
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations contain amendments to the Tax-exempt Special Savings Account Regulations (S.I.1990/2361) (“the principal Regulations”) made under powers inserted in section 326C of the Income and Corporation Taxes Act 1988 by section 62 of the Finance Act 1995. They provide that the amount deposited in a follow-up account may not exceed £3,000 in the first year for which the account is held, unless the building society or institution with which it is held has a certificate from the society or institution with which the matured account was held showing the amount deposited at the date of maturity or, if it is the same society or institution, maintains computer or paper records evidencing that amount. The amendments also require the society or institution with which the matured account was held to provide such a certificate at the request of the account-holder.

Regulation 1 provides for citation and commencement.

Regulation 2 contains definitions.

Regulations 3 to 10 contain the amendments to the principal Regulations. Regulation 3 adds two further definitions and regulation 4 refers to the two additional respects in which the powers to make regulations are being exercised. Regulations 5 and 6 make consequential amendments to the rules about applications for and transfers of accounts. Regulation 7 inserts regulations 7A and 7B in the principal Regulations containing the provisions about matured accounts and follow-up accounts referred to above. Regulations 8, 9 and 10 also make consequential amendments.