



*Financial Administration Act*

INTEREST ON OVERDUE ACCOUNTS  
PAYABLE REGULATION

**B.C. Reg. 215/83**

Filed June 30, 1983 and effective July 1, 1983  
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**Consolidated Regulations of British Columbia**

*This is an unofficial consolidation.*

B.C. Reg. 215/83 (Treasury Board), filed June 30, 1983 and effective July 1, 1983, is made under the *Financial Administration Act*, R.S.B.C. 1996, c. 138, s. 27 (1).

This is an unofficial consolidation provided for convenience only. This is not a copy prepared for the purposes of the *Evidence Act*.

This consolidation includes any amendments deposited and in force as of the currency date at the bottom of each page. See the end of this regulation for any amendments deposited but not in force as of the currency date. Any amendments deposited after the currency date are listed in the B.C. Regulations Bulletins. All amendments to this regulation are listed in the *Index of B.C. Regulations*. Regulations Bulletins and the Index are available online at [www.bclaws.ca](http://www.bclaws.ca).

See the User Guide for more information about the *Consolidated Regulations of British Columbia*. The User Guide and the *Consolidated Regulations of British Columbia* are available online at [www.bclaws.ca](http://www.bclaws.ca).

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# *Financial Administration Act*

## **INTEREST ON OVERDUE ACCOUNTS PAYABLE REGULATION**

**B.C. Reg. 215/83**

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### **Application**

- 1** (1) This regulation applies to money owed by the government on its own behalf
- (a) for the provision to it of goods or services or both by any person, or
  - (b) as a consequence of an overpayment to it by any person.
- (2) Subject to subsections (3) and (4), where the government has received money on account of taxes, royalties, fees or other charges payable under any Act in an amount that was correctly due or accruing due to the government according to the law and in the law and in the circumstances existing at the time the money was collected or paid, but subsequently, according to the law and in the circumstances existing at a later time, the government becomes obliged to refund the money, then the money that shall be refunded shall be treated as an overpayment for the purposes of this regulation, but only from the later of the day
- (a) when the government becomes obliged to refund it, or
  - (b) when the person entitled to the refund has completed any procedures required at law to perfect the person's claim to the refund.
- (3) Where the government becomes obliged to refund tax levied and collected by it under the *Taxation (Rural Area) Act* and Division 4 of Part 8 of the *School Act* after January 21, 1982, the provisions of subsection (2) (a) and (b) do not apply, and the refund shall be treated as an overpayment without condition.
- (4) Notwithstanding anything in this regulation, where the government becomes obliged on or after March 1, 1984 to refund tax levied and collected by municipalities under Division 4 of Part 8 of the *School Act*, the provisions of regulations made under section 384 of the *Municipal Act* apply to that refund.

[am. B.C. Regs. 262/85; 30/2022, s. (a).]

### **Exceptions**

- 2** This regulation does not apply to money owed by the government
- (a) in the capacity of an agent or trustee,

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- (b) to a corporation, association, board or commission to which the *Financial Information Act* applies,
- (c) to a regional hospital district as defined in the *Hospital District Act*,
- (d) to a municipality or regional district to which a grant under the *Local Government Grants Act* may be made,
- (e) to the government of Canada,
- (f) for salary, wages, benefits or expenses owed by the government to an employee of the government in respect of that employment,
- (g) under a contract where the contract specifically provides for payment of interest by the government, or
- (h) where another enactment specifically provides for payment of interest by the government.

**When interest accrues – goods and services**

- 3** (1) Where section 1 (1) (a) applies to an account, the government shall pay interest on the money it owes on that account calculated from the 61st day after the day the money becomes due.
- (2) For the purposes of subsection (1) the money becomes due when
- (a) the appropriate ministry of government has received an invoice or a written request for payment, and
  - (b) the goods have been delivered in good condition or the services have been performed satisfactorily in accordance with the contract governing the supply of goods or provision of services.
- (3) Subsection (1) does not operate to require the payment of an amount of interest less than \$5.

**When interest accrues – overpayments**

- 4** (1) Subject to subsections (2.1) and (3), where section 1 (1) (b) applies to an account, the government shall pay interest on the money it owes on that account calculated from the later of
- (a) October 1, 1980, or
  - (b) the 61st day after the day the government receives the overpayment.
- (2) Subject to subsections (2.1) and (3), where section 1 (2) applies to an account, the government shall pay interest on the money it owes on that account calculated from the later of
- (a) October 1, 1980, or
  - (b) the 61st day after the government becomes obliged to refund the money.
- (2.1) If section 1 (1) (b) or (2) applies to money owed by the government to a carrier, as that term is defined in the *Motor Fuel Tax Act*, as a result of money paid or purportedly paid to the government under or in accordance with one or both of

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the *Motor Fuel Tax Act* and the International Fuel Tax Agreement, the government must pay interest on that money, calculated from the day set out in the International Fuel Tax Agreement, Article XI, R1150 (Interest on Refunds), as that provision is amended from time to time.

- (3) This section does not operate to require the payment, under subsection (1) or (2), of an amount of interest less than \$5.

[am. B.C. Regs. 558/95, s. (a); 258/2023, s. 1; 159/2024, s. 1.]

**When interest stops accruing**

- 5** Interest under section 3 or 4 stops accruing on the date payment of the money owed is mailed to the person to whom it is owed, or, if delivered to the person without mailing, the date of delivery.

[am. B.C. Reg. 30/2022, s. (b).]

**Rates of interest**

- 6** (1) The rate of interest payable for section 4 (1) or (2) shall be
- (a) Spent.
  - (b) during each successive 3 month period, beginning on October 1, January 1, April 1 and July 1 in every year, 2% below the prime lending rate of the principal banker to the Province on the 15th day of the month immediately preceding that 3 month period.
- (1.1) The rate of interest payable for section 4 (2.1) is the rate determined in accordance with the International Fuel Tax Agreement, Article XI, R1150 (Interest on Refunds), as that provision is amended from time to time.
- (2) The rate of interest payable on any other account payable overdue shall, between July 1, 1983 and September 30, 1992, be
- (a) Spent.
  - (b) during each successive 3 month period, beginning on October 1, January 1, April 1 and July 1 in every year, 1 1/2% above the prime lending rate of the principal banker to the Province on the 15th day of the month immediately preceding that 3 month period.
- (3) During each successive 3 month period beginning on October 1, January 1, April 1 and July 1 in every year, the rate of interest payable on any account payable overdue referred to in subsection (2) shall, commencing October 1, 1992, be 3% above the prime lending rate of the principal banker of the Province on the 15th day of the month immediately preceding that 3 month period.

[am. B.C. Regs. 304/92; 558/95, s. (b); 258/2023, s. 2; 159/2024, s. 2.]

**Calculating interest**

- 7** (1) On money owed by the government other than under section 4 (2.1), interest is to be
- (a) compounded monthly, and

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- (b) calculated on the number of days since the last compounding of interest or, if no compounding of interest has yet occurred, since the interest commencement date.
- (2) On money owed by the government under section 4 (2.1), interest is to be accrued in accordance with the International Fuel Tax Agreement, Article XI, R1150 (Interest on Refunds), as that provision is amended from time to time.  
[en. B.C. Reg. 258/2023, s. 3; am. B.C. Reg. 159/2024, s. 2.]

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