
Status: Point in time view as at 17/09/2004. This version of this provision has been superseded.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2002, Paragraph 14. (See end of Document for details)

SCHEDULES

SCHEDULE 12

TAX RELIEF FOR EXPENDITURE ON RESEARCH AND DEVELOPMENT

PART 5

SUPPLEMENTARY PROVISIONS

Research and development expenditure of group companies

- 14 (1) Sub-paragraph (2) applies where—
- (a) a company (“A”) incurs expenditure on making a payment to another company (“B”) in respect of activities contracted out by A to B,
 - (b) the expenditure incurred on the payment is research and development expenditure of A, and
 - (c) A and B are members of the same group at the time the payment is made.
- (2) For the purposes of this Schedule —
- (a) any of the activities contracted out by A to B and directly undertaken by B shall be treated (to the extent that it would not otherwise be the case) as research and development directly undertaken by B, and
 - (b) where B makes a payment to a third party (“C”) in respect of any of those activities that are contracted out by B to C and directly undertaken by C, those activities shall be treated (to the extent that it would not otherwise be the case) as research and development contracted out by B to C.
- (3) For the purposes of this paragraph A and B are members of the same group if they are members of the same group of companies for the purposes of Chapter 4 of Part 10 of the Taxes Act 1988 (group relief).

Status:

Point in time view as at 17/09/2004. This version of this provision has been superseded.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2002, Paragraph 14.