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STATUTORY INSTRUMENTS

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**1994 No. 2657**

**INCOME TAX  
INHERITANCE TAX  
TAXES**

The Taxes (Interest Rate) (Amendment No. 3) Regulations 1994

*Made* - - - - *11th October 1994*  
*Laid before the House of*  
*Commons* - - - - *112th October 1994*  
*Coming into force* - - *16th November 1994*

The Treasury, in exercise of the powers conferred on them by section 178 of the Finance Act 1989<sup>(1)</sup>, hereby make the following Regulations:

**Citation and commencement**

1. These Regulations may be cited as the Taxes (Interest Rate) (Amendment No. 3) Regulations 1994 and shall come into force on 6th November 1994.

**Amendments to the Taxes (Interest Rate) Regulations 1989**

2. In regulation 5(1) of the Taxes (Interest Rate) Regulations 1989<sup>(2)</sup>—
- (a) for “6th June 1994” there shall be substituted “6th November 1994”;
  - (b) for “7½ per cent. per annum” there shall be substituted “8 per cent. per annum”.

11th October 1994

*Andrew Mitchell*  
*Kenneth Clarke*  
Two of the Lords Commissioners of Her  
Majesty’s Treasury

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(1) 1989 c. 26; section 178 was extended by section 160(5) of the Income and Corporation Taxes Act 1988 (c. 1) as amended by section 179(1)(g) of the Finance Act 1989 and section 88(2) of the Finance Act 1994 (c. 9).  
(2) S.I. 1989/1297; relevant amending instruments are S.I. 1994/1307 and 1567.

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend regulation 5 of the Taxes (Interest Rate) Regulations 1989 (S.I.1989/1297). That regulation provides for the official rate of interest for the purposes of section 160 of the Income and Corporation Taxes Act 1988 (taxation of beneficial loans made to employees) by first specifying an official rate of interest generally and then specifying, by way of exception, different official rates of interest for certain beneficial loans in the currencies of countries specified in the Table to the regulation.

The amendment made by these Regulations specifies, with effect from 6th November 1994, a new general official rate of interest of 8 per cent. per annum, in substitution for the rate of 7.5 per cent. per annum specified by S.I. 1994/1307.