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## HMRC internal manual

# Corporate Intangibles Research and Development Manual

From: [HM Revenue & Customs](#)  
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## CIRD70705 - Telecommunications licences and rights: transition to intangible regime: transitional provisions (CT only)

The rules in FA00/SCH23 cease to apply for the purposes of CT for accounting periods ending on or after 1 April 2002 and are superseded by the rules in FA02/SCH29. However, FA00/SCH23 continues to apply for the purposes of income tax.

For accounting periods ending on or after 1 April 2002 the rules in FA02 will apply to the licences

and rights to which the rules in FA00 applied as if the amounts brought into account for tax purposes under FA00/SCH23 had been brought into account under FA02/SCH29. See [CIRD11740](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird11740) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird11740>).

## Example

Genova Ltd acquired an IRU on 1 April 2001 for £5 million. In the accounting period ended 31 March 2002 it amortised the costs by £500,000 and was allowed a deduction of that amount under FA00/SCH23.

On 1 April 2002 it disposed of the IRU for £4.75 million. A gain on disposal of £250,000 is recognised in the profit and loss account for the period ended 31 March 2003 and taxed under FA02/SCH29.

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