

**Beta** This part of GOV.UK is being rebuilt – [find out what beta means \(/help/beta\)](#)

## 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](#)

[Back to contents](#) > [CIRD10000](#) > [CIRD47000](#)

## CIRD47050 - Intangible assets: international issues: company ceases to be resident in UK: deferral of taxable credit: subsequent part-realisation of asset CTA09/S861

Where recovery of the credit deferred under the rules described in [CIRD47040](#)  
(<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development->

[manual/cird47040](#)) is triggered by the subsequent realisation of the asset in question and the realisation is only a part realisation then only a proportion of the credit is recovered. Similarly, on a further part realisation, only a proportion of the balance of the deferred credit is recovered. If subsequently the part of the asset retained is itself realised (within the six year period), or the 75% subsidiary relationship is broken, then the so far unrecovered part of the credit is taxed.

## Example

Assume that a company ceases to be resident in the UK and elects for a credit arising under the rule described in [CIRD47030](#) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird47030>) to be deferred. The amount of the deferred credit is £1000. There is subsequently a part realisation of the asset. Its market value at that time is £1500 and the value of the part retained £1000.

The proportion of the credit to be taxed is that proportion of the postponed credit that the reduction in the market value of the asset as a result of the part realisation bears to its market value beforehand. That is  $£1000 \times [ (£1500 - £1000) / £1500 ] = £333$ .

Assume now a second part realisation where the market value of the asset immediately beforehand is £1000 (i.e. unchanged) and that of the part retained £200.

The credit to be taxed is  $£667 \times [ (£1000 - £200) / £1000 ] = £534$ .

That leaves £133 of the credit  $[ £1000 - (£333 + £534) ]$  to be taxed on the occurrence of a further event triggering the recovery of the credit.

← **Previous page**

([/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird47040](#))

→ **Next page**  
**(/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird47060)**



**OGI**

All content is available under the [Open Government Licence v3.0](#), except where otherwise stated



[© Crown copyright](#)