



STAMP DUTIES (No. 2)

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No. 73 of 1978
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ANALYSIS

1. Short title.
2. Commencement.
3. Principal Act.
4. Insertion in Part IV of Principal Act of new Division IIIA.
Division IIIA—Loans.
5. Scale and rates of duties.
6. Insertion in Principal Act of new eighth Schedule.

CALCULATION OF INTEREST IN RESPECT OF LOAN
 WHERE INTEREST IS NOT EXPRESSED IN TERMS OF
 A RATE.

AN ACT to amend the Stamp Duties Act 1931 for the purpose of imposing stamp duty on certain loans.

[20 December 1978]

BE it enacted by His Excellency the Governor of Tasmania, by and with the advice and consent of the Legislative Council and House of Assembly, in Parliament assembled, as follows:—

1—This Act may be cited as the *Stamp Duties Act (No. 2) 1978*. Short title.

2—(1) This section and sections 1 and 3 shall commence on the date of assent to this Act. Commencement.

(2) Except as provided in subsection (1), this Act shall commence on 1st January 1979.

Principal Act.

3—In this Act, the *Stamp Duties Act 1931** is referred to as the Principal Act.

Insertion in
Part IV of
Principal Act
of new Division
IIIA.

4—After section 60 of the Principal Act, the following Division is inserted:—

Division IIIA—Loans

Interpretation:
Division IIIA.

60A—(1) For the purposes of this Division, unless the contrary intention appears—

“approved lender” means a person who is an approved lender within the meaning of section 60G (4);

“fixed loan” means a loan—

(a) the term of which is fixed or ascertainable when the loan is made;

(b) the interest on which is payable at times fixed or ascertainable when the loan is made; and

(c) the interest on which—

(i) is to be paid by amounts calculated by reference only to one or more rates that is or are fixed or ascertainable when the loan is made;

(ii) is to be paid only by specified amounts or by amounts that are to be calculated otherwise than by reference to one or more such rates but in a manner that is fixed or ascertainable when the loan is made; or

(iii) is to be paid partly in the manner specified in subparagraph (i) and partly in the manner specified in subparagraph (ii), and, where the interest is to be paid as referred to in subparagraph (ii) or (iii), which is for an amount of principal that is fixed or ascertainable at the time the loan is made;

* 22 Geo. V, No. 19. For this Act, as amended to 1968, see Appendix E to the Annual Volume of Statutes for 1968. Subsequently amended by No. 46 of 1969, No. 50 of 1970, No. 46 of 1971, No. 78 of 1972, Nos. 45 and 95 of 1974, No. 56 of 1975, Nos. 101 and 115 of 1976, and No. 31 of 1977.

“ interest ”, in relation to a loan, includes any amount (by whatever name called) which is in excess of the principal of the loan and which has been paid or is to be paid or payable in consideration of or otherwise in respect of the loan, and, without limiting the generality of those words, includes any amount which has been paid or is to be paid or payable by any person in consideration of or otherwise in respect of the loan, the obtaining of the loan, or the giving of any security in respect of the loan—

- (a) where the lender is a corporation, to the lender or a corporation which is, by virtue of section 6 (5) of the *Companies Act* 1962, deemed for the purposes of that Act to be related to the corporation which is the lender; or
- (b) to any person, whether or not a corporation, where there is a contract, agreement, or arrangement (whether made before or after 1st January 1979 and whether or not in writing or legally enforceable) under which that amount or any part of that amount is directly or indirectly payable to the lender or to any person on behalf of the lender or, where the lender is a corporation, to a corporation which, by virtue of section 6 (5) of the *Companies Act* 1962, is deemed for the purposes of that Act to be related to the corporation which is the lender,

but does not include legal costs payable to a legal practitioner, valuation fees, fees payable pursuant to any Act or regulations in respect of the loan or security, or fees of a kind prescribed in regulations made under this Act;

“ loan ” includes—

- (a) an advance of money;
- (b) money paid for or on account of, or on behalf of or at the request of, any person;
- (c) a forbearance from requiring payment of money owing on any account whatever; and
- (d) any transaction (whatever its terms or form) which in substance effects a loan of money;

“ loan instrument ” means an instrument constituting or evidencing the terms of a loan, other than a short term loan;

“ loan security ” means—

- (a) a bond or covenant to secure the payment or repayment of a sum of money or the transfer or retransfer of any debenture or other property, whether real or personal; or
- (b) a mortgage of property, whether real or personal, including any instrument whereby any security is given over any such property for the payment of money;

“ mortgage ” includes a charge;

“ prescribed rate ” means a rate of 14 per cent per annum;

“ principal ”, in relation to a loan, means the amount actually lent;

“ quarter ” means the period of 3 months commencing on 1st January, 1st April, 1st July, and 1st October in the year 1979 and in each subsequent year;

“ short term loan ” means—

- (a) a loan which an approved lender treats in a return made by him under section 60I as a short term loan; or
- (b) a loan on a current account other than a loan on a special current account;

“ simple interest ”, in relation to a loan, means interest calculated on the principal of the loan only;

“ special current account ” means a current account which an approved lender has designated as a special current account in the return made by him under section 60I in respect of the quarter in which a loan was first made on that account.

(2) For the purposes of this Division, where the terms of a loan provide that the lender agrees to accept a specified rate of interest less than another specified rate of interest so long as the borrower

duly observes and performs all his covenants and agreements, including those relating to prompt payment of interest, the higher rate of interest shall be disregarded in determining the interest payable in respect of the loan.

(3) For the purposes of this Division—

- (a) the amount of a loan on a current account, other than a special current account, with an approved lender in relation to any return is the maximum amount of principal due to that lender on the account at any time during the quarter to which the return relates;
- (b) any such loan shall be deemed to have been made and repaid in that quarter; and
- (c) the amount of a loan on a special current account in relation to any return is the total amount of the loans made on that account by that lender in that quarter.

60B—(1) Except as provided in subsection (2), this Division Application of this Division. applies to—

- (a) every fixed loan in relation to which the applicable rate of interest determined in accordance with subsection (5) or (6) exceeds the prescribed rate; and
- (b) every loan, other than a fixed loan, in relation to which the applicable rate of interest determined in accordance with subsection (8) at any time exceeds the prescribed rate.

(2) This Division does not apply to—

- (a) a loan, the principal of which does not exceed \$1 000;
- (b) a loan made by a person in the course of a business carried on by him as a pawnbroker under the *Pawnbrokers Act 1857*;
- (c) a loan made by a credit union;
- (d) the provision of credit under a credit arrangement or a credit purchase agreement; or
- (e) a loan made for a term not exceeding 180 days to which the parties are bodies corporate and of which the principal is not less than \$50 000 and which is—
 - (i) a loan to a bank;

- (ii) a loan to or by an authorized dealer in the short-term money market;
- (iii) a loan to or by a dealer in the unofficial short-term money market; or
- (iv) a loan by one body corporate to another body corporate by way of temporary investment of surplus funds.

(3) For the purposes of subsection (2)—

“ authorized dealer in the short-term money market ” means a body corporate declared under section 38 (7) of the *Companies Act* 1962 to be an authorized dealer in the short-term money market;

“ bank ” means a bank within the meaning of the *Banking Act* 1959 of the Commonwealth or a bank constituted by or under an enactment of a State;

“ credit union ” means a society the principal business of which consists of borrowing money from its members or intended members and lending that money to its members and which is incorporated or registered under a law in force in this State, but does not include a building society or a co-operative housing society so incorporated or registered;

“ dealer in the unofficial short-term money market ” means a body corporate for the time being declared under subsection (4) to be a dealer in the unofficial short-term money market for the purposes of this Division.

(4) For the purpose of the definition of the expression “ dealer in the unofficial short-term money market ” in subsection (3), the Treasurer may, by order published in the *Gazette*, declare a body corporate to be a dealer in the unofficial short-term money market for the purposes of this Division.

(5) Except in relation to a fixed loan referred to in subsection (6), the applicable rate of interest in relation to a fixed loan is—

- (a) where the terms of the loan provide that the whole of the interest on the loan is to be paid at a rate of simple interest that is constant throughout the period of the loan and those terms do not require any part of the loan to be repaid before the expiry of that period or, if those terms

do so require, they provide that the interest charged on the loan is to be calculated by applying at specified or ascertainable times that rate to the principal that is for the time being outstanding under the loan—that rate expressed in terms of a percentage rate per annum; or

- (b) in any other case—a rate equal to the percentage rate per annum represented by the interest charged on the loan—
- (i) as calculated in accordance with a formula prescribed for the purpose of this subparagraph in regulations made under this Act; or
 - (ii) if a formula is not so prescribed or if the formula so prescribed is not applicable to the case—as calculated in accordance with the eighth Schedule.

(6) Where the terms of a fixed loan provide that—

(a) interest on the amount expressed in the loan as being the amount agreed to be lent is to be paid at a rate of simple interest that is constant throughout the period of the loan; and

(b) the lender is entitled to deduct from the amount standing to the credit of the borrower, or the borrower is required to pay to the lender, one or more instalments of interest in respect of the loan before the expiration of the period or, as the case may be, the first period by reference to which the rate of interest referred to in paragraph (a) is, under those terms, to be determined,

the rate of interest applicable to the loan is—

(c) the rate of interest determined in accordance with the formula set out in subsection (7); or

(d) the rate of interest referred to in paragraph (a), expressed in terms of a percentage rate per annum,

whichever rate is the higher.

(7) For the purpose of subsection (6), the formula is—

$$r = \frac{i}{1 - i} \times 100 \times \frac{365}{p}$$

where—

“*r*” is the rate of interest to be determined for the purpose of paragraph (c);

“ i ” is the instalment or the total amount of instalments of interest referred to in paragraph (b);

“ l ” is the amount agreed to be lent referred to in paragraph (a);
and

“ p ” is the total period, expressed as a number of days, in respect of which the instalment or instalments of interest referred to in paragraph (b) is, under the terms of the loan, deductible or, as the case may be, required to be paid.

(8) The applicable rate of interest in relation to a loan, other than a fixed loan—

(a) is, where the terms of the loan provide that the whole of the interest on the loan is to be paid at a rate of simple interest that is constant throughout the period of the loan and is to be calculated by applying at specified or ascertainable times that rate to the principal that is for the time being outstanding under the loan—that rate expressed in terms of a percentage rate per annum;

(b) is, where the terms of the loan provide that the interest in respect of different parts of the period of the loan is to be paid at different specified rates of simple interest and not otherwise and is to be calculated by applying at specified or ascertainable times whichever of those rates is applicable under those terms to the principal that is for the time being outstanding under the loan—the higher or highest of those rates, expressed in terms of a percentage rate per annum; or

(c) where the terms of the loan (not being a loan under the terms of which no interest is capable of being charged) do not provide for the payment of interest as referred to in paragraph (a) or (b)— shall be deemed to be at a percentage rate per annum of simple interest in excess of the prescribed rate unless—

(i) the loan is made by a prescribed person and is a loan of a class in respect of which that person is a prescribed person; or

- (ii) the Commissioner is satisfied by the production of such evidence as he may reasonably require that the loan is not made at a rate of interest exceeding the prescribed rate.

(9) The Commissioner may, on the application of any person, declare by order in writing that that person is a prescribed person for the purposes of subsection (8) (c) and may, in that order, specify the class of loans in respect of which that person is a prescribed person.

60C—(1) Notwithstanding section 60B, where—

Aggregation of
loans between
same lender
and borrower.

- (a) two or more fixed loans are made by the same lender to the same borrower during any quarter and the aggregate of the principal of those loans exceeds \$1 000;
- (b) two or more loans, other than fixed loans, under each of which the lender is the same person and the borrower is the same person, are outstanding in whole or in part during any quarter and the aggregate of the amounts so outstanding exceeds \$1 000 at the end of that quarter; or
- (c) one or more fixed loans is or are made by the same lender to the same borrower during any quarter and during that quarter one or more loans, other than fixed loans, under which or each of which the lender is the same person as that lender and the borrower is the same person as that borrower and the aggregate of the principal of the fixed loan or loans and the amounts outstanding at the end of that quarter in respect of the principal of the other loan or loans exceeds \$1 000,

the loans (the aggregate of the principal of which or of the amounts outstanding in respect of which is referred to in paragraph (a), (b), or (c)), shall, if the applicable rate of interest in relation to either or any of those loans exceeds the prescribed rate, be deemed to be one loan to which this Division applies made by the lender to the borrower referred to in paragraph (a), (b), or (c), as the case may be, at a rate of interest exceeding the prescribed rate and for an amount equal—

- (d) where the loans deemed to be that loan were both or all fixed loans—to the aggregate of the principal of those loans;
- (e) where at least one of the loans deemed to be that loan was a fixed loan and at least one of the loans deemed to be that loan was not a fixed loan—to the aggregate of the principal of the fixed loan or loans and the amount outstanding at the end of the quarter concerned in respect of the principal of the other loan or loans; or
- (f) where the loans deemed to be that loan were not fixed loans—to the aggregate of the amounts of the principal outstanding at the end of the quarter concerned in respect of those loans,

and shall be deemed to have been so made at the end of the quarter concerned, unless the Commissioner is satisfied that both or all of those loans were made in the course of normal commercial practice in the State and that it would not be just and reasonable in the circumstances that this subsection should apply.

(2) The reference in subsection (1) (b) and (c) to loans other than fixed loans does not include a reference to loans made on a current account, including a special current account, by an approved lender.

Aggregation of related loans to a single borrower.

60D—Notwithstanding section 60B, where—

- (a) two or more lenders make separate loans to the same borrower;
- (b) those loans are made by those lenders pursuant to some contract, agreement, or arrangement between them (whether made before or after 1st January 1979 and whether or not in writing or legally enforceable); and
- (c) the applicable rate of interest in relation to any one or more of those loans exceeds the prescribed rate,

then for the purpose of this Division—

- (d) each of those loans shall be deemed—
 - (i) to have been made at a rate of interest exceeding the prescribed rate;

(ii) to have been made at the first time when the aggregate of the principal of such of those loans as were fixed loans and the amount outstanding in respect of the principal of such of those loans as were not fixed loans first exceeded \$1 000 and the applicable rate of interest in relation to any of those loans exceeded the prescribed rate; and

(iii) to have been a loan to which this Division applies; and

(e) any subsequent loan for whatever amount and at whatever applicable rate of interest made pursuant to that contract, agreement, or arrangement shall be deemed to be a loan to which this Division applies,

unless the Commissioner is satisfied that the contract, agreement, or arrangement was entered into or made in the course of normal commercial practice in the State and that it would not be just and reasonable in the circumstances that this subsection should apply.

60E—(1) Where the terms or conditions of a loan are varied, that loan shall be deemed to have been discharged and the lender shall be deemed to have made a new loan to the borrower on the date of the variation for an amount equal to the amount outstanding in respect of the loan as varied, and the instrument relating to the new loan shall be liable to duty as duty on a loan instrument except, in the case of a loan other than a short term loan, to the extent to which duty, as duty on a loan instrument, has been paid in respect of the loan before it was varied.

Special provision applicable where loan varied.

(2) Where—

(a) a lender makes a loan to a borrower; and

(b) out of the loan, in accordance with the terms on which it is made, a previous loan made by that lender to that borrower is discharged,

the duty, as duty on a loan instrument, in respect of the first-mentioned loan shall, where duty, as duty on a loan instrument, was paid in respect of the previous loan, be reduced by such amount as is calculated by reference to the formula in subsection (3), but only if the Commissioner is satisfied that the transaction was entered into in the course of normal commercial practice and that it would be just and reasonable in the circumstances for the duty to be reduced.

(3) For the purpose of subsection (2), the formula is—

$$a = b \times \frac{c}{d}$$

where—

- “ a ” is the amount to be calculated;
- “ b ” is the duty paid in respect of the previous loan;
- “ c ” is the amount required to discharge the principal of the previous loan; and
- “ d ” is the amount of the previous loan.

Instrument to
be made out in
respect of
loans.

60F—(1) Subject to subsection (3), a person who is the lender in respect of a loan shall make out an instrument at or before the time the loan is made.

(2) An instrument referred to in subsection (1)—

(a) shall clearly and truly set out—

- (i) the full name and address of the lender;
- (ii) the full name and address of the borrower;
- (iii) the amount of the loan;
- (iv) the date on which the loan is or is to be made; and
- (v) the period of the loan, and the applicable rate of interest in respect of the loan; and

(b) shall—

- (i) be marked “ ORIGINAL INSTRUMENT ” on its front or first page;
- (ii) be duly stamped as provided in the second Schedule with duty as duty on a loan instrument, and for that purpose be deemed to be first executed when the instrument is made out; and
- (iii) be retained by the lender for a period of 3 years after the principal of the loan is repaid.

(3) This section does not apply in respect of a loan—

- (a) where the lender is an approved lender; or
- (b) where the terms of the loan are embodied in or evidenced by an instrument and the payment of duty, as duty on a loan instrument, is denoted on the instrument.

(4) Where the lender is a person resident outside the State, subsection (1) applies to that person where—

- (a) the loan is to a person resident or domiciled in the State; or
- (b) any negotiations for the loan were carried on in the State.

(5) Where the lender is a person resident outside the State or is not bound by the provisions of this Act, the borrower, if he is resident or domiciled in the State, shall—

- (a) unless duty has been paid in respect of the loan in accordance with the provisions of this Act, make out and lodge with the Commissioner a return, in accordance with subsection (6), setting out the information required by subsection (2) (a); and
- (b) cause that return to be duly stamped with duty, as duty on a loan instrument, as if it were an instrument made out under subsection (1) and required to be duly stamped as referred to in subsection (2) (b) (ii).

(6) A return under subsection (5) shall—

- (a) be in duplicate;
- (b) be made out at or before the time when the loan is made; and
- (c) be lodged within 2 months after that time.

(7) Where a person—

- (a) being a lender, fails to make out an instrument in accordance with the requirements of subsection (1); or
- (b) being a borrower, fails to make out and lodge a return in accordance with the requirements of subsection (5),

the Commissioner may cause to be made an assessment of the amount of stamp duty with which, in his judgment, the instrument or return should have been stamped if that person had made out such an instrument or made out and lodged such a return, and that person shall be liable to pay that duty and to a penalty under section 15 as if he had so made out that instrument or so made out and lodged that return without causing it to be duly stamped.

(8) Any person who—

- (a) being a lender, fails to comply with subsection (1); or
- (b) being a borrower, fails to comply with subsection (5),

is guilty of an offence and for each such offence is liable on conviction to a penalty of \$500.

(9) Where an instrument that constitutes or evidences the terms of a loan is also a loan security, the instrument shall be liable only to the payment of duty as duty on a loan instrument.

Approval for
payment of duty
on loans by
return.

60G—(1) Any person liable to the payment of duty under section 60F may apply to the Commissioner in a form approved by him for approval to pay duty in respect of loans in accordance with this section.

(2) The Commissioner may approve or refuse to approve any such application.

(3) Where the Commissioner approves any such application, he shall specify in the approval the date on which the approval comes into force.

(4) A person whose application under subsection (1) has been approved by the Commissioner is, while the approval is in force, an approved lender for the purpose of this Division.

(5) The Commissioner may, by an instrument in writing, cancel an approval granted under this section—

(a) on application by the person to whom the approval was granted; or

(b) for any reason he considers sufficient,

and shall specify in any such instrument the date on and from which the approval ceases to be in force.

(6) An approval so cancelled shall cease to be in force on and from the date specified in the instrument by which the approval is cancelled.

Recording of
loans by
approved
lenders and
notation of
approval on
instruments.

60H—(1) Where an approved lender lodges a return in accordance with section 60I setting out the particulars of a loan made by him, he is not liable to pay duty, as duty on a loan instrument, in respect of that loan.

(2) On the making of a loan, an approved lender—

(a) shall make a record of such particulars relating to the loan as the Commissioner may, by notice in writing given to him, require; and

(b) may, if he makes out a loan instrument, endorse on that instrument the words "Stamp duty approval" followed by the serial number of the notice of approval issued to him by the Commissioner under section 60G.

(3) An instrument endorsed in accordance with subsection (2) (b) shall be deemed to be duly stamped with duty as duty on a loan instrument.

(4) A person making a record in accordance with subsection (2) (a) shall retain that record for a period of 3 years after the date on which the loan to which the record relates is repaid.

60I—(1) An approved lender shall—

(a) within 15 days after the end of each quarter, lodge with the Commissioner a return in the prescribed form and in duplicate setting out the prescribed particulars in respect of—

Quarterly
returns and
payment by
approved
lenders.

(i) each loan, other than a short term loan, which was made by him during the last preceding quarter;

(ii) each short term loan which was made by him during the last preceding quarter and was repaid during that quarter; and

(iii) each short term loan which was made by him during the period of 12 months ending at the end of the last preceding quarter and which was outstanding in whole or in part at the end of that quarter; and

(b) when he lodges that return, pay to the Commissioner as stamp duty an amount equal to the sum of—

(i) the amount of stamp duty that, but for section 60H (1), would have been payable in respect of each loan, not being a short term loan, to which the return relates; and

(ii) the amount of stamp duty payable in accordance with subsection (2) in respect of short term loans to which the return relates,

less an amount of stamp duty referred to in subsection (4).

(2) The amount of stamp duty payable in respect of short term loans to which a return under this section relates shall be an amount equal to one-half of 1 per cent of the sum of—

(a) the total of the short term loans made within the quarter to which the return relates and repaid during that quarter; and

(b) the total amount of the short term loans which were made by the approved lender during the period of 12 months ending at the end of the quarter to which the return relates and which were outstanding in whole or in part at the end of that quarter.

(3) For the purposes of subsections (1) (a) (iii) and (2) (b), where any amount is outstanding in respect of a short term loan made by an approved lender which is a corporation and that lender has assigned the loan to a corporation which, by virtue of section 6 (5) of the *Companies Act* 1962, is deemed for the purposes of that Act to be related to that approved lender, that outstanding amount shall, notwithstanding that assignment, be deemed to continue to be an amount outstanding in respect of a short term loan made by that lender except to the extent that the loan has been repaid to the assignee by or on behalf of a person other than such a corporation.

(4) Subject to subsection (5), the amount of stamp duty to be deducted when lodging a return under subsection (1) is, where a loan security has been given in respect of a loan in respect of which an amount is included in the return and the loan—

- (a) is not a short term loan—the amount of stamp duty, as duty on a loan security, paid in respect of that loan security; or
- (b) is a short term loan—one quarter of the amount of stamp duty, as duty on a loan security, paid in respect of that loan security.

(5) A deduction under subsection (4) shall not be made—

- (a) except where the loan security was executed during the period of 12 months next preceding the last day of the quarter to which the return relates; or
- (b) so that the deduction and any deduction previously made under subsection (4) in respect of that loan security exceeds the stamp duty, as duty on a loan security, paid in respect of that loan security.

60J—(1) A lender who fails to comply with section 60H (2) (a), 60H (4) or 60I (1) is guilty of an offence and is liable on conviction to a penalty of \$500.

(2) Any person, not being an approved lender, who endorses on an instrument any words or numbers suggesting or implying that the instrument is duly stamped under the provisions of section 60F is guilty of an offence and is liable on conviction to a penalty of \$500.

5—The second Schedule to the Principal Act is amended by inserting after item 20 the following item:— Scale and rates of duties.

20A Loan instrument within the meaning of section 60A (1)	An amount equal to 2 per cent of the loan to which the loan instrument relates. (Any remaining fractional part of 1 cent shall be disregarded).	By the lender
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6—After the seventh Schedule to the Principal Act, the following Schedule is inserted:— Insertion in Principal Act of new eighth Schedule.

EIGHTH SCHEDULE

(Section 60B (5) (b))

CALCULATION OF INTEREST IN RESPECT OF LOAN WHERE INTEREST IS NOT EXPRESSED IN TERMS OF A RATE

1—(1) The amount of principal outstanding at any time shall, for the purposes of this Schedule, be taken to be the balance remaining after deducting from the principal the total of those parts of payments that are appropriated to the principal in accordance with subclause (2).

(2) For the purpose of subclause (1), any amount paid or payable to the lender, other than interest referred to in subclause (3), shall be appropriated to principal and interest in the proportion that the total amount of principal bears to the total amount of interest.

(3) Where the terms of the loan provide that, in the event of there being a default in the payment on the due date of any amount payable to the lender under the loan (whether in respect of principal or interest), the lender is entitled to charge interest on that amount from the time of default until the amount is paid, any interest so charged shall not be taken into account for the purpose of subclause (1) as part of the interest charged in respect of the loan.

2—(1) The several amounts taken to be outstanding by way of principal during the several periods ending on the dates on which payments are made under the loan shall be multiplied in each case by the number of calendar months during which those amounts are taken to be respectively outstanding, and there shall be ascertained the aggregate amount of the sum so produced.

(2) The total amount of the interest payable under the loan shall be divided by one-twelfth part of the aggregate amount referred to in subclause (1), and the quotient, multiplied by 100, shall be the percentage rate of interest per annum applicable to the loan.

3—If, having regard to the intervals between successive payments, it is desired to do so, the calculation of interest may be made by reference to weeks instead of months, and in such a case clause 2 shall have effect—

- (a) as if, in clause 2 (1), the word “weeks” were substituted for the words “calendar months”; and
- (b) as if, in clause 2 (2), the words “one fifty-second” were substituted for the word “one-twelfth”.

4—Where any interval between successive payments is not a number of complete weeks or complete months, clauses 2 and 3 shall have effect as if one day were one-seventh part of a week or one-thirtieth part of a month, as the case may be.