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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](#)

CIRD97050 - R&D tax relief: avoidance: introduction

This section addresses the question of avoidance within the R&D regime. With any system that provides tax incentives there will be those who seek to exploit them by artificial means either without actually carrying out the required activities, or by doing so on a smaller scale than claimed. It is necessary to be alert to avoidance attempts, but without this colouring the approach to the vast majority of genuine claimants.

If an HMRC officer suspects that he has identified artificial avoidance arrangements the officer will notify the [R&D Policy team](#) at an early stage, even if the officer thinks there may be no available challenge. There is further guidance at:

- [CIRD97100 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird97100\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird97100) types of avoidance,
- [CIRD97150 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird97150\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird97150) specific statutory defences
- Counter-Avoidance Technical Team

Other approaches to challenging avoidance

It should not be assumed that any challenge to avoidance would be confined to the specific anti avoidance legislation. There may be challenges derived from accountancy, other tax law, or challenges to the factual accuracy or the correct analysis of what has been reported to have taken place.



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