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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](#) > [CIRD44000](#)

## CIRD44550 - Intangible assets: Restrictions for goodwill and relevant assets: FA15 realisations - relief due on subsequent realisation of a relevant asset where there are no previous third party acquisition costs CTA09/PART 8/S849D (3)

Realisation of a relevant asset

In addition to restricting when relief is given in respect of a relevant asset (see [CIRD44400](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird44400) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird44400>)) a further restriction applies on realisation of the relevant asset. Any debit arising on realisation is treated as a non-trading debit. This restriction limits how that debit can be utilised by the company.

## How the restriction applies

The normal rules allow trading debits to be regarded as expenses that can be brought into the computation of the profit or loss. This means that the normal loss relief rules can apply.

Non-trading debits and credits are brought into the CT computation in a way broadly similar to that adopted by the loan relationship rules. This means that the non-trading debits arising from a realisation of a relevant asset are first aggregated with other non-trading debits and credits. If the result is negative, i.e. there is a non-trading loss, the company may then:

- Set off the loss against the company's total profits for that accounting period ([CIRD13540](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird13540)) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird13520>)
- Surrender the loss as group relief ([CIRD13550](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird13550)) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird13550>)
- In so far as the loss is not dealt with by one or more of the above methods, it is automatically carried forward to the next accounting period and treated as a non-trading debit of that period.

The effect of treating a debit on realisation of a relevant assets as a non-trading debit, as opposed to a trading debit, is that the company cannot include the debit in the computation of a trading loss. In particular this means that that debit/loss

cannot be set against profits of an earlier accounting period.

For more details about how the rules operate in relation to non-trading debits see [CIRD13530](https://www.gov.uk/hmrc-internal-manuals/cird13530) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird13530>) onwards.

For realisations where the relevant asset includes previous third party acquisition costs see [CIRD44600](https://www.gov.uk/hmrc-internal-manuals/cird44600) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird44600>).

← **Previous page**  
(/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird44500)

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→ **Next page**  
(/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird44600)



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