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Corporate Intangibles Research and Development Manual

From: [HM Revenue & Customs](#)
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CIRD12510 - Core computational rules: deductible debits: general matters and adjustments for tax purposes: introduction

CTA09/PART8 CHAPTER3

Rules covered by Chapter 3 - deductible debits

The section of the Manual explains how to compute the debits deductible for corporation tax purposes under Part 8. For the debits derived from

the various types of accounting entry identified in [CIRD12270](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12270) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12270>) see the following paragraphs:

1. 'accounting losses' (see [CIRD12210](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12210) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12210>)) in respect of expenditure (other than amounts within (c)) charged to the profit and loss account as it accrues, including abortive expenditure on the creation, acquisition or realisation of an intangible asset - see [CIRD12530](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12530) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12530>) and [CIRD12550](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12550) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12550>),
2. accounting losses in respect of the reversal of previous accounting gains which led to taxable credits - see [CIRD12560](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12560) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12560>),
3. accounting losses in respect of capitalised expenditure on an intangible asset see [CIRD12710](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12710) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12710>),

Guidance on deductible debits that may arise on a change in accounting policy is provided at [CIRD12300](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12300) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12300>) onwards.

In addition [CIRD12905](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12905) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12905>) onwards deals with statutory fixed rate deductions which companies can elect to take in respect of an asset. These are an alternative to deductible debits within (b) above, derived from the accounting entries.

Priority of realisation rules

Where amounts deducted from the proceeds on the realisation of an intangible asset can be taken into account in the rules described in [CIRD13210](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird13210) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird13210>) onwards (which deal with the net deductible debit or taxable credit on the realisation of an asset) they should be taken into account under the realisation rules rather than under the provisions referred to in (a) to (c) above.

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