

**1999 No. 419**

**INCOME TAX  
INHERITANCE TAX  
TAXES**

**The Taxes (Interest Rate) (Amendment) Regulations 1999**

<i>Made</i> - - - -	<i>22nd February 1999</i>
<i>Laid before the House of Commons</i>	<i>23rd February 1999</i>
<i>Coming into force</i>	<i>6th March 1999</i>

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

1. These Regulations may be cited as the Taxes (Interest Rate) (Amendment) Regulations 1999 and shall come into force on 6th March 1999.
2. In regulation 5(1) of the Taxes (Interest Rate) Regulations 1989<sup>(b)</sup>—
  - (a) for “6th August 1997” there shall be substituted “6th March 1999”;
  - (b) for “7.25 per cent. per annum” there shall be substituted “6.25 per cent. per annum”.

22nd February 1999

*Bob Ainsworth*  
*Clive Betts*  
Two of the Lords Commissioners of Her Majesty’s Treasury

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<sup>(a)</sup> 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, section 88(2) of the Finance Act 1994 (c. 9) and section 45(2) of, and Part VIII(3) of Schedule 29 to, the Finance Act 1995 (c. 4).  
<sup>(b)</sup> S.I. 1989/1297; relevant amending instruments are S.I. 1994/1307, 1567, 2657, 1995/2436, 1996/54, 1321 and 2644, and 1997/1681.

## 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 as substituted by S.I. 1994/1307). 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 March 1999, a new general official rate of interest of 6.25 per cent. per annum, in substitution for the rate of 7.25 per cent. per annum specified by S.I. 1997/1681.

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