
STATUTORY INSTRUMENTS

1992 No. 623

INCOME TAX

The Personal Equity Plan (Amendment) Regulations 1992

<i>Made</i>	- - - -	<i>10th March 1992</i>
<i>Laid before the House of Commons</i>	- - - -	<i>10th March 1992</i>
<i>Coming into force</i>	- -	<i>6th April 1992</i>

The Treasury, in exercise of the powers conferred upon them by section 333 of the Income and Corporation Taxes Act 1988⁽¹⁾ and section 149D of the Capital Gains Tax Act 1979⁽²⁾, hereby make the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Personal Equity Plan (Amendment) Regulations 1992 and shall come into force on 6th April 1992.

Interpretation

2. In these Regulations “the principal Regulations” means the Personal Equity Plan Regulations 1989⁽³⁾ and “regulation” means a regulation of those Regulations.

Amendments to the principal Regulations

3. In regulation 4(2A)⁽⁴⁾—

- (a) in sub-paragraph (a) for the words “qualifying shares” there shall be substituted the words “qualifying investments for general plans or, as the case may be, qualifying investments for single company plans within the meaning of regulation 6B(2),”;
- (b) in sub-paragraph (b) for the words “qualifying shares” there shall be substituted the words “qualifying investments for general plans or, as the case may be, qualifying investments for single company plans within the meaning of regulation 6B(2),”.

4. In regulation 4A(1)⁽⁵⁾ for sub-paragraph (c) there shall be substituted—

(1) 1988 c. 1; section 333 was amended by section 70 of the Finance Act 1991 (c. 31).
(2) 1979 c. 14; section 149D was inserted by paragraph 26 of Schedule 29 to the Income and Corporation Taxes Act 1988 and amended by section 116 of the Finance Act 1988 (c. 39).
(3) S.I. 1989/469, amended by S.I. 1990/678, 1991/733, 2774.
(4) Inserted by S.I. 1990/678.
(5) Inserted by S.I. 1991/2774.

- “(c) that within 42 days after receipt by the plan manager of either—
- (i) any amount of the cash subscription to the plan in any year, or
 - (ii) cash by way of proceeds in respect of the sale of any shares held under the plan, the whole or substantially the whole of that amount or, where cash is received by way of proceeds of sale, of the cash then held under the plan, shall be invested in shares which are qualifying investments for single company plans within the meaning of regulation 6B(2);”.

5.—(1) In regulation 5(3)(6) after the words “deposit-taker or” there shall be inserted the words “a deposit account or a share account with”.

(2) For regulation 5(4) and (5)(7) there shall be substituted—

“(4) Subject to paragraphs (5) and (6), cash by way of dividends, distributions, other rights or proceeds in respect of plan investments may be invested only by way of cash deposit in accordance with paragraph (3).

(5) In the case of a general plan, cash referred to in paragraph (4) may also be invested—

- (a) in shares, not being shares in an investment trust, which are qualifying investments for general plans, or in units in an authorised unit trust or a fund of funds or in shares in an investment trust satisfying in each case the condition specified in regulation 6(3); and
- (b) in units in an authorised unit trust or a fund of funds or in shares in an investment trust which does not satisfy the condition specified in regulation 6(3), provided that immediately after such an investment is made the total market value of plan investments in such authorised unit trusts, funds of funds and investment trusts does not exceed one quarter of the market value of the portfolio.

(6) In the case of a single company plan—

- (a) where shares in the designated company are qualifying investments for single company plans within the meaning of regulation 6B(2), cash referred to in paragraph (4) may also be invested in other shares in that company or in other shares representing those shares; and
- (b) where shares in the designated company which are not qualifying investments for single company plans within the meaning of regulation 6B(2) have been transferred in accordance with regulation 4A(2), cash by way of dividends in respect of those shares (and any tax credit associated with those dividends) may also be invested in other shares in that company.”

6.—(1) In regulation 6(2)(8) for sub-paragraph (b) there shall be substituted—

“(b) subject either to the condition specified in paragraph (3) or to the condition specified in paragraph (4)—

- (i) units in an authorised unit trust or a fund of funds, or
- (ii) shares in an investment trust;”.

(2) In regulation 6(3)(8)—

- (a) for the word “conditions” there shall be substituted the word “condition” and for the word “are” there shall be substituted the word “is”, and

(6) Substituted by S.I. 1991/733 and amended by S.I. 1991/2774.

(7) Substituted by S.I. 1991/2774.

(8) Amended by S.I. 1990/678, 1991/733, 2774.

(8) Amended by S.I. 1990/678, 1991/733, 2774.

(b) sub-paragraph (a) and the word “and” following it shall be omitted.

(3) For regulation 6(4)(9) there shall be substituted—

“(4) The condition specified in this paragraph is that—

(a) the total amount of the cash subscription to the plan invested in authorised unit trusts, funds of funds and investment trusts, and

(b) any sum payable on such an application as is referred to in regulation 4(2A)(a) for the allotment or allocation of shares in an investment trust,

do not together in any year exceed one quarter of the subscription limit.”

7. In regulation 6B(3)(10) for the words “regulation 5(5)(b)” there shall be substituted the words “regulation 5(6)(b)”.

8.—(1) In regulation 9(1) after the words “subscribe to a plan” there shall be inserted the words “in any year”.

(2) In regulation 9(3)(11) for sub-paragraphs (b) and (c) there shall be substituted—

“(b) has not subscribed and will not subscribe to any other general plan, or as the case may be any other single company plan, in the year to which paragraph (2) refers;

(c) is resident and ordinarily resident in the United Kingdom, or performs duties which, by virtue of section 132(4)(a) of the Taxes Act are treated as being performed in the United Kingdom, and will inform the plan manager if he ceases to be so resident and ordinarily resident or to perform such duties;”.

10th March 1992

Gregory Knight
Thomas Sackville
Two of the Lords Commissioners of Her
Majesty’s Treasury

(9) Added by S.I. [1990/678](#) and amended by S.I. [1991/733](#).

(10) Inserted by S.I. [1991/2774](#).

(11) Amended by S.I. [1990/678](#), [1991/2774](#).

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, which come into force on 6th April 1992, further amend the Personal Equity Plan Regulations 1989 (“the principal Regulations”). The main effect of the Regulations is to enable the whole of the cash subscription to a general plan in any year to be invested in authorised unit trusts, funds of funds and investment trusts which themselves hold at least 50 per cent. of their investments in United Kingdom equities and broadly comparable shares in companies incorporated in other EC member States. They also prevent plan investors from subscribing to new issues of investment trusts which do not satisfy that requirement in an amount exceeding one quarter of the subscription limit in any year and make a number of other minor amendments to the principal Regulations.

Regulation 1 provides for citation and commencement.

Regulation 2 contains definitions.

Regulation 3 amends the general conditions for subscriptions to plans.

Regulation 4 amends the special conditions for single company plans.

Regulation 5 amends the general investment rules.

Regulation 6 amends the specification of the kinds of investments that can be held under a general plan.

Regulation 7 makes a consequential amendment to regulation 6B of the principal Regulations.

Regulation 8 amends the conditions for application to subscribe to a plan.