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## UK Government confirms Patent Box scheme

Chancellor George Osborne confirmed in his 2012 Budget that the proposed Patent Box scheme will go ahead.

When fully phased in, the rate of Corporation Tax on profits attributed to patents will be 10%. This is coupled with a reduction in the basic rate of Corporation Tax from its current level of 26% to 24% from April 2012 and to 22% from April 2013.

The Patent Box is intended to encourage companies to base their R&D and manufacturing operations within the UK by making the country more competitive with other European countries.

The confirmation of the Patent Box was a contributing factor in GSK announcing on 22 March that it would be investing £500m across its UK manufacturing sites to increase production of key active ingredients for its pharmaceutical products and vaccines. This will result in the creation of up to 1,000 new jobs and include the location of a new manufacturing facility at Ulverston in Cumbria.

**GSK's CEO Sir Andrew Witty said:** "The introduction of the Patent Box has transformed the way in which we view the UK as a location for new investments, ensuring that the medicines of the future will not only be discovered, but can also continue to be made here in Britain."

EIP can advise on the IP strategy considerations for gaining the most benefit from the Patent Box. Click [here](#) to read our guidance note or contact our IP strategists.