

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the Capital Allowances (Environmentally Beneficial Plant and Machinery) Order 2003 (S.I. 2003/2076, as amended) (“the 2003 Order”). That Order implemented legislation, inserted into the Capital Allowances Act 2001 (c. 2) by paragraph 3 of Schedule 30 to the Finance Act 2003 (c. 14), so as to introduce a scheme for 100% first-year allowances to encourage businesses to invest in environmentally beneficial plant and machinery.

Article 3 of this Order substitutes new definitions of the “the Water Technology Criteria List” and the “the Water Technology Product List”; and article 4 of this Order adds to the list of technology classes specified in article 3(2) of the 2003 Order. Article 5 of this Order adds a new article 5 to the 2003 Order. The new article provides that no first-year allowance is available in the case of certain expenditure unless an appropriate certificate of environmental benefit is in force.

The Lists referred to in article 3 are available online at www.eca-water.gov.uk.