



# Finance Act 1982

## 1982 CHAPTER 39

### PART VII

#### MISCELLANEOUS AND SUPPLEMENTARY

#### **153 Variable rates of interest for government lending.**

- (1) For section 5 of the National Loans Act 1968 (rates of interest) there shall be substituted the following section—

**“5 Rates of interest.**

- (1) This section has effect as respects any rate of interest—
- (a) which under any provision in Schedule 1 to this Act is to be determined in accordance with this Act, or
  - (b) which is to be determined by the Treasury under section 3 of this Act, and, where any enactment passed after this Act provides for the payment of interest on advances or loans made out of the National Loans Fund, and for the rate at which that interest is to be payable to be determined or approved by the Treasury, then, except as otherwise expressly provided, this section has effect as respects that rate of interest.
- (2) For any loan or class of loans the Treasury may determine or approve either—
- (a) a fixed rate of interest, that is to say a specified rate or a formula rate which is to be applied, throughout the period of the loan or any loan of that class, with the value which it has when the loan is made, or
  - (b) a variable rate of interest, that is to say a formula rate which is to be applied, for each of the successive periods of the loan or any loan of that class which are of a length specified in the determination or approval (in this section referred to as interest periods), with the value which it has at the beginning of that period;

---

*Changes to legislation: There are currently no known outstanding effects  
for the Finance Act 1982, Section 153. (See end of Document for details)*

---

and in this subsection “formula rate” means a rate which is so expressed (whether by means of a formula or otherwise) that it will or may have different values at different times.

- (3) The Treasury shall, on each occasion when they determine or approve a fixed rate of interest for a loan or class of loans, satisfy themselves that the rate would be at least sufficient to prevent a loss if—
  - (a) the loan, or any loan of that class—
    - (i) were made forthwith, and
    - (ii) were met out of money borrowed by the Treasury at the lowest rate at which the Treasury are for the time being able to borrow money (of whatever amount) for a comparable period, and on other comparable terms, and
  - (b) the interest on the money so borrowed, together with the Treasury’s expenses of borrowing, were set off against the interest received on the loan.
- (4) The Treasury shall, on, each occasion when they determine or approve a variable rate of interest for a loan or class of loans, satisfy themselves that the rate would be at least sufficient to prevent a loss if—
  - (a) the loan, or any loan of that class,—
    - (i) were made forthwith,
    - (ii) were to be repaid at the end of its first interest period, and
    - (iii) were met out of money borrowed by the Treasury at the lowest rate at which the Treasury are for the time being able to borrow money (of whatever amount) for a comparable period, and
  - (b) the interest on the money so borrowed were set off against the interest received on the loan.
- (5) If at any time the Treasury are satisfied that a rate of interest determined or approved for a class of loans, or for a loan not yet made, would not meet the requirements of subsection (3) or, as the case may be, subsection (4) above if it were determined or approved at that time, that determination or approval shall be withdrawn; and another rate shall be determined or approved in accordance with that subsection for further loans of that class or, as the case may be, for that loan.
- (6) The Treasury may in determining or approving a rate of interest take into account any consideration justifying a rate higher than that required by subsection (3) or (4) above.
- (7) Different fixed rates of interest may be determined or approved in respect of loans which are to be made for the same length of time; and different variable rates of interest may be determined or approved for loans which are to have interest periods of the same length.
- (8) The Treasury shall cause—
  - (a) all rates of interest determined from time to time by them in respect of local loans, and
  - (b) all other rates of interest determined from time to time by them otherwise than by virtue of subsection (6) above,

---

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1982, Section 153. (See end of Document for details)*

---

to be published in the London and Edinburgh Gazettes as soon as may be after the determination of those rates.”

(2) The enactments amended by Schedule 1 to that Act (government lending and advances) shall have effect as if in the third column of that Schedule for the word “fixed”, wherever it occurs, there were substituted the word “determined”.

(3) ..... F1

F2(4) .....

**Textual Amendments**

**F1** S. 153(3) repealed by [Housing \(Consequential Provisions\) Act 1985 \(c. 71, SIF 61\)](#), s. 3, **Sch. 1 Pt. I**

**F2** S. 153(4) repealed (21.3.1997) by [1995 c. 24, s. 13\(2\)](#), Sch. 2 Pt. I; [S.I. 1997/1139](#), **art. 2**

**Modifications etc. (not altering text)**

**C1** The text of s. 153 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and, except as specified, does not reflect any amendments or repeals which may have been made prior to 1.2.1991

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 1982, Section 153.