

## SCHEDULES

### SCHEDULE 3

#### RELIEF FOR EXPENDITURE ON R&D

##### *Qualifying expenditure on externally provided workers*

- 35 (1) Section 1129 (connected persons) is amended as follows.
- (2) In subsection (1), for paragraphs (b) and (c) substitute—
- “(b) the company, the staff provider and (if different) the staff controller (or staff controllers) are all connected, and
  - (c) in accordance with generally accepted accounting practice—
    - (i) the whole of the staff provision payment has been brought into account in determining the staff provider’s profit or loss for a relevant period, and
    - (ii) all of the relevant expenditure of each staff controller has been brought into account in determining the staff controller’s profit or loss for a relevant period.”
- (3) In subsection (2)(b), for “the staff provider’s relevant expenditure” substitute “the aggregate of the relevant expenditure of each staff controller”.
- (4) In subsection (3)—
- (a) for “of the staff provider” substitute “, in relation to a staff controller,”, and
  - (b) in paragraph (a), for “staff provider” substitute “staff controller”.
- (5) In subsection (4)—
- (a) after ““Relevant period”” insert “, in relation to a person,”, and
  - (b) in paragraph (a), for “staff provider” substitute “person”.
- (6) In subsection (5)—
- (a) for “the staff provider’s expenditure” substitute “the expenditure of a staff controller”, and
  - (b) for “the staff provider” substitute “a staff controller”.
- (7) In subsection (7), for “staff provider” substitute “a staff controller”.