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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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[Back to contents](#) > [CIRD10000](#) > [CIRD48000](#)

CIRD48105 - Intangible assets: avoidance: tax-driven transactions: approach to take CTA09/S864

The availability of tax deductions based on a company's depreciation policies in respect of its intangible assets may well create relatively novel opportunities for tax avoidance. In many circumstances these possibilities are addressed by the rules outlined earlier in this section of the manual. As a second line of defence, however, CTA09/PART8 contains an anti-avoidance rule

aimed at predominantly tax-driven arrangements intended to take advantage of this approach.

The rule should only need to be invoked rarely and usually only in cases where substantial amounts of tax are at stake. Moreover, before enquires intended to establish whether the provision may be in point are opened, it needs to be borne in mind that the work in taking enquires to their conclusion is likely to be time consuming and resource intensive, both for HMRC and for the company concerned.

Where caseworkers, having established the facts, consider there is a good case for applying CTA09/S864 they should seek the advice of technical specialists in BAI and CAD before putting forward detailed contentions.

The specialists are also very willing to give informal advice at an earlier stage, in relation to enquiries intended to establish whether there is a case for applying the anti-avoidance rule.

Lay-out of guidance

Guidance on CTA09/S864 is organised as follows:

- outline of provision - [CIRD48110](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird48110)
(<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird48110>),
- relationship with other provisions - [CIRD48120](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird48120)
(<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird48120>),
- whether tax avoidance a main object of arrangements - [CIRD48130](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird48130)
(<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird48130>),
- examples of situations where provision may be in point - [CIRD48140](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird48140) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird48140>),

- counteraction - [CIRD48150](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird48150)
(<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird48150>).

← **Previous page**
(/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird48050)

→ **Next page**
(/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird48110)



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