
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, which come into force on 6th April 1996, further amend the Personal Equity Plan Regulations 1989 (S.I.1989/469, amended by S.I. 1990/678, 1991/733, 2774, 1992/623, 1993/756 and 1995/1539 and 3287) (“the principal Regulations”). The principal changes are the insertion of provisions which provide for the making of an application to subscribe to a plan by a person who has been appointed under the law of Scotland as a curator bonis for a person who is suffering from incapacity; provisions which modify the effect of the pooling rules in the Taxation of Chargeable Gains Act 1992 when a person subscribes to a plan by transferring or renouncing rights to shares; a provision taking account of the application of the lower rate of income tax to income from savings; and provisions consequent on the introduction of self-assessment for the determination of the relevant dates from which interest runs in relation to assessments made under the principal Regulations.

Regulation 1 provides for citation, commencement and effect.

Regulation 2 contains definitions.

Regulation 3 clarifies the meaning of certain terms used in the principal Regulations and substitutes references to the Taxation of Chargeable Gains Act 1992 for references to the Capital Gains Tax Act 1979 in definitions in the principal Regulations.

Regulation 4 corrects defects in regulation 6(2)(c) and (4) of the principal Regulations and regulation 5 corrects defects in regulation 6B(2) of the principal Regulations.

Regulation 6 introduces a new regulation 10A of the principal Regulations providing for the making of an application to subscribe to a plan by a person appointed under the law of Scotland as a curator bonis for a person suffering from incapacity.

Regulation 7 corrects a defect in regulation 16 of the principal Regulations.

Regulation 8 corrects a drafting error in regulation 17 of the principal Regulations.

Regulation 9 substitutes a reference to the lower rate of income tax for a reference to the basic rate in regulation 17A of the principal Regulations.

Regulation 10 corrects a defect in regulation 19 of the principal Regulations.

Regulation 11 amends regulation 27 of the principal Regulations containing modifications of the pooling rules in sections 104, 107, 110 and 114 of the Taxation of Chargeable Gains Act 1992 when a person subscribes to a plan by transferring or renouncing rights to shares.

Regulation 12 substitutes new paragraphs (3) and (3A) for paragraph (3) of regulation 28 of the principal Regulations providing for a new method of determining the dates from which interest runs on an assessment to recover tax which should have been paid by a plan investor, or has been repaid incorrectly to a plan manager, as a result of the changes made to the Taxes Management Act 1970 for the purposes of self-assessment.