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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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[Back to contents](#) > [CIRD75000](#)

## CIRD75400 - VRR: qualifying expenditure: on sub-contracted R&D

### FA02/SCH13/PARA6 - 11

A company can claim VRR for its qualifying expenditure on R&D which it has sub-contracted to someone else.

Qualifying expenditure on sub-contracted R&D is payments made by a company (the principal) for R&D contracted out by it to another person (the sub-contractor) that satisfy certain conditions. For expenditure incurred on or before 31 July 2008 the

treatment of the expenditure and the relief available differed depending upon who the sub-contractor. There were two situations:

- sub-contractor a charity, university or scientific research organisation [CIRD75525](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird75525) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird75525>),
- sub-contractor not a charity, university or scientific research organisation [CIRD75550](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird75550) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird75550>).

← **Previous page**

(/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird75300)

→ **Next page**

(/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird75500)



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