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HMRC internal manual

Corporate Intangibles Research and Development Manual

From: [HM Revenue & Customs](#)
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CIRD25140 - Intangible assets excluded from CTA09/PART8 as special tax rules apply: except as regards royalties: computer software treated as part of cost of related hardware

CTA09/PART8/S813

Expenditure on computer software is in some circumstances treated for accounting purposes as a tangible fixed asset and not as an intangible asset. For example, this might be the

case when the software is an integral part of the related hardware. In those circumstances, the software is excluded from CTA09/PART8 except as regards royalties.

Other computer software expenditure is not excluded by this section and may well amount to an intangible fixed asset. Capital expenditure on software, however, may be the subject of an election to exclude it from CTA09/PART8 and to take capital allowances instead. (See [CIRD25180](https://hmrc.sharepoint.com/sites/COM182801224/SitePages/cird25180.aspx) (<https://hmrc.sharepoint.com/sites/COM182801224/SitePages/cird25180.aspx>).)

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