



# Corporation Tax Act 2010

## 2010 CHAPTER 4

### [<sup>F1</sup>PART 8A

PROFITS ARISING FROM THE EXPLOITATION OF PATENTS ETC

### [<sup>F2</sup>CHAPTER 2A

RELEVANT IP PROFITS: CASES MENTIONED IN SECTION 357A(6)

*Routine return figure*

### [<sup>F1</sup>[ <sup>F2</sup>357BJB] **Deductions that are not routine deductions**

- (1) For the purposes of this Part a deduction is not a “routine deduction” if it falls within any of the Heads set out in—
- (a) subsection (2) (loan relationships and derivative contracts),
  - (b) subsection (3) (R&D expenses),
  - (c) subsection (4) (capital allowances for R&D or patents),
  - (d) subsection (5) (R&D-related employee share acquisitions),
  - [<sup>F3</sup>(da) subsection (7A) (expenditure on the production of films, television programmes and video games),]
  - (e) subsection (8) (television production expenditure),
  - (f) subsection (9) (video games development expenditure).
- (2) Head 1 is any debits which are treated as expenses of the trade by virtue of—
- (a) section 297 of CTA 2009 (debts in respect of loan relationships), or
  - (b) section 573 of CTA 2009 (debts in respect of derivative contracts).
- (3) Head 2 is—
- (a) the amount of any expenditure on research and development in relation to the trade—

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- (i) for which an additional deduction for the accounting period is obtained by the company under Part 13 of CTA 2009, or
  - (ii) in respect of which the company is entitled to an R&D expenditure credit for the accounting period under [<sup>F4</sup>Chapter 1A of that Part], and
  - (b) where the company obtains an additional deduction as mentioned in paragraph (a)(i), the amount of that additional deduction.
- (4) Head 3 is any allowances under—
- (a) Part 6 of CAA 2001 (research and development allowances), or
  - (b) Part 8 of CAA 2001 (patent allowances).
- (5) Head 4 is the appropriate proportion of any deductions allowed under Part 12 of CTA 2009 (relief for employee share acquisitions) in a case where—
- (a) shares are acquired by an employee or another person because of the employee's employment by the company, and
  - (b) the employee is wholly or partly engaged directly and actively in relevant research and development (within the meaning of section 1042 of CTA 2009).
- (6) In subsection (5) “the appropriate proportion”, in relation to a deduction allowed in respect of an employee, is the proportion of the staffing costs in respect of the employee which are attributable to relevant research and development for the purposes of Part 13 of CTA 2009 (see section 1124 of that Act).
- “Staffing costs” has the same meaning as in that Part (see section 1123 of that Act).
- (7) Subsections (5) and (6) of section 1124 of CTA 2009 apply for the purposes of subsection (5)(b) as they apply for the purposes of that section.
- [ Head 4A is the amount of any expenditure in respect of which the company is entitled <sup>F5</sup>(7A) to an audiovisual expenditure credit or video game expenditure credit under [Part 14A](#) of CTA 2009.]
- (8) Head 5 is—
- (a) the amount of any qualifying expenditure on a television programme for which an additional deduction for the accounting period is obtained by the company under Part 15A of CTA 2009, and
  - (b) the amount of that additional deduction.
- (9) Head 6 is—
- (a) the amount of any qualifying expenditure on a video game for which an additional deduction for the accounting period is obtained by the company under Part 15B of CTA 2009, and
  - (b) the amount of that additional deduction.
- (10) The Treasury may by regulations amend this section.]]

#### Textual Amendments

- F1** Pt. 8A inserted (with effect in accordance with [Sch. 2 paras. 7, 8](#) of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 2 para. 1\(1\)](#)
- F2** Pt. 8A Chs. 2A, 2B inserted (with effect in accordance with s. 64(7) of the amending Act) by [Finance Act 2016 \(c. 24\)](#), [s. 64\(3\)](#)
- F3** [S. 357BJB\(1\)\(da\)](#) inserted (22.2.2024) by [Finance Act 2024 \(c. 3\)](#), [Sch. 2 para. 6\(3\)\(a\)\(i\)](#) (with [Sch. 2 paras. 16\(1\), 17-25](#))

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- F4** Words in s. 357BJB(3)(a)(ii) substituted (1.4.2024 with effect in relation to accounting periods beginning on or after that date) by Finance Act 2024 (c. 3), Sch. 1 paras. 13(3)(a), 16; S.I. 2024/286, **reg. 2**
- F5** S. 357BJB(7A) inserted (22.2.2024) by Finance Act 2024 (c. 3), **Sch. 2 para. 6(3)(a)(ii)** (with Sch. 2 paras. 16(1), 17-25)

**Changes to legislation:**

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**Changes and effects yet to be applied to :**

- s. 357BJB(1)(e) omitted by [2024 c. 3 Sch. 2 para. 14\(5\)](#)
- s. 357BJB(1)(f) omitted by [2024 c. 3 Sch. 2 para. 14\(5\)](#)
- s. 357BJB(8) omitted by [2024 c. 3 Sch. 2 para. 14\(5\)](#)
- s. 357BJB(9) omitted by [2024 c. 3 Sch. 2 para. 14\(5\)](#)

**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 357CHA omitted by [2024 c. 3 Sch. 2 para. 14\(7\)](#)
- s. 658(1)(d)(e) inserted by [2010 c. 13 Sch. 6 para. 31](#) (This amendment not applied to [legislation.gov.uk](#). Sch. 6 para. 31 omitted (retrospective to 6.4.2010) by virtue of Finance Act 2012 (c. 14), s. 52(2) (3))