R&D: Advance assurance improvements sought

Briefings



24 June 2025

An improved pre-approval system for research and development tax reliefs could help deliver certainty to businesses, says the ATT, as the government looks to reduce fraud and error in the system. Its members have concerns over the current advance assurance regime, which allows businesses to send HMRC details of their R&D work ahead of claiming tax relief, to confirm it meets criteria. This includes time and cost pressures, and significant uncertainty around key aspects of the R&D tax relief regime.

HMRC estimates that around 18% of claims for R&D relief were the result of error and fraud in 2021-22, totalling £1.3 billion, and recently ran a consultation on the clearances scheme to address these problems.

ATT President Senga Prior said: ‘There continues to be significant uncertainty around key aspects of the R&D tax relief regime – particularly in determining whether an activity qualifies as R&D and who is entitled to claim for contracted out activities.

Advance assurance on these areas could help support genuine innovation and investment.’

ATT is calling for greater resourcing to help HMRC effectively pre-assess claims, including in investment in training and expertise of staff.