

## Amendment 14 to Schedule 1: Relief for research and development

### Summary

1. This amendment to clause 10 and Schedule 1 allows a company which is claiming SME payable credit, whose accounts have not been prepared on a going concern basis as it has transferred its trade to another member of the group, to make a valid R&D claim.

### Details of the amendment

2. This amendment adds two new subsections to section 1057 of Corporation Tax Act 2009 (CTA 2009) which define tax credit as being available where a company is a going concern.
3. New subsection (4D) provides for a group company's accounts to be prepared on a going concern basis.
4. New subsection (4E) defines a "relevant group transfer".

### Background note

5. Clause 10 and Schedule 1 changes the rules for both SME R&D tax relief and RDEC to allow a company whose accounts have not been prepared on a going concern basis only because it has transferred its trade to another member of the group, to make a valid R&D claim. This change will allow relief for a company which had been in an economically viable state but was not able to pursue a claim due to transferring its relevant operations to another company in a group.