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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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## CIRD260150 - Patent Box: supplementary: other interpretation CTA10/S357GE

S357GE provides definitions for several terms within Part 8A. These are as follows:

### Invention

In relation to right to which the Patent Box rules apply, an invention is the item or process in respect of which the right is granted.

## Item

An item includes any substance.

## OECD Model Tax Convention

References within Part 8A to the OECD Model Tax Convention mean the version of the Model Tax Convention on Income and on Capital published in July 2010 by the OECD. If this document is later replaced by a document approved by the OECD, then any subsequent versions take the place of the July 2010 copy.

## OECD Transfer Pricing Guidelines

References to the OECD Transfer Pricing Guidelines are to the July 2010 version of the Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations published by the OECD. If this document is later replaced by a document approved by the OECD, then any subsequent versions take the place of the July 2010 copy.

## Qualifying Residual Profit

The qualifying residual profit is the amount obtained by application of steps 1 to 4 in CTA10/S357BF ([CIRD275200 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird275200\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird275200))

## Calculation of profit

References to calculating the profits of a trade of a company for an accounting period within the Part refer to the profits for corporation tax purposes.

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