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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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CIRD61201 - Land Remediation Relief: What is “land in a contaminated state”?: Transitional rules for pre-trading expenditure

[This guidance applies to
expenditure incurred on or after 1
April 2009](#)

[ICTA88/S401](#)

CTA09/S61

Where a company incurs qualifying expenditure for the purposes of its trade or profession before it commences trading, it is treated, under the rules for pre-trading expenditure, as having incurred the expenditure on the day that it commences trading; see the Business Income Manual, [BIM46350](https://www.gov.uk/hmrc-internal-manuals/business-income-manual/bim46350) (<https://www.gov.uk/hmrc-internal-manuals/business-income-manual/bim46350>) plus.

If a company starts trading on or after 1 April 2009, and, before that date it has incurred expenditure on land remediation, which is treated under the pre-trading expenditure legislation as being incurred on the first day of trading then the rules for Land Remediation Relief that apply are those applying when the expenditure was actually incurred, not when the expenditure is treated as a deduction in arriving at the accounting profit. As the expenditure was incurred before 1 April 2009, it is the guidance at [CIRD61001](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird61001) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird61001>) that applies.



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