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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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## **CIRD20230 - Reinvestment relief: computation: old asset chargeable intangible asset: asset partly realised: remainder of asset realised after earlier part realisation CTA09/S758(5) and S759**

Where there is a part realisation of the old asset, only a proportion of its cost needs to be taken into account in calculating the reinvestment relief available. That proportion is calculated by reducing

the full cost in the ratio that the reduction in the accounting value of the asset on the part realisation bears to the accounting value immediately before the realisation (see Example 1 in [CIRD20235 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird20235\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird20235)).

That full cost is first reduced by any amounts that could have been taken into account in the same way for reinvestment relief purposes on a previous part realisation of that asset (see Example 2 in CIRD20235).

The accounting value of an asset is defined in CTA09/S719 as its 'net book value' recognised for accounting purposes (or - an accounting synonym- its 'carrying amount').

This formula is the same as that used in calculating the amounts to be set off against the realisation proceeds in calculating the taxable credit or deductible debit on a part realisation - see [CIRD13260 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird13260\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird13260).

When the remainder of an asset, which has been subject to one or more part realisations, is finally itself realised the cost of the asset for the purpose of reinvestment relief on that occasion is the cost reduced by the costs available for set off on the earlier part realisation(s). See Example 3 in CIRD20235.

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