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HMRC internal manual

Corporate Intangibles Research and Development Manual

From: [HM Revenue & Customs](#)
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CIRD88000 - R&D tax reliefs: large company scheme: pre-trading expenditure

Under CTA09/S61 pre-trading expenditure is normally treated as incurred on the first day that trading occurs. A deduction for the expenditure is allowed against the profit of the first accounting period in which the company trades.

R&D tax relief for large companies is dealt with in the same way.

However where the pre-trading expenditure was incurred before 1 April 2002 the expenditure does not attract R&D tax relief (CTA09/Sch2 Paras 113 & 114).

Pre-trading expenditure for SMEs is dealt with at [CIRD90200 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird90200\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird90200).

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