
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>.