



Finance Act 2003

2003 CHAPTER 14

PART 7

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX: GENERAL

Capital allowances and related matters

168 Relief for research and development

- (1) Schedule 31 to this Act (which makes amendments relating to relief for expenditure on research and development) shall have effect.
- (2) In that Schedule—
 - Part 1 amends Schedule 20 to the Finance Act 2000 (c. 17) (relief for small and medium-sized enterprises);
 - Part 2 amends Part 1 of Schedule 12 to the Finance Act 2002 (c. 23) (relief for large companies);
 - Part 3 amends Part 2 of that Schedule (work sub-contracted to small or medium-sized enterprise);
 - Part 4 inserts a new Part 2A into that Schedule (entitlement of small or medium-sized enterprise to additional relief available to large companies in respect of subsidised expenditure);
 - Part 5 makes supplementary amendments to Parts 3 to 6 of that Schedule; and
 - Part 6 amends Schedule 13 to the Finance Act 2002 (expenditure on vaccine research etc).
- (3) Except as provided by subsection (4)—
 - (a) the amendments made by Parts 1 and 6 of Schedule 31 have effect in relation to expenditure incurred on or after the appointed day, and
 - (b) the amendments made by Parts 2 to 5 of that Schedule have effect in relation to expenditure incurred on or after 9th April 2003.
- (4) The exceptions are that—

Status: This is the original version (as it was originally enacted).

- (a) the amendments made by paragraphs 2 and 3 in Part 1 have effect for accounting periods beginning on or after the appointed day;
 - (b) in the application of paragraph 5 of Schedule 20 to the Finance Act 2000 (c. 17) (staffing costs) for any purpose of Schedule 12 to the Finance Act 2002 (c. 23) by virtue of paragraph 17(b) of that Schedule (meaning of “staffing costs”), the amendments made by paragraph 5 in Part 1 of Schedule 31 to this Act (persons partly engaged directly and actively in R&D) have effect in relation to expenditure incurred on or after 9th April 2003;
 - (c) the amendments made by paragraph 6 in Part 1 (qualifying expenditure on externally provided workers), in their application by virtue of paragraph 19 in Part 5 (application for purposes of Schedule 12 to the Finance Act 2002 (c. 23)), have effect in relation to expenditure incurred on or after 9th April 2003;
 - (d) the amendments made by—
 - (i) paragraph 9 in Part 2,
 - (ii) paragraphs 12 and 13 in Part 3, and
 - (iii) paragraph 15 in Part 4,have effect for accounting periods beginning on or after 9th April 2003;
 - (e) the amendments made by paragraph 21 in Part 6 (reduction of company’s required minimum qualifying expenditure in an accounting period from £25,000 etc to £10,000 etc) have effect for accounting periods beginning on or after the appointed day.
- (5) In this section the “appointed day” means such day as the Treasury may by order appoint; and different days may be so appointed for different provisions or different purposes.