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HMRC internal manual

Corporate Intangibles Research and Development Manual

From: [HM Revenue & Customs](#)
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CIRD30650 - Intangible assets: notes on accounting practice: internally generated assets

Internally generated goodwill

FRS102 does not permit the recognition of internally generated goodwill.

Internally generated intangible assets other than goodwill

Under FRS102 s18, internally generated intangible assets other than goodwill can be capitalised if they meet the general recognition criteria ([CIRD 30530 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird30530\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird30530)). However, the recognition of internally generated brands, logos, publishing titles, customer lists and similar items is specifically prohibited. In addition the following cannot be capitalised – start up activities, training activities, advertising and promotion costs and relocation / reorganisation costs.

It should be noted that the specific prohibitions relate to internally generated assets only. Such assets can be capitalised when they are purchased, either separately or as part of the acquisition of a business, subject to the general recognition criteria being met.

FRS105 s13

The principle difference between FRS105 s13 and FRS102 s18 which may have an impact for Part 8 purposes is as follows:

- FRS105 s13 prohibits the recognition of all internally generated intangible assets.

IAS38/FRS10

As is the case under FRS102 s18, both IAS38 and FRS10 prohibit the recognition of internally generated goodwill but permit other internally generated intangible assets to be capitalised if they meet certain criteria. While there are some differences in the criteria, it is unlikely that there will be a significant difference in the nature of internally generated intangible assets that are capitalised.

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