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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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## CIRD89770 - R&D Tax reliefs: R&D expenditure credit (RDEC) scheme: qualifying R&D expenditure

### Chapter 6A CTA 2009 13 S104J, K and L

Large companies that have been contracted to carry out R&D activities must have been contracted by either:

- a large company, or

- any person otherwise than in the course of carrying on a chargeable trade. (A chargeable trade is a trade, profession or vocation carried on wholly or partly in the United Kingdom, the profits of which are chargeable to income tax under Chapter 2, of Part 2 of ITTOIA 2005, or chargeable to corporation tax under Chapter 2 of Part 3 of CTA2009) Only expenditure on the specified categories of qualifying expenditure is eligible for the Expenditure Credit.

For contracted out R&D or on contributions to independent bodies then any payment will qualify for Expenditure Credit if they are made to a qualifying body ([CIRD82250](https://www.gov.uk/hmrc-internal-manuals/cird82250) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird82250>)), an individual, or a partnership each member of which is an individual.

Although many of the concepts are the same, there are certain differences between the categories of qualifying expenditure that qualify for the Expenditure Credit (and the Large Scheme) and the categories of qualifying expenditure under the SME scheme. For example contributions to independent research are allowed for large companies (provided they are not connected but would not be qualifying expenditure for an SME). The categories of qualifying expenditure are considered at [CIRD82000](https://www.gov.uk/hmrc-internal-manuals/cird82000) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird82000>) onwards.

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