

Countries That Allow Some Research to be Performed Outside the Country

Country	Explanation
Australia	Up to 50% of the total project costs of R&D activities can be physically performed outside Australia and remain eligible for benefits if an Advanced Overseas Finding has been approved by the government.
Austria	Activities must take place in Austria with the exception of subcontracted research. Subcontracted research must follow management and direction from an Austrian business or branch or PE in Austria. Further, the subcontractor must be based within the EU/EEA.
Belgium	The R&D tax credit and investment deduction may be claimed for R&D work performed outside Belgium, but the claimant must retain some associated IP in Belgium to receive the tax benefit.
Canada	Research generally must be undertaken in Canada to qualify as SR&ED, but where employees of the claimant are working outside of Canada, the amount of eligible wages for SR&ED performed outside Canada is limited to 10% of eligible wages claimed for SR&ED performed in Canada.
China	Qualified activities must take place in China. However, less than 40% of the activity qualifying for the HNTI incentive may take place outside of China.
Czech Republic	Not all R&D activities must occur within the Czech Republic to qualify for a super deduction, but qualified expenses must be tax deductible expenses of the Czech taxpayer.
France	Qualified activities must take place in the EU/EEA.
Greece	While there are no specific jurisdictional restrictions, the need to carry on research outside of Greece must be disclosed to General Secretariat of Research and Technology (GSRT) and could influence whether the GSRT issues a certificate approving R&D expenses.
Ireland	Qualified activities must take place within Ireland or EU/EEA. However, the credit is denied when the activities take place in an EU/EEA country that grants a corresponding tax deduction for such expenditure.
Italy	There are limited situations in which research can be performed outside the country.
Latvia	A company may outsource R&D to Latvian or the EU/EEA scientific institutions/test laboratories provided they are publicly recognized or meet certain criteria in Latvian law.
Malaysia	While tax incentives generally require that the R&D work be performed in Malaysia, there are exceptions.
Netherlands	To claim the WBSO and RDA incentives, the R&D activities must take place within the EU and be performed by employees on the Dutch payroll.
Romania	All R&D activities must take place in Romania or an EU/EEA member state.
Singapore	Some of the super deductions can be claimed for qualified research performed outside the country.
South Korea	Research activities may take place outside of South Korea, but any subcontracted research to university or college must be located in South Korea.
Spain	Qualified activities must take place in Spain or an EU/EEA member states.
United Kingdom	Research activities may take place outside the United Kingdom, but the work must be supervised by the UK company.