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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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CIRD40020 - Intangible assets: groups: significance of

Why does it matter if there is a group relationship?

Whether there is a group relationship affects a number of other provisions. In particular:

- transfers of chargeable intangible assets ([CIRD20035 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird20035\)](#)) between group

members generally take place on a tax-neutral basis ([CIRD40200 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird40200\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird40200));

- as a consequence there is a ‘degrouching’ adjustment on a company leaving a group while holding an asset that has been transferred to it on tax-neutral terms ([CIRD40500 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird40500\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird40500));
- a taxable credit on degrouching can be reallocated between group members ([CIRD40705 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird40705\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird40705));
- in certain circumstances unpaid tax arising from a degrouching charge can be recovered from (principally) some other group members ([CIRD40720 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird40720\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird40720)),
- expenditure on new assets by other group members may count for reinvestment relief ([CIRD20400 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird20400\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird20400)); and
- reinvestment relief may also be available when the reinvestment takes the form of shares in another company that becomes a group member as a result ([CIRD20420 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird20420\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird20420)).

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