
STATUTORY RULES OF NORTHERN IRELAND

2011 No. 326

**Local Government (Capital Finance and
Accounting) Regulations (Northern Ireland) 2011**

PART 4

CREDIT ARRANGEMENTS

Transactions which are not credit arrangements

Liabilities that do not arise from capital expenditure

8.—(1) The liabilities of a council specified in paragraph (2) are liabilities specified for the purposes of section 17(3)(c) (exclusion of certain liabilities from definition of “qualifying liabilities”).

(2) The liabilities specified for the purposes of paragraph (1) are liabilities that do not arise from a transaction which results in the council being required, in accordance with proper practices, to recognise a fixed asset in any balance sheet.

Retirement benefits: exclusion from credit arrangements

9. Liabilities for retirement benefits appropriated to a pension reserve in accordance with proper practices are liabilities specified for the purposes of section 17(3)(c).

Varied transactions

10. For the purposes of Part 1 (financial administration), a council shall be taken to have entered into a credit arrangement where—

- (a) on or after 1st April 2012, it enters into a transaction (“the new transaction”) which varies a transaction entered into previously, whether before, on or after 1st April 2012 (“the earlier transaction”);
- (b) the earlier transaction did not result in the council being taken to have entered into a credit arrangement; and
- (c) the council would, if it had entered into the earlier transaction as varied by the new transaction on—
 - (i) the date on which the earlier transaction was entered into; or
 - (ii) if later, 1st April 2012,

be taken to have entered into a credit arrangement,

and the date on which it is taken to have entered into the credit arrangement by virtue of this regulation is the date on which it enters into the new transaction.

Calculation of cost of credit arrangements

11. For the purposes of section 18(2) (entry into a credit arrangement or variation to be treated as the borrowing of an amount equal to the cost of the arrangement or variation), the cost of a credit arrangement or variation of a credit arrangement shall be the amount of the liability in respect of that arrangement or variation which is shown, in accordance with proper practices, in the council's accounts.