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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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## CIRD98900 - R&D tax relief: legislative structure and time line: time line for changes

### Chronological list of changes

With two schemes in place, which interact with each other, and with amendments in subsequent Finance Acts, the time from which various changes apply can be tricky to identify. To make this process easier we have listed in time order the various changes. This is only intended as an aid to

comprehension, and more detailed guidance should be consulted in case of any doubt.

Date	Measure
01/04/00	SME scheme introduced. Minimum spend in an accounting period set at £25,000 per annum. Accounting periods straddling 1 April 2000 applied to expenditure on or after that date ( <a href="#">CIRD90000</a> )
28/07/00	DTI Guidelines on the meaning of R&D. Current Guidelines are at ( <a href="#">CIRD81900</a> )
01/04/02	Large company scheme introduced. Minimum spend in an accounting period set at £250,000 annum ( <a href="#">CIRD81600</a> )
01/04/02	SMEs able to claim under the large company scheme for qualifying expenditure where they were acting as subcontractor to large company and to claim under SME scheme in respect of expenditure incurred on or after this date ( <a href="#">CIRD89500</a> )
06/04/03	ITEPA changed the definition of staffing costs incurred in accounting periods ending on or after this date to include certain benefits ( <a href="#">CIF</a> )
09/04/03	For accounting periods beginning on or after this date, SMEs able to claim the relief under the large company scheme where they were barred from claiming under the SME scheme only by reason of not being in receipt of subsidised expenditure ( <a href="#">CIRD89000</a> )
09/04/03	For accounting periods beginning on or after this date the minimum spend in an accounting period set at £250,000

for large companies set at £10,000 ([CIF](#))

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09/04/03      Expenditure incurred on or after this date for large companies on externally provided work becomes qualifying expenditure ([CIRD8380](#))

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09/04/03      For expenditure on staffing costs incurred after this date there is no 80:20 arrangement for the large company scheme ([CIRD8380](#))

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27/09/03      For accounting periods beginning on or after this date minimum spend for SMEs set at £10,000 ([CIRD81600](#))

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27/09/03      Expenditure incurred on or after this date for large companies on externally provided workers became qualifying expenditure ([CIRD84000](#))

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27/09/03      For expenditure on staffing costs incurred after this date there is no 80:20 arrangement for the SME scheme ([CIRD83800](#))

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05/03/04      New guidelines on meaning of R&D issued. Brought into force by SI2004/712 for accounting periods ending on or after 1 April 2004 ([CIRD81900](#))

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01/04/04      ITEPA change to staffing costs reversed ([CIRD83250](#))

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01/04/04      Consumable items and computer software introduced as, and consumable stores included in, categories of qualifying expenditure. Expenditure on or after this date for both the SME and the large company schemes ([CIRD82450](#), [CIRD82300](#) and [CIRD82350](#))

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01/01/05	New EU definition of SME to be effective date ( <a href="#">CIRD91500</a> )
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01/01/05	Changes to the timing of the relief where expenditure incurred in accounting period beginning on or after this date is not written immediately to the profit and loss account ( <a href="#">CIRD98500</a> )
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31/03/06	For accounting periods ending on or after the time limit for claims to the enhanced against profits becomes the anniversary date for the CT return in which the claim made ( <a href="#">CIRD81800</a> )
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01/04/06	Expenditure incurred on or after this date by companies on subjects of clinical trials qualifying expenditure ( <a href="#">CIRD84400</a> )
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01/11/06	HMRC sets up specialist R&D units to check claims from companies dealt with outside LBS ( <a href="#">CIRD80300</a> )
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01/04/08	Clinical trials. New category of expenditure Scheme
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01/04/08	Enhanced deduction in Large Scheme from 125% to 130% of qualifying expenditure
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01/08/08	Enhanced deduction in SME Scheme increased from 150% to 175% of qualifying expenditure
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01/08/08	SME's and Vaccines schemes only. Limit on companies that are a going concern when made. ( <a href="#">CIRD75100</a> and <a href="#">CIRD81130</a> )
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01/08/08	SME and Vaccines schemes only. Limit on the total amount of aid which can go
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R&D project. ([CIRD81160](#))

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01/08/08 Definition of SME extended in relation to expenditure incurred on or after this date. ([CIRD91900](#))

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01/08/08 Vaccines Research Relief. Appropriate relief decreased from 50% to 40 % of qualifying expenditure. ([CIRD75600](#))

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01/08/08 Definition of staff costs extended to include overseas NI costs. ([CIRD83200](#))

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01/08/08 Vaccines Research Relief Change of conditions applying to subcontractor payments to a university or scientific research organisation. ([CIRD75525](#))

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01/12/08 Change of Status. ([CIRD92000](#))

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26/03/09 CTA 2009.

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9/12/09 SME scheme only. Removal of IP condition for accounting periods ending on or after this date. ([CIRD81550](#))

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01/04/11 Enhanced deduction in SME Scheme increased from 175% to 200% of qualifying expenditure.

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01/04/12 Enhanced deduction in SME Scheme increased from 200% to 225% of qualifying expenditure. ([CIRD80250](#))

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01/04/12 R&D threshold removed in relation to accounting periods ending on or after this date. ([C](#)

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01/04/12 Company not a going concern in administration or liquidation in relation to claims made or date. ([CIRD81130](#))

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01/04/12 Removal of restriction of tax credit to PAYE NIC liabilities in relation to accounting period ending on or after this date. ([CIRD9050](#))

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01/04/12 Vaccines Research Relief for SME's abatement in relation to expenditure incurred on or after this date.

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01/04/12 Calculation of qualifying expenditure on research and development provided workers relaxed in relation to expenditure incurred on or after this date. ([CIRD840](#))

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01/04/13 Research and Development Expenditure Credit (RDEC) introduced for expenditure incurred on or after this date.

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01/04/14 Payable tax credit rate increased from 14.5%.

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01/04/15 Consumable items: no relief for consumables that make up part of a product that is sold in the course of a company's ordinary business. Restriction applies to expenditure on consumable items incurred on or after this date.

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01/04/15 Enhanced deduction in SME scheme increased from 225% to 230% of qualifying expenditure.

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01/04/15 RDEC rate increased from 10% to 11% of qualifying expenditure.

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01/08/15	Institutions of higher education (including universities) and charities cannot claim expenditure incurred on or after this date.
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01/04/16	State aid cap (SME and Vaccines Research schemes only) formula amended to ensure SMEs continue to receive the same benefit as the calculation in s1114 CTA 2009 as previously.
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01/07/16	Finance Act 2016 permits HMRC to collect information from businesses which receive aid through the tax system, and to share and publish that information. The requirements set out in Article 9 of Commission Regulation (EC) No 659/2005 (General Exemption Regulation) (GBER) rules apply to all aid notified under either the GBER or certain other State aid guidelines.
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31/03/17	Vaccines Research Relief abolished in respect of expenditure incurred after this date.
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01/01/18	RDEC rate increased from 11% to 12% on qualifying expenditure.
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01/04/19	All claims for Research and Development Tax reliefs which form part of an amended return must include a completed R&D Expenditure Credit (RDEC) form and a Corporation Tax computation. These can be included as enclosures to an amended return. Potential claims without both the completed RDEC form and a Corporation Tax computation will be returned.
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01/04/20 RDEC rate increased from 12% to 13% qualifying expenditure.

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01/04/21 CT600L is a supplementary form that must be submitted with your Corporation Tax Return when you make your R&D tax credit claim.

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01/04/21 Introduction of the PAYE Cap. This means that the amount of payable R&D tax credit you can claim is limited to £20,000 plus 300% of its tax cost to you (Earnings (PAYE) and National Insurance Contributions (NICs) liability for the period). There are certain exceptions to the cap. [\(CIRD98900\)](#)

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01/04/23 For expenditure on or after 1 April 2023 the Research and Development Expenditure Credit (RDEC) rate will increase from 13% to 15%. The SME additional deduction will decrease from 87% to 86%, and the small and medium (SME) company credit rate will decrease from 10% to 9%.

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01/04/23 For accounting periods starting on or after 1 April 2023 Data licence and Cloud computing costs can be qualifying expenditure where the company is employed in activities which directly contribute to the resolution of scientific or technological uncertainty.

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01/04/23 For accounting periods starting on or after 1 April 2023:



- Some customers will need to submit a Notification form for their R&D claim to [\(CIRD81800\)](#)

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01/04/23 From 1 April 2023 the DSIT guidelines have been updated to make clear that activities relating to Pure Mathematics now meet the definition for tax purposes.

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01/08/23 For claims made on or after 8 August 2023, an R&D claim to be valid a customer must submit an Additional Information form.

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