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## HMRC internal manual

# Corporate Intangibles Research and Development Manual

From: [HM Revenue & Customs](#)  
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## CIRD60140 - Land Remediation Relief: Exclusions: Polluter Pays: acquiring land in a contaminated state - examples

The following examples show how the guidance at [CIRD60135 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird60135\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird60135) is applied in different scenarios.

### Example - Asbestos

“A Ltd acquires a building which has some asbestos insulation. A Ltd acts in accordance with Health & Safety Executive advice and does not disturb the asbestos. It carries out maintenance in line with guidance on dealing with asbestos.”

“After a number of years, A Ltd needs to remodel the building and is advised that the work involved risks putting the asbestos into a dangerous state; removal is recommended. The company engages a specialist contractor to carry out the recommended removal.”

“A Ltd can claim Land Remediation Relief on the additional cost of engaging the specialist contractor to remove the potentially harmful asbestos. A Ltd is not the polluter as it did not install the asbestos. A Ltd did not remove the asbestos immediately, but in doing so it was acting in accordance with the guidelines; the asbestos not posing any risk of harm at that time. In addition, during the period of ownership it has carried out the appropriate maintenance in line with the guidelines to retain the asbestos in a safe condition.”

### **Example - delay in cleaning up a site, part 1**

“B Ltd acquires a former industrial site with a disused empty fuel tank. B never uses the fuel tank. The land around the tank has been contaminated by fuel seeping from the tank during the previous ownership; by a party with no connection to B. Re-development of the site is delayed, but after 4 years B Ltd carries out work to remove the tank and clean up the surrounding contaminated soil.”

“The question is whether there has been any additional contamination as a result of the delay before the site was de-contaminated. In this case, B Ltd acquired a site with an empty disused fuel tank and did not use the tank. B has caused no additional contamination and B

Ltd can therefore claim Land Remediation Relief on the cost of cleaning up the soil.”

### **Example - delay in cleaning up a site, part 2**

“As a contrast, if the tank still contained fuel when acquired and this had continued to leak then B Ltd’s inaction in not timeously attending to the leak would have contributed to the pollution and B Ltd would not qualify for Land Remediation Relief.”

“B Ltd cannot claim Land Remediation Relief, under the relief for land in a contaminated state, on the cost of removing the tanks as this cost would have been incurred even if the soil had not been contaminated. Relief may be available from 1 April 2009 under the relief for long term derelict land, see [CIRD62000](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird62000) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird62000>).”

“Had the tanks been used for storing hazardous chemicals that meant additional work had to be taken to remove the tank safely, then the additional cost would qualify for Land Remediation Relief.”

### **Example - delay in cleaning up a site**

“C Ltd purchases a former industrial works. A survey shows that the contamination is confined to one part of the site. Following expert advice that the contamination is not spreading, C Ltd decides not to remediate the site immediately and uses another area of the same site to carry out their manufacturing trade which causes no contamination. Five years later, C Ltd needs to expand and decides to carry out the clean up the unused area that is polluted.”

“There has been no additional contamination due to the delay in cleaning up the site. C Ltd

can claim Land Remediation Relief on the additional cost of cleaning up the site.”

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