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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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CIRD13020 - Core computational rules: taxable credits: receipts recognised as they accrue: general CTA09/PART8/S721

This provision encompasses all kinds of receipts from the exploitation of intangibles assets within CTA09/PART8, apart from the proceeds from realising assets (for which see [CIRD13010](#) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird13010>)). The receipts within

CTA09/S721 will mostly be of a revenue nature and in those circumstances there will often be no significant difference between how the receipt would be brought to account under Part 8 and how it would be treated if it were outside CTA09/PART8. So the question of whether or not a particular receipt is within S721 will often be an issue of no great practical consequence.

The taxable credit for a period of account in respect of a receipt of this nature will normally be the same as the accounting gain relating to that receipt, as recognised in a company's profit and loss account for that period.

The statute makes provision for the accounting gain to be subject to any adjustments for tax purposes (see [CIRD12030 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12030\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12030)). In practice, tax adjustments in this context are likely to be unusual but examples would be:

- a transfer pricing adjustment to increase the taxable credit (see [CIRD47060 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird47060\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird47060)), or
- the exclusion of an exempt grant (see [CIRD13030 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird13030\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird13030) below on grants generally).

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