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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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CIRD45180 - Intangible assets: related party rules: definition of control: power to attribute interests of one person to another: general

CTA09/PART8/S838 - 840 and S842 - 843

These sections describe the requirement to attribute to a person ('A') the rights and powers of other persons associated with A in certain specified ways. The rules are applied in

considering whether a person (a natural person or a legal entity) controls a company under either of the first two tests outlined in section 835 (see [CIRD45105 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird45105\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird45105)).

Whether one controls the other ([CIRD45150 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird45150\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird45150)) is relevant not only in directly establishing whether the parties are related but also indirectly, in considering whether one has a 'major interest' ([CIRD45160 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird45160\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird45160)) in the other and are therefore related in that way.

Rights and powers to be attributed - outline

The rights and powers that may be attributed to A for this purpose are:

1. the rights and powers of:

- a person ('B') 'connected' with A,
- other persons connected with B.

1. the rights and powers of any person which that person must, or may be required to, exercise:

- on A's behalf,
- under A's direction, or
- for A's benefit.

1. rights and powers which A is entitled to acquire, whether the entitlement is a current one or will only come into existence on some date in the future.

See [CIRD45190 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird45190\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird45190) for guidance on (1),

including the special definition of a 'connected person' for the purposes of Part 8.

See [CIRD45195 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird45195\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird45195) for guidance on (2).

Interests held jointly

There are special rules for rights and powers held jointly, including those in partnerships or held by partnerships. See [CIRD45200 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird45200\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird45200).

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