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## **Government proposal to make XBRL mandatory for company tax filings from 2010 is a sensible and prudent step, says industry body**

*London, 24 March --* The UK government's proposal to make the use of eXtensible Business Reporting Language (XBRL) mandatory for company tax filing from March 2010 is a sensible and prudent step which will bring benefits for both companies and government, the UK arm of the XBRL International consortium said today.

XBRL, which enables financial data to be processed automatically by computer software, would increase transparency, increase efficiency and lead to cost-savings for companies and HM Revenue and Customs, XBRL UK Limited added.

The move to make XBRL mandatory for company tax filings due after March 2010 was recommended in a report by Lord Carter on HM Revenue and Customs (HMRC) online services, which was published as part of the UK budget. Chancellor Gordon Brown said the government accepted his proposals.

"The planned timetable is a sensible one which will give all involved time to adapt to filing information in XBRL," Chris Rodgers, the chair of the XBRL UK Ltd consultative committee said. "XBRL UK will be working closely with HMRC, software vendors and others to ensure the government goal is achieved smoothly and efficiently."

Company tax returns comprise both full financial statements and corporation tax computations.

HMRC announced earlier this month that its online service is now ready to receive tax computations in XBRL. It also released a Technical Pack for software developers and said it will provide assistance as they enhance their products to use XBRL.

A few weeks earlier, Companies House started receiving accounts in XBRL. The Companies House system currently covers audit exempt accounts, but both it and HMRC are looking to expand steadily the scope of accounts filed in XBRL.

The Carter report said that Companies House and HMRC should work toward a joint filing facility which would use the benefits of machine-readable data provided by XBRL. However, time should be given for this to be implemented and for XBRL to bed down, so that mandatory filing in XBRL should be deferred until 2010.

Both HMRC and Companies House say they are advancing the use of XBRL in manageable, planned steps, allowing regulators, companies and financial software vendors to accustom themselves to the use of the language and its benefits.

XBRL enables computer-readable tags to be applied to individual items of financial data in business reports, transforming them from simple blocks of text into information which can be understood and processed automatically by computer software. It offers cost savings, greater efficiency and improved accuracy to all those involved in preparing, analysing or communicating business information. It is being developed and promoted by an international consortium of some 400 major companies, organisations and government agencies.

Regulators overseas are also making good progress with XBRL projects. The use of XBRL for regulatory bank reporting in the US has achieved major success, according to the Federal Financial Institutions Examination Council (FFIEC). The FFIEC said its XBRL-based solution, which went live in October and receives reports from some 8,300 banks, had achieved measurable benefits, with an increase from 66% to 95% in data cleanliness, 70% to 100% in accuracy, weeks to hours in timeliness and a 15% rise in the productivity of analysts.

The central banks of Japan and Spain have recently started live use of XBRL, while the central bank of Belgium said last month that some 290,000 companies would be using its new XBRL system from April 2007.

The US Securities and Exchange Commission (SEC) is also advancing its pilot project for filing of company data in XBRL. SEC Chairman Christopher Cox told an international XBRL conference that the evolution of interactive data and leadership shown by the XBRL community had led global financial markets to the threshold of truly breathtaking changes.

More information on XBRL and its benefits can also be found on the XBRL website at [www.xbrl.org](http://www.xbrl.org).

## **XBRL-UK**

XBRL UK Ltd is the UK arm of the XBRL International consortium – a not-for-profit grouping of some 400 major companies, organisations and government agencies working together to build the XBRL language and promote and support its adoption.

XBRL UK Ltd is facilitated by the Institute of Chartered Accountants in England and Wales (ICAEW) and members include major accounting firms, software companies and regulators such as HMRC and Companies House.

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