
STATUTORY INSTRUMENTS

1995 No. 2791

The Acquisition of Land (Rate of Interest after Entry) (Scotland) Regulations 1995

Rate of Interest

2.—(1) The rate of interest on any compensation in respect of the compulsory acquisition of an interest in any land on which entry has been made before the payment of the compensation shall be 0.5 per cent per annum below the standard rate described in paragraph (2) below.

(2) For the purposes of paragraph (1) above, the standard rate is:

- (a) the base rate quoted by the reference banks and effective on the reference day most recently preceding the day on which the entry to the land has been made or, where that day is a reference day, such reference day; and
- (b) the base rate quoted by the reference banks and effective on each subsequent reference day preceding payment of compensation.

(3) If different base rates are quoted by different banks and effective on a reference day, the rate which, when the base rate quoted by each reference bank is ranked in a descending sequence of seven, is fourth in the sequence is to be used to obtain the standard rate.

(4) If more than one base rate is quoted by a reference bank and effective on a reference day, the last quoted rate shall be treated as the base rate quoted by that reference bank and effective on that day.

(5) For the purposes of paragraphs (2), (3) and (4) above:

- (a) the reference banks, in relation to any reference day, are the seven largest institutions—
 - (i) authorised by the Bank of England under the Banking Act 1987⁽¹⁾ and
 - (ii) incorporated in and carrying on a deposit-taking business in the United Kingdom, which quote a base rate in sterling effective as mentioned in paragraphs (2), (3) and (4) above; and
- (b) the size of an institution is to be determined by reference to its total consolidated gross assets denominated in sterling, as shown in its audited end-year accounts last published before the relevant reference day.

(6) In paragraph (5)(b) above, the reference to the consolidated gross assets of an institution is a reference to the gross assets of that institution together with any subsidiary (within the meaning of section 736 of the Companies Act 1985)⁽²⁾.

(7) For the purposes of paragraph (2) above, the reference days are 31 March, 30 June, 30 September and 31 December (or, if any such day is not a business day, the next business day).

(1) 1987 c. 22.

(2) 1985 c. 6; section 736 was substituted by section 144(1) of the Companies Act 1989 (c. 40).