



Research & Development Tax Incentive (RDTI)

R&D Activity Eligibility

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Objective

The objective of this How-To Guide is to help you determine whether you have undertaken, are undertaking, or are about to undertake eligible R&D core or supporting activities; and to help you identify those R&D activities within your project.

This document also helps identify information and systems that could be relevant for you to record and document in order to support your future R&D Tax Incentive (RDTI) claim.

It is important to note this document is not a substitute for the '[Research and Development Tax Incentive Guidance—IR1240](#)' published by Inland Revenue—but provides additional detail and support.

Eligible R&D activities

For the purpose of progressing your application, it will be essential for you to understand the meaning of 'core R&D activity' and 'supporting R&D activity' according to the legislation.

Applications will be assessed strictly from a technical/scientific standpoint. It is important to note the assessment of activities will NOT be based on economic or business outcomes, and this is essential to keep in mind as it is a major characteristic of the RDTI scheme. For this reason, it is strongly recommended that you involve your technical/research staff in both identifying and recording the information related to R&D activities and in completing the application for the RDTI.

KEY POINTS

Involve your technical staff in the RDTI process.

Focus your activity application from a technical perspective.

WHAT IS A CORE R&D ACTIVITY?

To claim the RDTI, you must be undertaking a core R&D activity in New Zealand. You must have records which show that your R&D meets each of the three requirements set out below.

'Core R&D activity' is an activity that simultaneously:

- has the material purpose of resolving a scientific or technological uncertainty, which exists if the knowledge required to resolve it is not publicly available or deducible by a competent professional, and
- is performed for the material purpose of acquiring new knowledge, or creating new or improved processes, services, or goods, and
- is conducted using a systematic approach.

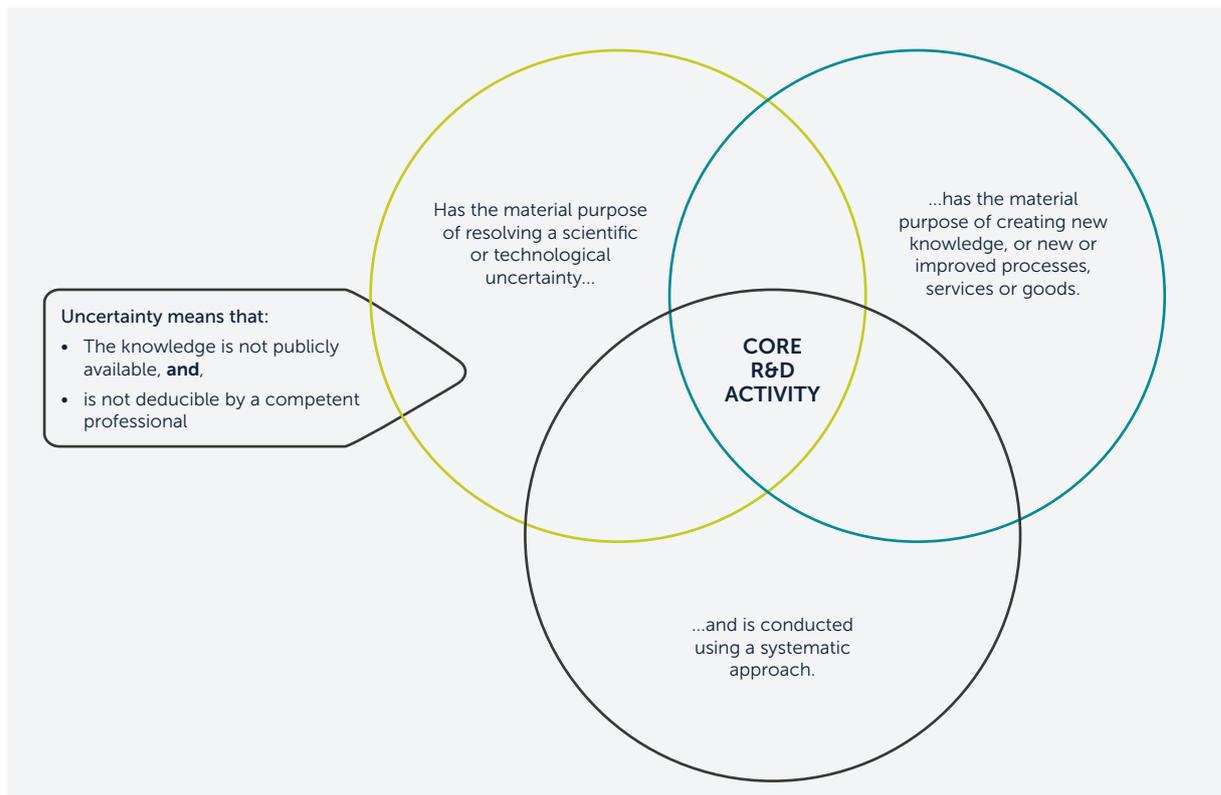


Figure 1 – An activity is considered 'core R&D activity' when these three conditions are met simultaneously

Figure 1 illustrates how the three key requirements work together to define what core R&D activity means. Before you make an application, one simple way to self-assess if you are doing or have been doing R&D eligible for the RDTI is to ask yourself how you would answer each of the three conditions and what evidence you can supply to back-up your answer.

Once you have identified that you have an activity that meets these three requirements, it is good practice to use your standard project documentation to capture as much as possible of the required documentation.

We discuss in the next section how to maintain good record keeping for the purpose of claiming the RDTI.

WHAT IS NOT A CORE R&D ACTIVITY?

There are certain activities contained in a project that are excluded from being core R&D activities. These activities are listed in Schedule 21 Part A of the [Taxation \(Research and Developments Tax Credits\) Act 2019](#) and are more specifically detailed in the [IR1240–RDTI Guidance document](#).

In summary, an activity is **not** a core R&D activity if either:

- the knowledge required to resolve the uncertainty is **publicly available, or**
- the required knowledge is **deducible** by a competent professional in the relevant scientific or technological field,
- or if the activity **doesn't meet the three requirements (illustrated above) simultaneously.**

The difference between Project and Activities

We know that there is no such thing as a 'typical' R&D project. The following generalised guidance assumes your business is an 'eligible entity' for the purpose of claiming the RDTI. The information is provided as a basis for businesses to consider their own processes and how these might be adapted to meet the requirements of the RDTI.

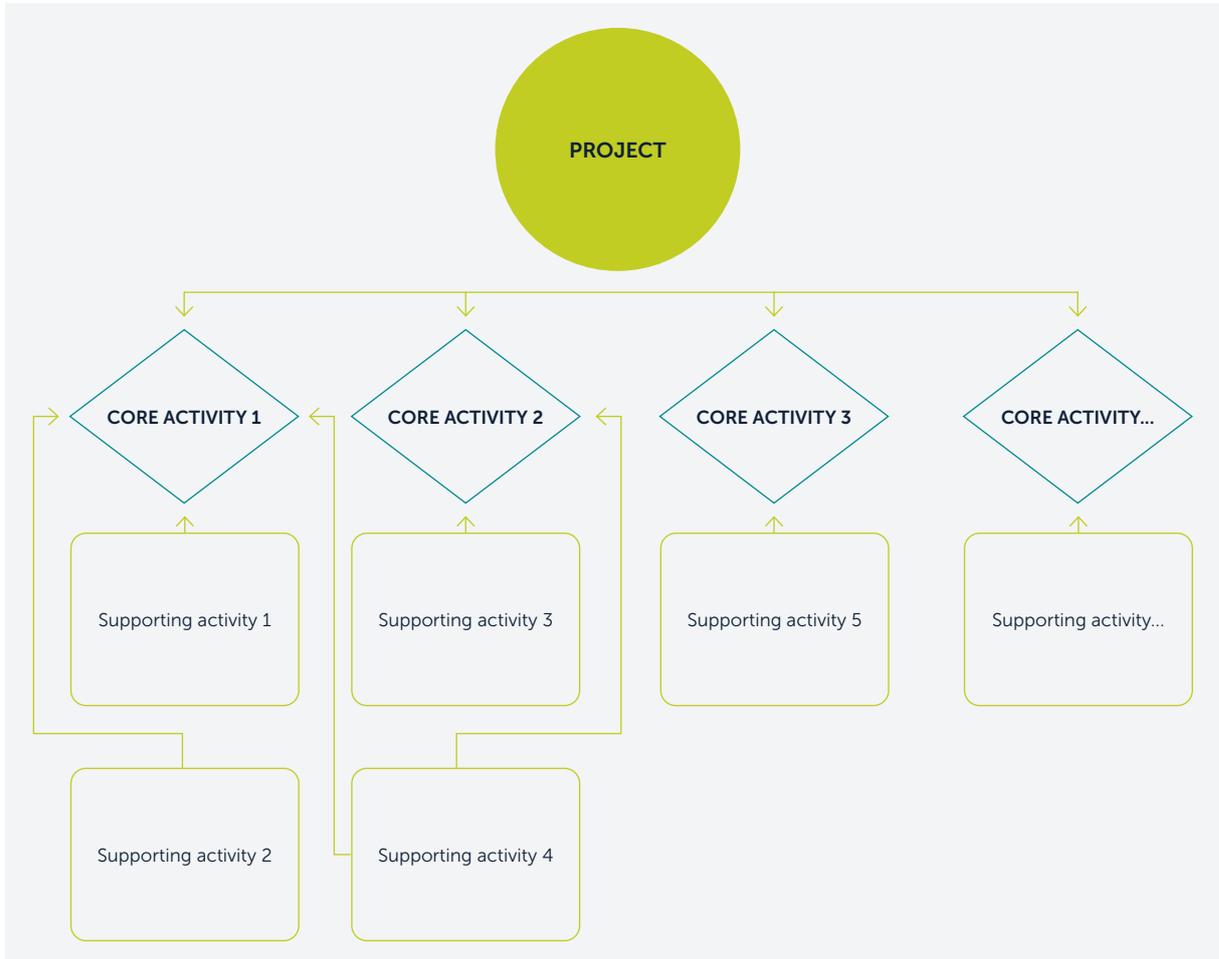


Figure 2 – Example of 'project' structure

As the example on the diagram above shows, a 'project' is a group of related core and supporting activities. Some of these activities could be eligible for the RDTI, but not necessarily all of them. We understand that a project may be made up of both eligible and other activities that are not seeking to resolve scientific or technological uncertainty—and some may be on the schedule of excluded R&D activities.

KEY INFORMATION

Your application will be assessed on a core R&D activity and supporting R&D activity basis, not on a project basis. The project information is only required for identification purposes and to give context to the activities that you are claiming for.

We use the expression 'project' – the term 'project' is not part of the legislative definition of R&D but it is a way for you, in your business, to group related activities and make them easier to track.

It is unlikely that all the activities within a commercial project will be eligible for the RDTI, so within each 'project' we ask you to describe the core and supporting R&D activities, and how they meet the legislative definition. If the concept of a project is not meaningful for you (e.g. you might be a start-up where everything is directed towards one purpose) you can either create a meaningful 'project' name and list all your claimed R&D activities under that heading, or create a 'project' for each core R&D activity.

As you list your core and supporting R&D activities, please assign meaningful titles to them. This will not only help us assess your application but will also help you provide more clarity during the process of identification and classification of your project steps.

The three tests

As mentioned in previous sections, to demonstrate the eligibility of your core activities, they will need to be able to meet the following three tests simultaneously:

- aim to resolve a technological or scientific uncertainty, existing when knowledge is not publicly available or deducible by a competent professional,
- create new or improved knowledge, processes, goods or services as the material purpose, and
- conduct this activity using a systematic approach.

In the following sections you will find more information about each of the tests and suggestions for how to keep records of each. A list of useful questions that may help you build your response for each of the tests, can be found in the Appendix.

QUICK TIPS

You may find it useful to generate a checklist with the requirements for your particular case, your answer, the reason for your response and what evidence you can supply to demonstrate it.

I. RESOLVING SCIENTIFIC OR TECHNOLOGICAL UNCERTAINTY (BEING KNOWLEDGE THAT IS NOT PUBLICLY AVAILABLE OR DEDUCIBLE)

An R&D activity is eligible for the tax credit if its purpose is to **resolve scientific or technological uncertainty**.

Scientific or technological uncertainty is a gap in the available scientific or technological knowledge.

What is science?

Science is the systematic study of the nature and behaviour of the physical and material universe. Work in the arts, humanities and social sciences, including economics, is not science for the purpose of the RDTI. Mathematics is the language of all sciences and can be both a science and method of applying the science.

What is technology?

Technology is the practical application of scientific principles and knowledge, where 'scientific' is based on the definition of science above. Examples of technology include the application of:

- Physics in engineering, product development and manufacturing process improvement
- Chemistry and biology in medical or food industries
- Computer science in information technology including software development, software engineering and hardware development

Resolving scientific or technological uncertainty

Scientific or technological uncertainty exists when knowledge of whether something is scientifically possible or technologically feasible, or how to achieve it in practice, **is not publicly available or deducible by a competent professional working in the field**.

Scientific or technological uncertainty includes the following:

- A problem of a scientific or technological nature, whether an objective is scientifically or technologically possible or how it can be achieved.
- An uncertainty of a scientific or technological nature using the adaptation of knowledge or capability:
 - within the same field of science or technology; or
 - from another field of science or technology.
- Where limitations in the current state of technology hinder the development of a new or improved capability.
- A technological constraint that needs to be overcome, uncertainty arising in relation to:
 - Whether the output will meet desired specifications such as response time, reliability or cost; or
 - How the desired specifications can be achieved amongst possible alternative methodologies or solutions.
- The use of known processes, technologies and methodologies where the result or outcome is unknown.
- System uncertainty, wherein the components of a system and their interactions are known, but the outcome/result of the system cannot be deduced from the outset.
- Technological uncertainty may also arise where something has already been shown to be possible but needs further work to make the technology more cost-effective, reliable or reproducible.

Let's consider some other situations when eligible 'uncertainty' may exist:

An uncertainty may be encountered during the course of ordinary work. For example, ordinary design and prototyping for the purpose of product development may encounter an unanticipated technological uncertainty. In this case, a systematic approach to resolve the identified technological uncertainty may be eligible, but the ordinary work that preceded this is not.

In product development, there will be times when a solution needs to meet commercial constraints. Commercial constraints do not themselves create scientific or technological uncertainty, but trying to meet them might. For example, commercial constraints may require that technologically uncertain paths be attempted, although proven alternatives exist.

Your R&D also doesn't have to be successful – even if resolving the scientific or technological uncertainty is not achieved or not fully realised, R&D may have still taken place and you could be eligible for the RDTI.

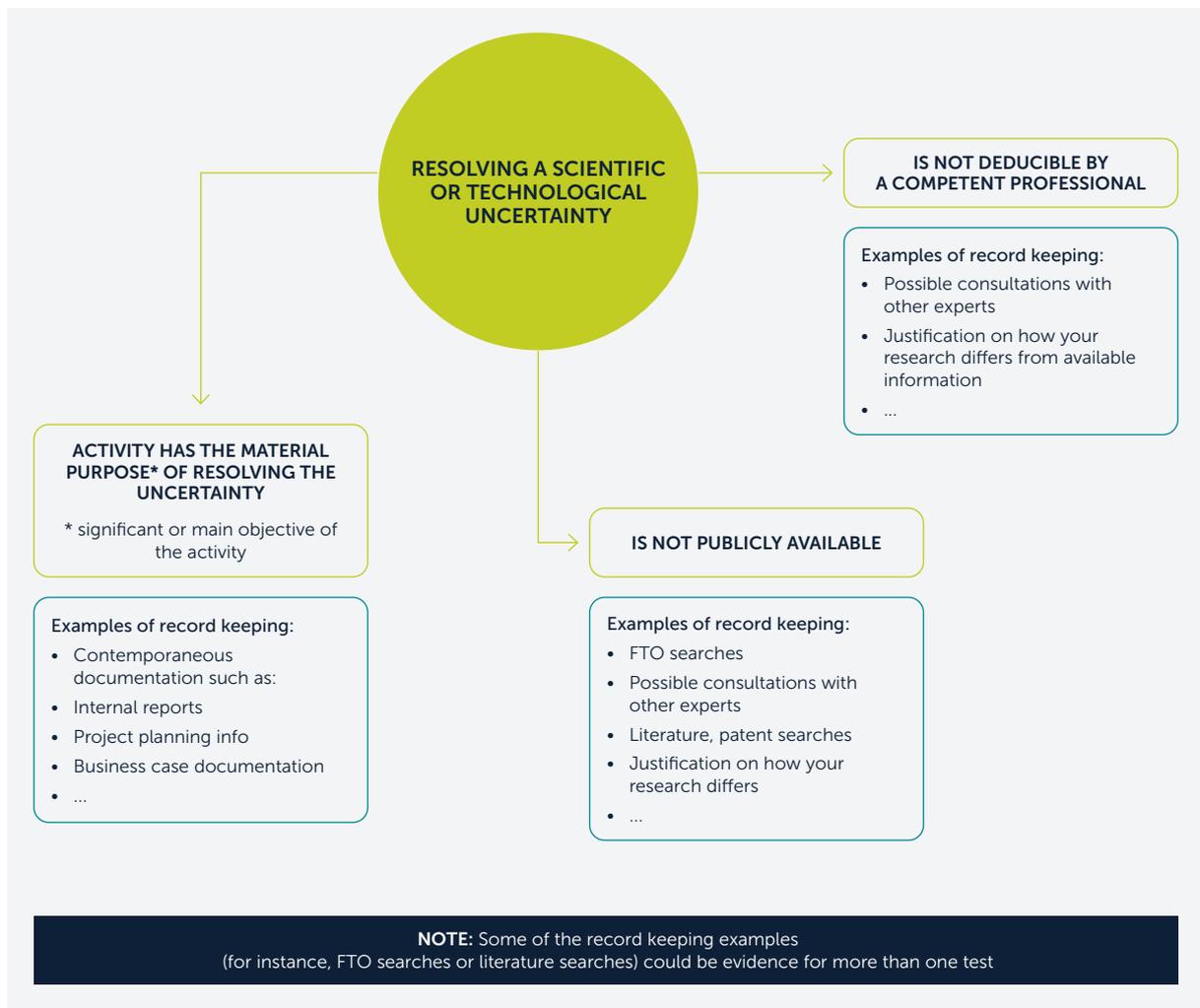


Figure 3 – Summary of conditions and examples of record keeping for the test of scientific or technological uncertainty

How do I demonstrate that scientific or technological uncertainty exists?

Your business needs to consider whether the knowledge required to resolve the uncertainty is publicly available, or deducible by a competent professional in the relevant field.

Let's break this down:

- **The 'knowledge required to resolve the uncertainty'** essentially means the solution to the problem. If this knowledge is publicly available or deducible by a competent professional in the relevant field, then this is not an eligible scientific or technological uncertainty.
- **Publicly available knowledge** that resolves the uncertainty is knowledge that is reasonably accessible. This may include knowledge published in professional journals, on the internet, or in published patents.
- **'Reasonably accessible'** does not mean the knowledge must be available for free. Knowledge that is reasonably accessible on commercial terms is considered publicly available. Some knowledge may not be reasonably accessible through commercial means. For example, knowledge may be disclosed in a granted patent, but cannot be licenced from the patent owner on reasonable terms.
- **Deducible by a competent professional in the relevant field.** The 'competent professional' is a hypothetical person with ordinary knowledge and experience in the relevant scientific or technological field. They possess relevant skills, experience and/or qualifications and are aware of the current state of knowledge in the field. They also have access to up-to-date knowledge, including access to publicly and generally available resources, such as the internet, relevant industry journals and other professionals.

'Deducible by a competent professional' means that a competent professional, faced with the scientific or technological uncertainty in question, could resolve the uncertainty without undertaking a systematic course of investigation. They do not have to be able to resolve the uncertainty off the top of their head, but can use their knowledge and abilities to resolve the uncertainty without undertaking a systematic course of investigation.

Conversely, an uncertainty is considered not deducible by a competent professional if the competent professional would need to undertake a systematic course of investigation to resolve the uncertainty (having identified the scientific or technological uncertainty). The competent professional may be confident they can resolve the uncertainty, and may even see a number of options to do so, however the question is not one of confidence. The question is whether they can in fact resolve the uncertainty without undertaking a systematic course of investigation.



Keeping records of your scientific or technological uncertainty

What is the uncertainty? You must document the question(s) or hypothesis that require a systematic approach to determine whether the technology can achieve the purpose (outcome) you're seeking.

To claim the RDTI, open statements such as the following won't be sufficient:

- Stating the uncertainty in general terms such as "no-one knows how to do x", as this does not link to a set of core activities with a material purpose of resolving it. You don't need to detail every proposition your systematic approach will test, but you should state the key uncertainties (questions) that your R&D is investigating to fill a knowledge gap.
- Statements such as, "The outcome is uncertain", and variations thereof, will not be accepted without a clear explanation of why. Please note, writing an explanation does not necessarily mean it will be accepted. Our technical experts will review the explanation.

Project commissioning and initiation reports, and material prepared for potential investors, can focus more on the commercial uncertainties than the technological. We recognise that these documents are often written to stress the prospects of success more than the scale of scientific or technological challenge. However, the technological or scientific uncertainty for the core activity must be stated in your application for the RDTI.

Refer to the Appendix for suggestions on how to generate a checklist to provide evidence to support your uncertainty.

II. PURPOSE: WHAT NEW KNOWLEDGE, OR NEW OR IMPROVED PROCESS, SERVICES OR GOODS ARE YOU SEEKING TO CREATE?

To be eligible for the RDTI your business needs to identify 'why' you are undertaking your R&D activities.

Your core R&D activity(s) must have a material (important or significant) purpose of seeking to create new knowledge, or to create new or improved processes, services or goods.

New or improved processes, services or goods are created when something is changed or adapted to the point where it is 'better' than the original.

Keeping records of your purpose

You will need to keep evidence of your purpose, for example by recording and keeping relevant ongoing information to document why and how these activities were performed. These records, for example, can be part of your standard project documentation, planning, internal reports, business case documentation, or project management plan.

The purpose of your R&D should not only be implied in your project documentation. You should ensure that you make it explicit and clearly document what is new or improved about what you are seeking to achieve.

You can also refer to the Appendix to help you generate a checklist of the evidence that you can provide to support your claim.

III. CONDUCTED USING A SYSTEMATIC APPROACH

To be eligible for the RDTI a core R&D activity must also follow a systematic approach. A systematic approach involves a planned, logical investigation to solve the problem (for example through testing, experimentation or prototyping). A systematic approach can be flexible and adaptive, changing in response to results, but the approach remains logical and focused on solving the problem.

Random or unplanned trial and error is not a systematic approach, regardless of whether this produced something useful.

An accidental discovery is not disqualified from meeting this test provided it was produced while undertaking a systematic approach.

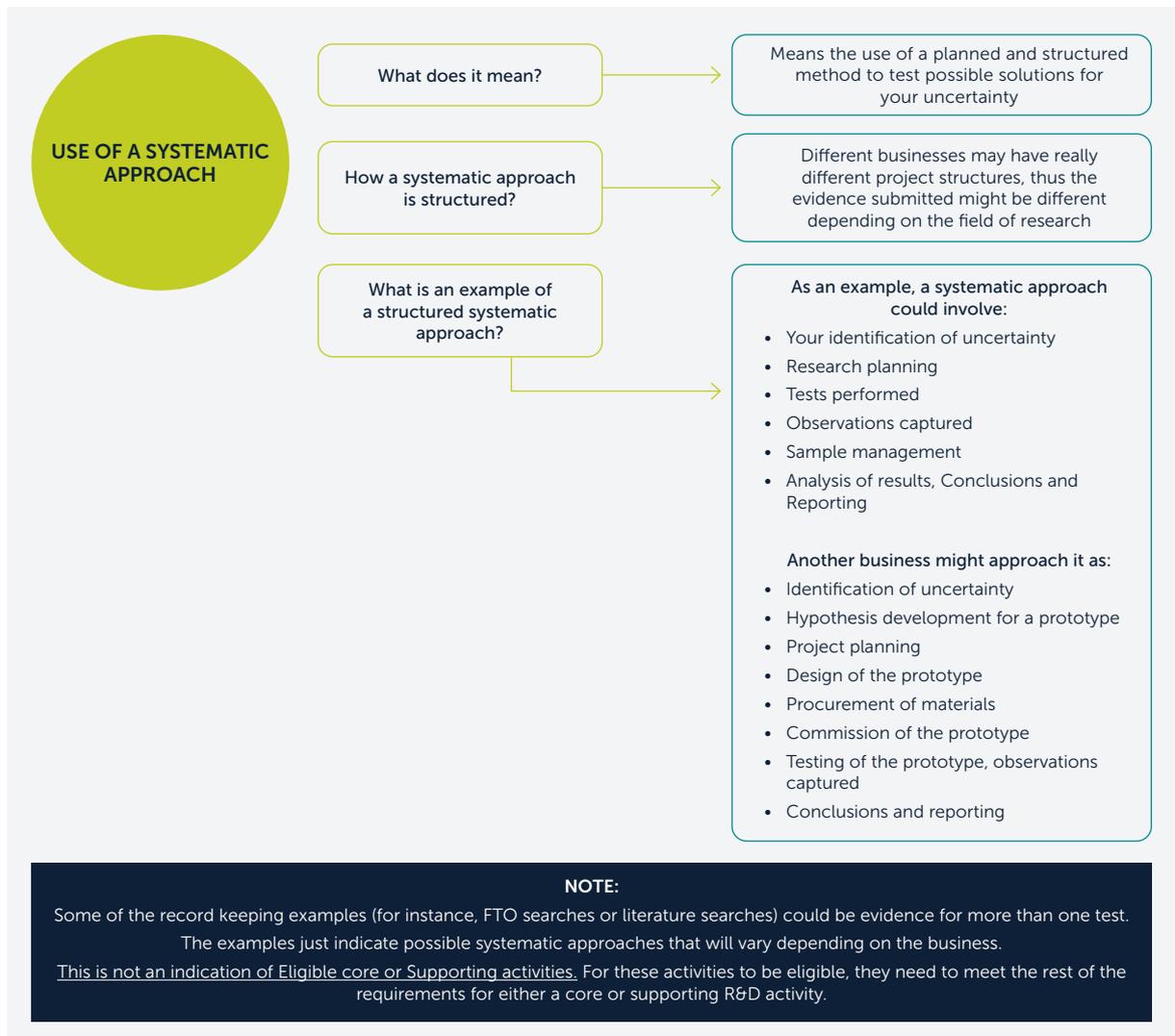


Figure 4 – Summary of conditions and examples of record keeping for the test of use of systematic approach

Record keeping for systematic approach

You should keep records describing the investigations, tests, analysis, or experiments undertaken and if the results resolved the uncertainty. Remember that negative results are just as important to record as positive results. This information should be routinely captured in an R&D process.

To support a claim for the RDTI, your record keeping should differentiate eligible from ineligible activities because the latter serve another purpose or are excluded.

The records that need to be kept will vary depending on the nature of your business and your R&D activities. Examples of documents that are likely to be relevant include:

- project planning documents
- design documentation relating to the tests/experiments/required analysis or prototyping
- project records including notebooks or photos of legible dated scrum boards
- test or experimental protocols, results, analysis, and conclusions
- project reports including progress reports.

The Appendix suggests ways to keep records of your systematic approach.



What is a supporting activity?

KEY DEFINITION

Supporting research and development activity means an activity that has the only or main purpose of, is required for, and integral to, conducting a person's core research and development activity; but does not include an activity to the extent to which it is described in schedule 21, part B, Taxation (Research and Development Tax Credit Act 2019).

If you have a core R&D activity, there may also be eligible supporting R&D activities which, in contrast to the core R&D activity requirement, might be performed outside New Zealand.

There must be enough detail to show the claimed activity is not on the list of activities excluded as supporting activities (please see Schedule 21, Part B, Taxation (Research and Development Tax Credit) Act 2019).

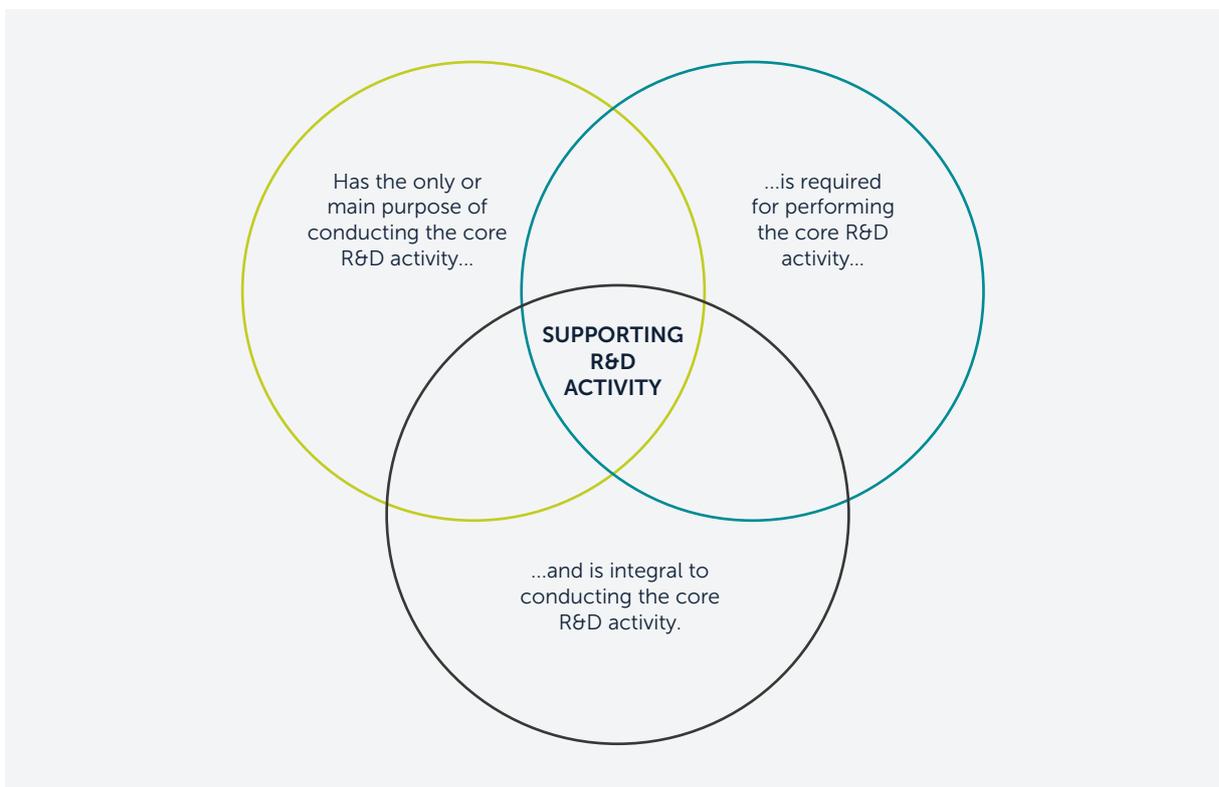


Figure 5 – An activity is considered a 'supporting R&D activity' when these three conditions are met simultaneously and while there is a valid Core activity linked to it.

As indicated in figure 6, it is important that the three following tests are met simultaneously.

In order to better understand the legislated meaning for each of the conditions, they are defined as follows:

1. The supporting activity has the **only or main purpose** of,
 - 'Only' or 'main purpose' means that the only or main reason for performing the supporting activity must be to support the core R&D activity.
2. is **required for**,
 - 'Required for' means that this supporting activity is a necessary step for performing the core R&D activity. Your activity will not be discounted on the grounds someone else has a cheaper way to do it.
3. and is **integral to** conducting the core R&D activity.
 - 'Integral to' means that the supporting activity must be directly related to the core activity and necessary for it.

KEEPING RECORDS OF SUPPORTING ACTIVITIES

If you claim for a supporting activity or activities, you must have records showing that they were required for, and integral to, the core R&D activity, and had the only or main purpose of supporting the core R&D activity. This means that you must be able to show evidence of a direct, close and immediate relationship between any supporting activity and any core activity.

This evidence might come from project planning documents or progress reports which, for example, identify or report on preparatory or commissioning work. To meet the RDTI requirements, you may need to go beyond the information you would otherwise record and detail any other purposes that the supporting activity is serving, or explicitly state that it serves no other purpose.

If your supporting R&D activities take place in an environment where goods or services are being produced for sale, you should ensure you can demonstrate that the only or main purpose of the activity was to support the core R&D activity.





Figure 6 – Supporting activities sequence and examples

Supporting activities could be performed before, during, or after the core activity. They cannot be included in the list of excluded supporting activities and they must be directly related to the core R&D activity – you should be able to prove this in your documentation. Examples of supporting activities would be:

Before:

- Literature searches to determine if there is an existing solution or FTO (freedom to operate)
- Work undertaken to generate a hypothesis
- Design of equipment for use in an experiment
- Writing specialised software for the designed equipment or for monitoring the tests
- Planning the tests
- Prototype manufacture

During:

- Monitoring of tests and or experiments
- Equipment modifications needed while performing tests
- Samples preparation
- Data management of test results.

After:

- Analysis required for understanding results
- Observation and evaluation of the test runs
- R&D documentation and reporting
- Disassembly of the tests or experiments, waste disposal

It is important to note that even though supporting activities can happen before, during or after the core R&D activity, they **must be linked to a core R&D activity**. If there is a change in direction and the core R&D activity ends up not taking place, those supporting activities will no longer be eligible for the tax credit. This is because there is no core R&D activity associated with it.

Other considerations

Beside the three tests mentioned, there are other important aspects to consider while checking if your activity is eligible and while recording your information.

WHEN DOES YOUR ACTIVITY START AND END?

It is also important that you can identify when your core R&D activity starts and ends. This isn't necessarily when your project starts and finishes but when one of the three conditions doesn't exist anymore.

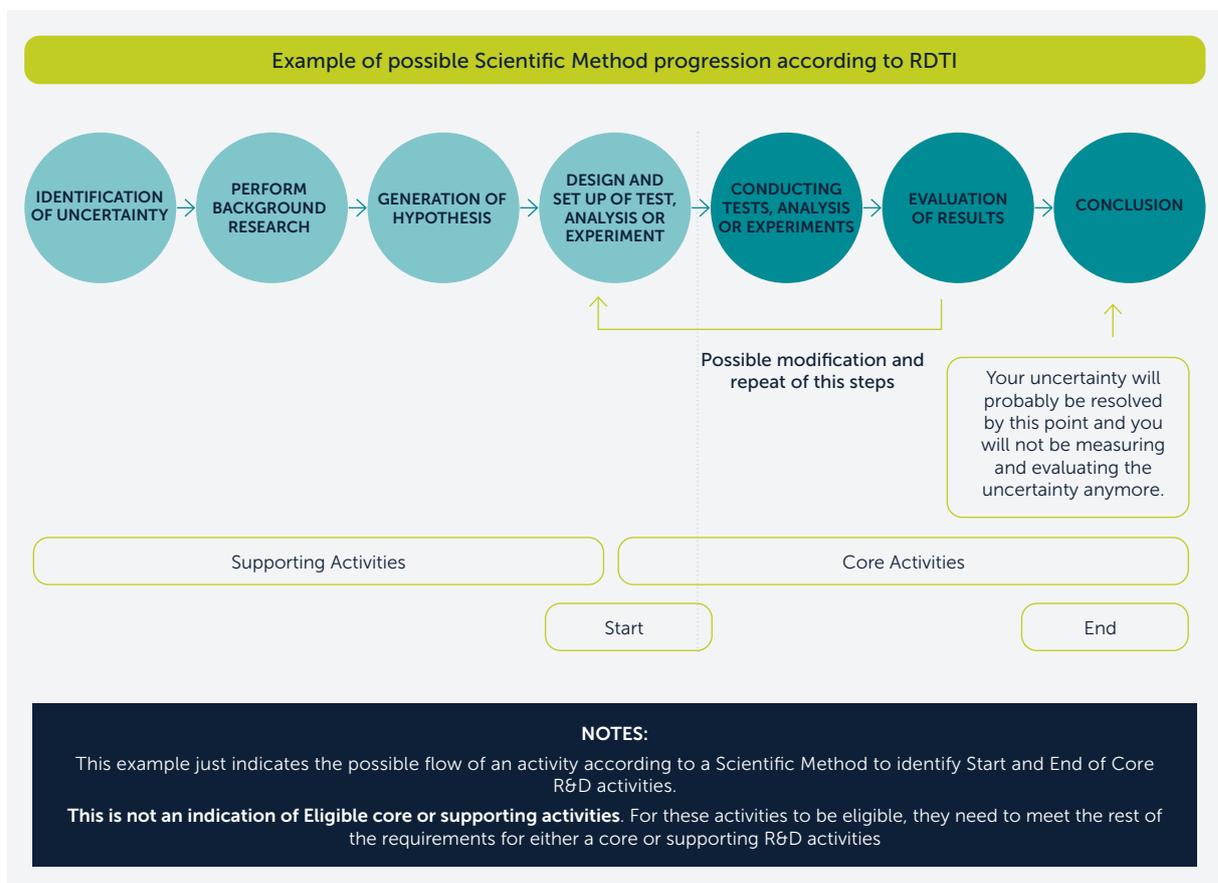


Figure 7 – Example of scientific method progression to identify beginning and end of activities

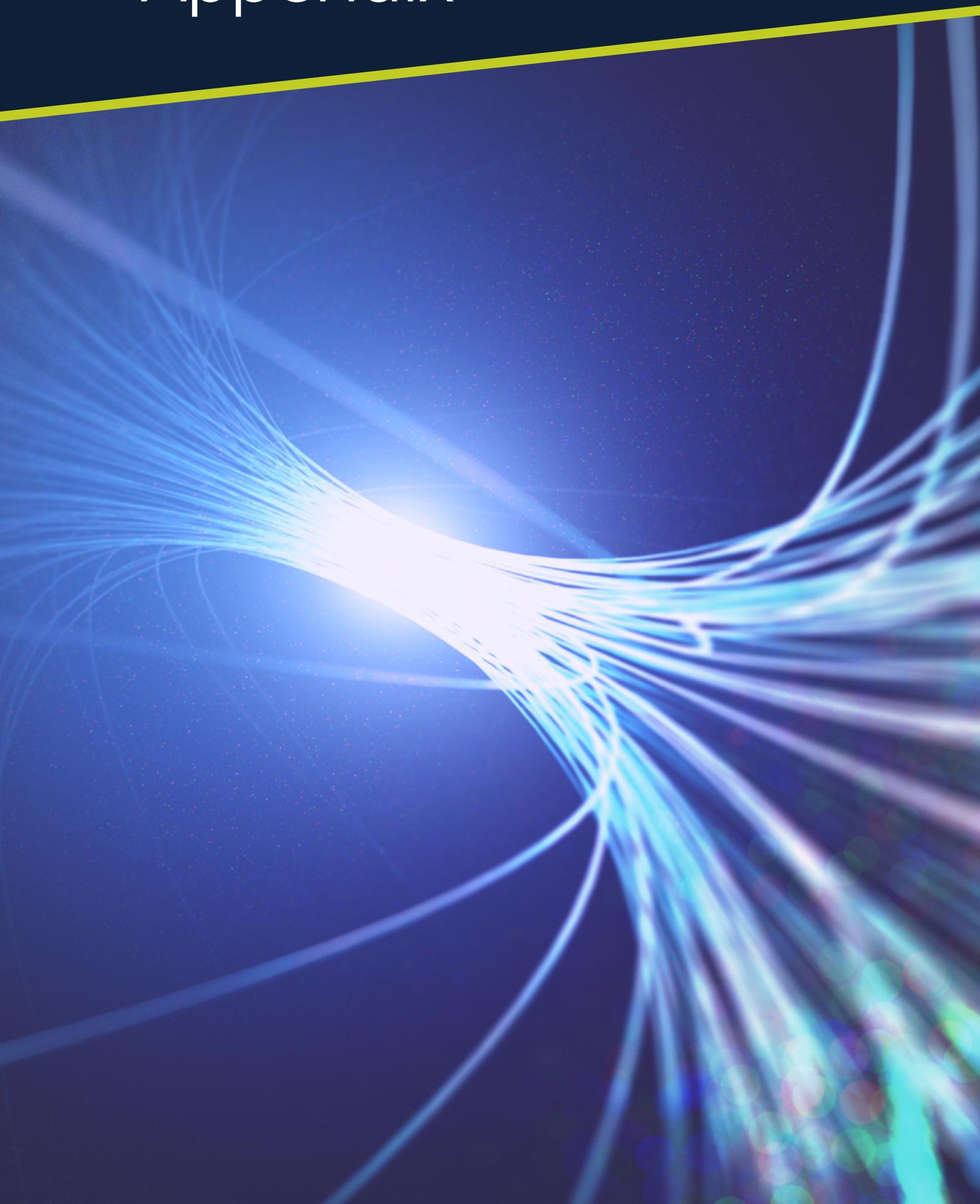
Your process flow may vary depending on the nature of the research that you are conducting, so this figure is only for illustrative purposes.

Core R&D starts when you have a testable idea or proposition (hypothesis) and ends when you stop measuring or evaluating if you have resolved the scientific or technological uncertainty. You must record the start and end date of the core R&D activity.

There will often be a boundary between measuring and evaluating to resolve scientific or technological uncertainty and testing for pre-production or quality control purposes (which is excluded from RDTI eligibility). You should be familiar with the testing-related exclusions to RDTI eligibility that apply when you reach the end of your core R&D activity.



Appendix



Planning your R&D

Minimising the cost of record keeping for RDTI requires you to have processes to:

- identify whether eligible R&D is occurring
- capture and retain appropriate records.

At the time a project (or a portfolio of projects) is being planned, or when you are thinking about the year ahead, you should consider whether there are likely to be R&D activities eligible for the RDTI. If the answer is yes or possibly, the following questions become relevant:

Question	Comment	Where you will use this information
<p>Do you have a material purpose of creating new knowledge or a new or improved, processes, services or goods?</p>	<p>In some cases, the whole project will be directed towards one purpose, and in others a project may include a lot of routine work with an element that is seeking to develop something new or improved. In all cases you should ensure that you record what is new or improved and how you know it is new or improved. This might be answered by recording the patent/internet or other searches you undertook and/or the experts you consulted with.</p>	<p>Information on the purpose of your project is required in the application for general approval.</p>
<p>Will you be seeking to resolve scientific or technological uncertainty in this project?</p> <p>Is there publicly available information resolving the issue?</p> <p>Can a competent professional deduce the solution?</p>	<p>When you are planning a project, you may not know the answer. If scientific or technological uncertainty may arise, you could make it a regular question for discussion with your technical leads, for example:</p> <ol style="list-style-type: none"> 1. Is there anything in this project where we don't know if the technology can be used to achieve our objective? Or we don't know how to do it? If yes, you should record the uncertainty and your answer to the following questions: 2. Is the solution to your uncertainty publicly available? And if not, how do you know (what checking did you do)? 3. Can a 'competent professional' deduce (work out) the solution without conducting a process to test possible answers? 	<p>Information on the scientific or technological uncertainty you are seeking to resolve will be asked for in the general approval application.</p> <ul style="list-style-type: none"> • In any R&D project, there may be more than one scientific or technological uncertainty. You should exercise judgement about whether they are described together or separated out. • If the uncertainties are in the same field and the efforts to resolve them will form a set of linked activities, you could describe them as a single uncertainty. • Any effort made to conduct background research or to consult with experts should be recorded – it could be used as evidence of your uncertainty and of the need to use a systematic progression of work to fill the knowledge gap.

Question	Comment	Where you will use this information
<p>What core and supporting activities will you undertake to resolve the uncertainties?</p>	<p><u>Core activities</u> are systematic activities undertaken to test/experiment/analyse or prototype possible solutions to the uncertainty or uncertainties.</p> <p><u>Supporting activities</u> are required for the core activity and are integral to it. Supporting activities must be carried out for the only or main purpose of supporting the core activity.</p> <p>In some cases, such as foreign R&D or R&D in the social sciences, your activity may fit the core R&D activity definition, but it is excluded by legislation. However, some such activities can qualify as supporting if they meet the supporting activity requirements.</p> <p>You should be familiar with the <u>guidance on excluded R&D activities</u> before you decide which of your activities to claim as R&D activities.</p>	<p>The application for general approval will require you to describe your core and supporting activities.</p>
<p>How will you track expenditure on eligible activities (those designed to resolve the scientific or technological uncertainty or uncertainties)?</p>	<p>The sooner you consider and plan how to track expenditure on eligible R&D activities, the more likely you are to claim all your eligible expenditure.</p> <p>Much of the required information will be captured in your records of expenditure, but it will only be readily available if you set up a system to code/apportion the expenditure you incur on eligible R&D activity.</p> <p>If you already track expenditure by project, you might add sub codes to your system to allow you to capture expenditure on each eligible R&D activity (we provide <u>guidance</u> on how to claim, including avoiding describing activities in too much detail).</p> <p>If you are in a situation where specific expenditure rules apply, you will need to keep records that allow you to demonstrate that your claim reflects the requirements</p>	<p>Your supplementary return will require you to identify the eligible expenditure that relates to each R&D project (i.e. the aggregated information from each eligible R&D activity in that project).</p> <p>You will be asked to break this information down into various categories such as:</p> <ul style="list-style-type: none"> • Employee costs • Payments to R&D contractors/ approved research providers • Materials, consumables and overheads • Depreciation loss. <p>The supplementary return will ask for information about expenditure:</p> <ul style="list-style-type: none"> • In the <u>course of commercial production</u> • Expenditure on <u>internal software development</u> • <u>Feedstock expenditure</u> • <u>Overseas R&D expenditure</u>

Question	Comment	Where you will use this information
How will you apportion expenditure?	<p>Where time, consumables, depreciation loss or overheads are incurred on a mixture of eligible and ineligible activities and it is not practical to track the actual use on eligible activities, you will need to apportion expenditure.</p> <p>Where you apportion expenditure, it must be on a reasonable basis and supported by an audit trail.</p>	<p>The expenditure apportioned to eligible R&D activity will be included in your claim.</p> <p>The following details will be required if we review your claim:</p> <ul style="list-style-type: none"> • your method of apportionment • the rationale for the method i.e. why it is reasonable • the working papers.
When did or will the core R&D activity start?	<p>Core R&D activity generally begins once you have identified your scientific or technological uncertainty and made a decision to take a planned approach to resolving that problem.</p>	<p>The application for general approval requires you to describe your core R&D activities. Anything that you seek to claim before core activity starts needs to meet the definition of a <u>supporting activity</u>.</p>
When do you expect your core R&D to end?	<p>Core R&D is expected to end when you cease to measure or evaluate the extent to which your activities have resolved your scientific and technological uncertainty. This is likely to be before the end of a commercial project.</p>	<p>You will be asked in your request for general approval whether you want approval of your R&D activities for more than one year. If so, you will need to estimate when your core and supporting activities will end.</p>

During the R&D

While your R&D is underway you should be conscious of the following issues and have a process in place to capture relevant records.

Question	Comment	Where you will use this information
<p>Have you a process in place that enables you to demonstrate that you took a systematic approach to your R&D?</p>	<p>A <u>systematic approach</u> is a methodical (planned and structured) approach to test possible solutions to your uncertainty. It might be demonstrated from the below sources. You should ensure that you can isolate and produce records that relate to the work that meets the definition of core or supporting R&D activities:</p> <ul style="list-style-type: none"> • project planning documents • design documentation relating to the tests/experiments/required analysis or prototyping • project records including notebooks or photos of legible dated scrum boards • test or experimental protocols, results, analysis and conclusions • project reports including progress reports. 	<p>You will be asked to summarise your systematic approach in the application for general approval.</p> <p>The source documentation will support your claim if we review it.</p>
<p>Have your core or supporting activities materially changed?</p>	<p>R&D projects are expected to develop as results are obtained and assessed. It is not material that your progress has been faster or slower than originally anticipated, or that your results require change within the core R&D. However, you need to have records to show if there is a significant change, for example to the:</p> <ul style="list-style-type: none"> • scientific or technological uncertainty being investigated • nature of the core activity or systematic approach (e.g. you were using one approach to testing an idea and now you are adopting a completely different method) • number or nature of the supporting activities. 	<p>When you file your supplementary return, you will be required to confirm that your R&D activities have not materially changed from those for which you obtained general approval.</p> <p>If there has been material change, your claim will not be eligible unless you have amended your request for general approval.</p>

Question	Comment	Where you will use this information
Can you show that supporting activities meet the relevant tests?	<p>Supporting activities must support core R&D and:</p> <ul style="list-style-type: none"> • have supporting the core R&D as their only or main purpose • be required for and integral to the core R&D. 	You will be asked to state how each supporting activity meets these tests in the application for general approval.
Are the expenditure and activity tracking systems capturing the required information?	<p>Periodic checks will help you determine whether your systems are operating effectively.</p> <p>For example, your apportioning method may state that staff working on eligible R&D are identified in reporting with their percentage of hours estimated each fortnight. If this is not occurring, it will compromise the credibility of your claim.</p>	<p>Activity and expenditure information is required for your general approval application and supplementary return.</p> <p>If we review your claim, we may ask to see your source documents.</p>

After the R&D

Question	Comment	Where you will use this information
Are you capturing supporting activities that continue after the core R&D has finished?	<p>Core R&D generally finishes when you cease to measure and evaluate whether your activities have resolved the scientific or technological uncertainty.</p> <p>At that point, it is appropriate to ask, 'are there any subsequent supporting R&D activities that are for the only or main purpose of the core R&D and are required for it and integral to it?' If so, you should ensure that you record details demonstrating how the supporting activities meet the definition, and that you have processes in place to track the associated expenditure.</p>	The application for general approval will require you to describe your core and supporting activities.
You must retain the information relevant to your claim for seven years.	This is a standard requirement for records relating to your tax affairs.	