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## HMRC internal manual

# Corporate Intangibles Research and Development Manual

From: [HM Revenue & Customs](#)  
([/government/organisations/hm-revenue-customs](#))

Published 11 March 2016

Updated: 10 September 2025 - [See all updates](#)

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## CIRD44080 - Intangible assets: Restrictions for goodwill and relevant assets: No business or no qualifying IP acquired CTA09/S879I

CTA09/S879I restricts debit relief in relation to acquisitions of relevant assets that are either

- not acquired as part of business acquisition (CTA09/S879I(1), or

- acquired as part of a business acquisition but that acquisition does not include any qualifying IP.

CT09/S879I broadly replicates the restriction that previously existed in CTA09/S816A.

## **Business acquisitions**

The words “business” and “acquisition” are not defined and so take their ordinary meaning. Whether or not a business has been acquired is a question of fact but where purchased goodwill has been recognised correctly in accordance with GAAP, or is capable of being recognised in accordance with GAAP, you can accept that a business has been acquired.

## **Intangible Fixed Asset**

Note that, in order to be taken into account, qualifying IP must be acquired for use on a continuing basis in the course of the business (so that it becomes an “intangible fixed asset” in relation to the acquiring company). If, therefore, a company doesn’t intend to use it, that IP cannot be qualifying IP even if it was an intangible fixed asset immediately before the acquisition. See also [CIRD11170 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird11170\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird11170) for the definition of intangible fixed asset.

## **When the restriction applies**

The restriction applies to debits arising under Chapters 3, 4 and 15. For further details of the restrictions see [CIRD44070 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird44070\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird44070).

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