

Beta This part of GOV.UK is being rebuilt – [find out what beta means \(/help/beta\)](#)

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](#)

[Back to contents](#) > [CIRD10000](#) > [CIRD12500](#)

CIRD12530 - Core computational rules: deductible debits: general matters and adjustments for tax purposes: expenditure charged to the profit and loss account as it accrues

CTA09/PART8/S728

General rule

Subject to the exception for previously capitalised expenditure described below, CTA09/S728 provides that expenditure on an intangible asset gives rise to a deductible debit for the period of account in which it is written off to a company's profit and loss account (see [CIRD12220](https://www.gov.uk/hmrc-internal-manuals/cird12220) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12220>)).

A deduction is therefore due for any expenditure treated in this way for accounting purposes, which falls within the (wide) definition described in [CIRD12250](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12250) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12250>). Examples include expenditure:

- on maintaining or preserving an asset;
- on defending title to it;
- by way of royalties for its use; or
- for the purpose of acquiring or creating an asset which in the event proves abortive.

Priority of other provisions

But sums written off to the profit and loss account, which represent previously capitalised expenditure, should be excluded from S728 and relieved instead:

- under the rules in CTA09/PART8/CHAPTER4 if the sums are written off on the realisation of the asset (see [CIRD13210](https://www.gov.uk/hmrc-internal-manuals/cird13210) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird13210>) onwards), or otherwise,
- under CTA09/PART8/S729 (see [CIRD12700](https://www.gov.uk/hmrc-internal-manuals/cird12700) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12700>)).

Sums written off on the realisation of intangible assets, which have never appeared on a formal

balance sheet simply because the assets turn out to have been sold shortly after acquisition, should be dealt with under CTA09/PART8/CHAPTER4.

Tax adjustments

Sums that would otherwise give rise to deductible debits under section 728 are 'subject to any adjustment required by this Part or TIOPA10/PART4 (provision not at arm's length)'.
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) for the meaning of this expression generally,
- [CIRD12580 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12580\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12580) onwards for the adjustments likely to be in point.

← **Previous page**
(/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12510)

→ **Next page**
(/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12550)





All content is available under the Open Government Licence v3.0, except where otherwise stated