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HMRC internal manual

Corporate Intangibles Research and Development Manual

From: [HM Revenue & Customs](#)
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CIRD60150 - Land Remediation Relief: Exclusions: Polluter Pays: Polluter retains an interest in the land - 1 April 2009 onwards CTA09/S1150 (2) & (3)

Land Remediation Relief is not available if the party (or a connected party) responsible for the land being contaminated or derelict retains an interest in the land.

An interest in the land is retained:

- where the polluter disposes of the legal title to the land, whether freehold or leasehold, but retains a beneficial interest in it, or
- where the polluter grants a long lease of the site but retains a reversionary interest, or
- where the entire legal (or beneficial) interest in the property is sold, but as part of the contract for sale the polluter is granted a right (an option) to be offered the property should the purchaser subsequently wish to sell.

Example:

“A Ltd was responsible for an area of land being polluted. A Ltd grants a 15 year lease over the land to B Ltd, which decontaminates the land before it commences operations from the site.”

“Although B Ltd has a major interest in the land (see [CIRD69015 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird69015\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird69015)) it cannot claim Land Remediation Relief as A Ltd, its landlord, was responsible for the pollution and A Ltd retains an interest in the land.”

“The position would be the same if B Ltd had granted a sub-lease to C Ltd and it was C Ltd who cleaned the site up. C Ltd would be unable to claim the relief as A Ltd, which caused the site to be contaminated, retained an interest in the site.”

Example:

“A Ltd was responsible for an area of land being polluted. It sells the land to an unconnected third party, B Ltd, which decontaminates the site. A Ltd has an option to reacquire the land after it has been cleaned up.”

“Although B Ltd has a major interest in the land (see [CIRD69015 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird69015\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird69015)) it cannot claim Land Remediation Relief as A Ltd, its landlord, was responsible for the pollution and A Ltd retains an interest in the land.”

[and-development-manual/cird69015](#))) it cannot claim Land Remediation Relief. A Ltd was responsible for the pollution and has an option over the land; that is A Ltd retains an interest in the land.”

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