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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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## CIRD45150 - Intangible assets: related party rules: definition of control: general

### CTA09/PART8/S836

For the purposes of the first two tests of relatedness in section 835 (see [CIRD45105](#) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird45105>)) section 836 applies essentially the same definition of control as that in CTA10/S1124. Section 836 reads:

“...in relation to a company, “control” means the power of a person to secure that the company’s affairs are conducted in accordance with the person’s wishes—”

1. by means of the holding of shares or the possession of voting power in or in relation to the company or any other company, or
2. as a result of powers conferred by the articles of association or other document regulating the company or any other company.’

## Points to note

1. For the purpose of determining whether a person (‘A’) controls a company the rights and powers of other persons can be attributed to A under the provisions described in [CIRD45180](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird45180) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird45180>) onwards.
2. Subject to this attribution power, the test is concerned with whether, as a question of fact (rather than inference from, say, powers on a winding-up), a person can control a company. It therefore differs from the definition of control in the close company provisions (see CTA10/S450 and CTM60200 onwards).
3. The CTA10/S450 definition of control does apply, however, in determining whether a company is a close company for the purpose of the third test of relatedness (section 835 (5)), outlined in [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>).

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