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**

CIRD11780 - intangible assets within CTA09/PART8: FA02 rule exceptions: fungible assets: additions to existing holdings: anti-avoidance rule

CTA09/PART8/S900M

CTA09/S900M (previously CTA09/S891(3) - (7)) amends the treatment in relation to the acquisition of fungible assets that would otherwise satisfy the FA02 rule, and/or come within the special rules in CTA09/CHAPTER16A, where the acquisition can be identified with the disposal of assets of the same kind.

Acquired fungible assets of this kind are to be identified as far as possible with assets realised within thirty days before or thirty days after the acquisition.

In applying this test assets realised earlier are to be identified before assets realised later and assets acquired earlier before assets acquired later.

Example

Facts

A company holds 100,000 units of a pre-FA 2002 fungible asset on 1 July 2020 and buys another 20,000 standard intangible fixed assets on 15 July 2020. It sells 40,000 units on 1 September 2020 and buys 50,000 units on 15 September 2020. The purchases are from unrelated parties. It sells 30,000 units on 30 September 2020.

Treatment

Following the 15 July 2020 acquisition the company is regarded as holding two assets: 100,000 units of pre-FA 2002 assets and 20,000 of standard intangible fixed asset.

The 40,000 units sold on 1 September 2020 are regarded as diminishing the pre-FA 2002 asset in priority so that immediately afterwards the company has 60,000 units of pre-FA 2002 asset and 20,000 of standard intangible fixed asset.

The 50,000 units acquired on 15 September 2020 are regarded as swelling the pre-FA 2002 asset to the extent of 40,000 units under the 30 day rule. As a result, immediately afterwards the company holds 100,000 units of pre-FA 2002 asset and 30,000 of standard intangible fixed asset.

The sale of 30,000 units on 30 September 2020 diminishes the pre-FA 2002 asset which immediately afterwards stands at 70,000 units.

← **Previous page (/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird11770)**