
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend regulation 5 of the Taxes (Interest Rate) Regulations 1989 (S.I. [1989/1297](#) as substituted by S.I. [1994/1307](#)). That regulation provides for 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) by first specifying an official rate of interest generally and then specifying, by way of exception, different official rates of interest for certain beneficial loans in the currencies of countries specified in the Table to the regulation.

The amendment made by these Regulations specifies, with effect from 6th June 1996, a new general official rate of interest of 7 per cent. per annum, in substitution for the rate of 7.25 per cent. per annum specified by S.I. [1996/54](#).