
STATUTORY INSTRUMENTS

1995 No. 3225

The Lloyd's Underwriters (Gilt-edged Securities) (Periodic Accounting for Tax on Interest) Regulations 1995

Interest payable where payment on account excessive

12.—(1) This regulation applies in any case where the payment on account paid exceeds the total amount of tax.

(2) Neither section 824(1) (repayment supplements: individuals and others) nor section 826(2) (interest on corporation tax overpaid) of the Taxes Act shall apply to a repayment of the amount of the excess, but that amount shall carry interest in accordance with the provisions of this regulation at the specified rate from the opening date until the date on which it is repaid.

(3) In this regulation “the specified rate” means the rate determined in accordance with paragraphs (4) to (7) below.

(4) Subject to paragraph (5) below, the specified rate shall be 4.5 per cent per annum.

(5) Where, on a reference date occurring after 2nd January 1996, the reference rate found on that date differs from the established rate, the specified rate shall, on and after the next operative date, be the percentage per annum found by applying the formula specified in paragraph (6) below; and, if the result is not a multiple of one quarter, rounding the result down to the nearest amount which is such a multiple.

(6) The formula specified is—

$$\left(\frac{RR}{100} \right) \times \frac{(100 - BR)}{100},$$

where

RR is the reference rate referred to in paragraph (5) above and BR is the percentage at which income tax at the basic rate is charged for the year of assessment in which the reference date referred to in that paragraph falls.

(7) In this regulation “established rate”, “operative date”, “reference date” and “reference rate” have the same meanings as in the Taxes (Interest Rate) Regulations 1989(3).

(8) In this regulation, “the opening date” means 14th March or the date on which the payment on account is paid, if later.

(9) Any sum to which this regulation applies shall carry interest from the opening date even if that date is a non-business day within the meaning of section 92 of the Bills of Exchange Act 1882.

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- (1) Section 824 was amended by paragraph 7 of Schedule 13 to the Finance Act 1988 (c. 39), sections 100(5), 111(4), 158(2)(b) and 179(1)(a)(vii) of, and Parts IV, VIII and X of Schedule 17 to, the Finance Act 1989, paragraph 14(52) of Schedule 10 to the Taxation of Chargeable Gains Act 1992, and (prospectively) by paragraph 41 of Schedule 19, and Part V(23) of Schedule 26, to the Finance Act 1994.
- (2) Section 826 was amended by section 180(6) of the Finance Act 1989, paragraph 23 of Schedule 15 to the Finance Act 1991, paragraph 10 of Schedule 14 and paragraph 5 of Schedule 18 to the Finance Act 1993, paragraph 20 of Schedule 16 to the Finance Act 1994, paragraphs 11 and 12 of Schedule 24 to the Finance Act 1995, and (prospectively) by paragraph 42 of Schedule 19 to the Finance Act 1994.
- (3) S.I. 1989/1297, to which there are amendments not relevant to these Regulations.

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