SCOTTISH STATUTORY INSTRUMENTS

2009 No. 76

RATING AND VALUATION

The Non-Domestic Rating (Payment of Interest) (Scotland) Amendment Regulations 2009

Made - - - -	*26th February 2009*
Laid before the Scottish Parliament	*27th February 2009*
Coming into force - -	*1st April 2009*

The Scottish Ministers make the following Regulations in exercise of the powers conferred by section 9A(2) of the Local Government (Scotland) Act 1975(**a**) and all other powers enabling them to do so.

Citation and commencement

1. These Regulations may be cited as the Non-Domestic Rating (Payment of Interest) (Scotland) Amendment Regulations 2009 and shall come into force on 1st April 2009.

Amendment of the Non-Domestic Rating (Payment of Interest) (Scotland) Regulations 1992

2. The Non-Domestic Rating (Payment of Interest) (Scotland) Regulations 1992(**b**) are amended in accordance with the following regulations.

Amendment of Regulation 3

3.—(1) In regulation 3(1) (entitlement to interest)–

(a) for "Subject to paragraph (2)" substitute "Subject to paragraphs (2) and (3)";

(b) delete "or, as the case may be, regulation 5 or 6".

(2) After regulation 3(2) insert–

"(3) Where the base lending rate referred to in regulation 4(2)(e)(**c**) is, or is lower than, 1%, paragraph (1) shall not apply in respect of such part of the repayment as is referable to the overpayment in relation to that relevant period.".

Amendment of Regulation 4

4. In regulation 4 (calculation of interest)–

(a) in paragraph (2)(d) for "the year commencing on 1st April 1993 or any subsequent year," substitute "a year commencing from 1st April 1993, but ending before 1st April 2009,";

(**a**) 1975 c.30. Section 9A was inserted by the Local Government Finance Act 1988 (c.41), Schedule 12, paragraph 13 and was substituted by the Local Government Finance Act 1992 (c.14), section 110(4). The functions of the Secretary of State were transferred to the Scottish Ministers by virtue of section 53 of the Scotland Act 1998 (c.46).

(**b**) S.I. 1992/2184 which is amended by S.I. 1998/1129 and further amended by S.I. 2001/3649.

(**c**) Regulation 4(2)(e) is inserted by regulation 4(b) of these Regulations.

(b) after paragraph (2)(d) insert–

"(e) in relation to a period constituting, or falling within, the year commencing on 1st April 2009 or any subsequent year, the rate equivalent to one percentage point less than the base lending rate set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998(**a**) which is effective at the start of 15th March of the preceding year.".

Revocation of Regulations 5 and 6

5. Regulations 5 and 6 (which relate to repayments made prior to 1st October 1992) are revoked.

JOHN SWINNEY
A member of the Scottish Executive

St Andrew's House,
Edinburgh
26th February 2009

(**a**) 1998 c.11.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Non-Domestic Rating (Payment of Interest) (Scotland) Regulations 1992. In certain cases where a rating authority in Scotland repays rates overpaid in error or in consequence of the entry on to a valuation roll of a valuation which is subsequently reduced, a payment in respect of interest requires to be made.

Regulation 3(2) provides that no interest will be payable if, in respect of any year, the relevant Bank of England base lending rate is 1% or less. This is to avoid uncertainty about whether the regulations would require application of a negative interest rate if that rate fell below 1%.

Regulation 4(a) preserves the rule for calculating the amount of interest for periods up to 31st March 2009.

Regulation 4(b) provides the rule for calculating the amount of interest for periods from 1st April 2009. It provides that the calculation will be based on the Bank of England base lending rate, rather than by reference to the base rates of seven banks. This change is being made to simplify administration.

Regulation 5 revokes provisions relating to repayments made before 1st October 1992, which are spent.

© Crown Copyright 2009

Printed in the UK by The Stationery Office Limited under the authority and superintendence of Carol Tullo, the Queen's Printer for Scotland.

SCOTTISH STATUTORY INSTRUMENTS

2009 No. 76

RATING AND VALUATION

The Non-Domestic Rating (Payment of Interest) (Scotland) Amendment Regulations 2009

£4.00

40 03/09 19593