

The Landfill Tax Regulations 1996, as amended by the Landfill Tax (Amendment) Regulations 2010 and the Environmental Permitting (England and Wales) Regulations 2010.

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## **Landfill Tax Regulations 1996 (SI 1996/1527)** **(with effect from 1 April 2013)**

### **Part VII - Credit: bodies concerned with the environment**

#### **Regulation 30 – Interpretation and general provisions**

**(1)** In this Part--

"approved body" means a body approved for the time being under regulation 34;

"approved object" has the meaning given in regulation 33;

"contributing third party" means a person who has made or agreed to make (whether or not under a legally binding agreement) a payment to a registered person to secure the making by him of a qualifying contribution or to reimburse him, in whole or in part, for any such contribution he has made;

"income" includes interest; or

- (a) the proportion of any proceeds attributable to the initial acquisition and disposal of an asset (or part of an asset) purchased with a qualifying contribution (or part of a qualifying contribution), or
- (b) the proportion of any proceeds attributable to any subsequent acquisition and disposal of an asset (or part of an asset) purchased with the proceeds (or part of the proceeds) of--
  - (i) the initial acquisition and disposal representing the original qualifying contributions, or
  - (ii) any subsequent acquisition and disposal representing the original qualifying contributions,

through any number of transactions;

"qualifying contribution" has the meaning given in regulation 32;

"the regulatory body" means such body, if any, as in relation to which an approval of the Commissioners under regulation 35 has effect for the time being;

"running costs" includes any cost incurred in connection with the management and administration of a body or its assets.

- (2) A body shall only be taken to spend a qualifying contribution in the course or furtherance of its approved objects--
- (a) in a case where the contribution is made subject to a condition that it may only be invested for the purpose of generating income, where the body so spends all of that income;
  - (b) in a case not falling within sub-paragraph (a) above, where the body becomes entitled to income, where it so spends both the whole of the qualifying contribution and all of that income;
  - (c) in a case not falling within either of sub-paragraphs (a) and (b) above, where the body so spends the whole of the qualifying contribution; or
  - (d) where--
    - (i) it transfers any qualifying contribution or income derived therefrom to another approved body, and
    - (ii) that transfer is subject to a condition that the sum transferred shall be spent only in the course or furtherance of that other body's approved objects.
- (3) Any approval, or revocation of such approval, by the Commissioners or the regulatory body shall be given by notice in writing to the body affected and shall take effect from the date the notice is given or such later date as the Commissioners or, as the case may be, the regulatory body may specify in it.

### **Regulation 31 – Entitlement to credit**

- (1) Subject to the following provisions of this regulation, an entitlement to credit arises under this Part in respect of qualifying contributions made by registered persons.
- (2) Subject to paragraph (3) below, a person shall be entitled to credit in respect of 90 per cent of the amount of each qualifying contribution made by him in any accounting period; and for this purpose a qualifying contribution made--
- (a) in one accounting period;
  - (b) before the return for the previous accounting period has been made; and
  - (c) before the period within which that return is required to be made has expired, shall be treated as having been made in the accounting period mentioned in sub-paragraph (b) above (and not in the accounting period in which it was in fact made).

- (3) In respect of the qualifying contributions made in each contribution year, a person shall not be entitled to credit of an amount greater than 6.8 per cent of his relevant tax liability.
- (4) For the purpose of paragraphs (2) and (3) the contribution year of a person is his first contribution year and then each period of 12 months beginning on 1st April.
- (5) The reference in paragraph (4) to the first contribution year of a person is a reference to the period beginning with his effective date of registration and ending on the day immediately preceding the first day of the next contribution year.
- (6) Where one contribution year ends and another contribution year begins in an accounting period, the amount of any qualifying contribution which, by virtue of paragraph (2), is treated as made in that period shall be apportioned, in accordance with paragraph (6A), between those contribution years.
- (6A) The apportionment shall be on the basis of either--
- (a) the number of days of the accounting period that fall before 1st April and the number of days that fall on and after that day; or
  - (b) the amount of tax charged on taxable disposals made in the accounting period before 1st April and the amount of tax charged on taxable disposals made in that period on and after that day,
- whichever the registered person may choose.
- (7) Subject to paragraph (10) below, the reference in paragraph (3) above to the relevant tax liability of a person is a reference to the aggregate of--
- (a) the tax payable by him, if any, in respect of the accounting period in relation to which that liability falls to be determined; and
  - (b) the tax payable by him, if any, in respect of any earlier accounting period or periods which fall within the same contribution year as that accounting period;
- and where in respect of any accounting period he is entitled to a payment under regulation 20 the aggregate of the tax payable by him in respect of the accounting periods mentioned in sub-paragraphs (a) and (b) above shall be reduced by the amount of that payment.
- (10) For the purposes of paragraph (7) above any entitlement to credit arising under this Part shall be disregarded in determining the tax payable by a person in respect of any period.

### **Regulation 32 – Qualifying contributions**

- (1) A payment is a qualifying contribution if--
- (a) it is made by a registered person to an approved body;
  - (b) it is made subject to a condition that the body shall spend the sum paid or any income derived from it or both only in the course or furtherance of its approved objects;
  - (c) the requirements of paragraphs (2) to (2B) below have been complied with in relation to that payment; and

- (d) it is not repaid to him, or a contributing third party, in the same accounting period as that in which it was made.
- (2)** A person claiming credit arising under this Part shall make a record containing the following information--
- (a) the amount and date of each payment he has made to an approved body;
  - (b) the name and enrolment number of that body;
  - (c) the name and address of any contributing third party; and
  - (d) the amount of the payment made or to be made by the contributing third party and the date, or as the case may require, dates on which payment of the whole or any part of that amount--
    - (i) was received, or
    - (ii) is expected to be received.
- (2A)** A person claiming credit under this Part for a contribution in relation to which there is a contributing third party shall have provided to the regulatory body or, if they are performing the functions specified in regulation 34(1) below, to the Commissioners the following information--
- (a) the name and address of the contributing third party;
  - (b) the amount of the payment made or to be made by the contributing third party and the date, or as the case may require, dates on which payment of the whole or any part of that amount--
    - (i) was received, or
    - (ii) is expected to be received;
  - (c) the enrolment number of the approved body to whom the contribution was made.
- (2B)** A person claiming credit under this Part for a contribution in relation to which there is a contributing third party shall have informed the approved body to which the contribution is made of the name and address of the contributing third party.
- (3)** For the purposes of this Part where any qualifying contribution or income derived therefrom is transferred to a body as described in regulation 30(2)(d)--
- (a) the body to whom the sum is transferred shall be treated as having received qualifying contributions of the amount concerned; and
  - (b) that body shall be treated as having received those qualifying contributions from the registered person or persons who originally paid them (but this shall not give rise to any further entitlement to credit in respect of those contributions).

## Regulation 33 – Bodies eligible for approval

**(1)** A body is eligible to be approved if--

- (a) it is--
  - (i) a body corporate, or
  - (ii) a trust, partnership or other unincorporated body;
- (b) its objects are or include any of the objects within paragraph (2) below (approved objects);
- (c) it is precluded from distributing and does not distribute any profit it makes or other income it receives;
- (d) it applies any profit or other income to the furtherance of its objects (whether or not approved objects);
- (e) it is precluded from applying any of its funds for the benefit of any of the persons—
  - (i) who have made qualifying contributions to it, or
  - (ii) who were a contributing third party in relation to such contributions,except that such persons may benefit where they belong to a class of persons that benefits generally;
- (f) it is not controlled by one or more of the persons and bodies listed in paragraphs (1A) and (1B) below;
- (g) none of the persons or bodies listed in paragraph (1B) below is concerned in its management; and
- (h) it pays to the regulatory body an application fee of £100 or such lesser sum as the regulatory body may require.

**(1A)** The persons and bodies mentioned in paragraph (1)(f) above are:

- (a) a local authority;
- (b) a body corporate controlled by one or more local authorities;
- (c) a registered person;
- (d) a person connected with any of the persons or bodies mentioned in sub-paragraphs (a) to (c) above.

**(1B)** The persons and bodies mentioned in paragraph 1(f) and (g) above are:

- (a) a person who controlled or was concerned in the management of a body the approval of which was revoked otherwise than under regulation 34(1)(ee);
- (b) a person who has been convicted of an indictable offence;
- (c) a person who is disqualified from being a charity trustee or a trustee for a charity by virtue of section 178 of the Charities Act 2011;
- (d) a person connected with any of the persons or bodies mentioned in subparagraphs (a) to (c) above;
- (e) a person who is incapable by reason of mental disorder.

**(1C)** For the purpose of paragraph (1B)(e) above, a person shall be treated as incapable by reason of mental disorder where--

- (a) in England and Wales, the person lacks capacity within the meaning of the Mental Capacity Act 2005 (c 9) to administer and manage his property and affairs;
- (b) in Scotland, the court has appointed a curator bonis, tutor or judicial factor; or
- (c) in Northern Ireland, the court has exercised any of its powers under Part VIII of the Mental Health (Northern Ireland) Order 1986 (whether or not by virtue of Article 97(2) of that Order),

but shall cease to be so treated where the judge or court concerned has made a finding that he is not or is no longer incapable of managing and administering his property and affairs.

**(2)** The objects of a body are approved objects insofar as they are any of the following objects--

- (a) in relation to any land the use of which for any economic, social or environmental purpose has been prevented or restricted because of the carrying on of an activity on the land which has ceased--
  - (i) reclamation, remediation or restoration; or
  - (ii) any other operation intended to facilitate economic, social or environmental use;

but this is subject to paragraph (3) below;

- (b) in relation to any land the condition of which, by reason of the carrying on of an activity on the land which has ceased, is such that pollution (whether of that land or not) is being or may be caused--
- (i) any operation intended to prevent or reduce any potential for pollution; or
  - (ii) any operation intended to remedy or mitigate the effects of any pollution that has been caused,
- but this is subject to paragraph (3) below;
- (d) where it is for the protection of the environment, the provision, maintenance or improvement of—
- (i) a public park; or
  - (ii) another public amenity,
- in the vicinity of a landfill site, provided the conditions in paragraph (6) below are satisfied;
- (da) where it is for the protection of the environment, and subject to paragraph (3A) below, the conservation or promotion of biological diversity through--
- (i) the provision, conservation, restoration or enhancement of a natural habitat; or
  - (ii) the maintenance or recovery of a species in its natural habitat,
- on land or in water situated in the vicinity of a landfill site;
- (e) where it is for the protection of the environment, the maintenance, repair or restoration of a building or other structure which--
- (i) is a place of religious worship or of historic or architectural interest,
  - (ii) is open to the public, and
  - (iii) is situated in the vicinity of a landfill site,
- provided the conditions in paragraph (6) below are satisfied;
- (f) the provision of financial, administration and other similar services to bodies which are within this regulation and only such bodies.

**(2A)** In paragraph (2)(da) above "biological diversity" has the same meaning as in the United Nations Environmental Programme Convention on Biological Diversity of 1992.

**(3)** An object shall not be, or shall no longer be, regarded as falling within paragraph (2)(a) or (b) above if the reclamation, remediation, restoration or other operation--

(a) is such that any benefit from it will accrue to any person who has carried out or knowingly permitted the activity which has ceased;

(b) involves works which are required to be carried out by a notice or order within paragraph (4) below; or

(c) is wholly or partly required to be carried out by a relevant condition.

**(3A)** An object shall not be, or shall no longer be, regarded as falling within paragraph (2)(da) above if it involves works which--

(a) are required to be carried out by a notice or order within paragraph (4) below;

(b) are required to be carried out in accordance with an agreement made under section 16 of the National Parks and Access to the Countryside Act 1949;

(c) are required to be carried out in accordance with an agreement made under section 15 of the Countryside Act 1968;

(d) give effect to any provision of a management scheme under section 28J of the Wildlife and Countryside Act 1981 or are required to be carried out by a notice served under section 28K of that Act;

(e) are wholly or partly required to be carried out by a relevant condition; or

(f) are carried out with a view to profit.

**(4)** The notices and order mentioned in paragraph (3) above are--

(a) a works notice served under section 46A of the Control of Pollution Act 1974;

(b) an enforcement notice served under section 13 of the Environmental Protection Act 1990;

(c) a prohibition notice served under section 14 of the Environmental Protection Act 1990;

(d) an order under section 26 of the Environmental Protection Act 1990;

- (e) a remediation notice served under section 78E of the Environmental Protection Act 1990;
  - (g) a works notice served under section 161A of the Water Resources Act 1991;
  - (h) an enforcement notice served under regulation 36 of the Environmental Permitting (England and Wales) Regulations 2010;
  - (i) a suspension notice served under regulation 37 of those Regulations; or
  - (j) an order under regulation 44 of those Regulations;
  - (k) a notice served under regulation 28(2) of the Water Environment (Controlled Activities) (Scotland) Regulations 2005;
  - (k) an enforcement notice under regulation 24 of the Pollution Prevention and Control Regulations (Northern Ireland) 2003;
  - (l) a suspension notice served under regulation 25 of those Regulations;
  - (m) an order under regulation 36 of those Regulations.
- (6)** The conditions mentioned in sub-paragraphs (d) and (e) of paragraph (2) above are--
- (a) in a case falling within sub-paragraph (d), that the provision of the park or amenity is not required by a relevant condition; and
  - (b) in a case falling within either of those sub-paragraphs, that the park, amenity, building or structure (as the case may be) is not to be operated with a view to profit.
- (7)** Where the objects of a body are or include any of the objects set out in paragraph (2) above, the following shall also be regarded as objects within that paragraph--
- (a) the use of qualifying contributions in paying the running costs of the body, but this is subject to paragraph (8) below;
  - (b) the use of qualifying contributions in paying a contribution to the running costs of the regulatory body.
- (8)** The use of qualifying contributions in paying the running costs of the body shall only be regarded as an approved object if the body determines so to use no more than such proportion of the total of qualifying contributions, together with any income derived from them, (or, in the case of a contribution within regulation

30(2)(a), only that income) as the proportion of that total forms of the total funds at its disposal and does not in fact use a greater amount.

- (9)** For the purposes of paragraph (1) above a body or person (in either case, for the purposes of this paragraph, "the person") shall be taken to control a body where--
- (a) in the case of a body which is a body corporate, the person is empowered by statute to control that body's activities or if he is that body's holding company within the meaning of section 1159 of and Schedule 6 to the Companies Act 2006, and an individual shall be taken to control a body corporate if he, were he a company, would be that body's holding company within the meaning of that Act;
  - (b) in the case of a body which is a trust or a partnership, where—
    - (i) the person, taken together with any nominee of his, or
    - (ii) any nominee of the person, taken together with any nominee of that nominee or any other nominee of the person,forms a majority of the total number of trustees or partners, as the case may be;
  - (c) in the case of any other body, where the person, whether directly or through any nominee, has the power--
    - (i) to appoint or remove any officer of the body;
    - (ii) to determine the objects of the body;
    - (iii) to determine how any of the body's funds may be applied.
- (10)** For the purposes of paragraphs (3), (3A) and (6) above a condition is relevant if it is--
- (a) a condition of any planning permission or other statutory consent or approval granted on the application of any person making a qualifying contribution to the body, or
  - (b) a term of an agreement made under--
    - (i) section 106 of the Town and Country Planning Act 1990,
    - (ii) section 75 of the Town and Country Planning (Scotland) Act 1997, or
    - (iii) article 40 of the Planning (Northern Ireland) Order 1991,

to which such a person is a party.

**Regulation 33A – Obligations of approved bodies**

(1) An approved body shall--

- (a) continue to meet all the requirements of regulation 33 above;
- (aa) comply with such conditions as the regulatory body may impose from time to time under regulation 34(1)(aa) (including any conditions varied under regulation 34(1)(ab));
- (b) apply qualifying contributions and any income derived therefrom only to approved objects;
- (c) not apply any of its funds for the benefit of any of the persons who have made qualifying contributions to it or who were contributing third parties in relation to such contributions (except to the extent that they benefit by virtue of belonging to a class of persons that benefits generally);
- (d) make and retain records of the following--
  - (i) the name, address and registration number of each registered person making a qualifying contribution to the body;
  - (ii) the name and address of any contributing third party in relation to a qualifying contribution received by the body;
  - (iii) the amount and date of receipt of each qualifying contribution and the amount and date of receipt of any income derived therefrom;
  - (iv) in the case of a transfer of the whole or part of any qualifying contribution or income derived therefrom to or from the body, the date of the transfer, the amount transferred, the name and enrolment number of the body from or, as the case may require, to which it was transferred, the name, address and registration number of the person who made the qualifying contribution and the name and address of any contributing third party in relation to the qualifying contribution;
  - (v) in respect of each qualifying contribution and any income derived therefrom, including any such amount transferred to the body by another approved body, the date of and all other details relating to its expenditure;
- (e) provide the following information to the regulatory body or, if they are

performing the functions specified in regulation 34(1) below, to the Commissioners within 7 days of the receipt by it of any qualifying contribution-

- (i) the amount of the contribution;
  - (ii) the date it was received;
  - (iii) the name and registration number of the person making the contribution;
  - (iv) the name and address of any contributing third party in relation to the contribution notified to it by virtue of regulation 32(2B) above;
- (f) notify the regulatory body within seven days of any transfer by that approved body of qualifying contributions or of income derived therefrom of--
- (i) the date of the transfer;
  - (ii) the enrolment number of the approved body by which the transfer was made;
  - (iii) the amount transferred;
  - (iv) the name and registration number of the person who made the qualifying contribution;
  - (v) the name and address of any contributing third party in relation to the contribution; and
  - (vi) the approved objects to which the transferred funds are to be applied;
- (g) provide the regulatory body or, if they are performing the functions specified in regulation 34(1) below, the Commissioners with information from or access to the records referred to in sub-paragraph (d) above within 14 days (or such longer period as the regulatory body or, as the case may require, the Commissioners may allow) of a request being made for such information or access;
- (h) submit to the regulatory body or, if they are performing the functions specified in regulation 34(1) below, to the Commissioners within 28 days of the end of the relevant period determined in accordance with paragraph (2) below details of--
- (i) qualifying contributions and any other income or profit whatsoever received by it,

- (ii) any expenditure made by it during the period, and
    - (iii) any balances held by it at the end of the period
  - (ha) submit to the regulatory body at its request, not later than the day specified in paragraph (3), so many of the following details as it requires at any time during the relevant period--
    - (i) qualifying contributions and any other income or profit whatsoever received by it during the period,
    - (ii) any expenditure made by it during the period, and
    - (iii) any balances held during the period;
  - (hb) if the Commissioners are performing the functions specified in regulation 34(1) instead of the regulatory body, submit, at their request, not later than the day specified in paragraph (3), so many of the following details as they may require at any time during the relevant period--
    - (i) qualifying contributions and any other income or profit whatsoever received by it during the period,
    - (ii) any expenditure made by it during the period, and
    - (iii) any balances held during the period;
  - (i) submit to the regulatory body at its request, not later than the fourteenth day following the day on which the request is made, independently audited financial accounts for the approved body's last financial year; but such a request may not be made earlier than 10 months following the end of that financial year; and
  - (j) pay to the regulatory body an amount equal to 5 per cent of each qualifying contribution it receives, or such lesser amount as the regulatory body may require, towards its running costs within 14 days of receipt of a demand for payment.
- (2)** For the purposes of paragraphs (1)(h), (1)(ha) and (1hb) the relevant period in respect of an approved body is--
- (a) in the case of the first such period, the period commencing with the date on which the body was approved and ending on the following 31st March; and
  - (b) in the case of subsequent periods, the period of 12 months commencing with the day after the end of the first or, as the case may require, a subsequent

period.

- (3) The day referred to in paragraphs (1)(ha) and (1)(hb) is the twenty-eighth day following the day on which a request is made.
- (4) Where an approved body submits details in accordance with a request made under paragraph (1)(ha) or paragraph (1)(hb) the requirement in paragraph (1)(h) shall not apply in respect of those details.

<b>Regulation 34 – Functions of the regulatory body</b>
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(1) The regulatory body--

- (a) shall, on application being made to it by a body which is eligible to be approved under regulation 33 above, approve that body;
- (aa) may--
  - (i) at the time a body is approved, or
  - (ii) subsequently, by notice delivered to that body,  
impose such conditions as it sees fit;
- (ab) may, by notice delivered to a body, vary or revoke any condition of the approval;
- (ee) shall revoke the approval of any body which applies for its approval to be revoked;
- (f) shall maintain a roll of bodies which it has approved;
- (g) shall allocate an identifying number (the enrolment number) to each such body;
- (h) shall remove from the roll any body whose approval has been revoked under sub-paragraph (ee) or regulation 35(1)(h);
- (i) shall satisfy itself, by reference to such records or other documents or information it thinks fit, that the qualifying contributions received by the body have been spent by it only in the course or furtherance of its approved objects;
- (j) shall publish information regarding which bodies it has approved and which approvals has been revoked under sub-paragraph (ee) or regulation 35(1)(h);

- (k) shall, when notified by an approved body of the transfer to or by it of the whole or part of a qualifying contribution or of income derived therefrom, notify the registered person who made the qualifying contribution, and any contributing third party in relation to it, of--
  - (i) the date of the transfer,
  - (ii) the name and enrolment number of the body by or, as the case may require, to whom the transfer was made;
  - (iii) the amount transferred; and
  - (iv) the approved objects to which the transferred funds are to be applied; and
- (l) shall comply with such conditions as the Commissioners may impose from time to time under regulation 35(1)(aa) (including any conditions varied under regulation 35(1)(ab)).

**(2)** Where--

- (a) the Commissioners revoke their approval of the regulatory body without approving another body with effect from the day after the revocation takes effect; and
- (b) they have not given notice in writing to each body which has been enrolled (and which has not been removed from the roll), no later than the date such revocation takes effect, that they will be performing any of the functions specified in paragraph (1) above,

the approval of all such bodies shall be deemed to have been revoked on the day the Commissioners revoked their approval.

<b>Regulation 35 – Functions of the Commissioners</b>
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**(1)** The Commissioners--

- (a) may approve a body to carry out the functions prescribed by regulation 34(1) above;
- (aa) may--
  - (i) at the time the body is approved, or
  - (ii) subsequently, by notice delivered to that body,

impose such conditions as they see fit;

- (ab) may, by notice delivered to the body, vary or revoke any condition of the approval;
- (c) may revoke the approval;
- (d) shall not approve a body without first revoking the approval for any other body with effect from a time earlier than that for which the new approval is to take effect;
- (e) for any time as regards which no approval has effect, may perform any of the functions specified in regulation 34(1);
- (f) may disclose to the regulatory body information which relates to the tax affairs of registered persons and which is relevant to the credit scheme established by this Part;
- (g) having regard to any information received from the regulatory body, may serve notices under regulation 36; and
- (h) may, with respect to the approval of a body approved under regulation 34(1)(a), revoke that approval if the approved body fails to comply with any requirement of regulation 33A(1).

**(2)** Without prejudice to the generality of paragraph (1)(c) above, the Commissioners may revoke their approval of the regulatory body where it appears to them necessary to do so for the proper operation of the credit scheme established by this Part.

### **Regulation 36 – Repayment of credit**

- (1)** Where a person has benefited from an amount of credit to which he was entitled under this Part and the Commissioners serve upon him a notice in relation to a qualifying contribution paid to an approved body--
- (a) specifying that--
    - (i) they are not satisfied that the contribution has been spent by the body only in the course or furtherance of its approved objects; or
    - (ii) they are not satisfied that any income derived from the contribution has been so spent by the body;
  - (b) specifying a breach of a condition to which the approval of the body was made subject and which occurred before the contribution was spent by the body; or

(c) specifying that--

- (i) the approval of the body has been revoked; and
- (ii) the contribution had not been spent by the body before that revocation took effect,

he shall repay to the Commissioners the credit claimed in respect of the qualifying contribution.

**(2)** For the purpose of paragraph (1) above where--

- (a) repayment is required in relation to credit that has been claimed in respect of more than one qualifying contribution in an accounting period; and
- (b) regulation 31(3) applied so that the amount of credit was restricted,

the person shall be deemed to have claimed credit in respect of such proportion of each contribution made in that accounting period as the total credit claimed in accordance with that regulation forms of the total of the contributions made.

**(3)** Where--

- (a) a person has benefited from an amount of credit to which he was entitled under this Part; and
- (b) the whole or a part of the qualifying contribution in respect of which the entitlement to credit arose has been repaid to him or a person who was a contributing third party in relation to the qualifying contribution,

he shall pay to the Commissioners an amount equal to 90 per cent of the amount repaid to him or, as the case may require, to the contributing third party.

**(4)** Paragraph (5) below applies where--

- (a) a person has benefited from an amount of credit to which he was entitled under this Part; and
- (b) he is entitled to a payment under regulation 20 in respect of a later accounting period in the same contribution year as the accounting period in respect of which that credit was claimed.

**(5)** Where this paragraph applies the person shall pay to the Commissioners an amount equal to the difference between--

- (a) the aggregate of--
  - (i) the amount of the credit from which he has benefited, and
  - (ii) any other amounts of credit arising under this Part which he is or was entitled to claim,in respect of that contribution year; and
- (b) the amount of credit which he would have been entitled to claim if he had in fact claimed the aggregate amount mentioned in sub-paragraph (a) above in the return for the accounting period in respect of which he was entitled to the payment under regulation 20.

**(6)** Where--

- (a) a person has benefited from an amount of credit to which he was entitled under this Part;
- (b) he acquires an asset from a body to which he has made a qualifying contribution for--
  - (i) no consideration, or
  - (ii) a consideration which is less than the open market value of the asset,he shall pay to the Commissioners an amount equal to 90 per cent of the amount by which the open market value exceeds the consideration; but this is subject to paragraph (7) below.

**(7)** A person required to pay an amount to the Commissioners by paragraph (6) above—

- (a) shall not be required to pay more than the total amount of relevant credit;
- (b) shall not be entitled to claim any further amounts of credit in respect of qualifying contributions made by him to the body in question on or after the date on which he acquired the asset.

**(8)** For the purposes of paragraphs (6) and (7) above

- (a) "asset" includes land, goods or services and any interest in any of these;
- (b) the open market value of an asset is the amount of the consideration in money that would be payable for the asset by a person standing in no such relationship with any person as would affect that consideration;

- (c) "relevant credit" means credit arising under this Part—
- (i) from which a person has benefited, and
  - (ii) which has arisen in respect of qualifying contributions made by him to the body in question or treated by virtue of regulation 32(3) as having been received by that body from him.