

Welcome

The New Company Details form, *form CT41G*, is likely to be the first thing the company has received from HM Revenue & Customs (HMRC) and we want to help you get things right – from the very beginning. You need to complete this form as soon as the company starts its first accounting period. You do not need to complete it if the company is not yet active. See *What to do now, at the start of the company's life* below and *What if the company is not active?* on page 2.

Please read these Notes before you complete the enclosed form

The Notes are here to help you and give some general guidance. When you have read them if you have difficulty on any corporation tax point please contact your agent if you have one, or visit our website at **www.hmrc.gov.uk** Or contact the office that deals with your corporation tax affairs at the telephone number shown on *form CT41G*.

Contents

	Page
What these Notes cover	1
What if you have already appointed an agent to act for the company?	1
What to do now, at the start of the company's life – the information we need	1
What happens if you do not give us this information?	2
What if the company is not active?	2
What you need to do next and what happens if you do not do it	2
Guidance to help you complete <i>form CT41G</i>	3
Other help and publications you may find useful	4

What these Notes cover

Companies are liable to corporation tax (CT) on their profits. These notes mainly cover CT responsibilities. We include notes to help you complete the first steps a business may need to take in its relationship with us. On the last page we tell you about other help and publications you may find useful, not only for CT but also for your duties as an employer for PAYE tax and National Insurance contributions, and for VAT.

What if you have already appointed an agent to act for the company?

You need to let us know who your agent is and that you are happy for us to communicate with them. A form (*form 64-8*) is enclosed for this purpose. If we have no authority from you we cannot correspond or talk to your agent about your CT affairs nor will they get copies of any forms we send to the company. Also your agent will not be able to register for and use *CT Online* services without your authority.

Send any completed authority to the office shown on the *form CT41G*.

What to do now, at the start of the company's life – the information we need

By law you have to notify us when the company comes within the charge to CT. We use this phrase 'within the charge to CT' throughout these Notes.

So what does that mean? It means you have to tell us the date on which the company's first accounting period started.

And what is an accounting period? In tax law it is the period by reference to which corporation tax is charged on the company. The first CT accounting period starts when the company becomes active by acquiring a source of income, for example starts in business, or becomes resident in the UK.

Also by law you have to give us certain other information, including some connected with the company's obligations as an employer under PAYE, and details of the directors.

You only have 3 months from the start of the first accounting period to let us have this information.

You can

- complete *form CT41G*, which lists the information and provides a convenient way for you to tell us what we need to know, **or**
- let us have the information listed on *form CT41G* by letter, as long as it is signed by an officer of the company and contains a declaration that the information given is correct and complete.

What happens if you do not give us this information?

There are penalties if you do not give us the information within 3 months of the start of the company's first accounting period. These can be as much as £300 plus a continuing penalty of £60 a day for failing to provide the information within the time limit, or £3,000 if the company fraudulently or negligently gives incorrect information.

What if the company is not active?

If the company is not yet active it is not within the charge to CT, so please do not complete *form CT41G* now. Keep it, but do write and tell us **now** that the company is not yet active and give the date when you expect it to come within the charge to CT. The office you should write to is shown on *form CT41G*.

If you do not know when the company will come within the charge to CT then tell us that. This will allow us to amend our records and make sure that you are not asked to deliver returns for tax purposes until the company is active.

When the company comes within the charge to CT you need to complete and send us *form CT41G* (or a signed letter with a declaration as outlined above) within 3 months of the start of the company's first accounting period.

What you need to do next and what happens if you do not do it

Once a company is within the charge to CT, it has to make sure it pays any tax on time and delivers its company tax return on time. There are penalties and interest charges if it does not.

Paying tax

Companies have to calculate any tax that is due; we do not do it for you. The date by which most companies have to pay their CT is 9 months and 1 day after the end of the accounting period. We send the company a reminder just before payment is due, and a payslip to use. This includes details of how to pay us, and also asks that if you calculate you have no CT to pay that you send back a nil payslip.

Interest is charged on all tax paid late and is calculated from the due date for payment to the actual date of payment. Rates of interest charged vary and you may need to check current rates on our website, but the rate in force at the time these *Notes* were prepared was 7.5%.

Large companies, broadly those with profits at a rate that exceeds a limit fixed by law, currently £1.5 million, have to pay their tax in a maximum of 4 instalments. But a company is not treated as having to pay by instalments if its profits are at a rate of not more than £10 million and it was not a large company in the preceding 12 months.

If a company is due to pay by instalments then we also charge interest on any tax not paid by the instalment due date.

Making returns

Companies are required by law to deliver company tax returns, which include:

- a completed company tax return form (*form CT600*) plus any relevant Supplementary Pages (*forms CT600A* and so on)
- a copy of the accounts of the company for the period covered by the return
- computations showing how entries on the return form have been calculated from relevant figures in the accounts.

Different information, accounts, statements and reports may be required from different types of companies.

Any such company, for example an insurance company or friendly society, will be told what is needed when we issue the notice to deliver a company tax return. We normally send notices to deliver company tax returns (*notice*) to all companies that have told us they are chargeable to tax soon after the end of their accounting period.

You normally have to deliver the company tax return within 12 months of the end of the return period, so a return for an accounting period starting on 01/01/2006 and ending on 31/12/2006 has to be made by 31/12/2007.

You can deliver your return online. Go to www.hmrc.gov.uk for more information and details of how to register. Alternatively, you can deliver your company tax return to your local office.

If we send the company a *notice* and the return is not delivered on time there are penalties to pay even if the company does not have to pay any tax. These start at £100 for a short delay but could be as much as £1,000 plus tax-related penalties of 20% of any unpaid tax for repeated failures and longer delays.

If we do not send the company a *notice* and the company is within the charge to CT it has to tell us within 12 months of the end of the accounting period. If it does not there are penalties that can be as much as any tax unpaid.

Guidance to help you complete form CT41G

General

You need to complete this form as soon as the company starts its first accounting period. You do not need to complete it if the company has not started. See *What to do now, at the start of the company's life* on page 1 and *What if the company is not active?* on page 2.

When you complete form CT41G please write clearly in capital letters and using permanent ink. Keep a copy of the completed form for your records. Please tell us if there are any changes to those details.

When we ask for a date please complete it in the format dd/mm/yyyy, for example 1 January 2006 should be entered as 01/01/2006.

Notes for specific entries

The following notes follow the order in which the boxes appear on form CT41G.

- 1 Enter the date when the company first came within the charge to CT - usually this is when it acquires a source of income (for example starts in business) or becomes resident in the UK, but it could be when some other taxable event occurs. This date is the start of its first accounting period for tax purposes. If you are not sure about this date ask your agent or contact the office whose address and telephone number are shown on form CT41G.
- 2 Only enter the company's full name as registered at Companies House if we do not show the correct name in the address panel on form CT41G. See the next note if the company's name we show has been abbreviated.
- 3 Complete this box only if the company has a registered name that is longer than 56 characters, including spaces, when we need to agree with you the name we can use for CT purposes. Follow the instructions given by the box.
- 4 Enter the company's registered number in full, including any letters and all numbers, for example AB 1234567.
- 5 Only complete this box if the address shown in the address panel on the top of form CT41G is not the one registered at Companies House.
- 6 Enter the main address from which the company is carrying on its business.
- 7 Briefly tell us what the company will be doing.
- 8 Enter the end date for the company's period of account. For example, if the company draws up accounts for the period 01/01/2006 to 31/12/2006 you enter 31/12/2006.
- 9 Enter both the names and addresses of the business and the person from whom you acquired the business.
- 10 Broadly a company is a member of a group of companies where one company is the 75% (or more) subsidiary of the other, or both are 75% (or more) subsidiaries of another. If the company fits into this category you must provide the name of the parent company and the address of its registered office. If you know the details please also provide the name of the group, the name of its HMRC office and the tax reference number of the parent company.
- 11 The company is an employer in relation to its directors and employees. In particular the obligation to operate code numbers and deduct and pay over tax and NIC from any relevant payments made to directors and employees exists as soon as you start to pay them. If you have started then enter the date.
- 12 You are required to enter the names and home addresses of the directors. Please enter the other details requested if you know them.
- 13 If you have appointed an agent please see *What if you have already appointed an agent to act for the company?* on page 1. Please tick the box and attach the authority if you have appointed an agent.
- 14 We prefer you to give a named contact and telephone number. This could be your agent if you have authorised one.
- 15 Letting us know the name of the PAYE office and its reference number will save us time and avoids any possibility of us setting up any unnecessary employer reference.
- 16 We prefer you to give a named contact and telephone number for contact about the company's PAYE obligations.
- 17 Please follow the instructions on the form and tick the box and enclose a copy of the company's Memorandum and Articles, if appropriate.

18 Tick this box only if you may need to deduct income tax and make a return on *form CT61*. Companies do not need to deduct tax from donations to charities, interest on quoted Eurobonds, or any payments paid to a company resident in the UK that is chargeable to UK CT, or any payments made to tax-exempt bodies such as local authorities, approved pension funds or government departments. But for any payment listed below, not paid to those listed above, you need to deduct tax and make a return on *form CT61*:

- Alternative finance payments
- Yearly interest (other than to a UK bank)
- Interest paid by building societies, banks or other deposit-takers
- Interest distributions by UK authorised unit trusts and open-ended investment companies
- The income element of purchased life annuities
- Certain annuities and other annual payments
- Certain royalties – there are special rules for paying royalties to non-residents
- Payments under non-charitable deeds of covenant
- Certain payments within 5 years of a demerger
- Distributions by unauthorised unit trusts.

Other help and publications you may find useful

Employers and PAYE

A company is also the employer for its directors and staff and you are therefore responsible for any deductions of tax and NIC under PAYE rules.

You may need to contact the New Employers Helpline on **0845 60 70 143** which is open Monday to Friday 8am to 8pm and Saturday and Sunday 8am to 5pm, or visit the website at **www.hmrc.gov.uk/employers**

VAT

The company may need to register for VAT. VAT is a tax on the final consumption of certain goods and services supplied to customers.

You only need to get involved if your annual turnover is above the VAT threshold. Visit the VAT pages on our website to find out what the current threshold is and what you may need to do. You may also need to contact the enquiries helpline for queries about Customs, Excise or VAT matters on **0845 010 9000**. The lines are open from 8am to 8pm Monday to Friday.

Starting up in business

This is an area on our website that includes lots of practical help. Much of it, including the online leaflet *Working for yourself - The Guide* is aimed at individuals who are self-employed but it does have some helpful contacts relevant to companies.

Other publications

A general guide to Corporation Tax Self Assessment (CTSA/BK4) explains the basic rules of corporation tax self-assessment and is aimed at anyone setting up or running a new company.

A modern system for corporation tax payments (CTSA/BK3) explains the basic rules for large companies that have to pay tax in instalments.

These two publications are currently available on our website under 'Leaflets and booklets' on our Corporation Tax pages and also from our Orderline by telephoning **0845 300 6555**. The Orderline is open from 8am to 10pm every day.