

## Claims for Research and Development tax relief

We're writing to companies that sell goods by mail order or on the internet.

Agents and other third parties are targeting companies in these sectors, encouraging them to make Research & Development (R&D) tax relief claims. However, companies in these sectors are often not eligible to claim this relief.

R&D is a Corporation Tax relief on the costs of activities that seek an advance in science or technology. The activities must advance the field of science or technology as a whole, not just the company's own knowledge.

Please read this letter and our guidance carefully before you consider making a claim. Our guidance is accessible by going to GOV.UK and searching 'Research and Development tax relief'.

### How some R&D agents work

You may get calls from agents saying your company's general business activities qualify for R&D relief. However, if these activities aren't trying to achieve an advance in science or technology, you're not undertaking R&D. This means you won't have the evidence to support a claim.

Agents may offer to advise you on a 'no win, no fee' basis, suggesting little or no risk to you and guaranteeing we won't investigate. This isn't the case.

If we check your R&D claim and find it's incorrect, your company will have to pay back any amount that's been paid out, plus interest. We may also charge you an inaccuracy penalty.

For more information, go to GOV.UK and search 'Research and Development tax relief'.

### R&D tax relief in your sectors

It's unusual for companies in your sectors to meet the R&D criteria. Most claims aren't eligible. This is because they're usually based on:

- normal day-to-day business activities – for example, creating new products without advancing a field of science or technology
- using customer research to analyse the purchasing patterns of customers
- using new e-commerce platforms, stock management systems or dataset management systems, purchased 'off the shelf' and adapted to suit the business
- packaging solutions purchased from a third party – for example, 3D printed packaging model designed or adapted to suit the business

### If an agent or third party offers to claim R&D on your behalf

Don't give them your HMRC log-in details. For more information, go to GOV.UK and search 'keeping your HMRC login details safe'.

If you have a Corporation Tax agent, we recommend talking to them before contracting a R&D agent. For advice about choosing an agent, go to GOV.UK and search 'How to choose a tax agent'.

We never recommend specific accountants, agents, or advisers.

### Extra support

If you have personal circumstances that make it difficult for you to deal with us, please tell us. We'll help in whatever way we can. For more information about this, go to GOV.UK and search 'Get help from HMRC if you need extra support'.