



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

Changes to legislation: Finance Act 2016, Cross Heading: Research and development is up to date with all changes known to be in force on or before 05 August 2023. 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) View outstanding changes

- (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\(3\)](#)