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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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## CIRD191000 - R&D Tax Reliefs: reformed reliefs: going concern

### Definition CTA09/S1112G

A company is a going concern if all the following apply:

- its latest published accounts were prepared on a going concern basis (but see below regarding the exception for intra-group trade transfers)
- nothing in those accounts indicates that they were prepared on that basis only because of an

entitlement or expected entitlement to a credit or relief under CTA09/Part 13 (i.e. R&D relief or tax credit under either of the R&D schemes

- it is not in liquidation or administration

“Administration” means:

- administration under Part 2 of the Insolvency Act 1986 or Part 3 of the Insolvency (Northern Ireland) Order 1989 or
- a corresponding situation under the law of a country or territory outside the UK

“Liquidation” means:

- liquidation within section 247 of the Insolvency Act 1986 or Article 6 of the Insolvency (Northern Ireland) Order 1989
- a corresponding situation under the law of a country or territory outside the UK

### **Intra-group trade transfers**

If a company’s latest published accounts are prepared on a basis other than going concern solely because it transferred its trade and R&D to another company which is a member of the same group it may still be considered a going concern.

For the meaning of group see [CIRD164000](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird164000) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird164000>)).

This only applies where the transfer of the trade and R&D took place in the period covered by those accounts. Where accounts for another period are prepared on a basis other than going concern because of the transfer the exception does not apply for that period.

### **Example 1**

Company A prepares its accounts to 31 December each year. On 24/12/2026 it transfers its trade and R&D to Company B, another member of the group. Company A’s accounts for the period ended

31/12/2026 are prepared on a basis other than going concern because of the transfer.

Company A would be treated as a going concern for APE 31/12/2026 if the accounts for that period were the most recently published.

## Example 2

Company A prepares its accounts to 31 December each year. On 5/1/2027 it transfers its trade and R&D to Company B, another member of the group. Company A's accounts for the period ended 31/12/2026 are prepared on a basis other than going concern because of the transfer.

Company A would not be treated as a going concern for APE 31/12/2026 if the accounts for that period were the most recently published.

## **New merged scheme RDEC ("new RDEC" - CIRD110000 (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird110000>))**

CTA09/S1112F(1) - (3) provide that:

- where a company was not a going concern at the time a claim to new RDEC was made, no amount is payable at step 7 of the RDEC payment steps (see [CIRD112100 \(<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird112100>\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird112100))

However,

- if the company subsequently becomes a going concern on or before the last day on which it would be able to amend the claim (see [CIRD181000 \(<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird181000>\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird181000)), the amount again becomes payable

## **Enhanced R&D intensive support ("ERIS" - CIRD120000 (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird120000>))**

[manuals/corporate-intangibles-research-and-development-manual/cird120000](#)))

CTA09/S1112F(4) - (6) provide that claims to an additional deduction under CTA09/S1044 or payable tax credit under CTA09/S1054 cannot be made if the company is not a going concern.

Neither can an election be made under

CTA09/S1045 (see [CIRD122300](#)

<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird122300>)).

If a company makes a valid claim under CTA09/S1054, but subsequently ceases to be a going concern before the amount is paid, the claim is treated as not having been made.

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