

# Registration application notes

## Guide to applying to register for the R&D Tax Incentive

| [business.gov.au/rdti](https://business.gov.au/rdti)

## About this guide

This guide gives you basic information about applying to register for the R&D Tax Incentive. The includes:

- how to access the R&D Tax Incentive customer portal
- what you need to have to complete your registration application form

You can see the questions in the form on [business.gov.au/RDTI](https://business.gov.au/RDTI) at [guidance for applications](#)

## Contents

The R&D Tax Incentive customer portal .....	2
Accessing the portal.....	2
What you need to know to apply to register.....	3
Rules about registering for the R&D Tax Incentive? .....	3
What you need to apply to register .....	5
Which income year .....	5
Information about your business.....	5
Information about your project(s) and activities .....	6
Information about claiming expenditure for activities .....	9
Why record keeping is so important .....	9
Declaration .....	9

# The R&D Tax Incentive customer portal

The R&D Tax Incentive customer portal (the portal) is an online space for you to manage your interactions with the R&D Tax Incentive program.

You use the portal to:

- initiate, fill in and lodge application forms:
  - to register as an R&D entity your activities for an income year
  - to register as a Research Service Provider (RSP)
  - for an extension of time
  - for findings if your Australian activities are eligible (Advance Findings)
  - for findings if your overseas activities are eligible (Advance and Overseas Findings)
  - to vary your existing registration (as an R&D entity or an RSP)
  - to withdraw your registration application
  - for an internal review of a reviewable decision, and
- check the status of your applications and view your lodgement history.
- download a PDF copy of your application

This guide is about applying to register an R&D entity for its eligible activities for an income year.

## Accessing the portal

You need to be set up as either the principal authority or an authorised user to access the portal.

Our online guides show you how to set up access as:

- the [principal authority](#)
- an [authorised staff member](#)
- an [authorised individual tax agent or R&D consultant](#)
- an [authorised tax agency or R&D consultancy](#)

Once you have been set up you can access the portal from our [Welcome to the customer portal page](#) where you can [Continue with your Digital ID](#).

If you need more assistance please see our [R&D Tax Incentive customer portal help and support](#) page

# What you need to know to apply to register

## Rules about registering for the R&D Tax Incentive?

### Why do I need to register for the R&D Tax Incentive?

Claiming the R&D tax offset is a two stage process. You first must register for the R&D Incentive with the department, and then lodge an R&D Tax Schedule with your company tax return to the Australia Taxation Office (ATO).

You cannot complete the R&D Tax Schedule unless you have the registration number sent to you after the department has registered your company for its R&D activities for an income year.

### What gets registered?

R&D entities are registered for their R&D activities for an income year. Each registration is only valid for the R&D entity, income year and R&D activities that are specified in the application.

You must register your company each income year, for the R&D activities conducted in that income year.

Only activities can be registered for the R&D Tax Incentive, not projects.

### When do I need to apply to register?

R&D entities need to apply within 10 months of the end of their income year. This is the same for an R&D entity with a standard income year, a substituted accounting period, or when there is a change to the end date of its accounting period that results in a transitional period which is either more or less than 12 months.

Income year or substituted accounting period (SAP)	Due date
<b>1 July- 30 June (standard income year)</b>	30 April
<b>1 January- 31 December (SAP)</b>	31 October
<b>1 April – 31 March (SAP)</b>	31 January
<b>Transitional period when adopting a SAP</b>	10 months after the end of the transitional SAP

R&D entities can [request an extension of time](#) to apply to register their activities for the income year. The maximum extension of time allowed by the legislation is 92 days.

### How do I fix a mistake or update a registration?

The RDTI rules limit what can be changed after you have applied or are registered.

You cannot change the R&D entity or the income year for a registration. We cannot add activities, change activity descriptions or increase the duration of an activity later than 10 months after the end of the income year for a registration. You need to withdraw that application, or revoke that registration, and reapply to register for the correct entity, income year or activities within 10 months of the end of that income year.

At any time, you can apply to vary your registration to remove an activity, reclassify an activity from core to supporting (or vice versa), shift or reduce the time when an activity occurred, or make minor amendments such as changes of address or number of researchers.

## Am I able to register for and claim the R&D Tax Incentive?

Before applying to register businesses should check they meet the requirements to be an R&D entity and are the correct entity to claim the eligible R&D expenditure.

The most common form of R&D entity is a corporation that is incorporated under an Australian law.

You can still apply if your corporation is incorporated under foreign law, however there are further requirements. You can find more about these at [ato.gov.au/rdti](http://ato.gov.au/rdti).

Entities that are not eligible to apply include sole traders, not for profit organisations, trusts and universities.

### Consolidated groups and multiple entry consolidated (MEC) groups

When relevant, R&D entities should know when during the income year they become (or cease to be) a subsidiary member of a consolidated group or MEC group, of which the head company is an R&D entity. In this situation both entities may need to apply to register for the income year:

- the R&D entity can apply to be registered for activities for the income year, and registration will be effective for those activities for the part of the income year it is not a subsidiary; and
- the head company of the group can apply to be registered for activities for the income year, and registration will be effective for the activities for the part of the income year the R&D entity is a subsidiary.

## Am I entitled to the R&D tax offset once I am registered?

Registration is just the first stage. You also need to complete the R&D tax schedule and lodge it with your company tax return to claim the R&D tax offset.

Being registered also does not automatically mean you are entitled to getting the amount you claim under the R&D tax offset.

Your entitlement to the R&D tax offset depends on you being accurate about:

- which entity is registered as the R&D entity (the one that can claim the deduction for the R&D expenditure)
- the income year the R&D entity conducted the activities and incurred the R&D expenditure
- assessing if your activities are eligible and describing the way they are actually conducted
- what expenditure is eligible and incurred on the registered R&D activities

The department may review your registration and make finding about if they are eligible or not. If we make findings that registered activities are ineligible those activities are taken as always been ineligible. You would need to pay back any R&D tax offset received for those activities.

The ATO may also review your claim for the R&D tax offset to assess:

- the amount of expenditure incurred on registered R&D activities
- if that expenditure qualifies as R&D expenditure
- if the R&D entity can claim the R&D tax offset for that R&D expenditure

# What you need to apply to register

Applications must be lodged by a person authorised to represent, act on behalf of and bind the company that is applying to register for the R&D Tax Incentive.

## Which income year

You should check the income year the business is applying to be registered for and make sure you are applying within 10 months of the end of that income year.

## Information about your business

You should check you are applying to register the correct entity, either the R&D entity:

- that conducted the activities when is not a subsidiary of a consolidated group or MEC group, or
- that is the head entity of a consolidated or multiple entry consolidated group or (MEC) group while a subsidiary that is an R&D entity conducted the activities.

## Company details

You need to have details about the R&D entity that is applying to register, including whether it is:

- incorporated under an Australian or under a foreign law, and where it is a resident for tax purposes
- registered with the Australian Securities and Investments Commission (ASIC)
- is a head entity or a subsidiary of a consolidated or MEC group
- controlled by one or more tax exempt entities
- owned or controlled by a parent company
- an indigenous owned or controlled company

You need to know when the company was incorporated and registered with ASIC. If applicable you also need to know when during the income year it is a head entity, subsidiary, or owned or controlled by a tax exempt entity or parent company.

When applicable you need to have the details of the tax exempt entities or ultimate holding company.

You should be able to specify:

- the industry the R&D entity mostly operates in
- the number of employees, employees engaged in R&D and R&D contractors
- for the income year the total of the company's (including its associated and connected entities):
  - income or loss
  - aggregated turnover
  - export revenue
  - R&D expenditure

## Details for contact(s)

All contacts listed will receive correspondence about the application. We may contact any person listed as a contact to provide further information.

You need to have details for the primary contact, who must be a person from the company applying to register activities. The primary contact cannot be a tax agent or an R&D consultant.

Alternative contacts for the primary contact can be provided. Alternative contacts:

- must be authorised to represent, act on behalf of and bind the company
- must have consented to their personal information being used and disclosed
- may receive correspondence about the application and
- may be contacted by the department or the ATO to provide further information.

You need to tell us when you rely on advice from a tax agent about being entitled to the R&DTI.

The R&D Tax Incentive is an entitlement arising under the *Income Tax Assessment Act 1997*. Only registered tax agents or R&D consultants registered with the Tax Practitioners Board (TPB) can provide advice that relates to ascertaining entitlements under a taxation law or advising about entitlements under a taxation law.

You need to have details for the registered tax agent or registered R&D consultant including their ABN and TPB registration number.

You should tell us when you have used an R&D consultant that is not registered with the TPB, and have their details including their ABN. This consultant will not receive correspondence and will not be contacted by the R&DTI Program unless you include them as alternative contact.

## Application inclusions

You need to have details about the following when they are relevant to the activities in your application:

- advance or overseas findings
- amounts paid via a levy to a Research Service Provider
- registered Research Service Providers that conducted activities
- Cooperative Research Centres that conducted activities
- other research organisations that conducted activities
- any collaborative agreement for conducting activities
- a subsidiary of your company that conducted activities

## Information about your project(s) and activities

Eligibility for the R&D Tax Incentive is defined in terms of activities, not projects.

R&D entities are registered for one or more specified activities conducted during the income year as either core R&D activities or supporting R&D activities to specified core R&D activities.

Businesses often think of their R&D in terms of **projects**, but the R&D tax offset is only available for eligible **activities**. While the initial focus of a project may be R&D the activities can progress to production and marketing. As the project evolves from R&D to commercialisation not all these activities are likely to be eligible for the R&D Tax Incentive.

We ask for information about your projects to have context for your activities. Projects are not registered for the R&D Tax Incentive and you need to be specific about the activities conducted in the income year.

## Project(s) details

You need to have details about the project including:

- whether the R&DTI is a factor in proceeding with the project
- if the project includes activities with advance or overseas findings
- when the project started and when it is expected to finish (month and year)
- the project's objectives, both R&D and commercial
- a reasonable estimate for the total project expenditure
- the main location for the project activities
- plant and facilities where activities are conducted
- who will own the IP arising from the project
- all feedstock amounts for the income year
- the main research area (Australian and New Zealand Standard Research Classification)

## Activity details

You need to be specific about the R&D activities that you are applying to register.

You need to have details about the R&D activities that you applying to register, including:

- what was done, how, when and by whom
- what was used for example: facilities, equipment, consumables and work time
- how much expenditure is incurred, by who, when and on which activities

Your core R&D activity may be conducted over one or more income years, so describe what was actually done in the part of the activity that was conducted in the income year being registered.

For a supporting R&D activity conducted in a different income year to its directly related core R&D activity, you need to:

- identify its previously registered core R&D activity and the income year that was registered
- be able to provide enough detail to show a yet to start activity would qualify as the core R&D activity

## Core R&D activities

You need the details of the activities being claimed as core R&D activities (or would be core R&D activities but are excluded) that were conducted in the income year. These details include:

- whether it is whole core R&D activity, or part of a core R&D activity that started, or will be completed, in a different income year
- where the activity is conducted and any relevant overseas findings
- when in the income year the activity was conducted (month and year)
- the actual amount of expenditure on the activity in the current income year, and if relevant:
  - actual expenditure on the parts of the activity in previous, and
  - reasonably anticipated expenditure for future income years
- who conducted the activity (the company, subsidiary, an affiliated or connected entity, RSP or CRC)
- if the activity is covered by a determination
- the outcome, why, and what investigations showed, that it could not be known or determined in advance

- the hypothesis being tested, the nature of the experiment and how it tests the hypothesis, how the experiment is evaluated, and if the activity is completed the conclusions drawn
- the new knowledge being, or intended to be, generated
- what records have been maintained about the activities

You will need to specify certain details for a core R&D activity that has not yet started when you are applying to register a supporting R&D activity to that core R&D activity. These details need to be sufficient to show the activity could qualify as a core R&D activity, and include:

- a brief description of the activity including its unknown outcome, tentative experimental method and how it could be observed and evaluated
- expected start and end dates (month and year)
- who conducted the activity (the company, subsidiary, an affiliated or connected entity, RSP or CRC)
- the outcome, why, and what investigations showed, that it could not be known or determined in advance
- the hypothesis being tested, the nature of the experiment and how it tests the hypothesis, how the experiment is evaluated, and if the activity is completed the conclusions drawn
- the new knowledge being, or intended to be, generated
- what records have been maintained about the activities

## Supporting R&D activities

You need the details of the activities being claimed as supporting R&D activities (including activities that are excluded from being core R&D activities) that were conducted in the income year. These details include:

- whether it is whole supporting R&D activity, or part of a supporting R&D activity that started, or will be completed, in a different income year
- the core R&D activity(ies) that it is directly related to and supports, and how it is directly related and supports the core R&D activity(ies)
- where the activity is conducted, and any relevant overseas findings
- when in the income year the activity was conducted (month and year)
- the actual amount of expenditure on the activity in the current income year, and if relevant:
  - actual expenditure on the parts of the activity in previous, and
  - reasonably anticipated expenditure for future income years
- if relevant:
  - the exclusion, or goods or services it produces or is directly related to producing
  - the predominant reason for conducting the activity
- what records have been maintained about the activities

You would also need details of previously registered core R&D activities when you are applying to register a supporting R&D activity to that core R&D activity. These details include the:

- income year(s) the core R&D activity is registered
- the name of the core R&D activity

You should also ensure that you have the details for a core R&D activity that has not yet started when you are applying to register a supporting R&D activity to that core R&D activity. You need to include that unstarted activity in the application form as a core R&D activity.

## Information about claiming expenditure for activities

You need to accurately know the amounts incurred, when, on what, for which activity and if it is incurred by, or paid for by, another entity.

Common types of expenditure that can be included as R&D expenditure includes:

- consumables or inputs used up in the conduct of the R&D activities
- wages of staff – to the extent they were engaged in R&D activities
- fees incurred to contractors for carrying out R&D activities
- overhead expenditure such as rent of R&D facilities, insurance, power
- overseas expenditure where the company has registered the overseas activities with DISR through an Advanced Overseas Finding

You also need to know when an amount is received:

- from a government grant for the activities, or
- for disposal of an R&D result.

## Why record keeping is so important

The records of your R&D activities have the evidence to show if you are eligible to register and claim the RDTI. They contain the information needed to know, for example:

- the outcome, progression of work, hypothesis, experiment and relationships between activities
- when, why and by which entity activities are conducted, and what is acquired or used for those activities
- the amounts incurred, when and by which entity on each activity.

This information is needed to apply for the particular activities for the correct R&D entity and income year, and for accurately claiming expenditure and depreciation.

The business should use its records to assess for itself, or as the basis for a tax professional to assist with assessing, what amounts it can claim.

When a business undertakes its R&D, it should be keeping information about its activities so it can know what is acquired or used for each activity, such as goods, services and utilities.

The business should monitor the way the activities are conducted against their original planned execution to know if there are any changes that means activities have changed from eligible to ineligible, or from ineligible to eligible. The business should be using the records about its activities to assess for itself, or as the basis for a tax professional to assist with their assessment, of what it can register and claim.

We expect you to keep these as tax records when you register and claim the RDTI. If we review your claim for the RDTI, we will need specific evidence about:

- what makes each activity eligible (see [keeping records as evidence of your R&D activities](#)), and/or
- how much you incurred and when on each eligible activity (see [records to claim the R&D tax offset](#)).

## Declaration

To submit an application to register the person will need to declare that:

- they are acting with the authorisation of the R&D entity
- the information in the application is true and correct at the time of making the application
- the R&D entity maintained records, while the activities were conducted, that substantiate the activities.