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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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[Back to contents](#) > [CIRD10000](#) > [CIRD12700](#)

## **CIRD12730 - Core computational rules: deductible debits: relief for capitalised expenditure on an intangible asset: acquired as part of a larger bargain: outline**

### **CTA09/PART8/S856 (1) - (3)**

This paragraph sets out the rules for attributing an acquisition cost to individual intangible assets where they are acquired along with other assets. These rules apply whenever assets are acquired

as part of one bargain and regardless of whether separate prices for the various assets have been agreed by the parties to the transaction.

Where values have been allocated to the individual assets by the company in its accounts in accordance with GAAP the values attributed to an intangible asset in accordance with that practice are acceptable for CTA09/PART8 purposes. An adjustment to arrive at the tax cost may, however, remain necessary, for example as a result of a reinvestment relief claim as mentioned in [CIRD12720 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12720\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12720).

It is implicit in this approach that any allocation of 'fair values' by a company to individual intangible assets on the acquisition of a business is acceptable for Part 8 purposes so long as it conforms to the principles set out in FRS102 s19. See [CIRD12735 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12735\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12735).

The allocation of values to intangible assets for Part 8 purposes where assets are acquired in other circumstances that fall within S856 is to be arrived at on a just and reasonable apportionment of the overall consideration. See [CIRD12740 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12740\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12740).

← **Previous page**

(/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12725)

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→ **Next page**

(/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12735)



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