

*Status: Point in time view as at 10/07/2003.*

*Changes to legislation: Finance Act 2003, Part 6 is up to date with all changes known to be in force on or before 13 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

## SCHEDULES

### SCHEDULE 31

#### TAX RELIEF FOR EXPENDITURE ON RESEARCH AND DEVELOPMENT

#### PART 6

#### EXPENDITURE ON VACCINE RESEARCH ETC: SCHEDULE 13 TO FINANCE ACT 2002

##### *Introductory*

- 20 Schedule 13 to the Finance Act 2002 (tax relief for expenditure on vaccine research etc) is amended in accordance with the following provisions of this Part of this Schedule.

##### *Reduction of required qualifying expenditure from £25,000 to £10,000*

- 21 (1) Paragraph 1 (entitlement to relief under the Schedule) is amended as follows.
- (2) In sub-paragraph (1) (requirement for minimum qualifying expenditure of £25,000 or time apportioned part of that amount) in paragraphs (a) and (b) for “£25,000” substitute “ £10,000 ”.

##### *Direct research and development: qualifying expenditure on externally provided workers*

- 22 In paragraph 3 (qualifying expenditure on direct research and development) for sub-paragraph (5) (the fourth condition, that the expenditure is incurred on staffing costs or consumable stores) substitute—

“(5) The fourth condition is that the expenditure—

- (a) is incurred on staffing costs,
- (b) is incurred on consumable stores, or
- (c) is qualifying expenditure on externally provided workers.”.

##### *Meaning of “qualifying expenditure on externally provided workers”*

- 23 (1) Paragraph 5(3) (which applies certain definitions in Schedule 20 to the Finance Act 2000 (c. 17)) is amended as follows.
- (2) Omit the word “and” immediately preceding paragraph (d).
- (3) In paragraph (d), for “(subsidised expenditure),” substitute “ (subsidised expenditure); and ”.
- (4) After paragraph (d) insert the following paragraph—
- “(e) paragraphs 8A to 8E (qualifying expenditure on externally provided workers),”.

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(5) The heading to paragraph 5 accordingly becomes—

*“Meaning of “relevant R&D”, “small or medium-sized enterprise”, “staffing costs”, “consumable stores”, “subsidised” and “qualifying expenditure on externally provided workers”*  
*”.*

*Relevant expenditure of sub-contractor: qualifying expenditure on externally provided workers*

24 In paragraph 9 (relevant expenditure of sub-contractor) for sub-paragraph (3) (the second condition, that the expenditure must be incurred on staffing costs or consumable stores) substitute—

“(3) The second condition is that the expenditure—

- (a) is incurred on staffing costs,
- (b) is incurred on consumable stores, or
- (c) is qualifying expenditure on externally provided workers.

In applying for the purposes of this sub-paragraph (by virtue of paragraph 5 above)—

paragraph 5 of Schedule 20 to the Finance Act 2000 (meaning of “staffing costs”), or

paragraphs 8A to 8E of that Schedule (qualifying expenditure on externally provided workers),

the references to the company shall be read as references to the sub-contractor.”.

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