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## EXPLANATORY NOTE

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

These Regulations commence provisions of the Finance Act 2009 (c. 10) (and amendments to that Act) which provide for late payment interest on sums due to HMRC and repayment interest on sums to be paid by HMRC for the purposes of value added tax.

Regulation 2(1) appoints 6th December 2022 as the date on which section 102(2)(c) of the Finance Act 2009 comes into force for the purposes of making an order under that provision for the purposes of value added tax. Section 102(2)(c) allows the Treasury to specify amounts to which section 102 (repayment interest) does not apply.

Regulation 2(2) appoints 1st January 2023 as the date on which sections 101 and 102 of the Finance Act 2009, paragraphs 1, 4, 5 and 12 of Schedule 9 to the Finance (No. 3) Act 2010 (c. 33) and Schedule 29 to the Finance Act 2021 (c. 26) come into force.

Sections 101 and 102 of the Finance Act 2009 provide for the payment of late payment interest and repayment interest in relation to sums paid to or by HMRC. Paragraphs 4 and 12 of Schedule 9 to the Finance (No. 3) Act 2010 amend the Finance Act 2009 to make further provision for these purposes. Those provisions are further amended by Schedule 29 to the Finance Act 2021. Paragraphs 1 and 5 of Schedule 9 to the Finance (No. 3) Act 2010 make a minor consequential amendment to the Finance Act 2009.

Regulation 3 provides for the effect of regulation 2(2); the timings of the application of the interest provisions in relation to particular amounts of value added tax and penalties.

A Tax Information and Impact Note has not been prepared for this instrument as it gives effect to previously announced policy and it is appointed day regulations.