

**2000 No. 2081**

**INCOME TAX**

**The Research and Development (Prescribed Activities)  
Regulations 2000**

*Made - - - - 28th July 2000*

*Laid before the House of Commons 31st July 2000*

*Coming into force 21st August 2000*

The Treasury, in exercise of the powers conferred upon them by section 837A(3) and (4) of the Income and Corporation Taxes Act 1988(a), hereby make the following Regulations:

**Citation and commencement**

1. These Regulations may be cited as the Research and Development (Prescribed Activities) Regulations 2000 and shall come into force on 21st August 2000.

**Interpretation**

2. In these Regulations—

“the Guidelines” means the “Guidelines on the Meaning of Research and Development (R&D) for Tax Purposes” which were issued for the purposes of section 837A by the Secretary of State for the Department of Trade and Industry on 28th July 2000(b);

“section 837A” means section 837A of the Income and Corporation Taxes Act 1988.

**Prescribed activities**

3.—(1) The activities prescribed by paragraph (2) of this regulation are not “research and development” for the purposes of section 837A and the activities prescribed by paragraph (3) of this regulation are “research and development” for those purposes.

(2) The activities prescribed by this paragraph are activities that fall to be treated as not being research and development in accordance with the Guidelines.

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(a) 1988 c.1; section 837A was inserted by paragraph 1 of Schedule 19 to the Finance Act 2000 (c.17).

(b) The Guidelines are available on the Department of Trade and Industry’s website (<http://www.dti.gov.uk/support/taxcredit>) and copies may also be obtained from the Department of Trade and Industry, 1 Victoria Street, London SW1H 0ET.

(3) The activities prescribed by this paragraph are activities that fall to be treated as research and development in accordance with the Guidelines.

28th July 2000

*Jim Dowd*  
*Greg Pope*  
Two of the Lords Commissioners of  
Her Majesty's Treasury

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

Subsection (2) of section 837A of the Income and Corporation Taxes Act 1988 (c.1) (“section 837A”) defines “research and development” for the purposes of the provisions of the Tax Acts which apply that section as activities that fall to be treated as research and development in accordance with normal accounting practice.

Under subsection (3) of section 837A, the Treasury may provide that such activities as may be prescribed are, or are not, “research and development”. Subsection (4) of section 837A provides that regulations under subsection (3) may make provision by reference to guidelines issued by the Secretary of State.

On 28th July 2000, the Secretary of State for the Department of Trade and Industry issued the “Guidelines on the Meaning of Research and Development (R&D) for Tax Purposes” (“the Guidelines”). These Regulations make provision by reference to the Guidelines.

Regulation 1 provides for citation and commencement, and regulation 2 for interpretation.

Regulation 3 prescribes activities by reference to the Guidelines.

The Guidelines are available on the Department of Trade and Industry's website (<http://www.dti.gov.uk/support/taxcredit>) and copies may also be obtained from the Department of Trade and Industry, 1 Victoria Street, London SW1H 0ET.

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