

Get to grips with the Additional Information Form

A monumental change in the way you claim for R&D tax relief came into force on 8th August 2023, with the implementation of HMRC's Additional Information Form (AIF).

Within the first month of this measure being introduced, around 50% of claims submitted to HMRC were rejected due to AIF issues.

It is important that you don't let this change get the better of you!

Get the inside scoop on everything you need to know so you can be prepared.

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Chapter 1

What has changed?





One of the surprises sprung on the R&D tax relief sector in the Spring Budget was the change in the implementation date of the Additional Information Form (AIF).

The requirement to provide additional information to support R&D tax relief claims was expected to come into force for claim periods starting on or after 1st April 2023.

However, at the Spring Budget (March 2023) it was announced that this would now be required for **all claims submitted** on or after 1st August 2023 – a move later delayed until 8th August 2023.

How does this affect your clients?

All claims, regardless of financial period must now be accompanied by an AIF.

For claimant companies, complying with the requirements of the form means providing more information than ever before to HMRC. Claims not accompanied by an AIF will be rejected by HMRC.

For advisors, complying with the form will mean making updates to both claim preparation and submission processes in order to make sure that the required information is gathered, and the form is submitted at the correct point in the process.

Getting started with the AIF

The requirement to submit an AIF affects all stages of the claim process. Here's our handy checklist of everything you need to have in place now:

Step 1)

Make sure you can access the form and submit it on behalf of your clients

To access the AIF you'll need to be registered for an Agent Services Account with HMRC. Without this, you won't be able to access the form properly to submit it for third parties.

If you don't already have an Agent Services Account (ASA), use this [link](#) to register.

Please note that many firms have reported that this initial step is harder than expected and it's worth taking a look at these notes before you register:

- You may already have Online Agent Authorisation, allowing you to submit Corporation Tax returns to HMRC. However, be aware that this is different to the Agent Services Account (ASA).
- For accountants wishing to submit both the CT600 and the AIF, both the Online Agent Authorisation and the Agent Services Account are required.
- For consultants who only want to submit the Additional Information Form, only the Agent Services Account is needed.
- The home for accessing the ASA is the online portal which was set up to support Making Tax Digital (MTD). HMRC are now using it to support other services, like this new form.
- If you're a new tax agent you need to register as an agent with HMRC by post before you can create an ASA. Once your registration has been accepted by HMRC (this can take some time) you can create an ASA.
- If you already have an Online Agent Authorisation for your clients, which allows you to submit Corporation Tax returns to HMRC **via gov.uk** or your accounting software, you can immediately create an ASA.

- When applying for your Agent Services Account, you'll need to include details of your Anti-Money Laundering (AML) registration. As far as HMRC is concerned, anyone who prepares and submits R&D tax claims is giving tax advice, so it's really important that you're registered and performing the right AML checks.

Accountants and PCRT body members will already be meeting their AML obligations and for those not registered, you can find out how to do so [here](#).

Step 2)

Familiarise yourself with the Additional Information Form

Even without an Agent Services Account, you can [access the form](#) using your company's Government Gateway ID.

We recommend taking the time to walk through the form using dummy information to ensure that you understand everything that HMRC are asking for.

Step 3)

Review your claim preparation process

Spend some time looking at your claim preparation process to ensure that you are collecting all of the information needed to fill out the form the first time.

It's especially important to ensure that you collect detailed information on sufficient projects to fulfil HMRC's requirements.

Step 4)

Review your claim submission process

The AIF must be submitted ahead of the CT600/CT600L, so you need to think about who in the team will do this submission and how you will ensure that it is done in time to ensure that the CT600 can be submitted on time.

It's also vital to update your CT600 process to ensure that box 657 is checked to confirm that the AIF has been submitted.

Can I avoid using the form?

In short, no. Any claims submitted without the AIF will not be valid, and HMRC will remove the claim for R&D tax relief from the CT600.

As mentioned, HMRC reported in late September 2023 that more than 50% of the claims submitted since the AIF deadline of 8th August had been rejected because there was no valid AIF submission.

HMRC are taking this new regime seriously and rejecting claims accordingly.



Chapter 2

How to complete the Additional Information Form

The Additional Information Form (AIF) is fairly comprehensive and enables advisors and claimant companies to provide sufficient information to HMRC to enable them to assess the eligibility or otherwise of a claim.

Here's our guide to the form and how best to fill it out:

What do I need to know before I get started?

There are some key points that you need to know before you start completing the AIF:

- 1. You still have to include the claim in the CT600.**
This form doesn't replace the sections of the CT600 that deal with R&D tax relief — in fact, you now need to remember to check box 657 to confirm that you've ***submitted the AIF before*** you submit the CT600.
- 2. Claims submitted without the AIF will *not* be valid, and HMRC will remove them from the CT600.**
- 3. You must submit the form within 28 days of starting to fill it out, or it will be deleted.**
This will impact your claim preparation process, as, in general, you won't be able to start filling out the AIF until you have all of the information from your client, and you've calculated the eligible expenditure.
- 4. You can't edit or view the AIF once it has been submitted.**
Again, this means you'll have to be sure you have all of the correct information upfront, as any mistakes will mean filling out the form and submitting it again.
- 5. You can't attach any files, pictures or other information to the AIF.**
If you want to send further information to support the claim, you will have to attach this to the CT600 in your tax filing software.
- 6. You must fill out an AIF for every corporation tax period, even where two claims have been prepared at once.**
This does mean that if your client has an extended accounting period, you'll need to submit an AIF to accompany each CT600, not just each accounting period.

How is the AIF structured?

The Additional Information Form contains **six main sections**:

- **Business details**
- **Contact and agent details**
- **Accounting period**
- **Qualifying expenditure**
- **R&D Projects**
- **Enhanced support for R&D intensive SMEs**

Each of these sections is discussed in detail below.

1. Business details

This first section asks for basic information about the company to enable HMRC to link the AIF to the CT600. The information you need to be able to complete this section is:

- Business name
- Corporation Tax Unique Taxpayer reference (UTR)
- PAYE reference (where applicable)
- VAT number (where applicable)
- SIC code for the company

All of the information for this section must be entered manually. It doesn't appear to be validated against Companies House or HMRC records and doesn't auto-fill any information from other sources.

2. Contact and agent details

This section is used to gather all of the contact information about the person filling out the form, any agents involved in the preparation of the claim and the senior officer of the company responsible for signing off on the claim.

For the **tax agent and any other agents involved in the claim you will need to provide:**

- Full name
- Name of the agent's business
- Telephone number
- Email address
- Registered business address

For the **senior officer of the claimant company, you will need to provide:**

- Full name
- Role
- Telephone number
- Email address

In this section you'll be asked where the confirmation email should be sent — you are given the choice of the email associated with the government gateway account being used to fill out the form, or another email that you can enter manually.

3. Accounting period

This section is very simple, and simply asks for the start and end dates of the accounting period, and whether the period entered is part of a long period of account. **This cannot be longer than 12 months.**

4. Qualifying expenditure

This part of the form requires you to enter details of the eligible expenditure. To fill in this section you need to have gathered information on the costs of the R&D, both overall and by project, and the baseline, technical advances, technological uncertainties and resolutions for a subset of the projects.

You'll need to know:

- **Which schemes your client is claiming through — SME, RDEC, or both.**
The AIF doesn't ask about grants, company structure or subcontracted R&D, so you will have to have assessed your clients work and which schemes they are eligible to claim through before starting to fill out the form.
- **Which categories of costs your client is claiming for in each scheme**
For this section, you will need a full breakdown of the total qualifying expenditure by category for both SME and RDEC costs.
- **How much of the qualifying expenditure is a result of qualifying eligible activities.**
This section requires you to have assessed what proportion of the R&D was qualifying indirect activities (see below) and therefore how much these QIAs cost, for each scheme.
- **Whether all of the qualifying expenditure relates to R&D activity in the UK**
This section is very brief, and simply asks you to state whether or not all of the expenditure relates to R&D activity in the UK.
- **Whether the company is exempt from the PAYE cap**
This section requires you to say whether the company is exempt from the PAYE cap, and, if so, give a brief explanation about why it is exempt.

5. R&D Projects

This is the longest and most complicated part of the form, and requires you to enter details of all of the projects included in the claim. To fill in this section you need to have gathered information on the costs of the R&D by project, and the baseline, technical advances, technological uncertainties and resolutions for a subset of the projects.

You'll need to know:

- **How many eligible R&D projects the claimant company incurred costs for during the accounting period**
- **Details of a subset of these projects**
HMRC requires you to describe a minimum of three (or all projects if only 1-3 are included) and a maximum of ten projects, and to have described projects representing at least 50% of the eligible expenditure. The form guides you through this and ensures that you have described sufficient projects.
- **The total qualifying expenditure, divided into SME and RDEC figures, for each project that you describe**
- **The number of EPWs that worked on the projects, and the UK PAYE reference/s for these EPWs.**

This section requires you to know where any EPWs were based, and, for those based in the UK, the relevant PAYE references. If you do not know the PAYE reference, you're asked to give a brief explanation as to why you cannot find it out.

What are qualifying indirect activities?

Qualifying indirect activities are those activities that are essential to the success of an R&D project but **do not contribute *directly*** to the resolution of technological uncertainties.

[**CIRD81900**](#) contains a set list of the activities that would be eligible — anything not on the list cannot be included in a claim.

This list includes:

- **Scientific and technical information services**
- **Indirect supporting activities** such as maintenance, security, and administration, finance and personnel activities
- **Ancillary activities** essential to the undertaking of R&D
- **Training required** to directly support an R&D project
- **Research carried out by students and researchers** at universities
- **Research to devise new scientific or technological testing, survey or sampling methods**
- **Feasibility studies** to inform the strategic direction of a specific R&D activity

For all of these activities you must be able to demonstrate that the work was essential to the success of the R&D project, and not simply part of the day-to-day work of the claimant company.

What project details do I need to include?

For each project that you are required to describe, you need to provide the:

- Project name
- Main field of science or technology
- Details of the technological baseline, technical advance sought, technological uncertainties and technical resolution
- What type of expenditure and how much applies to it.

We've [written a blog](#) about what to include in a technical narrative before, but the AIF requires some very specific information. Here's what we recommend:

- **Main field of science and technology**

To answer this section, you need to think about what area of science or technology that the project relates to. Make sure that it is an area of science or technology that HMRC will recognise as such — anything in arts, humanities, social science or economics is not eligible. For example, HMRC classes learning science as a social science, so the development of educational platforms is not usually eligible.

- **Scientific or technological knowledge that existed at the start of the project**

This should describe the state of the industry at the outset of the project, focussing on the scientific/technical aspects. For example, what was available in the marketplace? Why was this not suitable, from a scientific or technological point of view, for the claimant company's purposes? Why were existing solutions not suitable? Why could they not re-apply existing knowledge?

- **Advance in scientific or technological knowledge sought**

This should describe what advance (new knowledge) in science or technology was required for a successful project outcome. This must focus on the underlying science or technology, and completely avoid describing the commercial successes of the project.

- **Scientific or Technological uncertainties faced**

This should describe the technical challenges faced during the project, focussing on the points where competent professionals were not sure that it would be possible to achieve the advance. This might be that tried and tested methods or materials didn't work, or that unexpected failures were experienced. Again, this must focus on the technical aspects of the project, and avoid any discussion of, for example, commercial or logistical issues.

- **How the project sought to overcome the uncertainties**

This should describe what the company did to overcome the uncertainties detailed in the previous section. As always, this should focus on the technical aspects of the project, and ideally should detail what was tried, what the results were and what the company learned from each experiment or trial. If possible, including subjective measurements of progress can make this section more robust.

The character limit for each of these sections is 20,000 characters (3-5000 words). This is a huge amount of text, and we'd recommend aiming for closer to 3-500 words per section.

In general, descriptions longer than this contain extraneous information about the commercial considerations and outcomes of the project, which is best avoided.

6) Enhanced support for R&D intensive SME

This section allows you to enter supporting evidence for a claim for enhanced support for R&D intensive SMEs, and is only applicable to claims that end after 1st April 2023. It asks for enough information to enable HMRC to assess whether the company meets the R&D intensive SME criteria, and gives a result at the end. The information asked for is fairly in depth, especially for claimant companies with connected companies. It also doesn't apply to all companies. There's no need to add information to this section if:

- **You know that the company's R&D spend is less than 40% (30% for claim periods starting on or after 1st April 2024) of the total trading and operating expenses for the period;**
- **The company does not qualify as an SME for R&D tax relief purposes; or**

- **The company is not in a position to surrender any R&D-related losses (claims starting before 1st April 2024) or is not loss-making before the R&D enhanced expenditure is applied (claims starting on or after 1st April 2024).**

Once you've assessed all of this and are happy to continue, you'll need to provide:

- **Total trading and operating expenses for the claim period;**
- **Adjustments made to the corporation tax return for capitalised R&D expenditure;**
- **Financial and corporate details for each connected company, including;**
 - Name
 - Registration number
 - Country of registration
 - Total qualifying R&D expenditure for the claim period
 - Total trading and operating expenses for the claim period
 - Adjustments made to the corporation tax return for capitalised R&D expenditure

Once all of this information has been entered, you'll be given feedback about whether or not the claimant company has met the criteria and can claim enhanced support for R&D intensive SMEs. Note that a company cannot claim enhanced support if it cannot provide all of the required information about its connected companies.

What happens after I submit the form?

Once you've completed the form, you must review the information that you've entered and then submit it to HMRC. Once this is done, you can submit the relevant CT600 and your work is done!

Do I still need to submit a technical report?

The AIF is a rather exhaustive

document containing extensive details. Nonetheless, it falls short of encompassing all the information HMRC requires, and it also doesn't sufficiently assist your client in comprehending their own claim, which is crucial.

HMRC has emphasised that submitting a technical report alongside your CT600 remains the best practice. We strongly advise sharing the complete report with your client as well.

Chapter 3

How WhisperClaims can help?

Here at WhisperClaims we have worked hard to adapt our R&D tax software to make sure that our outputs are compatible with HMRC's requirements, including the Additional Information Form.

It ensures that you are prompted to gather all of the required information at the right time to complete your claims with confidence.

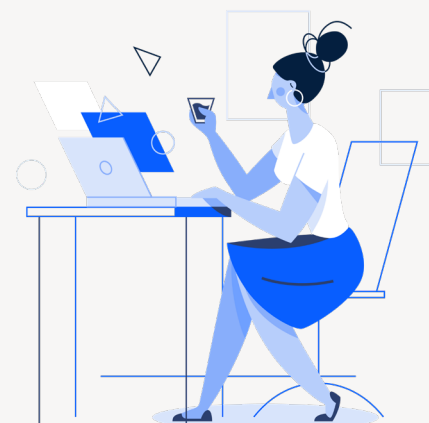
With respect to the implementation of the AIF, this includes:

- Adding questions to work out **how many project descriptions** will be needed for the Additional Information Form
- **Adapting how we gather the costs** of the projects to make sure that we can output the costs in a compatible format
- Adding in a few more questions to cover other points HMRC ask for in the Additional Information Form, such as the **amount of the costs that is for qualifying indirect activities**
- **Updating our technical report output** to reflect these changes
- Creating a new output containing **just the information that HMRC ask for** in the order and format required for the Additional Information Form, to enable quick and easy copy and pasting into the form.

We're determined to make this transition as easy as possible for you, and to provide you with a robust and compliant framework for preparing R&D tax relief claims.

Got a question?

We're here to help. If you're a WhisperClaims customer and would like more information about any of the points covered in this guide, please do not hesitate to [reach out](#) to our customer support team via email or Live Chat.



Not yet a WhisperClaims customer?

**Ready to start delivering robust claims for your clients?
Then look no further!**

We understand that confidence is key when it comes to delivering a reliable R&D tax service for your clients. That's why we're here to support you every step of the way. With a subscription to WhisperClaims, you'll have access to our state-of-the-art claims preparation software and a comprehensive suite of Advice Line services, so you can feel empowered and confident throughout the entire claims process. From remaining compliant to streamlining your workflows, we've got you covered.

All the support you'll need

- 1. Award-winning software**
Gain structure to screen clients and prepare claims that are robust and consistent.
- 2. Learning tools**
Training courses, guides and webinars plus access to a community of peers.
- 3. Advice-line support**
Hands-on help from R&D tax experts at any stage in the claims process.

Let's do this

The best way to get to grips with WhisperClaims is to try it out for yourself.

We'll give you 30 days to explore and test all the features and benefits of our software with no subscription to pay—you can download your first report for free and also access a free claim review (worth £975 + VAT).

And because you are able to charge for this work, we hope that this provides immediate ROI, and goes towards subsidising your first year's subscription with us! [Book your demo today to kick-start your trial.](#)