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## EXPLANATORY NOTE

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

Schedule 7A to the Local Government Finance Act 1988 provides for the phasing of the gains or losses caused by the introduction of the new business rate. For hereditaments where bills were reduced by the changes, the tapering depends upon an appropriate fraction calculated in accordance with the Non-Domestic Rating (Transitional Period) (Appropriate Fraction) Order 1989. This Order in article 2 provides the figures for one element in the formula used to calculate the appropriate fraction for the financial year beginning in 1992. There are different figures, depending on the rateable value of the property, and whether it is within Greater London, elsewhere in England, or in Wales.

Similar transitional provisions were made by the Electricity Supply Industry (Rateable Values) Order 1989, the Railways (Rateable Values) Order 1989, the Telecommunications Industry (Rateable Values) Order 1989 and the Water Undertakers (Rateable Values) Order 1989 in respect of hereditaments to which those Orders apply. This Order in article 3 amends the formulae for calculating the relevant rateable values for the year beginning 1st April 1992 and subsequent years in certain cases where the rateable values were reduced in 1990, making different provision for England and Wales.