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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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## CIRD250100 - Patent Box: anti-avoidance: overview

### CTA10/Part 8A/Chapter 6

This section addresses the question of avoidance within the Patent Box regime. As with any system that provides tax incentives there will be those who seek to exploit them by artificial means, either by utilising commercially irrelevant rights, incorporation of a patented item with the main purpose of securing that the profits are treated under the Patent Box regime, or schemes

orchestrated in such a manner as to increase or bring profits into the scheme.

These rules are not intended to colour the approach to the vast majority of genuine claims but to provide defences against artificial attempts to exploit the rules.

If an HMRC officer considers that a company may have entered into an avoidance arrangement the officer should notify BAI (CT Incentives & Reliefs team) at an early stage, even if the officer thinks there may be no available challenge.

There is further guidance at:

- [CIRD250110 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird250110\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird250110) Licenses conferring exclusive rights,
- [CIRD250120 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird250120\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird250120) Incorporation of qualifying items
- [CIRD250130 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird250130\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird250130) Tax Advantage schemes

## 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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