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HMRC internal manual

Corporate Intangibles Research and Development Manual

From: [HM Revenue & Customs](#)
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CIRD89890 - R&D Tax reliefs: R&D expenditure credit (RDEC) scheme: frequently asked questions

1. Are there any circumstances where the RDEC will attract interest?

On occasion due to the systems currently in place and the processing procedures that we must comply with. HMRC will not seek to recover these amounts, however it is important to note that they are not an entitlement as the RDEC does not fall

within the rules for interest on under or over payment of a CT.

2. How quickly will my RDEC be paid?

It's important for large companies claiming the RDEC to contact their Customer Compliance Manager (CCM) regarding the timings for payment of the RDEC as soon as possible.

3. My accounting period straddles two financial years and consequently two main rates of tax, what rate do I apply to the RDEC?

The main rate of corporation tax should be apportioned on a time basis, in the same way that it would be apportioned for other profits. However marginal relief is not taken into consideration.

4. My company made a loss so there has been a notional tax restriction, how do I keep track of it for future set offs?

The RDEC, including the notional tax restriction is processed manually. You will therefore need to keep in contact with your Customer Compliance Manager (CCM) and hold appropriate records to ensure that you can keep track.

5. Will my company be taxed twice in certain circumstances say when in Year 1 no claim is made in the accounts for RDEC, but when a CT return is submitted at a later date an RDEC claim is made?

There is no intention to tax the RDEC twice. All RDEC claims will be processed manually, so should anything like this happen you should in the first instance, seek advice from your Customer Compliance Manager.

6. Which boxes should be completed on the CT600?

Accounting periods beginning before 1 April 2015

- **Box 87** - You should enter the amount of RDEC before any restrictions for notional tax or PAYE/NIC i.e. the amount before step 1. The amount entered in this box should also include any RDEC brought forward from a previous period that is treated as a credit for this period.
- **Box 89** - You should enter the sum of box 87 minus box 86 or a 0 (zero) if the result is negative. This box will show the total amount of R&D tax credit, RDEC or Creative tax credits that are potentially payable after taking into account the liability for the year i.e. after covering the tax payable figure at box 86.
- **Box 93** - Any RDEC entry made in Box 87 that is not set against the liability (Box 86) will flow through to this box along with other net credits and payments. This box will show the amount that is potentially overpaid for the period and will include any RDEC that is potentially payable before steps 2 to 7 have been applied.
- **Box 143** You should enter the final amount payable to the company after all seven steps have been completed.

Note: there is no connection between boxes 93 and 143 because the CT600 return form does not reflect steps 2-6.

Accounting periods beginning on or after 1 April 2015

- **Boxes 530 and 545** - You should enter the amount of RDEC before any restrictions for notional tax or PAYE/NIC i.e. the amount before step 1. The amount entered in this box should also include any RDEC brought forward from a previous period that is treated as a credit for this period.
- **Box 570** - You should enter the sum of box 545 minus box 525 or a 0 (zero) if the result is negative. This box will show the total amount of R&D tax credit, RDEC or Creative tax credits that are potentially payable after taking into account the liability for the year i.e. after covering the tax payable figure at box 525.

- Box 605 - Any RDEC entry made in Box 545 that is not set against the liability (Box 525) will flow through to this box along with other net credits and payments. This box will show the amount that is potentially overpaid for the period and will include any RDEC that is potentially payable before steps 2 to 7 have been applied.
- Box 880 - You should enter the final amount payable to the company after all seven steps have been completed.

Note: there is no connection between boxes 605 and 880 because the CT600 return form does not reflect steps 2-6.

Claims for RDEC which are made on or after 1 April 2021

From 1 April 2021 the CT600 has a supplementary sheet, the CT600L, which must be completed when making a claim for RDEC.

Guidance on completing the CT600L supplementary sheet can be found online here;

<https://www.gov.uk/guidance/supplementary-pages-ct600l-research-and-development>
[\(https://eur03.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.gov.uk%2Fguidance%2Fsupplementary-pages-ct600l-research-and-development&data=05%7C01%7Cphilip.hamblin%40hmrc.gov.uk%7C2bd30e427afc4db6b7ae08dae287cb28%7Cac52f73cfd1a4a9a8e7a4a248f3139e1%7C0%7C0%7C638071370092742930%7CUnknown%7CTWFpbGZsb3d8eyJWlIjoIJC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6IjkihaWwiLCJXVCiI6Mn0%3D%7C3000%7C%7C%7C&sdata=jXZcML%2FrfjTFNOrkW8oGyca79cUgQrAWy4honic6e7KRE%3D&reserved=0\)](https://eur03.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.gov.uk%2Fguidance%2Fsupplementary-pages-ct600l-research-and-development&data=05%7C01%7Cphilip.hamblin%40hmrc.gov.uk%7C2bd30e427afc4db6b7ae08dae287cb28%7Cac52f73cfd1a4a9a8e7a4a248f3139e1%7C0%7C0%7C638071370092742930%7CUnknown%7CTWFpbGZsb3d8eyJWlIjoIJC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6IjkihaWwiLCJXVCiI6Mn0%3D%7C3000%7C%7C%7C&sdata=jXZcML%2FrfjTFNOrkW8oGyca79cUgQrAWy4honic6e7KRE%3D&reserved=0)

7. In practice, how does my company use the RDEC to set off liabilities under a contract settlement or VAT liabilities or a future PAYE liability?

The claims to RDEC will be processed manually. The company will therefore need to give details of the set offs to the CCM so they can be actioned

8. Are there any specific disclosure requirements for the RDEC?

A claim to RDEC will need to be made in the return or amended return. Other than this there are no other specific disclosure requirements.

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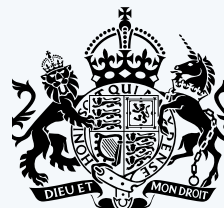
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