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STATUTORY INSTRUMENTS

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**2023 No. 293**

**INCOME TAX**

**CORPORATION TAX**

The Research and Development  
(Prescribed Activities) Regulations 2023

<i>Made</i>	- - - -	<i>9th March 2023</i>
<i>Laid before the House of Commons</i>	- - - -	<i>10th March 2023</i>
<i>Coming into force</i>	- -	<i>31st March 2023</i>

The Treasury make the following Regulations in exercise of the powers conferred by section 1006(3) of the Income Tax Act 2007<sup>(1)</sup>.

**Citation, commencement and effect**

1.—(1) These Regulations may be cited as the Research and Development (Prescribed Activities) Regulations 2023 and come into force on 31st March 2023.

(2) Subject to paragraph (3), these Regulations have effect—

- (a) for the purposes of corporation tax, in relation to accounting periods beginning after 31st March 2023,
- (b) for the purposes of income tax and capital gains tax, in relation to the tax year 2023-24 and subsequent tax years.

(3) These Regulations do not apply in relation to shares or securities issued, or share options granted, unless the share or security was issued, or the share option was granted (as the case may be) after—

- (a) 31st March 2023, for the purposes of corporation tax, or
- (b) 5th April 2023, for the purposes of income tax and capital gains tax.

**Activities prescribed as research and development**

2. For the purposes of section 1006 of the Income Tax Act 2007—

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(1) [2007 c. 3](#); provision made under section 1006 of the Income Tax Act 2007 also applies for the purposes of corporation tax by virtue of section 1138 of the Corporation Tax Act [2010 \(c. 4\)](#).

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*Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.*

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- (a) activities treated as research and development in accordance with the “Guidelines on the Meaning of Research and Development for Tax Purposes” issued by the Secretary of State for Business and Trade on 7th March 2023<sup>(2)</sup>, are treated as research and development, and
- (b) activities not treated as such in accordance with those Guidelines are not treated as research and development.

### **Revocation of the Research and Development (Prescribed Activities) Regulations 2004**

- 3.** The Research and Development (Prescribed Activities) Regulations 2004<sup>(3)</sup> are revoked.

9th March 2023

*Steve Double*  
*Andrew Stephenson*  
Two of the Lords Commissioners of His  
Majesty’s Treasury

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(2) Published by the Department for Science, Innovation and Technology. Digital copies are available online at <http://www.gov.uk>. A hard copy is available for inspection free of charge at the offices of the HM Revenue and Customs at 100 Parliament Street, London, SW1A 2BQ.

(3) [S.I. 2004/712](#).

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

Section 1006 of the Income Tax Act 2007 (c. 3) (“ITA 07”) makes provision as to the meaning of “research and development” for the purposes of provision in the Income Tax Acts. Section 1006(3) ITA 07 provides that the Treasury may prescribe by regulations activities which are, or are not, to be treated as “research and development” for the purposes of that section. Section 1006(4)(a) ITA 07 provides that regulations made under subsection (3) of that section may make provision by reference to guidelines issued by the Secretary of State. Section 1138 of the Corporation Tax Act 2010 (c. 4) provides that Regulations made under section 1006 ITA shall also apply for the purposes of determining whether an activity is, or is not, to be treated as “research and development” for the purposes of the Corporation Tax Acts.

Regulation 2 provides that activities are, or are not, to be treated as “research and development” for the purposes of section 1006 ITA 07 with reference to the “Guidelines on the Meaning of Research and Development for Tax Purposes” issued by the Secretary of State for Business and Trade on 7th March 2023.

Regulation 3 revokes the Regulations that previously applied for the purposes of section 1006 ITA 2006.

A Tax Impact and Information Note has not been prepared in relation to these changes as they contain no substantive changes to tax policy.