

Status: Point in time view as at 22/07/2004.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2002, Part 6. (See end of Document for details)

SCHEDULES

SCHEDULE 12

TAX RELIEF FOR EXPENDITURE ON RESEARCH AND DEVELOPMENT

PART 6

GENERAL PROVISIONS

[^{F1}Meaning of “relevant research and development”, “staffing costs”, “^{F2}software or consumable items]” and “qualifying expenditure on externally provided worker”s]

- 17 The following provisions of Schedule 20 to the Finance Act 2000 (c. 17) (tax relief for R&D expenditure of small and medium-sized enterprises) apply for the purposes of this Schedule as they apply for the purposes of that Schedule—
- (a) paragraph 4 (relevant research and development);
 - (b) paragraph 5 (staffing costs); ^{F3}...
 - (c) paragraph 6 (expenditure on [^{F2}software or consumable items]) [^{F4}; and
 - (d) paragraphs 8A to 8E (qualifying expenditure on externally provided workers).]

Textual Amendments

- F1** Sch. 12 para. 17 heading substituted (with effect in accordance with s. 168(3)(b) of the amending Act) by [Finance Act 2003 \(c. 14\)](#), [Sch. 31 para. 19\(4\)](#)
- F2** Words in Sch. 12 substituted (with effect in accordance with s. 141(3)-(7) of the amending Act) by [Finance Act 2004 \(c. 12\)](#), [s. 141\(2\)\(b\)](#); S.I. 2005/123, art. 2
- F3** Word in Sch. 12 para. 17 repealed (with effect in accordance with s. 168(3)(b) of the amending Act) by [Finance Act 2003 \(c. 14\)](#), [Sch. 31 para. 19\(2\)](#), [Sch. 43 Pt. 3\(10\)](#)
- F4** Sch. 12 para. 17(d) and preceding word inserted (with effect in accordance with s. 168(3)(b) of the amending Act) by [Finance Act 2003 \(c. 14\)](#), [Sch. 31 para. 19\(3\)](#)

Meaning of “qualifying body”

- 18 (1) For the purposes of this Schedule “qualifying body” means—
- (a) a charity (within the meaning of section 506(1) of the Taxes Act 1988);
 - (b) an institution of higher education;
 - (c) an Association of a description specified in section 508 of the Taxes Act 1988 (scientific research organisations);
 - (d) a health service body within the meaning of section 519A(2) of that Act; or
 - (e) any other body prescribed, or of a description prescribed, by the Treasury, by order, for the purposes of this Schedule.

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- (2) In sub-paragraph (1)(b), “institution of higher education” means—
- (a) an institution within the higher education sector within the meaning of the Further and Higher Education Act 1992 (c. 13);
 - (b) an institution within the higher education sector within the meaning of Part 2 of the Further and Higher Education (Scotland) Act 1992 (c. 37) or a central institution within the meaning of the Education (Scotland) Act 1980 (c. 44); or
 - (c) a higher education institution within the meaning of Article 30(3) of the Education and Libraries (Northern Ireland) Order 1993 (1993/ 2810 (N.I. 12)).
- (3) An order under this paragraph shall have effect in relation to such accounting periods or expenditure as may be specified in the order (which may include accounting periods beginning, or expenditure incurred, before the time the order is made).

Other definitions etc

- 19 (1) In this Schedule—
- “life assurance business” has the meaning given in section 431(2) of the Taxes Act 1988;
 - “research and development” has the meaning given by section 837A of the Taxes Act 1988.
- (2) Section 839 of the Taxes Act 1988 (connected persons) applies for the purposes of this Schedule.

Transitional provision

- 20 (1) This Schedule does not apply to expenditure incurred before 1st April 2002.
- For this purpose no account shall be taken of section 401 of the Taxes Act 1988 (pre-trading expenditure treated as incurred when trading begins).
- (2) Paragraphs 1(1) and 7(1) (requirement of minimum amount of qualifying expenditure in an accounting period) apply to an accounting period beginning before and ending after that date as if so much of the period as falls on or after that date were a separate accounting period.

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