
STATUTORY INSTRUMENTS

2007 No. 945

**INCOME TAX
CORPORATION TAX**

**The Business Premises Renovation
Allowances Regulations 2007**

<i>Made</i>	- - - -	<i>21st March 2007</i>
<i>Laid before the House of Commons</i>	- - - -	<i>21st March 2007</i>
<i>Coming into force</i>	- -	<i>11th April 2007</i>

The Treasury make the following Regulations in exercise of the powers conferred by sections 360C(2)(a) and (3) and 360D(4) of the Capital Allowances Act 2001⁽¹⁾.

Citation and commencement

1. These Regulations may be cited as the Business Premises Renovation Allowances Regulations 2007 and shall come into force on 11th April 2007.

Interpretation

2. In these Regulations “the Act” means the Capital Allowances Act 2001.

Designation of areas as disadvantaged areas

3. The following areas are designated as disadvantaged areas for the purposes of section 360C of the Act (meaning of “qualifying building”)—

- (a) areas specified as development areas by the Assisted Areas Order 2007⁽²⁾;
- (b) Northern Ireland.

(1) 2001 c. 2; sections 360C and 360D, together with the other provisions of Part 3A, are inserted by paragraph 1 of Schedule 6 to the Finance Act 2005 (c. 7) and have effect in relation to expenditure incurred on or after such day as the Treasury may appoint under section 92 of that Act.

(2) S.I. 2007/107.

Meaning of “qualifying business premises”

4.—(1) For the purposes of Part 3A of the Act (business premises renovation allowances) premises are not qualifying business premises where—

- (a) the person entitled to the relevant interest in the premises is carrying on a relevant trade; or
- (b) the premises are used, or used in part, for the purposes of such a trade.

(2) In this regulation—

“relevant interest” has the meaning given by Chapter 4 of Part 3A of the Act (the relevant interest in the qualifying building);

“relevant trade” means a trade in any sector in relation to which [Commission Regulation \(EC\) No 1628/2006](#) on the application of Articles 87 and 88 of the Treaty to national regional investment aid⁽³⁾ does not apply by virtue of paragraph 2 of Article 1 of that Regulation.

(3) This regulation applies in relation to part of a trade as it applies in relation to a trade.

Frank Roy
Alan Campbell
Two of the Lords Commissioners of Her
Majesty’s Treasury

21st March 2007

(3) OJ No. L302, 1.11.2006, p.29.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations relate to business premises renovation allowances under Part 3A of the [Capital Allowances Act 2001 \(c. 2: “CAA 2001”\)](#). The allowances will be available for qualifying expenditure in respect of a qualifying building incurred on or after such day as the Treasury may appoint under section 92 of the Finance Act 2005 (c. 7).

Regulation 1 provides for citation and commencement.

Regulation 2 provides for interpretation.

Regulation 3 designates areas specified as development areas by the Assisted Areas Order 2007 ([S.I. 2007/107](#)) and Northern Ireland as disadvantaged areas for the purposes of section 360C CAA 2001 (meaning of “qualifying building”).

Regulation 4 provides that in certain circumstances premises are not “qualifying business premises” for the purposes of Part 3A of CAA 2001. The trade sectors affected are those in which [Commission Regulation \(EC\) No 1628/2006](#) does not apply to aid fulfilling the criteria laid down in Article 87(1) of the Treaty (usually referred to as State aid). The sectors concerned are fisheries and aquaculture; shipbuilding; the coal industry; the steel industry; synthetic fibres; the primary production of certain agricultural products; and the manufacture and marketing of products which imitate or substitute for milk and milk products.

A full regulatory impact assessment for business premises renovation allowances was published in March 2005 and can be found at <http://www.hmrc.gov.uk/ria/business-renovation.pdf>.