

Beta This part of GOV.UK is being rebuilt – [find out what beta means \(/help/beta\)](#)

HMRC internal manual

Corporate Intangibles Research and Development Manual

From: [HM Revenue & Customs](#)
([/government/organisations/hm-revenue-customs](#))

Published 11 March 2016

Updated: 10 September 2025 - [See all updates](#)

[Back to contents](#) > [CIRD10000](#) > [CIRD20000](#)

CIRD20040 - Reinvestment relief: general matters and conditions to be satisfied: by asset realised: chargeable intangible asset requirement: telecommunications assets and Lloyd's syndicate capacity

CTA09/S897 (3) AND S905 (6)

Background

As explained in [CIRD11740](#)

(<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird11740>) and [CIRD11750](#) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird11750>), the time test (which partly determines whether an intangible asset comes within CTA09/PART8 - see [CIRD11500](#) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird11500>)) is relaxed for:

- syndicate capacity enabling a company to write insurance business at Lloyd's, and
- telecommunications rights and licences within FA00/SCH23.

These assets come within CTA09/PART8 even though they may have been acquired prior to a company's first accounting period to which the rules in CTA09/PART8 apply.

The combination of this relaxation and the requirement, for the purposes of reinvestment relief, that the asset realised must have been a chargeable intangible asset throughout the period in which it was held (see [CIRD20035](#) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird20035>)) would have inhibited reinvestment relief on the realisation of assets of this kind acquired prior to the first accounting period mentioned above.

This is because an asset is only a chargeable intangible asset at a particular time if a gain on its disposal would create a taxable credit within Chapter 4 of CTA09/PART8 (see [CIRD20035](#)). But no such taxable credit would arise on a hypothetical realisation prior to the first accounting period for which the rules in CTA09/PART8 apply.

So, without special provision, reinvestment relief would either be unavailable or would be restricted in the way described in [CIRD20035](#), in spite of the fact that gains on the disposal of these assets

would have been taxed as income under the legislation which Schedule 29 supersedes.

Legislative provision

To avoid this consequence, CTA09/PART8 provides that syndicate capacity and licences or rights within FA00/SCH23 that are acquired prior to the first accounting period of a company for which the rules in CTA09/PART8 apply to that company are to be regarded as 'chargeable intangible assets' from acquisition to the beginning of that accounting period. See also [CIRD70710 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird70710\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird70710).

← **Previous page**
(/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird20035)

→ **Next page**
(/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird20050)



OGL

All content is available under the [Open Government Licence v3.0](#), except where otherwise stated



© Crown copyright