

1988 No. 657

INCOME TAX

**The Personal Equity Plan (Amendment) Regulations
1988**

<i>Made</i> - - - -	<i>30th March 1988</i>
<i>Laid before the House of Commons</i>	<i>31st March 1988</i>
<i>Coming into force -</i>	
<i>Regulations 3 and 7</i>	<i>29th April 1988</i>
<i>Remainder</i>	<i>22nd April 1988</i>

The Treasury, in exercise of the powers conferred on them by Schedule 8 to the Finance Act 1986(a), hereby make the following Regulations:

Citation and commencement

1.—(1) These Regulations may be cited as the Personal Equity Plan (Amendment) Regulations 1988 and, subject to paragraph (2) below, shall come into force on 22nd April 1988.

(2) Regulations 3 and 7 shall come into force on 29th April 1988.

Interpretation

2. In these Regulations, “the Principal Regulations” means the Personal Equity Plan Regulations 1986(b) and “regulation” means a regulation of the Principal Regulations.

Amendment to the Principal Regulations – definitions

3. In regulation 2(1) for sub-paragraph (b) there shall be substituted –

“(b) “authorised unit trust” means a unit trust scheme in the case of which an order under section 78 of the Financial Services Act 1986(c) is in force and which is an authorised securities scheme within the meaning of the Authorised Unit Trust Scheme (Investment and Borrowing Powers) Regulations 1988(d);

“unit holder” means a person entitled to a share of the investments subject to the trusts of a unit trust scheme;

“unit trust scheme” has the same meaning as in section 469 of the Income and Corporation Taxes Act 1988(e);

and references to a “unit” include references to a fraction of a unit.”

Amendments to the Principal Regulations – monetary limits

4. In regulations 4(1)(c), 13(2)(a) and 13A(1)(a)(a) for “£2,400” there shall be substituted “£3,000”.
5. In regulation 6(2)(b) for “£420” there shall be substituted “£540”.
6. In regulation 7(2)(a) for “£240” there shall be substituted “£300”.

Revocations

7. Sub-paragraphs (i), (ii) and (iii) of regulation 16(2)(b) are hereby revoked.

*Mark Lennox-Boyd
David Lightbown*

30th March 1988

Two of the Lords Commissioners of Her Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations further amend the Personal Equity Plan Regulations 1986 (“the Principal Regulations”). First, they limit the type of authorised unit trusts which, following the coming into force of the relevant part of the Financial Services Act 1986 on 29th April 1988, will be qualifying investments for the purposes of regulation 6 of the Principal Regulations. Secondly, they increase certain monetary limits in the Principal Regulations. Thirdly, they revoke certain of the qualifications for plan managers which will no longer be relevant on and after 29th April 1988.

Regulation 1 provides for the citation and commencement of the Regulations and regulation 2 contains definitions.

Regulation 3 substitutes new definitions for those in regulation 2(1)(b) of the Principal Regulations and secures that only those authorised unit trusts that are authorised securities schemes within the meaning of the Authorised Unit Trust Scheme (Investment and Borrowing Powers) Regulations 1988 are qualifying investments for the purposes of regulation 6 of the Principal Regulations.

Regulation 4 increases the annual limit on an individual's cash subscription to £3,000.

Regulation 5 increases the limit on the amount of a subscription that can be invested in an investment trust or an authorised unit trust to £540.

Regulation 6 increases the limit on the amount of cash that can be held in a plan after the end of the first year to £300.

Regulation 7 contains revocations.

(a) Regulation 13A was inserted by regulation 6(6) of the Personal Equity Plan (Amendment) Regulations 1987 (S.I. 1987/2128).

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