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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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## CIRD11135 - Intangible assets within CTA09/PART8: asset conditions: importance of distinction between goodwill and intangible asset

### Borderline between goodwill and intangible assets

The dividing line between ‘goodwill’ and particular intangible assets or intellectual property, as defined for accounting purposes, may often be difficult to establish. On analysis for example the

value of the goodwill of a business may arguably reside in particular assets such as customer lists or various forms of know-how.

For accounting purposes, however, little turns on whether assets close to the borderline fall on one side or the other. The provisions of FRS 105 and FRS 10 are likely to apply to such assets in the same way whether they are classified as goodwill or as a separate intangible asset. There are however differences in the treatment under IAS38 and FRS 102. See [CIRD30530](https://www.gov.uk/hmrc-internal-manuals/cird30530) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird30530>).

The distinction is however important when applying the rules in CTA09/PART 8. As examples:

- there are different rules to determine the time of creation of goodwill and other intangible assets (see [CIRD11675](https://www.gov.uk/hmrc-internal-manuals/cird11675) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird11675>)); and
- FA15, F2A15 and FA19 introduced new rules that restrict when and how goodwill and certain customer related intangible assets are relieved under CTA09/PART 8 (see [CIRD44000](https://www.gov.uk/hmrc-internal-manuals/cird44000) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird44000>) onwards).

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