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## EXPLANATORY NOTE

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

These Regulations amend with effect from 6th June 1992 regulation 5 of the Taxes (Interest Rate) Regulations 1989 (S.I.1989/1297), as amended by the Taxes (Interest Rate) (Amendment) Regulations 1991 (S.I. 1991/889), which specifies 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 official rate of interest 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 amendment made by these Regulations specifies a new official rate of interest (10.50 per cent. per annum) in substitution for the rate of 10.75 per cent. per annum specified by S.I. 1992/265. Previous rates were specified by S.I. 1989/1297 and S.I. 1991/889, 1120, 1377, 1695 and 2070.