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HMRC internal manual

Corporate Intangibles Research and Development Manual

From: [HM Revenue & Customs](#)
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CIRD80525 - Practice note for ISBC and WMBC

Research and Development tax relief - our approach to handling claims

The UK's R&D tax incentives are designed to encourage greater R&D spending in order to promote business investment in innovation. The strong message from businesses is that simplicity, consistency and certainty are key in achieving the aims of the relief. Information about how HMRC

handles R&D claims and enquiries, in line with these aims, is published at [CIRD80520](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird80520) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird80520>). This practice note details the service that companies and their advisors can expect to receive from Officers in ISBC and WMBC when reviewing R&D claims.

We will be sympathetic and supportive when dealing with queries from companies or when making enquiries into their claims. In return we expect companies, and their agents, to be open and clear about their R&D activities and to be helpful and co-operative should HMRC staff have any queries concerning their claims.

HMRC Officers have a role in improving the consistency of claims treatment, helping companies to prepare accurate claims to R&D relief, and achieving a balanced focus on non-compliance.

Getting it right

We will provide support and advice to companies and agents who contact us with queries about the R&D tax relief regimes, so that they are able to make timely and accurate claims to relief:

- We publish our best practice guidance on Gov.uk, including our [R&D Guidelines for Compliance](https://www.gov.uk/government/publications/help-to-see-if-your-work-qualifies-as-research-and-development-for-tax-purposes-gfc3) (<https://www.gov.uk/government/publications/help-to-see-if-your-work-qualifies-as-research-and-development-for-tax-purposes-gfc3>), to help companies prepare their claims
- We will advise companies on the nature and extent of records they should keep in support of a claim

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Before making a claim

If you are submitting your first R&D claim, have had an R&D claim rejected, claimed by amendment to your return or claimed for an accounting period beginning on or after 1 April 2023, you may need to submit a [claim notification](#).

Companies claiming under all schemes are required to complete an Additional Information Form (AIF) for each accounting period where there is a claim for R&D Relief. Guidance on completing the [AIF \(https://www.gov.uk/guidance/submit-detailed-information-before-you-claim-research-and-development-rd-tax-relief\)](https://www.gov.uk/guidance/submit-detailed-information-before-you-claim-research-and-development-rd-tax-relief) has been published to help when completing the form. The information provided on the AIF is used by Officers reviewing claims.

Once filed

Our aim is to pay 85% of payable tax credits within 40 days or contact you regarding the claim within 40 days. We may need to change this temporarily when there is an increase in the number of R&D claims being submitted. This aim does not apply to claims which are, in [exceptional circumstances \(https://www.gov.uk/file-your-company-accounts-and-tax-return\)](https://www.gov.uk/file-your-company-accounts-and-tax-return), not made electronically or to claims which do not include accurate Bankers' Automated Clearing Services (BACS) details. If we decide not to make a payment because we think the claim may be incorrect, we will aim to open an enquiry within 60 days of receiving the claim. These aims do not replace the [statutory time limits \(https://www.gov.uk/hmrc-internal-manuals/enquiry-manual/em1510\)](https://www.gov.uk/hmrc-internal-manuals/enquiry-manual/em1510) for making enquiries into Corporation Tax returns. If we decide to make a payment, then we may still make an enquiry into the claim within the statutory time limit.

For most SME companies submitting R&D claims, the allocated team or Officer handling the claim will address all corporation tax matters. However, certain issues may be referred to other HMRC teams if deemed appropriate.

Where companies have a CCM (Customer Compliance Manager) or CC (Customer Coordinator), claims will be dealt with under their normal arrangements.

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Conduct of enquiry

All company tax returns are subject to a risk assessment process. The overall objective of any enquiry, whether it is into the R&D claim or any other aspect of the company tax return, will be to ensure that the company is in receipt of the correct amount of relief and that it has paid the correct amount of tax. After the enquiry the company will, if necessary, be advised on how to improve the content and accuracy of its return and any claims for later years.

- During the course of an enquiry into an R&D claim, officers may request to discuss the claim with the company's management and technical experts.
- During the course of an enquiry, we will request the information needed to confirm that the company is undertaking R&D projects as defined by the Department for Science, Innovation and Technology guidelines and claiming for qualifying costs.
- We will keep our requirements for the production of records to the minimum compatible with reasonable assurance. To this end we will aim to ask for all necessary information as early in the enquiry as possible. However, it may be necessary to request additional information if new issues emerge during the course of an enquiry.
- We will keep companies informed of the progress of the enquiry. If at any stage a company feels that it has not been informed, it can use the contact details given on the latest enquiry correspondence to find out what is

happening and what the next steps towards resolving the enquiry are.



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