



Finance Act 1989

1989 CHAPTER 26

PART III

MISCELLANEOUS AND GENERAL

Interest etc.

178 Setting of rates of interest.

- (1) The rate of interest applicable for the purposes of an enactment to which this section applies shall be the rate which for the purposes of that enactment is provided for by regulations made by the Treasury under this section.
- (2) This section applies to—
 - (a) section 8(9) of the ^{M1}Finance Act 1894,
 - (b) section 18 of the ^{M2}Finance Act 1896,
 - (c) section 61(5) of the ^{M3}Finance (1909-10) Act 1910,
 - (d) section 17(3) of the ^{M4}Law of Property Act 1925,
 - (e) section 73(6) of the ^{M5}Land Registration Act 1925,
 - (f) sections 86, 86A, 87, 87A and 88 of the ^{M6}Taxes Management Act 1970,
 - (g) paragraph 3 of Schedule 16A to the ^{M7}Finance Act 1973,
 - ^{F1}(gg) [^{F2}paragraph 6 of Schedule 1 to the Social Security Contributions and Benefits Act 1992,]
 - (h) paragraphs 15 and 16 of Schedule 2, and paragraph 8 of Schedule 5, to the ^{M8}Oil Taxation Act 1975,
 - ^{F3}(i) section 283 of the ^{M9}Taxation of Chargeable Gains Act 1992;]
 - (j) paragraph 59 of Schedule 8 to the ^{M10}Development Land Tax Act 1976,
 - (k) sections 233 and 236(3) and (4) of the ^{M11}Inheritance Tax Act 1984,
 - (l) section 92 of the Finance Act 1986, and
 - (m) sections 160, 824, 825 and 826 of, and paragraph 3 of Schedule 19A to, the ^{M12}Taxes Act 1988. [^{F4}and]

Status: Point in time view as at 01/07/1992. This version of this provision has been superseded.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1989, Section 178. (See end of Document for details)

- [^{F5}(n) section 118(7) of the Finance Act 1990.] [^{F6}and
(o) section 14(4) of the Ports Act 1991.]
- (3) Regulations under this section may—
- (a) make different provision for different enactments or for different purposes of the same enactment,
 - (b) either themselves specify a rate of interest for the purposes of an enactment or make provision for any such rate to be determined by reference to such rate or the average of such rates as may be referred to in the regulations,
 - (c) provide for rates to be reduced below, or increased above, what they otherwise would be by specified amounts or by reference to specified formulae,
 - (d) provide for rates arrived at by reference to averages to be rounded up or down,
 - (e) provide for circumstances in which alteration of a rate of interest is or is not to take place, and
 - (f) provide that alterations of rates are to have effect for periods beginning on or after a day determined in accordance with the regulations in relation to interest running from before that day as well as from or from after that day.
- (4) The power to make regulations under this section shall be exercisable by statutory instrument which shall be subject to annulment in pursuance of a resolution of the House of Commons.
- (5) Where—
- (a) the rate provided for by regulations under this section as the rate applicable for the purposes of any enactment is changed, and
 - (b) the new rate is not specified in the regulations,
- the Board shall by order specify the new rate and the day from which it has effect.
- (6) In section 828(2) of the Taxes Act 1988 (powers to make orders which are not exercisable by statutory instrument) the words “or section 178(5) of the Finance Act 1989” shall be added at the end.
- (7) Subsection (1) shall have effect for periods beginning on or after such day as the Treasury may by order made by statutory instrument appoint and shall have effect in relation to interest running from before that day as well as from or from after that day; and different days may be appointed for different enactments.

Textual Amendments

- F1** S. 178(2)(gg) inserted (6.4.1992) (E.W.S.) by [Social Security Act 1990 \(c. 27, SIF 113:1\)](#) s. 17(10); S.I. 1992/632, [art. 2](#)
- F2** Words in s. 178(2)(gg) substituted (1.7.1992) by [Social Security \(Consequential Provisions\) Act 1992 \(c. 6\), ss. 4, 7\(2\), Sch. 2 para.107](#).
- F3** s. 178(2)(i) substituted (6.3.1992 with effect as mentioned in s. 289(1)(2) of the substituting Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\), ss. 289, 290, Sch. 10 para. 19\(4\)](#) (with ss. 60, 101(1), 201(3))
- F4** “and” inserted by [Finance Act 1990 \(c. 29, SIF 58\), s.118\(8\)](#)
- F5** S. 178(2)(n) inserted by [Finance Act 1990 \(c. 29, SIF 58\), s. 118\(8\)](#)
- F6** S. 178(2)(o) and word immediately preceding it inserted (G.B.) by [Ports Act 1991 \(c. 52, SIF 58\), s. 14\(5\)](#).

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Changes to legislation: *There are currently no known outstanding effects for the Finance Act 1989, Section 178. (See end of Document for details)*

Modifications etc. (not altering text)

- C1** S. 178 applied by [Ports Act 1991 \(c. 52, SIF 58\)](#), [s. 14\(4\)](#).
- C2** For regulations see [S.I. 1989/1297](#) (in Part III Vol. 5). And see Tables I and O Vol. 1
- C3** Power of appointment conferred by s. 178(7) partly exercised: 18.8.1989 appointed by [S.I. 1989/1298](#) for all the enactments specified in s. 178(2) other than s. 87A of the 1970 Act and s. 826 of the 1988 Act

Marginal Citations

- M1** 1894 c. 30.
- M2** 1896 c. 28.
- M3** 1910 c. 8.
- M4** 1925 c. 20.
- M5** 1925 c. 21.
- M6** 1970 c. 9.
- M7** 1973 c. 51.
- M8** 1975 c. 22.
- M9** 1992 c. 12.
- M10** 1976 c. 24.
- M11** 1984 c. 51.
- M12** 1986 c. 41.

Status:

Point in time view as at 01/07/1992. This version of this provision has been superseded.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 1989, Section 178.