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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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CIRD81600 - R&D tax relief: conditions to be satisfied: minimum expenditure

CTA09/Ss 1050, 1064, 1069, 1075, 1097

Relief is not due unless a company spends more than £10,000 on qualifying R&D expenditure in a 12-month accounting period.

The £10,000 is adjusted proportionately if the accounting period is not 12 months long. For

example, if the accounting period is 10 months long the limit is £8,334 = £10,000 x 10 / 12.

For accounting periods beginning before 27 September 2003 (for SMEs) and before 9 April 2003 (for large entities) the minimum expenditure required in a 12-month accounting period was £25,000. If the accounting period straddled the start date for the scheme under which a claim has been made, it is necessary to compare the expenditure after the start date to a minimum rate of £25,000 per year.

Where an SME claims some expenditure under the SME scheme and other expenditure under the large company scheme ([CIRD88500](https://www.gov.uk/hmrc-internal-manuals/cird88500) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird88500>)) the figures are aggregated for the purpose of establishing whether the minimum expenditure has been achieved.

The limit was removed for accounting periods ending on or after 1 April 2012

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