STATUTORY INSTRUMENTS

2025 No. 386

TAXES AND DUTIES

The Taxes and Duties, etc (Interest Rate) (Amendment) Regulations 2025

Made - - - -	*25th March 2025*
Laid before the House of Commons	*26th March 2025*
Coming into force - -	*6th April 2025*

The Treasury make these Regulations in exercise of the powers conferred by section 178(1) to (3) of the Finance Act 1989(**a**), section 197(1) to (3) of the Finance Act 1996(**b**), section 103(1) and (3) of the Finance Act 2009(**c**) and section 32(13) of, and paragraph 5(1), (2)(d) and (3) of Schedule 6 to, the Taxation (Cross-border Trade) Act 2018(**d**).

Citation and commencement

1. These Regulations may be cited as the Taxes and Duties, etc (Interest Rate) (Amendment) Regulations 2025 and come into force on 6th April 2025.

Amendment of the Taxes (Interest Rate) Regulations 1989

2.—(1) The Taxes (Interest Rate) Regulations 1989(**e**) are amended as follows.

(2) In regulations 3(3), 3A(3), 3AA(3), 3AC(3), 3ZB(3), 3ZC(3) and 4(3), in the formula, for "2.5" substitute "4".

(**a**) 1989 c. 26. Section 178(2) has been amended by section 17(10) of the Social Security Act 1990 (c. 27), section 118(8) of the Finance Act 1990 (c. 29), section 14(5) of the Ports Act 1991 (c. 52), paragraph 107 of Schedule 2 to the Social Security (Consequential Provisions) Act 1992 (c. 6), paragraph 19(4) of Schedule 10 to the Taxation of Chargeable Gains Act 1992 (c. 12), paragraph 5 of Schedule 11 to the Finance (No. 2) Act 1992 (c. 48), paragraph 44 of Schedule 19 to the Finance Act 1994 (c. 9), Part 12 of Schedule 29 to the Finance Act 1995 (c. 4), paragraph 30 of Schedule 7, paragraph 13 of Schedule 18 and Part 5(2) and (8) of Schedule 41 to the Finance Act 1996 (c. 8), paragraph 1(3) of Schedule 4 to the Finance Act 1998 (c. 36), paragraph 10(2) of Schedule 2 and paragraph 8(1) of Schedule 4 to the Tax Credits Act 1999 (c. 10), sections 109(2) and 110(9) of the Finance Act 1999 (c. 16), Part 2(17) of Schedule 40 to the Finance Act 2000 (c. 17), Schedule 13 to the Land Registration Act 2002 (c. 9), paragraph 8(1) of Schedule 1 to the Employment Act 2002 (c. 22), paragraph 162 of Schedule 6 and Part 1 of Schedule 8 to the Income Tax (Earnings and Pensions) Act 2003 (c. 1), paragraph 4 of Schedule 18 to the Finance Act 2003 (c. 14), section 105(5) of the Finance Act 2009 (c. 10), paragraph 11(2) of Schedule 35 to the Finance Act 2014 (c. 26), section 115(4) of the Finance Act 2015 (c. 11), section 88(2)(a) of the Finance Act 2019 (c. 1), paragraph 2 of Schedule 10 to the Finance Act 2020 (c. 14), paragraph 68(2) of Schedule 14 and paragraph 7(2) of Schedule 18 to the Finance (No. 2) Act 2023 (c. 30), S.I. 2002/2836 (N.I. 2) and S.I. 2011/702. Section 178(3) has been amended by section 88(2)(b) of the Finance Act 2019.

(**b**) 1996 c. 8. Section 197(2) has been amended by paragraph 21 of Schedule 5 and Part 5(1) of Schedule 18 to the Finance Act 1997 (c. 16), section 130(3) of, and Part 6 of Schedule 20 to, the Finance Act 1999, paragraph 6 of Schedule 7 to the Finance Act 2000, section 49(2) of, and paragraph 18 of Schedule 3 to, the Finance Act 2001 (c. 9), section 132(2) of the Finance Act 2002 (c. 23) and S.I. 2009/56.

(**c**) 2009 c. 10.

(**d**) 2018 c. 22.

(**e**) S.I. 1989/1297 was amended by section 88(4) of the Finance Act 2019 and relevant amending instruments are S.I. 1992/2075, 1993/758, 1993/2212, 1996/3187, 1997/2707, 1998/310, 1998/3176, 1999/2538, 1999/2637, 2000/893, 2001/204, 2001/254, 2005/2462, 2009/2032, 2011/702 and 2020/995.

(3) In regulation 3ZA(4), in the formula, for "1" substitute "2.5".

(4) In regulation 5A—

(a) at the end of paragraph (a), omit "and";

(b) in paragraph (b), for "thereafter." substitute "for the period beginning with 6 April 2017 and ending with 5 April 2025, and";

(c) after paragraph (b), insert—

"(c) 4% per annum thereafter.".

Amendment of the Air Passenger Duty and Other Indirect Taxes (Interest Rate) Regulations 1998

3.—(1) The Air Passenger Duty and Other Indirect Taxes (Interest Rate) Regulations 1998(**a**) are amended as follows.

(2) In regulation 4(3), in the formula, for "2.5" substitute "4".

Amendment of the Taxes and Duties, etc (Interest Rate) Regulations 2011

4.—(1) The Taxes and Duties, etc (Interest Rate) Regulations 2011(**b**) are amended as follows.

(2) In regulation 3(1), in the formula, for "2.5" substitute "4".

Amendment of the Customs (Import Duty) (EU Exit) Regulations 2018

5.—(1) The Customs (Import Duty) (EU Exit) Regulations 2018(**c**) are amended as follows.

(2) In regulation 45(4), in the formula, for "2" substitute "3.5".

Jeff Smith
Vicky Foxcroft
25th March 2025 Two of the Lords Commissioners of His Majesty's Treasury

(**a**) S.I. 1998/1461; relevant amending instruments are S.I. 2000/631, 2001/3337, 2003/230 and 2009/56.
(**b**) S.I. 2011/2446.
(**c**) S.I. 2018/1248, to which there are amendments not relevant to these Regulations.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision concerning the rate of interest applying to certain amounts payable to the Commissioners for His Majesty's Revenue and Customs ("HMRC").

Regulation 2 amends various provisions of the Taxes (Interest Rate) Regulations 1989 (S.I. 1989/1297).

Regulation 3 amends regulation 4(3) of the Air Passenger Duty and Other Indirect Taxes (Interest Rate) Regulations 1998 (S.I. 1998/1461).

Regulation 4 amends regulation 3(1) of the Taxes and Duties, etc (Interest Rate) Regulations 2011 (S.I. 2011/2446).

Regulation 5 amends regulation 45(4) of the Customs (Import Duty) (EU Exit) Regulations 2018 (S.I. 2018/1248).

Each of these amendments increases the interest payable to HMRC on unpaid tax liabilities by 1.5%.

A Tax Information and Impact Note covering this instrument will be published on the government website at http://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins.

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