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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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## CIRD70620 - Telecommunications licences and rights: accounting and groups: controlled foreign companies

There are no special rules for controlled foreign companies and IRUs. The general controlled foreign companies rules will apply. For more information about controlled foreign companies see INTM200000 onwards.

If income from IRUs would form part of the chargeable profits of a UK company, the income will form part of the chargeable profits of a

controlled foreign company that could be apportioned.

## Exempt activities test

The granting of an IRU is the leasing of a property or right and falls within the definition of investment business (INTM205070). The fact that the business, if carried on in the UK, would be taxed under Case I of Schedule D makes no difference. The controlled foreign company is still deemed to carry on an investment business outside the terms of the exempt activities test (INTM205010).

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