
STATUTORY INSTRUMENTS

1994 No. 1307

INCOME TAX

INHERITANCE TAX

TAXES

The Taxes (Interest Rate) (Amendment) Regulations 1994

<i>Made</i>	- - - -	<i>13th May 1994</i>
<i>Laid before the House of Commons</i>	- - - -	<i>16th May 1994</i>
<i>Coming into force</i>	- -	<i>6th June 1994</i>

The Treasury, in exercise of the powers conferred on them by section 178 of the Finance Act 1989⁽¹⁾ and section 160(5) of the Income and Corporation Taxes Act 1988⁽²⁾, hereby make the following Regulations:

1. These Regulations may be cited as the Taxes (Interest Rate) (Amendment) Regulations 1994 and shall come into force on 6th June 1994.
2. For regulation 5 of the Taxes (Interest Rate) Regulations 1989⁽³⁾ there shall be substituted—

“Applicable rate of official rate of interest

5.—(1) For the purposes of section 160 of the Income and Corporation Taxes Act 1988⁽⁴⁾ (“section 160”) the rate applicable under section 178 shall, on and after 6th June 1994 and subject to paragraph (2), be 7.5 per cent. per annum.

- (2) In relation to a loan outstanding for the whole or part of a year of assessment where—
- (a) the loan was made in the currency of a country or territory specified in the Table below,
 - (b) the benefit of the loan is obtained by reason of the employment of a person who normally lives in that country or territory, and

(1) 1989 c. 26.
(2) 1988 c. 1; section 160(5) was amended by section 179(1)(g) of the Finance Act 1989 and section 88(2) of the Finance Act 1994 (c. 9).
(3) S.I. 1989/1297; relevant amending instruments are S.I. 1991/889, 1120, 1377, 1695 and 2070, S.I. 1992/265, 1338, 1451, 2818 and 3167, and S.I. 1993/222 and 3171.
(4) Section 160 was amended by sections 53(2)(b) and (c) and 179(1)(g) of the Finance Act 1989, paragraph 1 of Schedule 6 to the Finance Act 1991 (c. 31), and section 88(1) and (2) of the Finance Act 1994.

Status: This is the original version (as it was originally made).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

(c) that person has lived in that country or territory at some time in the period of six years ending with that year,
the rate applicable under section 178 for the purposes of section 160 and the date on and after which that rate has effect shall be ascertained from the entries in the Table below relating to the country or territory concerned.

TABLE

Country or territory	Date on and after which applicable rate has effect	Applicable Rate
Japan	6th June 1994	3.9 per cent. per annum.
Switzerland	6th June 1994	5.7 per cent. per annum.”

13th May 1994

Irvine Patnick
Tim Wood
Two of the Lords Commissioners of Her Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Taxes (Interest Rate) Regulations 1989 (S.I.1989/1297) by substituting a new regulation 5 which 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).

The new regulation 5 first provides for an official rate of interest in connection with beneficial loans generally and then, by way of exception, provides for different official rates of interest in connection with certain beneficial loans in specified foreign currencies.