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Corporate Intangibles Research and Development Manual

From: [HM Revenue & Customs](#)
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CIRD20020 - Reinvestment relief: general matters and conditions to be satisfied: outline of detailed guidance

CTA09/PART8 S754 - S756

Conditions to be satisfied before relief is available

Reinvestment relief is only available if:

- a 'chargeable intangible asset' (including goodwill) is within CTA09/PART8 throughout the period held by a company or for a substantial part of that period ([CIRD20035](https://www.gov.uk/hmrc-internal-manuals/cird20035) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird20035>)) is realised ([CIRD13210](https://www.gov.uk/hmrc-internal-manuals/cird13210) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird13210>)), or
- there is a disposal of another intangible asset (including goodwill) leading to a gain within the CG code ([CIRD20050](https://www.gov.uk/hmrc-internal-manuals/cird20050) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird20050>)), and
- the realisation of the asset:
- generates net proceeds which exceed the cost of that asset (or a proportionate part of that cost where the asset is only partly realised) ([CIRD20060](https://www.gov.uk/hmrc-internal-manuals/cird20060) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird20060>)), and
- is an actual realisation not a deemed realisation ([CIRD20070](https://www.gov.uk/hmrc-internal-manuals/cird20070) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird20070>)) (though this rule is relaxed for certain deemed realisations in the context of degrouping - see [CIRD20460](https://www.gov.uk/hmrc-internal-manuals/cird20460) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird20460>)),
- does not arise on a part realisation to a related party - see [CIRD20080](https://www.gov.uk/hmrc-internal-manuals/cird20080) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird20080>)(this restriction does not apply to the part disposal of assets within the CG code),
- the investment in the 'new' assets:
- is made within the permitted period ([CIRD20110](https://www.gov.uk/hmrc-internal-manuals/cird20110) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird20110>)), and

- takes the form of expenditure which is capitalised in the company's accounts ([CIRD20120 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird20120\)\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird20120)),
- is in assets which are within CTA09/PART8 immediately after the expenditure is incurred ([CIRD20130 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird20130\)\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird20130), and
- is a real investment in a new asset and not a deemed acquisition or reacquisition (though the actual reacquisition of the asset realised qualifies) ([CIRD20140 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird20140\)\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird20140), and
- a valid claim to the relief is made ([CIRD20150 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird20150\)\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird20150)).

Computation

See [CIRD20200 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird20200\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird20200) onwards for the computation of the relief where the conditions set out above are satisfied.

Provisional relief

Provisional relief is possible under the procedure described in [CIRD20015 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird20015\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird20015).

Comparison with CG roll-over relief

See [CIRD20025 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird20025\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird20025) for a summary of points of similarity and difference between the two reliefs.

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