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## HMRC internal manual

# Corporate Intangibles Research and Development Manual

From: [HM Revenue & Customs](#)  
([/government/organisations/hm-revenue-customs](#))

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## CIRD63245 - Land Remediation Relief: Subcontractors: Payments to a connected sub-contractor - relevant expenditure of the sub-contractor

**This section applies to expenditure  
incurred on or after 1 April 2009**

Relevant expenditure of the sub-contractor is  
expenditure that is incurred by the sub-contractor  
in either:

- carrying out the land remediation activities to which the sub-contractor payment itself relates, or
- arranging for a third party to carry out that work.

The relevant expenditure is restricted to expenditure that is:

- incurred on employee costs or materials;
- not of a capital nature; and
- not subsidised.

### Example

“A Ltd engages the services of a connected party, B Ltd, to construct a new office building. B Ltd then engages the services of a specialist firm, C Ltd, to remove Japanese Knotweed from the site.”

“A Ltd can claim Land Remediation Relief in respect of the payment made by B Ltd to C Ltd in respect of staffing or material costs. This is because B Ltd incurred these costs when it arranged for C Ltd to carry out the work on behalf of A Ltd.”

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