

# R&D Tax Credits Case Studies: Financial Services

The following are two case studies which further illustrate the types of projects and activities that will potentially qualify for the R&D tax credit. The eligibility of specific activities and expenditures will depend upon a closer examination of the facts and circumstances in relation to applicable guidance.

## New Product Development

Company undertook a software project to develop a new ad hoc reporting solution. Prior to this project, data and analysis components were contained in a web of files that were difficult to manage and maintain. The development team sought to streamline and improve upon the previous design of the system. Within the new application, the data and analysis components are separated, with data stored in a structured manner from which the analysis component can pull automatically. The most challenging part of the development process was researching the existing web of files and formulas to come up with the general optimized theory that could be coded by the developers. The development process went through multiple iterations until the solution provided accurate results in all instances. Substantially all of the activities involved in this project were technological in nature and relied on the principles of computer science. After extensive analysis of the expenditures and activities involved in this project, it was determined to qualify for purposes of the R&D tax credit.

## New Product Development

Company undertook a project to increase the performance and scale of a trading application. The goal of the project was to support greater volumes of trades at faster speeds than previously possible. In addition, the developers sought to increase the application's functionality by adding new asset classes. At the beginning of the project, the team was uncertain as to the appropriate methodology to make these improvements possible. The development team was able to increase volume and processing speeds through design and implementation of a new tiered processing architecture. In addition, the developers experimented with and adapted open source technologies to further scale the application. Substantially all of the activities involved in this project were technological in nature and relied on the principles of computer science. After extensive analysis of the expenditures and activities involved in this project, it was determined to qualify for purposes of the R&D tax credit.



**Anchin, Block & Anchin LLP**  
Accountants and Advisors  
1375 Broadway, New York, NY 10018  
212.840.3456 • [www.anchin.com](http://www.anchin.com)

**Yair Holtzman, CPA, MBA, MS**  
Partner and Practice Leader  
[yair.holtzman@anchin.com](mailto:yair.holtzman@anchin.com)

