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## 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](#) > [CIRD13500](#)

## CIRD13560 - Core computational rules: CT computation: intangible assets used for life assurance business

### Life Assurance Companies - The I-E System

In general, the profits of life assurance companies are not assessed as trade profits even though their activities are trading in nature. Instead, they are taxed under a particular regime known as the I-E system. This is explained in the Life Assurance Manual (LAM).

Because of this, there are special provisions in CTA09/PART8 to cover the position of life insurance companies. These exclude from the scope of Part 8 intangible fixed assets held by a company for the purposes of its life assurance business except:

- computer software, but subject to:
  - the general exclusion for software treated for accounting purposes as part of the cost of the related hardware - [CIRD25140](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird25140)  
(<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird25140>)
  - the right to elect to exclude software as described in [CIRD25180](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird25180)  
(<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird25180>)
- incoming and outgoing royalties in respect of intangible fixed assets generally as described in [CIRD25110](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird25110) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird25110>) onwards

Debits and credits arising from intangible fixed assets and referable to the life assurance business are dealt with as part of the I-E computation. Details are at LAM4D213.

← **Previous page**

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