC, those calculations need to be included in the iXBRL file. However, there are no tags within the CT Computation Taxonomy relating to the calculation of chargeable profits of CFCs apart from the figure of the chargeable profit itself, so this calculation does not have to be XBRL tagged.

Tagging using 'conversion' software - an example

If you choose not to use XBRL-enabled Final Accounts Production software, then you will need to create an iXBRL file with the necessary XBRL tags, after preparing your final accounts. Conversion software is available to help you do this.

Each conversion product is different and it's important that, if you choose to create your iXBRL accounts file using this method, you select software that meets your needs. Don't forget that the software you choose must not only insert the relevant XBRL tags, but finally create an iXBRL file.

Software applications will vary in sophistication, some will tag Excel documents, some will tag Word documents, and some will tag both. Most will remember as you use them, allowing you to build templates for your specific accounts format. They can be reused for a later year, or perhaps across a group depending on the level of standardisation of accounts production.

Typically conversion software will show multiple windows on your screen including those containing the taxonomy you are using and the accounts you need to tag.

A mock-up of what you may see on-screen when using conversion software

Profit and Loss Year ended 30 June 2009	
Turnover	1,658,080
Cost of sales	786,586
Gross profit	871,494
Distribution	356,125
Administrative costs	272,455
Operation profit	242,914
Interest payable	25,756
Profit before tax	217,158
Tax	48,256
Retained profit for year	168,902

Gain (loss) on sale or termination of operations
Utilisation of earlier provisions for sale or
Provision for loss on sale or termination of operation
Provision for operating loss on discontinued
Costs (gains) from fundamental restructuring or
Gain (loss) from disposal of fixed assets - Net
Gain (loss) from disposal of tangible fixed assets -
Gain (loss) from disposal of intangible fixed assets
Operating profit (loss)
Profit and Loss
Administrative expenses
Distribution costs
Gross profit (loss)
Cost of sales
Turnover / gross operating revenue
Other operating income
Other operating charges
Exceptional amounts written off current assets
Depreciation and other amounts written off tangible
Staff costs

Item in accounts tagged to the relevant taxonomy element
Exact method varies depending on software used, but can be no more than a mouse click

In the left-hand box is an extract from the minimum tagging list for UK GAAP. Each conversion product will present the taxonomy in its own way. Generally the different items are grouped and organised under headings so that it can be expanded to reveal the description for the tag which is appropriate to the item in your accounts that has to be tagged.

In the right-hand box is the profit and loss account from the earlier example showing what to tag. The way you input your accounts data into the conversion software will vary, but could involve uploading a template, cutting and pasting, or re-keying.

You'll need to identify the appropriate description (element) from the minimum tagging list for each item in the accounts. Remember that if the item in the accounts

doesn't correspond to an element in the minimum tagging list you don't need to tag that item. Different software will 'attach' tags in different ways, so we can't show the detail here.

Once all necessary tags are inserted, an iXBRL file is created. It's this iXBRL file, with the XBRL tags embedded in it, which you need to submit as part of the return.