

**43 Setting of rates of interest [j178FA89]**

- (1) Where, before the day on which this Act is passed –
- (a) regulations under subsection (1) of section 178 of FA 1989 provide for a rate of interest for the purposes of an enactment to which that section applies, but
  - (b) no order was made under subsection (7) of that section appointing a day for that enactment,
- the rate has effect for any period of time beginning on or after the day on which the regulations came into force even though no such order was made.
- (2) In section 178 of FA 1989 (setting of rates of interest) –
- (a) in subsection (2), omit paragraph (u);
  - (b) in subsection (3)(f), after “provide that” insert “rates or”;
  - (c) omit subsection (7) (but this repeal does not affect any order already made under that subsection).
- (3) In Schedule 35 to FA 2014 (promoters of tax avoidance schemes), in paragraph 11 (interest on penalties) –
- (a) in sub-paragraph (1), for the words from “at the rate” to the end substitute “in accordance with section 101 of FA 2009”;
  - (b) omit sub-paragraph (2).
- (4) In the Taxes (Interest Rate) Regulations 1989 (S.I. 1989/1297) –
- (a) in regulation 3(1), after paragraph (e) insert –
    - “(f) section 14(4) of the Ports Act 1991 (for any period of time beginning on or after the day on which the Finance Act 2019 is passed), and
    - (g) paragraph 8 of Schedule 1 to the Employment Act 2002 (for any period of time beginning on or after the day on which the Finance Act 2019 is passed),”;
  - (b) after regulation 5 insert –

**“5A Applicable rate of interest for diverted profits tax**

For the purposes of section 79 of the Finance Act 2015, the rate applicable under section 178 of the Finance Act 1989 is –

- (a) 3% per annum for the period beginning with 1 October 2015 and ending with 5 April 2017, and
  - (b) 2.5% per annum thereafter.”
- (5) Regulations under section 178(1) of FA 1989 may revoke or amend the provision made in the Taxes (Interest Rate) Regulations 1989 by subsection (4).