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## 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](#)

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## CIRD30090 - Intangible assets: GAAP: conformity with: nature of accounting judgements

### Absence of single ‘right’ answer

The application of GAAP is not a case of mechanically applying a set of rules to particular facts. The exercise will necessarily involve accounting judgement. In the case of the GAAP standards for goodwill and intangible assets, that judgement will most often be needed in determining over what period an intangible asset

in the balance sheet should be written off. In many situations it will not be possible to say that only one set of figures conforms with GAAP. For example, it may well be that the amortisation of an asset over any period between 5 and 10 years can be justified on the particular facts.

However, when looking at the range of possible judgements which generate figures conforming with GAAP the company must have regard to the requirement to use judgement in developing and applying an accounting policy that results in information that is relevant and reliable. See [CIRD30140 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird30140\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird30140) on the need to involve HMRC advisory accountants in enquiries.

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