
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Taxes (Interest Rate) Regulations 1989 (S.I.1989/1297). They insert two additional regulations which specify the interest rate applicable under section 178 of the Finance Act 1989 in relation to overdue corporation tax and to tax overpaid (section 87A of the Taxes Management Act 1970 and section 826 of the Income and Corporation Taxes Act 1988 respectively). The additional inserted regulations also make provision for changes in the interest rate applicable, and for the formula to be used in calculating the new rate.

These Regulations come into force on 1st October 1993, and are designed to operate in conjunction with the new system for assessing and collecting corporation tax known as Pay and File.