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## HMRC internal manual

# Corporate Intangibles Research and Development Manual

From: [HM Revenue & Customs](#)  
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[Back to contents](#) > [CIRD60000](#) > [CIRD60050](#) > [CIRD63000](#) > [CIRD63100](#)  
> [CIRD63230](#)

## CIRD63255 - Land Remediation Relief: Subcontractors: Payments to a connected sub-contractor: on or before 31 March 2009

This section applies to expenditure  
incurred on or before 31 March  
2009.

FA01/SCH22/PARA10

The question of whether a sub-contractor is connected to a company is to be determined in accordance with the provisions of ICTA88/S839.

If the company and the sub-contractor are connected persons then a payment is qualifying expenditure on sub-contracted land remediation only if certain conditions are met. If the conditions are met, then the qualifying expenditure on subcontracted land remediation is restricted to relevant expenditure of the sub-contractor (see below).

The expenditure is not incurred for the purposes of Land Remediation Relief until the company makes the payment.

The conditions are that in accordance with generally accepted accounting practice:

- the whole of the payment is brought into account in determining the sub-contractor's profit or loss for an accounting period that ends not more than twelve months after the accounting period of the contracting company in which the payment is an allowable deduction, and
- all of the sub-contractor's relevant expenditure is brought into account in determining the sub-contractor's profit or loss for an accounting period that ends not more than twelve months after the accounting period of the contracting company in which the payment is an allowable deduction.

For these purposes any apportionment of the expenditure of either the company or the subcontractor, is to be made on a just and reasonable basis.

← **Previous page**

(/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird63250)

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→ **Next page**

(/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird63260)



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