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STATUTORY INSTRUMENTS

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**1997 No. 1681**

**INCOME TAX**

**INHERITANCE TAX**

**TAXES**

**The Taxes (Interest Rate) (Amendment) Regulations 1997**

<i>Made</i>	- - - -	<i>10th July 1997</i>
<i>Laid before the House of</i>		
<i>Commons</i>	- - - -	<i>11th July 1997</i>
<i>Coming into force</i>	- -	<i>6th August 1997</i>

The Treasury, in exercise of the powers conferred on them by section 178 of the Finance Act 1989(1), hereby make the following Regulations:

1. These Regulations may be cited as the Taxes (Interest Rate) (Amendment) Regulations 1997 and shall come into force on 6th August 1997.
2. In regulation 5(1) of the Taxes (Interest Rate) Regulations 1989(2)—
  - (a) for “6th November 1996” there shall be substituted “6th August 1997”;
  - (b) for “6.75 per cent. per annum” there shall be substituted “7.25 per cent. per annum”.

10th July 1997

*Jim Dowd*  
*Jon Owen Jones*  
Two of the Lords Commissioners of Her  
Majesty’s Treasury

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(1) 1989 c. 26; section 178 was extended by section 160(5) of the Income and Corporation Taxes Act 1988 (c. 1) as amended by section 179(1)(g) of the Finance Act 1989, section 88(2) of the Finance Act 1994 (c. 9) and section 45(2) of, and Part VIII(3) of Schedule 29 to, the Finance Act 1995 (c. 4).

(2) S.I. 1989/1297; relevant amending instruments are S.I. 1994/1307, 1567, 2657, 1995/2436 and 1996/54, 1321 and 2644.

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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## 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 August 1997, a new general official rate of interest of 7.25 per cent. per annum, in substitution for the rate of 6.75 per cent. per annum specified by S.I. [1996/2644](#).