HMRC - OT20310 - Intangible Fixed Assets - Oil Licences

The guidance relating to the tax treatment of corporate intangible fixed assets (IFAs) is contained in the Corporate Intangible and Research and Development (CIRD) Manual, see CIRD10000.

FA02\SCH29 (now CTA09\PART8) introduced a new corporation tax regime for IFAs that links the tax treatment to that applied in the GAAP-compliant accounts of the company in question. The regime relieves the costs of creating or acquiring IFAs on an income basis as they are written down in the company’s accounts. The regime also taxes on a revenue basis all receipts derived from holding or disposing of IFAs.

‘Intangible asset’ is defined in CTA09\S712 - S715 and includes intellectual property and goodwill.

A number of assets are specifically excluded from the IFA regime and these are in the main listed in CTA09\PART8\CHAPT10.

In particular, oil licences are excluded assets (CTA09\S809) as are other interests or rights in or over land (CTA09\S805) - see and CIRD25040 CIRD25030 respectively.

Previous page

Next page