



Corporation Tax Act 2010

2010 CHAPTER 4

[^{F1}PART 8A

PROFITS ARISING FROM THE EXPLOITATION OF PATENTS ETC

[^{F2}CHAPTER 2A

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

R&D fraction

[^{F1} ^{F2}357BLA] **The R&D fraction**

(1) The R&D fraction for the sub-stream is the lesser of 1 and—

$$\frac{(D + S1) \times 1.3}{D + S1 + S2 + A}$$

where—

D is the company's qualifying expenditure on relevant R&D undertaken in-house (see section 357BLB),

S1 is the company's qualifying expenditure on relevant R&D sub-contracted to unconnected persons (see section 357BLC),

S2 is the company's qualifying expenditure on relevant R&D sub-contracted to connected persons (see section 357BLD), and

A is the company's qualifying expenditure on the acquisition of relevant qualifying IP rights (see section 357BLE).

(2) This section is subject to section 357BLH (R&D fraction: increase for exceptional circumstances).]]

Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Section 357BLA. (See end of Document for details)

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\(3\)](#)

Changes to legislation:

There are currently no known outstanding effects for the Corporation Tax Act 2010, Section 357BLA.