



# Finance Act 2019

## 2019 CHAPTER 1

### PART 4

#### ADMINISTRATION AND ENFORCEMENT

##### *Interest*

#### **88 Interest under section 178 of FA 1989 and section 101 of FA 2009**

- (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—

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*Changes to legislation: There are currently no known outstanding effects  
for the Finance Act 2019, Section 88. (See end of Document for details)*

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- “(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).
- (6) Section 101 of FA 2009 is to be regarded as having come into force on 6 May 2014 for the purposes of—
- (a) penalties under paragraphs 6B to 6D of Schedule 55 to FA 2009, in the case of returns falling within item 4 in the Table in paragraph 1 of that Schedule (real time information for PAYE);
  - (b) penalties under paragraphs 5 to 8 of Schedule 56 to FA 2009, in the case of payments of tax falling within item 2 or 4 of the Table in paragraph 1 of that Schedule (PAYE and CIS amounts);
  - (c) a penalty under section 208 or 226 of FA 2014 (penalties relating to follower notices, accelerated payment notices and partner payment notices), where the penalty relates to income tax payable under PAYE regulations.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 2019, Section 88.