

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](#) > [CIRD13000](#)

CIRD13050 - Core computational rules: taxable credits: revaluation of intangible assets

CTA09/PART8/S723

Accounting practice

As explained in [CIRD30580](#)
(<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird30580>), in extremely limited

circumstances the carrying amount of an intangible asset in a company's accounts may be increased. GAAP permits this only where:

- an asset with a fair value that can be determined by reference to an active market (that is, a market where all items traded are homogenous, where willing buyers and sellers can be found at any time, and where prices are available to the public) is revalued upwards,
- an impairment loss is reversed (in the circumstances described in [CIRD30550](https://www.gov.uk/hmrc-internal-manuals/cird30550) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird30550>)).

Tax result

The resulting uplift in the value of the asset gives rise to a taxable credit that is the lesser of:

- the uplift pro-rated for any previous divergence (see [CIRD12760](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12760) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12760>) and [CIRD12770](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12770) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12770>)) between the accounting value and the tax written down value of the asset, and
- the total debits deducted for sums written off the asset on the accounts basis (see [CIRD12755](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12755) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12755>)) less any revaluation credits recognised for past periods.

[CIRD13060](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird13060) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird13060>) contains an example of the necessary computation.

Asset value adjusted on change in accounting policy

Guidance on the application of the regime where an asset value is adjusted on a change of accounting policy is provided at [CIRD12300](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12300) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12300>) onwards.

Circumstances outside S723

1. S723 does not deal with the (similarly exceptional) case where an asset with a fair value that can be determined by reference to an active market is first recognised on the balance sheet of the company that has been holding it. In that case the credit entry matching the value of the asset recognised is only a taxable credit to the extent that it represents a reversal of previous deductible debits (see [CIRD13090](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird13090) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird13090>)).
2. Where the asset is subject to an election for fixed rate deductions ([CIRD12905](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12905) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12905>)), no part of any uplift is taxable and the subsequent deductions due are unaffected.

Deductions for sums subsequently written off asset

See [CIRD12790](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12790) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12790>) for guidance on the accounts-based deductions due for the amortisation or impairment of an asset following its revaluation.

← **Previous page**

(/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird13030)

→ **Next page**
(/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird13060)



OGI

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



[© Crown copyright](#)