

Guidance Note - Recognising Qualifying Contributions and Notifying ENTRUST

1. What is a qualifying contribution?

- 1.1 In order to be classed as a qualifying contribution, a payment must be made by a registered Landfill Operator (LO) to an enrolled Environmental Body (EB). LOs are also required to make the payment subject to a condition stating that the EB shall only spend the monies and any income derived from them in the course or furtherance of the EBs approved objects.
- 1.2 Paragraph 32 of the Landfill Tax Regulations 1996 (Regulations) (as amended) cover this matter.

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;.....

There are other qualifications regarding qualifying contributions, but they are not relevant to this guidance.

2. When is a qualifying contribution received?

- 2.1 When an EB has received a payment which is subject to a condition in accordance with Regulation 32(1)(b) (above) from the LO, it has received a qualifying contribution.
- 2.2 If an EB receives a payment from an LO and it is unclear whether it is a qualifying contribution because the EB is not aware of any pre-existing or current condition attached to it, the EB should contact their contributing LO immediately to seek clarification. Once it becomes clear that it is a qualifying contribution that has been received, the receipt of the payment should be reported to ENTRUST.

3. Why is this important?

- 3.1 An EB has a duty under the Regulations to report the receipt of all qualifying contributions to ENTRUST within seven days of receiving them. This is done via the Form 3 - *Contribution received directly from a Landfill Operator* and is set out in paragraph 33A of the Regulations.



(1) An approved body shall–

(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;.....

There are other qualifications regarding the reporting of qualifying contributions, but they are not relevant to this guidance.

3.2 If the EB does not report within the statutory timeframes, ENTRUST will consider enforcement action.

4. How does this affect my EB?

4.1 An EB needs to be aware when an LO makes a payment to them, as if it is a qualifying contribution, it will trigger the requirement to notify ENTRUST.

4.2 Some LOs only specify one condition for their qualifying contributions. This could be either at the time of, or before, making their very first contribution to an EB and may state that the condition applies to all further contributions. Where this is the case, all contributions are qualifying contributions on the date they are received by the EB. If the EB receives the payments electronically they must ensure that they have processes in place to ensure that they are aware when a payment has been made into their bank account, as they only have seven days to make the statutory return to ENTRUST.

4.3 EBs should put in place a process with their funding LOs to ensure that the LO advises them at the time of making a qualifying contribution to them.

5. Any further questions?

5.1 If you have any further questions, please contact [Hannah Williams](#), Regulations Manager on 01926 488 324.

