

*These notes refer to the Corporation Tax Act 2009  
(c.4) which received Royal Assent on 26 March 2009*

# **CORPORATION TAX ACT 2009**

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## **EXPLANATORY NOTES**

### **COMMENTARY ON SECTIONS**

#### **Part 13: Additional relief for expenditure on research and development**

##### **Overview**

##### *Chapter 2: Relief for SMEs: cost of R&D incurred by SME*

##### **Overview**

##### *Section 1053: Qualifying expenditure on contracted out R&D*

2745. This section defines what is meant by “qualifying expenditure on contracted out research and development”. It is based on paragraph 3 of Schedule 20 to FA 2000.
2746. The section does not reproduce the condition in paragraph 3(2) of Schedule 20 to FA 2000 that the expenditure is not of a capital nature. This condition is unnecessary because section 53 in Part 3 (trading income) already prohibits a deduction for capital expenditure.