

**Finance Circular No 5/2009**  
**By Email**

Chief Executives, Scottish Local Authorities  
Copy to: Directors of Finance  
Heads of Revenue  
COSLA

Our ref: B2683962  
16 March 2009

Dear Sir/Madam

**THE NON-DOMESTIC RATING (PAYMENT OF INTEREST) (SCOTLAND)**  
**REGULATIONS 1992: INTEREST RATE FOR 2009-10**

1. I am directed by the Scottish Ministers to draw your attention to the interest rate to be applied for 2009-10 in calculating the interest due when repaying overpaid rates following alterations to the valuation roll.
2. I would also advise that the Non-Domestic Rating (Payment of Interest) (Scotland) Amendment Regulations 2009, amends the 1992 Regulations so that where the Bank of England base rate is 1% or less the interest rate to be applied will be zero. This was to avoid uncertainty about application of a negative interest rate if that rate fell below 1%. In addition, this amendment clarified that interest payable should be calculated using the Bank of England base rate and revoked provisions relating to historic repayments. A full copy of the Amendment Regulations can be found at:  
[http://www.opsi.gov.uk/legislation/scotland/ssi2009/ssi\\_20090076\\_en\\_1](http://www.opsi.gov.uk/legislation/scotland/ssi2009/ssi_20090076_en_1)
3. It therefore follows that the relevant base rate on 15 March 2009 was 0.5% so the interest rate to be applied from 1 April 2009 to 31 March 2010 will be 0%.
4. The rates of interest on overpayments in respect of previous years remain at 5.75% for 1995-96; 5% for 1996-97; 5% for 1997-98; 6.25% for 1998-99; 4.5% for 1999-2000; 5% for 2000-01; 4.75% for 2001-02; 3% for 2002-03; 2.75% for 2003-04; 3% for 2004-05; 3.75% for 2005-06; 3.5% for 2006-07; 4.25% for 2007-08; and 4.25% for 2008-09.
5. This Circular has been copied to your Director of Finance, Head of Revenue (or equivalent) and COSLA.
6. Any enquiries about this Circular should be directed to me at the above address.

Yours faithfully,

**JIM GILMOUR**