



Finance Act 2016

2016 CHAPTER 24

PART 2

CORPORATION TAX

Research and development

47 Abolition of vaccine research relief

- (1) CTA 2009 is amended in accordance with subsections (2) to (9).
- (2) Omit Chapter 7 of Part 13 (vaccine research relief).
- (3) In section 1039 (overview of Part 13) omit—
 - (a) subsection (6), and
 - (b) in subsection (8) “or 7”.
- (4) In section 1042 (meaning of “relevant research and development”) omit subsection (3).
- (5) In section 1113 (cap on aid under Chapters 2 and 7)—
 - (a) in the heading omit “or 7”, and
 - (b) in subsection (4) omit—
 - (i) the “or” at the end of paragraph (a), and
 - (ii) paragraph (b).
- (6) In section 1118(2) (meaning of “qualifying expenditure”) omit—
 - (a) the “or” at the end of paragraph (a), and
 - (b) paragraph (b).
- (7) In section 1133(3) (sub-contractor payments) omit “and section 1102(2).”
- (8) In section 1137(1)(b) (accounting periods) omit “or qualifying Chapter 7 expenditure”.
- (9) In Schedule 4 (index of defined expressions) omit the entries for—
 - (a) qualifying Chapter 7 expenditure (in Part 13), and

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- (b) qualifying R&D activity (in Chapter 7 of Part 13).
- (10) CTA 2010 is amended in accordance with subsections (11) to (13).
- (11) In section 357P (research and development expenditure: introduction and interpretation)—
 - (a) in subsection (1) omit—
 - (i) the “and” at the end of paragraph (b), and
 - (ii) paragraph (c), and
 - (b) omit subsection (2)(d) and (e).
- (12) Omit section 357PF (additional deduction under section 1087 CTA 2009).
- (13) In Schedule 4 (index of defined expressions) omit the entries for—
 - (a) Northern Ireland qualifying Chapter 7 expenditure (in Chapter 9 of Part 8B), and
 - (b) qualifying Chapter 7 expenditure (in Chapter 9 of Part 8B).
- (14) In consequence of the amendments made by subsections (1) to (13)—
 - (a) in Schedule 3 to FA 2012 omit paragraphs 7, 12 to 14, 16(2), 17, 20 to 30, and 31(2), and
 - (b) in FA 2015 omit section 28(4)(o) and (p).
- (15) The amendments made by this section have effect in relation to expenditure incurred on or after 1 April 2017.

48 Cap on R&D aid

- (1) CTA 2009 is amended as follows.
- (2) In section 1114 (calculation of total R&D aid)—
 - (a) in the formula for “(N x CT)” substitute “ N ”, and
 - (b) in the definition of “N” for “relief” substitute “ R&D expenditure credit ”.
- (3) In section 1118(1) (meaning of “notional relief”)—
 - (a) for “relief” in the first two places it occurs substitute “ R&D expenditure credit ”,
 - (b) for “Chapter 5 (relief for large companies)” substitute “ Chapter 6A of Part 3 (trade profits: R&D expenditure credits) ”, and
 - (c) in the heading for “relief” substitute “ R&D expenditure credit ”.
- (4) The amendments made by this section have effect in relation to expenditure incurred on or after 1 April 2016.

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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):

- Sch. 19 para. 12(5)(b) inserted by [2017 c. 32 Sch. 14 para. 49\(2\)\(c\)](#)
- Sch. 19 para. 12(5)(a) word inserted by [2017 c. 32 Sch. 14 para. 49\(2\)\(b\)](#)
- Sch. 19 para. 51(8)(b) words inserted by [2017 c. 32 Sch. 14 para. 48\(2\)](#)
- Sch. 19 para. 53(1) words inserted by [2017 c. 32 Sch. 14 para. 48\(4\)\(a\)](#)
- Sch. 19 para. 53(1) words inserted by [2017 c. 32 Sch. 14 para. 48\(4\)\(b\)](#)
- Sch. 19 para. 12(5)(a) words renumbered as Sch. 19 para. 12(5)(a) by [2017 c. 32 Sch. 14 para. 49\(2\)\(a\)](#)
- Sch. 19 para. 58(1) words substituted by [2017 c. 32 Sch. 14 para. 48\(5\)](#)
- Sch. 20 para. 1(4)(e) inserted by [2021 c. 26 Sch. 27 para. 47\(2\)](#)
- Sch. 20 para. 3(3)(d) and word inserted by [2021 c. 26 Sch. 27 para. 47\(3\)\(b\)](#)
- Sch. 20 para. 5(5) inserted by [2021 c. 26 Sch. 27 para. 47\(5\)](#)
- Sch. 22 para. 2(4B) inserted by [2021 c. 26 Sch. 27 para. 48\(2\)\(c\)](#)
- Sch. 22 para. 3(4A) inserted by [2021 c. 26 Sch. 27 para. 48\(3\)](#)