

**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](#) > [CIRD80000](#) > [CIRD90000](#)

## CIRD90100 - R&D tax relief: SME scheme: conditions

### Operation of the scheme

In order to qualify for relief under the SME scheme the claimant company must be an SME ([CIRD91000 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird91000\)](#)).

The conditions that must be satisfied are dealt with at [CIRD81000 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-](#)

[development-manual/cird81000](#)) onwards. Some conditions are specific to the SME scheme. These are:

1. Intellectual property resulting from the R&D must vest in the company. This condition is abolished for accounting periods ending on or after 9 December 2009 ([CIRD81550](#) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird81550>)).
2. The company must not be in receipt of a notified state aid in respect of the project ([CIRD81670](#) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird81670>)).
3. Expenditure must not be subsidised ([CIRD81650](#) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird81650>)).
4. The company must not have been contracted to carry out the R&D ([CIRD81470](#) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird81470>)).
5. The company must be a going concern ([CIRD81130](#) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird81130>)).
6. The R&D project must not receive total aid of more than €7.5m ([CIRD81160](#) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird81160>)).

## Alternative claims under large company scheme or RDEC

An SME may be able to claim under the large company scheme ([CIRD88500](#) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird88500>)) or RDEC ([CIRD89740](#) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird89740>)).

[intangibles-research-and-development-manual/cird89740](#)) if an SME scheme claim would fail only because of a condition in one of points 2, 3, 4 or 6 above.

## Categories of qualifying expenditure

The categories within which expenditure must fall in order to be qualifying expenditure are dealt with at [CIRD82000](#) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird82000>). The effect of subsidies on expenditure is dealt with at [CIRD81650](#) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird81650>).

← **Previous page**  
(/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird90050)

---

→ **Next page**  
(/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird90200)



**OGL**

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



© Crown copyright