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Corporate Intangibles Research and Development Manual

From: [HM Revenue & Customs](#)
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Published 11 March 2016

Updated: 10 September 2025 - [See all updates](#)

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CIRD42020 - Intangible assets: company reorganisations: transfer of business without consideration: general

CTA09/PART8/S818

Introduction

S818 corresponds to TCGA92/S139 (see CG52800 onwards), and applies where:

- there has been a transfer of a chargeable intangible asset ([CIRD20035](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird20035) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird20035>)) as part of the transfer of the whole or part of a business from one company to another; and
- the transferor receives no consideration apart from the assumption of liabilities of the business by the transferee. (Typically the consideration will go instead to the shareholders of the transferor by way of the shares in the transferee).

Priority of intra-group transfer rule

Any such transfer of assets should first be examined to see if it falls within the rules for intra-group transfers. If it does then tax neutral treatment is available by virtue of [CIRD40220](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird40220) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird40220>) and S818 is of no application.

Outline

If the transfer remains within S818, then a transfer of chargeable intangible assets may still take place on tax neutral terms (as explained in [CIRD40300](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird40300) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird40300>)) but is subject to the requirement that it must have been undertaken for a bona fide commercial purpose. This, and the other conditions that need to be satisfied, are described in more detail in [CIRD42025](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird42025) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird42025>).

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