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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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## CIRD63101 - Land Remediation Relief: Qualifying Land Remediation Expenditure: Expenditure incurred because of contamination or dereliction - examples

This section provides examples of how the guidance at [CIRD63100 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird63100\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird63100) applies.

## Example:

“A Ltd purchases land that is contaminated with oil that has leaked from storage tanks.”

“A Ltd engages the services of a sub-contractor, B Ltd.”

“B Ltd excavates the soil, takes it away and subjects it to a process of bioremediation. At the end of the process B Ltd replaces the soil.”

“A Ltd removes and fills in the storage tanks.”

“The payment made by A Ltd to B Ltd qualifies because the whole of the work carried out by B Ltd is for the purpose of relevant land remediation. The work is done only because the soil is contaminated.”

“A Ltd cannot claim Land Remediation Relief for land in a contaminated state on the cost of removing the storage tanks and infilling. This is not a cost of removing the contamination. If the tanks are removed on or after 1 April 2009 relief may be available under Land Remediation 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) onwards.”

## Example:

“C Ltd is re-developing a brown-field site as a residential estate. There are contaminants in the soil and C Ltd installs a membrane to prevent the contaminants migrating to the surface. C Ltd also imports top-soil and sub-soil for the gardens.”

“The cost of the top-soil and sub-soil does not qualify for Land Remediation Relief as C Ltd would have imported the soil, to improve the amenity value and provide a growing medium for garden plants and vegetables, whether or

not the site was contaminated. So there is no **additional cost** caused only by the remediation. The cost of the membrane (or other break-layer) installed beneath the soil qualifies for Land Remediation Relief as it is **only** installed for the purpose of preventing harm that might otherwise ensue.”

### Example:

“D Ltd is re-developing a brown-field site as a residential estate. There are contaminants in the soil and D Ltd imports topsoil to create a 1200mm capping layer over the contamination, double the depth that D Ltd normally uses to create amenity areas.”

“In this example, rather than using a membrane D Ltd has created a barrier using a greater depth of topsoil. Whilst this will still qualify for Land Remediation Relief, D Ltd cannot claim the whole cost of importing the top-soil. D Ltd would have imported topsoil to create a layer 600mm deep to improve the amenity value and provide a growing medium for garden plants and vegetables, whether or not the site was contaminated. D Ltd can claim the cost of the **additional** 600mm as that expenditure was only incurred because the land is in a contaminated state.”

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