Finance Act 2006 (c. 25)
SCHEDULE 2 – Relief for research and development: subjects of clinical trials
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Status: Point in time view as at 19/07/2006.
Changes to legislation: There are currently no known outstanding effects
for the Finance Act 2006, SCHEDULE 2. (See end of Document for details)

S C H E D U L E S

SCHEDULE 2 U.K.

Section 28

RELIEF FOR RESEARCH AND DEVELOPMENT: SUBJECTS OF CLINICAL TRIALS

Amendments to Schedule 20 to FA 2000

1 (1) Schedule 20 to FA 2000 (tax relief for expenditure on research and development by small or medium-sized enterprises) is amended as follows.

(2) In paragraph 3 (qualifying R&D expenditure), in sub-paragraph (4), after paragraph (b) insert—

"(ba) is incurred on relevant payments to the subjects of a clinical trial (see paragraph 6A),".

(3) After paragraph 6 (expenditure on software or consumable items), insert—

"Relevant payments to subjects of clinical trials

6A (1) For the purposes of this Schedule "relevant payment", in relation to a subject of a clinical trial, means a payment made to him for participating in the trial.

(2) For the purposes of this Schedule "clinical trial" means an investigation in human subjects undertaken in connection with the development of a health care treatment or procedure."

(4) In paragraph 10 (treatment of expenditure where company and sub-contractor are connected persons), in sub-paragraph (2)(a)(iii), for "or on software or consumable items" substitute " , on software or consumable items or on relevant payments to the subjects of a clinical trial ".

Amendments to Schedule 12 to FA 2002

2 (1) Schedule 12 to FA 2002 (tax relief for expenditure on research and development: large companies etc) is amended as follows.

(2) In paragraph 4 (qualifying expenditure on direct research and development), in sub-paragraph (3)—

(a) omit the word "or" at the end of paragraph (b);

(b) after that paragraph insert—

"(ba) is incurred on relevant payments to the subjects of a clinical trial, or".

(3) In paragraph 9 (expenditure on research and development directly undertaken by the SME), in sub-paragraph (2)—

(a) omit the word "or" at the end of paragraph (b);

(b) after that paragraph insert—

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                    "(ba)   is incurred on relevant payments to the subjects of a clinical trial, or".

(4) In paragraph 17 (which applies certain definitions from Schedule 20 to FA 2000)—

    (a)   in the heading, after " "software or consumable items"" insert " , "relevant payments to the subjects of a clinical trial" ";

    (b)   omit the word "and" at the end of paragraph (c);

    (c)   after that paragraph insert—

                    "(ca)   paragraph 6A (relevant payments to subjects of clinical trials); and".

Amendments to Schedule 13 to FA 2002

3   (1) Schedule 13 to FA 2002 (tax relief for expenditure on vaccine research etc) is amended as follows.

      (2) In paragraph 3 (qualifying expenditure on direct research and development), in sub-paragraph (5)—

    (a)   omit the word "or" at the end of paragraph (b);

    (b)   after that paragraph insert—

                    "(ba)   is incurred on relevant payments to the subjects of a clinical trial, or".

      (3) In paragraph 5 (which applies certain definitions from Schedule 20 to FA 2000)—

    (a)   in the heading, after " "software or consumable items"," insert " "relevant payments to the subjects of a clinical trial", ";

    (b)   in sub-paragraph (3), after paragraph (c) insert—

                    "(ca)   paragraph 6A (relevant payments to subjects of clinical trials);".

      (4) In paragraph 9 (relevant expenditure of the sub-contractor), in sub-paragraph (3)—

    (a)   omit the word "or" at the end of paragraph (b);

    (b)   after that paragraph insert—

                    "(ba)   is incurred on relevant payments to the subjects of a clinical trial, or".

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