

R&D Relief Changes

Effective From April 2023

Data & Cloud Computing Costs will be Included in Qualifying Expenditure



1

- + **Dataset licence payments** for a qualifying R&D project (with no resell or sharing rights).
- + **Staffing costs** to collect, cleanse and analyse data for a R&D project.
- + Direct R&D **cloud computing service costs** (not general overheads) e.g. processing, analytics, software etc.

- + Third-party subcontractors must **perform the work in the UK**.
- + Externally provided workers (EPW) must be paid via a **UK Payroll**.
- + Software, consumables, clinical trial volunteers, data and cloud can still be sourced from overseas.

Refocus on Innovation Based in the UK and Not Overseas



2

Government Plans to Tackle Abuse and Improve Compliance



3

- + **New cross-cutting team** will focus on claim abuse.
- + **More detail in claims**, such as a breakdown of the people, sub-contractor, consumable, utility and software expenditure. Plus explanations of the technical advancement, uncertainties and how they were overcome.
- + Senior company officer endorsement.
- + Inform HMRC in advance of a claim.
- + Include details of third party advisors.