

**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](#) > [CIRD80000](#) > [CIRD89700](#)

## CIRD89870 - R&D Tax reliefs: R&D expenditure credit (RDEC) scheme: effect on quarterly instalment payments (QIPs)

Companies who claim the RDEC will have an increased corporation tax liability compared to a company claiming an enhanced deduction under the Large Company Scheme. This will increase QIPs payable. The RDEC is a stand-alone credit and so is not a deduction in calculating the corporation tax liability. Consequently it cannot come into the calculation of quarterly instalment payments.

The legislation at S104N says at Step 1, that the set-off amount is to be applied in discharging any liability of the company to pay corporation tax for the accounting period. This doesn't require it to be outstanding, just for there to be a liability. If the liability has already been paid (E.g. via QIPs) and a set-off is applied, then it means the liability becomes overpaid and a repayment arises. However, the set-off will go with a later effective date of payment (EDP) and there will be no repayment interest.

In addition companies may use the RDEC to discharge a QIP at step 4 of section 104N, but this will depend on whether a QIP is due at the time the claim for the RDEC is made. Step 4 of section 104N says 'the amount remaining after step 3 is to be applied in discharging any liability of the company to pay corporation tax for any other accounting period'. The liabilities are those due at the time the claim is made.

Also, once the company has submitted a return and made a valid RDEC claim, subject to there being no other liability (per steps 1-6 of section 104N), it could choose to use the credit to discharge future QIPs. These are likely to be QIPs for the following accounting period unless tax is overdue.

As RDEC carries an effective date of the date of set-off, this affects the CT interest provisions so that generally interest will not accrue on any amounts that are due back to the company. There may be some instances where small amounts of interest will arise as a result of processing procedures. HMRC will not seek to recover these amounts. Companies should make contact with their customer compliance manager (CCM) if they have any concerns.

← **Previous page**

**(/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird89860)**

→ **Next page**  
**(/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird89880)**



**OGI**

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



[© Crown copyright](#)