

## R&D Tax Relief for Pharmaceutical Companies

R&D tax relief can improve your company's cash position by reducing its corporation tax liability. It's one of the government's top incentives to encourage investment in research and development. Your company could receive cash credits for projects worked on from as long as two years ago, and you can even benefit from R&D tax relief if you are making a loss.



### Understanding the rules for R&D tax relief

According to the government's rules and guidance on R&D tax relief, a company performs qualifying R&D activities when it seeks to make an advance in science or technology, or tries to resolve a scientific or technological uncertainty. In addition, appreciable improvements may also qualify for R&D tax relief, although routine work, such as a minor modification to an existing product, does not.

A key test of whether work can be considered as R&D is whether your project team faced technological uncertainties at the start of the project. That means that your team did not know at the outset whether or not a particular technological goal was achievable. If you can show that your project goes beyond applying existing technologies and demonstrate that it breaks new ground, you can claim R&D tax relief.

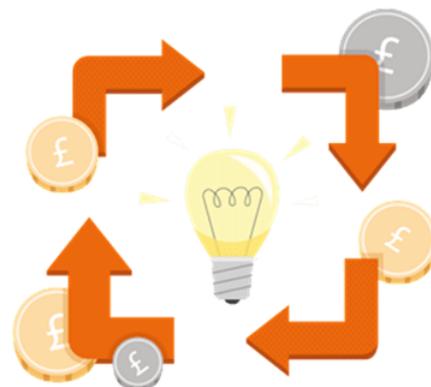


### What type of pharmaceutical projects and activities qualify for R&D tax relief?

Although similar to other industries, the types of pharmaceutical activities considered R&D are different due to the nature of testing procedures necessary to meet regulatory requirements. Development in the pharmaceutical industry typically takes place in four stages:

- Drug discovery – the identification of promising new chemical entities. Work in this stage will likely be considered R&D.
- Pre-clinical trials – non-human testing of compounds, with promising treatments moving onto clinical trials. These activities generally qualify as R&D.
- Clinical trials – human testing of treatments in three phases: toxicity tests; preliminary efficacy tests; and comparative efficacy and tolerability tests. Work done during these phases will likely be considered R&D, including the work applying to and responding to the regulator.
- Post-launch – after a product has been licensed, including special interest studies. This work will generally not qualify as R&D.

Our experience has shown that the activities in discovery, pre-clinical development, and phases 1-3 of the clinical trials will generally be concerned with the resolution of scientific and technological uncertainty, but stage 4, the post-launch work, will not. Therefore, the first three stages of the development are our focus when examining claims from pharmaceutical companies. In cases where R&D work is done in post-launch trials, such as in studies for longer-term efficacy or tolerability, this can be examined further. In every claim, what's important is that the company claiming can demonstrate the work that has been done and that the expense incurred meets HMRC's guidelines for qualifying R&D activity.



## The Myriad Associates approach

By profiting from our specialist knowledge and experience, you can be sure of maximising your R&D tax relief claim. In our experience, Myriad Associates submits R&D tax claims up to three times higher than claims prepared in-house or those filed by generalist accountants. Our 5-step claim process is simplicity in itself, so you always know where we are with your claim.



- We handle your R&D claim from start to finish, taking up just two to three hours of your time.
- We can maximise your R&D claim because our expert consultants can identify your qualifying projects and all your eligible expenses.
- We write technical reports describing your projects to support your claims.
- We make sure HMRC handles your claim promptly, because of our right-first-time approach and because of our outstanding relationship with R&D tax inspectors.



## Get in touch

Contact us today to discuss how working with Myriad Associates can maximise and secure R&D funding opportunities for your company.

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