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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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## CIRD30070 - Intangible assets: GAAP: conformity with: consequences where not followed

### CTA09/PART8/S717

Where a company's accounting treatment does not meet the requirements of GAAP, see [CIRD30020 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird30020\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird30020), it must be replaced for the purposes of the new rules by the treatment that does meet those requirements.

The consequences of substituting GAAP for the treatment actually adopted is followed through to subsequent periods even if the accounts for those periods, viewed in isolation, are in accordance with GAAP.

An illustration of the effect of this rule is where a sum is written off immediately in the accounts but it is established that the sum should have been amortised over, say, five years. The accounts for years 2 to 5 in fact show no deductions in respect of that sum (because as a matter of fact the asset was wholly written off in year 1). Even if it can be said that the treatment for years 2 to 5 conforms to GAAP, a deduction can be allowed for tax in years 2 to 5.

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