
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend with effect from 6th April 1991 the provisions of the Taxes (Interest Rate) Regulations 1989 ([S.I.1989/1297](#)) (“the Principal Regulations”) which specify the method of determining the official rate of interest for the purposes of section 160 of the Income and Corporation Taxes Act 1988 (“section 160”) (taxation of beneficial loans made to employees). The official rate of interest determined under section 160 also determines the “appropriate percentage” for the purposes of the additional charge to tax in respect of certain living accommodation provided for employees under section 146 of the 1988 Act. The amendments disapply the formula for determining the level of the official rate of interest and specify the official rate for the purposes of section 160.

Regulation 1 provides for citation and commencement.

Regulation 2 defines the Principal Regulations.

Regulation 3 substitutes a new regulation 5 of the Principal Regulations which specifies the official rate of interest for the purposes of section 160 with effect from 6th April 1991.

Regulation 4 makes a consequential amendment to regulation 6 of the Principal Regulations.