



R&D Incentives Practice: Our software services

Our dedicated software team comprises computer scientists and software developers with substantial industry and academic experience, as well as tax and finance professionals. We have been preparing software claims since the inception of the credit in 2004, working with clients undertaking a wide range of software activities, such as:

- **data modelling;**
- **game development;**
- **enhancing scalability of cloud applications;**
- **machine learning / automation;**
- **artificial intelligence.**

We have a deep understanding of your industry, your methodologies, and your requirements when it comes to preparing a compliant R&D tax credit claim. Our software professionals can speak peer-to-peer with your development team, and understand how to best describe your R&D activities in a manner that can be understood by Revenue and their software experts under audit, bearing in mind the agile development methodologies you may use.

Our software team will ensure your claims are optimised, compliant and robust.

Identifying R&D in software development activities

The definition of R&D for the purposes of the tax credit was derived from a framework that reflects a more rigid, structured, and scientific approach to R&D than that typically adopted in modern software development. Given the highly agile nature of the work undertaken in the software industry, it can therefore be challenging for companies to identify, document, and defend qualifying software R&D activities.

We work with leading Irish & international software companies undertaking ground-breaking software development to prepare robust R&D tax credit claims, including successfully defending these claims under Revenue audit.

Common challenges in software R&D claims

- **What is R&D?** Distinguishing qualifying R&D activities from routine software development.
- **When does R&D start / end?** Determining which elements of the software development lifecycle qualify for the credit.
- **Preparing a claim.** How to prepare a compliant claim that will withstand a full Revenue audit.
- **Technological advancement and uncertainty.** Identifying and defending technological advancements and uncertainties associated with a project.
- **Documenting a claim.** Collating sufficient and appropriate documentation to substantiate a claim.
- **Maintaining corporate memory.** Safeguarding a claim against loss of corporate memory in an industry with high staff turnover.
- **Defending a claim.** Defending a claim under Revenue audit, particularly when a software expert has been appointed.

Revenue audits of software development claims

In recognition of the highly technical and complex nature of software, Revenue often engages independent software experts to assess the eligibility of the R&D activities; these experts are typically academics working in Irish universities.

The 'science test' and documentation requirements can be particularly subjective for software development claims. The consequences of getting it wrong can be harsh; it is therefore essential that a company prepares a robust claim with sufficient supporting documentation.

R&D tax credit tools

KPMG's R&D Incentives Practice has developed a suite of tools designed to assist our clients in the planning, preparation, and support of R&D tax credit claims.

Many of our tools are available in the form of a training webcast, so they can be viewed by your team at their convenience. Contact us for more information.

Supporting the claim



K-Soft (documenting software R&D)



"State of the art" review



Documentation review



Outsourced R&D activity audit



R&D project start/end dates



TIR training



Scientific/technical claim methodology



Finance claim methodology

Interaction with Revenue



Mock Revenue audit



Revenue audit support and rescue



Appeals support

KPMG's R&D Incentives Practice

We prepare R&D tax credit claims on either a contemporaneous 'real time' or retrospective basis, tailored to each client's requirements. Our bespoke claim methodologies have been tried and tested under a significant number of Revenue audits; we also provide support during Revenue audits of claims prepared without KPMG assistance.



Ireland's largest, longest established, and most experienced R&D tax credit practice.



25+ multidisciplinary professionals: tax, finance, science and engineering.



We have worked with companies of every size and scale from every sector.



Revenue audit experience in all sectors.

Contact us | kpmg.ie/rd



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