

Interest rate for Tax Reserve Certificates adjusted

The Inland Revenue Department announced today (October 4) that starting from October 7, 2024, the new annual rate of interest payable on Tax Reserve Certificates will be 0.8000 per cent against the current rate of 0.8833 per cent, i.e. the new rate will be \$0.0667 per month per \$100.

Tax Reserve Certificates bear simple interest, and interest is calculated monthly (including part of a month) from the date of purchase to the date of payment of tax. Interest is only credited when certificates are used to pay tax, and no interest is due where the principal value of a certificate is repaid to its holder.

The rate of interest payable on Tax Reserve Certificates is reviewed every month based on the average prevailing interest rate for the 12-month time deposit for \$100,000 to \$499,999 offered by the three note-issuing banks.

The new rate will apply to all certificates purchased on or after October 7, 2024. Certificates purchased before October 7, 2024, will continue to earn interest at the rates prevailing on their respective purchase dates. Below is a summary of the interest rates for the past periods:

For certificates purchased on or after March 6, 2023, and before April 3, 2023:	0.7500 per cent per annum
For certificates purchased on or after April 3, 2023, and before June 5, 2023:	0.7667 per cent per annum
For certificates purchased on or after June 5, 2023, and before August 7, 2023:	0.8083 per cent per annum
For certificates purchased on or after August 7, 2023, and before September 4, 2023:	0.8833 per cent per annum
For certificates purchased on or after September 4, 2023, and before June 3, 2024:	0.9250 per cent per annum
For certificates purchased on or after June 3, 2024, and before October 7, 2024:	0.8833 per cent per annum
For certificates purchased on or after October 7, 2024, until further notice:	0.8000 per cent per annum

Interest will cease to accrue after 36 months.