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## HMRC internal manual

# Corporate Intangibles Research and Development Manual

From: [HM Revenue & Customs](#)  
([/government/organisations/hm-revenue-customs](#))

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# CIRD20080 - Reinvestment relief: general matters and conditions to be satisfied: on realisation: part realisation of asset to related party

## CTA09/S850

### 1) Asset realised is a chargeable intangible asset within CTA09/PART8

Taxable credits on the realisation of chargeable intangible assets are outside the scope of

reinvestment relief if they arise on a part realisation ([CIRD13260 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird13260\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird13260)) where the interest in the asset realised is acquired by a 'related party' ([CIRD45105 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird45105\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird45105) onwards).

In general, the intention behind the legislation is that receipts that are currently of a revenue nature should not count as realisation proceeds and should not, therefore, be capable of deferral by means of a reinvestment relief claim. Instead, they should come within [CIRD13020 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird13020\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird13020).

Accountancy rules may not always provide an adequate framework for defining the boundary between the realisation and the ordinary exploitation of an asset in a way that is consistent with this intention. CTA09/S850 therefore prevents reinvestment relief from being available on a part realisation where the person acquiring the asset is a related party.

## 2) CG disposals of goodwill and intangible assets

There is no similar restriction to eligibility for reinvestment relief where there is a part disposal of an existing asset to a connected person giving rise to a capital gain (see [CIRD20050 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird20050\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird20050)).

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