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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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CIRD98100 - R&D tax relief: legislative structure and time line: SME scheme FA00/SCH20 - now at CTA09/Part 13 Chapters 2-4

The R&D relief scheme for SMEs was introduced in FA00/S69 and FA00/SCH20. Because this regime came first it introduced many of the concepts that are then also used in the large company scheme and the RDEC. The SME scheme is underpinned by a definition of an SME that draws on an EC recommendation. This is

because the SME scheme is a State Aid under European Law. If it was not limited to SMEs as defined in accordance with EU definitions it could exceed the permitted intensity of State Aids which are higher for SMEs than they are for large companies.

Some detailed rules relating to the R&D relief are contained in FA98/SCH18 - where the rules relate to aspects of the scheme that interact with the corporation tax self assessment regime.

Details of the SME scheme are at [CIRD90000](https://www.gov.uk/hmrc-internal-manuals/cird90000) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird90000>) onwards.

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