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STATUTORY INSTRUMENTS

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**1998 No. 1870**

**INCOME TAX**

**The Individual Savings Account Regulations 1998**

*Made* - - - - *31st July 1998*  
*Laid before the House of*  
*Commons* - - - - *31st July 1998*  
*Coming into force* - - *In accordance with*  
*regulation 1*

The Treasury, in exercise of the powers conferred on them by sections 333, 333A and 333B of the Income and Corporation Taxes Act 1988<sup>M1</sup>, section 151 of the Taxation of Chargeable Gains Act 1992<sup>M2</sup> and sections 75 and 76(3) of the Finance Act 1998, hereby make the following Regulations:

**Modifications etc. (not altering text)**

- C1** Regulations applied (with modifications) (21.2.2009) by [The Banking Act 2009 \(Parts 2 and 3 Consequential Amendments\) Order 2009 \(S.I. 2009/317\)](#), arts. 1, 3, **Sch.**
- C2** Regulations applied (with modifications) (8.2.2011) by [The Investment Bank Special Administration Regulations 2011 \(S.I. 2011/245\)](#), reg. 1, **Sch. 6 Pt. 1** (with reg. 27(a))

**Marginal Citations**

- M1** 1988 c.1; section 333 was amended by section 70 of the [Finance Act 1991 \(c.31\)](#) and by sections 75 and 123(7) of the [Finance Act 1998 \(c.36\)](#). Section 333A was inserted by section 64(1) of the [Finance Act 1995 \(c.4\)](#). Section 333B was inserted by section 77(1) of the Finance Act 1998.
- M2** 1992 c.12; section 151 was amended by section 85 of the [Finance Act 1993 \(c.34\)](#), by section 64(2) of the [Finance Act 1994 \(c.9\)](#), and by section 75(6) of the Finance Act 1998, and was extended by section 123(7) of the Finance Act 1998.

**Citation and commencement**

1. These Regulations may be cited as the Individual Savings Account Regulations 1998 and shall come into force for the purposes of—

- (a) applications under regulations 12 and 13 relating to the year 1999—00, to subscribe to an account in that year,
- (b) applications under regulation 14 to be approved as an account manager to manage accounts in the year 1999—00 and subsequent years, and
- (c) regulations 16 to 18 and 20, so far as they relate to applications referred to in paragraph (b),

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on 1st October 1998, and for all other purposes on 6th April 1999.

**Interpretation**

2.—(1) In these Regulations unless the context otherwise requires—

(a) “account”, except in the case of—

(i) an account with a deposit-taker, or

<sup>F1</sup>(ii) . . . . .

(iii) a share or deposit account with a building society, or

(iv) a deposit account with [<sup>F2</sup>a person falling within][<sup>F3</sup>section 991(2) of the Income Tax Act 2007],

shall be construed in accordance with [<sup>F4</sup>regulation 4(1) and, where appropriate, regulation 2B(b)][<sup>F5</sup>and shall include a personal equity plan treated on and from the 6<sup>th</sup> April 2008 as a stocks and shares account];

an “account investment” is an investment under the account which is a qualifying investment for a stocks and shares component[<sup>F6</sup>, a cash component<sup>F7</sup>, an innovative finance component or a Lifetime ISA component], as the case may be, within the meaning of regulation 7, 8[<sup>F8</sup>, 8ZA] or 8A];

[<sup>F9</sup>an “account investor” has the meaning given in regulation 2A;]

an “account manager” is a person who fulfils the conditions of these Regulations and is approved by the Board for the purposes of these Regulations as an account manager;

<sup>F10</sup> . . . . .

<sup>F11</sup> . . . . .

“approved profit sharing scheme” has the same meaning as in Chapter IV of Part V of the Taxes Act;

[<sup>F12</sup>“article 36H agreement” is to be construed in accordance with article 36H(4) of the Regulated Activities Order 2001 and is an agreement entered into by an account investor as lender with a borrower with the facilitation of an operator and for the purposes of regulation 8A(2) includes such an agreement notwithstanding that, after it is entered into, the operator [<sup>F13</sup>or, in relation to a continuing account of a deceased investor, any person within the description of section 694A(2) of ITTOIA 2005 or referred to in section 694A(1) of that Act,] assumes the rights of the lender under it;]

an “assurance undertaking” means [<sup>F14</sup>a direct life insurance undertaking within the meaning of Article 2 of Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II)];

[<sup>F15</sup>“bank” has the meaning given by section 991(2) to (5) of the Income Tax Act 2007;]

[<sup>F16</sup>“the Board” means the Commissioners for Her Majesty’s Revenue and Customs;]

[<sup>F12</sup>“borrower” is to be construed in accordance with article 36H(9) of the Regulated Activities Order 2001;]

“building society” means a building society within the meaning of the Building Societies Act 1986 <sup>M3</sup>, or the Irish Building Societies Act 1989 <sup>M4</sup>;

[<sup>F17</sup>“building society bonus”, except in regulation 22(1)(a)(i), excludes any bonus, distribution of funds or the conferring of rights in relation to shares—

- (a) in connection with an amalgamation, transfer of engagements or transfer of business of a building society, and
  - (b) mentioned in section 96 or 100 of the Building Societies Act 1986,
- and “payment under a building society bonus scheme” shall be construed accordingly;]

[<sup>F18</sup>“business day” means any day except—

- (a) a Saturday, Sunday, Good Friday or Christmas Day;
- (b) a bank holiday under the Banking and Financial Dealings Act 1971;]

[<sup>F19</sup>“ceasing to be subject to the plan”, in relation to plan shares under [<sup>F20</sup>a Schedule 2] SIP, shall be construed in accordance with the SIP code (see section 488(3) of ITEPA 2003);]

[<sup>F21</sup>“charity” has the meaning given in paragraph 1(1) of Schedule 6 to the Finance Act 2010;]

[<sup>F22</sup>“child” means an individual under 18;]

[<sup>F23</sup>“child trust fund” has the meaning given by section 1 of the Child Trust Funds Act 2004;]

[<sup>F24</sup>“Child Trust Funds Regulations” means the Child Trust Funds Regulations 2004;]

“company”, except in regulation 7(4), means any body corporate having a share capital other than—

- (i) an open-ended investment company, within the meaning given by section [<sup>F25</sup>236 of the Financial Services and Markets Act 2000], [<sup>F26</sup>or
- (ii) [<sup>F27</sup>a UK UCITS, recognised UCITS or non-UCITS retail scheme][<sup>F28</sup>;
- (iii) <sup>F29</sup> .....
- (iv) <sup>F29</sup> .....

[<sup>F30</sup>“continuing account of a deceased investor” has the meaning given in regulation 2G;]

[<sup>F31</sup>“credit union” means a society registered as a credit union under the Industrial and Provident Societies Act 1965 or the Credit Unions (Northern Ireland) Order 1985;]

[<sup>F32</sup>“CTA 2010” means the Corporation Tax Act 2010;]

[<sup>F24</sup>“CTF matured account” has the meaning given in regulation 5DZA;]

[<sup>F33</sup>“current year payments” has the meaning given in regulation 10A(3);]

[<sup>F21</sup>“debenture” includes any instrument creating or acknowledging indebtedness within the meaning of article 77(1) and (2) of the Regulated Activities Order 2001 but with the omission of the words “such of the following as do not fall within article 78;]

[<sup>F34</sup>“deceased’s account” is an account which the deceased held with an account manager at the date of the deceased’s death;]

“deposit-taker” has the meaning given by [<sup>F35</sup>section 853 of ITA 2007];

[<sup>F36</sup>“the Director of Savings” has the same meaning as in the National Debt Act 1972]

[<sup>F37</sup>“dormant account” means a cash account which is a “relevant dormant account” within the meaning given in section 39(2) of the Finance Act 2008, omitting the words—

- (a) “is to be, or”; and
- (b) “will apply, or” (in both places they appear);]

[<sup>F38</sup>“EEA Agreement” means the agreement on the European Economic Area signed at Oporto on 2nd May 1992, together with the Protocol adjusting that Agreement signed at Brussels on 17th March 1993, as modified or supplemented from time to time;]

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[<sup>F38</sup>“EEA State”, in relation to any time, means a state which at that time is a member State, or any other state which at that time is a party to the EEA Agreement;]

[<sup>F39</sup>“eligible child” means a child—

(a) born—

- (i) on or after 3rd January 2011; or
- (ii) before the time mentioned in paragraph (i) but who is not an “eligible child” within the meaning given in the Child Trust Funds Act 2004; and

(b) who, at the time when the application to open an account pursuant to a junior ISA application described in regulation 12A is made, is—

- (i) resident <sup>F40</sup>... in the United Kingdom;
- (ii) a person who has general earnings from overseas Crown employment subject to United Kingdom tax within the meaning given by section 28 of ITEPA 2003;
- (iii) married to, or in a civil partnership with, a person mentioned in paragraph (ii); or
- (iv) a dependant of a person mentioned in paragraph (ii);]

[<sup>F41</sup>“eligible conveyancer” has the meaning given in paragraph 7 of the Schedule;]

[<sup>F42</sup>“European institution” means an EEA firm of the kind mentioned in [<sup>F43</sup>paragraph 5(a) to (d), (f) and (h)] of Schedule 3 to the Financial Services and Markets Act 2000 which is an authorised person for the purposes of that Act as a result of qualifying for authorisation under paragraph 12[<sup>F44</sup>(1) to (4) and (7)] of that Schedule;]

[<sup>F45</sup>“51% subsidiary” and “75% subsidiary” have the same meanings as they do in section 1154 of CTA 2010;]

[<sup>F46</sup>“first subscription”, in any year, means the first subscription into an account in that year which is not a subscription made in accordance with regulation 5D;]

[<sup>F47</sup>“flexible account” has the meaning given in regulation 5DDB;]

“gains”, except in regulations 22(1)(a)(ii) to (v) and 35(6), means “chargeable gains” within the meaning of the Taxation of Chargeable Gains Act 1992;

“gilt-edged securities” has the meaning given by [<sup>F48</sup>paragraphs 1 and 1A] of Schedule 9 to the Taxation of Chargeable Gains Act 1992;

[<sup>F49</sup>“government bonus” has the meaning given in the Schedule;]

<sup>F50</sup> .....

an “incorporated friendly society” means a society incorporated under the Friendly Societies Act 1992 <sup>M5</sup>;

<sup>F51</sup> .....

[<sup>F12</sup>“innovative finance account” has the meaning given in regulation 4(1ZA);]

[<sup>F12</sup>“interim permission” is to be construed in accordance with Chapter 4 of Part 8 of the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013;]

[<sup>F52</sup>“investment trust” means an investment trust within the meaning of section 1158 of the Corporation Tax Act 2010;]

[<sup>F53</sup>“ITA 2007” means the Income Tax Act 2007;

“ITEPA 2003” means the Income Tax (Earnings and Pensions) Act 2003;

“ITTOIA 2005” means the Income Tax (Trading and Other Income) Act 2005;]

[<sup>F54</sup>“junior ISA account” has the meaning given in regulation 2B;]

<sup>F55</sup> .....

[<sup>F12</sup>“lender” is to be construed in accordance with article 36H(9) of the Regulated Activities Order 2001;]

[<sup>F56</sup>“Lifetime ISA” has the meaning given in regulation 4(1ZB);]

[<sup>F56</sup>“Lifetime ISA payment limit” has the meaning given in regulation 4ZA(1A);]

[<sup>F56</sup>“Lifetime ISA qualifying individual” has the meaning given in regulation 10A;]

[<sup>F57</sup>“Looked After Child” has the meaning given in regulation 2F (special provision in respect of Looked After Children);]

“the Management Act” means the Taxes Management Act 1970 <sup>M6</sup>;

“market value” shall be construed in accordance with section 272 of the Taxation of Chargeable Gains Act 1992;

[<sup>F58</sup>“named child” means a child who holds an account opened pursuant to a junior ISA application described in regulation 12A;]

“notice”, except in [<sup>F59</sup>regulations 9 and 36], means notice in writing and “notify” shall be construed accordingly;

[<sup>F12</sup>“operator” means a person who has permission (other than an interim permission) under Part 4A of FISMA 2000 to carry on the regulated activity specified in article 36H(1) of the Regulated Activities Order 2001;]

[<sup>F60</sup>“outstanding principal balance” means, in respect of a qualifying investment for an innovative finance component, the amount in respect of the investment owing to the account investor at any time;]

[<sup>F61</sup>“parental responsibility” means—

- (a) parental responsibility within the meaning of the Children Act 1989 or the Children (Northern Ireland) Order 1995, or
- (b) parental responsibilities within the meaning of the Children (Scotland) Act 1995;]

[<sup>F62</sup>“participant”, in relation to [<sup>F20</sup>a Schedule 2]SIP, shall be construed in accordance with the SIP code (see section 488(3) of ITEPA 2003);

“plan shares”, in relation to [<sup>F20</sup>a Schedule 2]SIP, shall be construed in accordance with the SIP code (see section 488(3) of ITEPA 2003) except that—

- (a) paragraph 87(6) of Schedule 2 to ITEPA 2003 (meaning of the word “shares” in the context of company reconstructions) shall not apply, and
- (b) in paragraph 88(2) of that Schedule (treatment of shares acquired under rights issue) the words “or securities or rights” shall be treated as omitted;]

[<sup>F63</sup>“qualifying addition” has the meaning given in the Schedule;]

“qualifying distribution” has the same meaning as in [<sup>F64</sup>section 1136 of the Corporation Tax Act 2010];

[<sup>F12</sup>“qualifying investments for an innovative finance component” has the meaning given in regulation 8A;]

“recognised stock exchange” has the same meaning as in [<sup>F65</sup>section 1005 of ITA 2007] ;

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a “registered friendly society” has the meaning given by the Friendly Societies Act 1992 <sup>M7</sup>, and includes any society that by virtue of section 96(2) of that Act is to be treated as a registered friendly society;

[<sup>F12</sup>“Regulated Activities Order 2001” means the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;]

“release date” has the meaning given by section 187(2) of the Taxes Act <sup>M8</sup>;

“relevant authorised person” has the same meaning as in [<sup>F66</sup>section 697(2)(b) of ITTOIA 2005];

[<sup>F67</sup>“replacement subscription” has the meaning given in regulation 5DDB;]

<sup>F68</sup> .....

[<sup>F69</sup>“responsible person” means a person who is the responsible person in respect of the management of a junior ISA account in accordance with regulation 2C(4);]

<sup>F70</sup> .....

[<sup>F71</sup>“Schedule 2 SIP” shall be construed in accordance with the SIP code (see section 488(3) of ITEPA 2003);]

[<sup>F72</sup>“Schedule 3 SAYE option scheme” shall be construed in accordance with the SAYE code (see section 516(3) of ITEPA 2003);]

“security”, except in regulations [<sup>F73</sup>7(2)(c) to][<sup>F74</sup>(cc) and (8)(b), 8(2)(f)] and 34(3), means any loan stock or similar security of a company whether secured or unsecured[<sup>F75</sup>, and in regulation 7(2)(cc) has the same meaning but with the omission of the words “of a company”];

[<sup>F76</sup>“the Stakeholder Products Regulations” means the Financial Services and Markets Act 2000 (Stakeholder Products) Regulations 2004;]

“tax” where neither income tax nor capital gains tax is specified means either of those taxes;

“tax credit” means a tax credit under section 231 of the Taxes Act <sup>M9</sup>;

“the Taxes Act” means the Income and Corporation Taxes Act 1988;

[<sup>F21</sup>“transferable security” has the meaning given in section 102A(3) of FISMA 2000;]

<sup>F77</sup> .....

“year” means a year of assessment, and “the year 1999—00” means the year of assessment beginning on 6th April 1999;

(b)

[<sup>F78</sup>“authorised fund” means—

- (i) an authorised unit trust, or
- (ii) an open-ended investment company<sup>F79</sup> ...;]

“authorised unit trust” means a unit trust scheme in the case of which an authorisation order <sup>F80</sup> ... under section [<sup>F81</sup>243 of the Financial Services and Markets Act 2000] is in force;

<sup>F82</sup> .....

[<sup>F83</sup>“collective investment scheme” has the meaning in section 235 of FISMA 2000;]

[<sup>F84</sup>“COLL” means the Collective Investment Schemes Sourcebook made by the Financial Conduct Authority under FISMA 2000;]

[<sup>F85</sup>“depository interest” means the rights of the person mentioned in paragraph (b), under a certificate or other record (whether or not in the form of a document) acknowledging—

- (a) that a person holds relevant investments or evidence of the right to them, and
  - (b) that another person is entitled to rights in or in relation to those or identical relevant investments, including the right to receive such investments, or evidence of the right to them or the proceeds from such investments, from the person mentioned in paragraph (a),
- where “relevant investments” means investments which are exclusively qualifying investments for a stocks and shares component falling within any of regulation 7(2)(a) to (h), and the rights mentioned in paragraph (b) are exclusively rights in or in relation to relevant investments;]

F86 .....

F86 .....

[<sup>F83</sup>“FISMA 2000” means the Financial Services and Markets Act 2000;]

F86 .....

[<sup>F87</sup>“insolvency event” means the procedures listed in the definition of “insolvency event” in [<sup>F88</sup>regulation 23(18) of the Payment Services Regulations 2017];]

F86 .....

F86 .....

[<sup>F89</sup>“non-UCITS retail scheme”—

- (a) has the meaning in COLL (that is, a scheme to which, or to whose authorised fund manager and depositary, sections 5.1, 5.4 and 5.6 of COLL apply),
- (b) includes a “recognised scheme” by virtue of section <sup>F90</sup>... 272 of FISMA 2000, which would fall within paragraph (a) of this definition if it were an authorised fund, and
- (c) includes a sub-fund of an umbrella which the terms of the scheme identify as a sub-fund which would fall within paragraph (a) or (b) of this definition if it were itself an authorised fund or a recognised scheme.

In this definition, expressions defined in the Glossary of the Financial Conduct Authority Handbook have those defined meanings;]

[<sup>F91</sup>“open-ended investment company” means a company incorporated in the United Kingdom to which section 236 of the Financial Services and Markets Act 2000 applies;]

[<sup>F92</sup>“qualifying units in or shares of a non-UCITS retail scheme” means that—

- (a) the instrument constituting the scheme secures that redemption of the units or shares in question shall take place no less frequently than bi-monthly (see Rule 6.2.16(6) of the <sup>F93</sup>... [<sup>F94</sup>COLL] omitting the words “Except where (7) applies, and”, read with Rule 6.3.4(1), whether or not those Rules apply to the scheme), and
- (b) a provision for suspension of dealings in exceptional conditions in accordance with Rule 7.2 of [<sup>F95</sup>the COLL] (or any foreign procedure which is a direct foreign equivalent of that Rule) shall not be treated as a provision contrary to paragraph (a) of this definition;]

[<sup>F96</sup>“recognised UCITS” means—

- (a) a collective investment scheme constituted in an EEA State, which is a “recognised scheme” under section 264 of FISMA 2000, and complies with the requirements to be a “UCITS scheme” for the purposes of the [<sup>F97</sup>COLL]; or
- (b) a part of a recognised UCITS mentioned in paragraph (a) of this definition, which would be a sub-fund of an umbrella scheme which is a recognised UCITS;]

F98 .....

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F98 .....

F82 .....

[F83“UK UCITS” means—

- (a) a collective investment scheme [F99with Part 4A permission under FISMA 2000], which complies with the requirements to be a “UCITS scheme” for the purposes of [F100the COLL]; or
- (b) a part of a UK UCITS mentioned in paragraph (a) of this definition which would be a sub-fund of an umbrella scheme which is a UK UCITS;]

[F101“umbrella scheme” means an authorised fund which according to the terms of the scheme is an umbrella scheme belonging to the category under that name established by the [F102Financial Conduct Authority], and

- (i) in the case of an authorised fund which is an authorised unit trust, references to a part of an umbrella scheme shall be construed in accordance with subsection (8) of section 468 of the Taxes Act, [F103and sub-paragraphs (6) and (7) of regulation 7 of the Authorised Investment Funds (Tax) Regulations 2006 shall apply for the purposes of these Regulations as they apply for the purposes of those Regulations, and]
- (ii) in the case of an authorised fund which is an open-ended investment company, references to a part of an umbrella scheme shall be construed in accordance with [F104subsection (4) of section 468A of the Taxes Act, and sub-paragraphs (2) and (3) of regulation 7 of the Authorised Investment Funds (Tax) Regulations 2006 shall apply for the purposes of these Regulations as they apply for the purposes of those Regulations;]

[F105“unit holder” means a person entitled to a share of the investments subject to the trusts of a unit trust scheme;]

[F105“unit trust scheme” has the meaning given by section 237 of the Financial Services and Markets Act 2000;]

“units”, in relation to an authorised unit trust, means the rights or interests (however described) of the unit holders in that authorised unit trust and, in relation to a part of an umbrella scheme, means the rights or interests for the time being of the unit holders in that part;

“units in, or shares of, a F106... [F107UK UCITS or recognised] UCITS” means the rights or interests (however described) of the holders of the units or shares in that F106... [F107UK UCITS or recognised] UCITS;

F108 .....

[F109(1A) In these Regulations—

- (a) a “bulk transfer of accounts” occurs where two or more accounts are transferred by an account manager (“the transferor”) to another account manager (“the transferee”)—
  - [F110(i) pursuant to an agreement made between the transferor and the transferee where the transfers are not made pursuant to requests made by a person who is the account investor or registered contact in relation to the accounts transferred; or
  - (ii) pursuant to an insurance business transfer scheme or a banking business transfer scheme under Part 7 (Control of Business Transfers) of the Financial Services and Markets Act 2000;]
- (b) a “group transfer of accounts” occurs where a bulk transfer of accounts is made between account managers that are members of the same group of companies when the transfer occurs;
- (c) two companies are members of the same group of companies if—



- (i) one is a 75% subsidiary of the other, or  
(ii) both are 75% subsidiaries of a third company.]

(2) The Table below indexes other definitions in these Regulations:

<i>Term defined</i>	<i>Regulation</i>
Account	4(1)
[ <sup>F111</sup> Cash account	[ <sup>F112</sup> 4(1A)(a) and (c)]
Component	[ <sup>F113</sup> 4(1A)(b) and (c)]
The disqualifying circumstances	17(1)
Interim claim	25
F114	F114
...	...
F114	F114
...	...
F115	F115
...	...
Qualifying circumstances	14(1)
Qualifying individual	10
Qualifying investments for a stocks and shares component	7
Qualifying investments for a cash component	8
[ <sup>F116</sup> Qualifying investments for a Lifetime ISA component	8ZA]
F117	F117
...	...
Qualifying securities	7(2)(b)
[ <sup>F118</sup> Registered contact	2C]
[ <sup>F111</sup> Stocks and shares account	[ <sup>F119</sup> 4(1A)(a) and (b)]
[ <sup>F120</sup> Subscription limit – junior ISA account]	[ <sup>F118</sup> 4ZB]
[ <sup>F120</sup> Subscription limit – other accounts]	[ <sup>F118</sup> 4ZA]
F115	F115
...	...
F114	F114
...	...

#### Textual Amendments

- F1** Words in reg. 2(1)(a) omitted (6.4.2008) by virtue of [The Individual Savings Account \(Amendment\) Regulations 2007 \(S.I. 2007/2119\)](#), regs. 1, **3(a)(i)**

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- F2** Words in reg. 2(1)(a) substituted (1.12.2001) by The Financial Services and Markets Act 2000 (Consequential Amendments) (Taxes) Order 2001 (S.I. 2001/3629), arts. 1(2)(b), **169(3)**
- F3** Words in reg. 2(1)(a) substituted (6.4.2014) by The Individual Savings Account (Amendment) Regulations 2014 (S.I. 2014/654), regs. 1(1), **3(a)**
- F4** Words in reg. 2(1)(a) substituted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **3(a)**
- F5** Words in reg. 2(1)(a) added (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2007 (S.I. 2007/2119), regs. 1, **3(a)(ii)**
- F6** Words in reg. 2(1)(a) substituted (6.4.2016) by The Individual Savings Account (Amendment No. 2) Regulations 2016 (S.I. 2016/364), regs. 1, **3(a)**
- F7** Words in reg. 2(1) substituted (6.4.2017) by The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **3(2)(a)(i)**
- F8** Word in reg. 2(1) inserted (6.4.2017) by The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **3(2)(a)(ii)**
- F9** Words in reg. 2(1)(a) substituted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **3(b)**
- F10** Words in reg. 2(1)(a) omitted (retrospective to 6.4.2014) by virtue of Finance Act 2014 (c. 26), **Sch. 8 paras. 144(a)**, 146 (with Sch. 8 paras. 147-157)
- F11** Words in reg. 2(1)(a) omitted (retrospective to 6.4.2014) by virtue of Finance Act 2014 (c. 26), **Sch. 8 paras. 85(a)**, 89 (with Sch. 8 paras. 90-96)
- F12** Words in reg. 2(1)(a) inserted (6.4.2016) by The Individual Savings Account (Amendment No. 2) Regulations 2016 (S.I. 2016/364), regs. 1, **3(b)**
- F13** Words in reg. 2(1)(a) inserted (6.4.2018) by The Individual Savings Account (Amendment No. 3) Regulations 2017 (S.I. 2017/1089), regs. 1, **3(a)**
- F14** Words in reg. 2(1) substituted (1.1.2016) by virtue of The Solvency 2 Regulations 2015 (S.I. 2015/575), reg. 1(2), **Sch. 2 para. 8(2)**
- F15** Words in reg. 2(1)(a) inserted (6.4.2014) by The Individual Savings Account (Amendment) Regulations 2014 (S.I. 2014/654), regs. 1(1), **3(b)**
- F16** Words in reg. 2(1)(a) substituted (6.10.2005) by The Individual Savings Account (Amendment No. 2) Regulations 2005 (S.I. 2005/2561), regs. 1, **3**
- F17** Words in reg. 2(1)(a) inserted (1.1.2007) by The Individual Savings Account (Amendment) Regulations 2006 (S.I. 2006/3194), regs. 1, **3**
- F18** Words in reg. 2(1)(a) inserted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **3(c)**
- F19** Words in reg. 2(1)(a) inserted (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2008 (S.I. 2008/704), regs. 1, **3(2)(b)**
- F20** Words in reg. 2(1)(a) substituted (retrospective to 6.4.2014) by Finance Act 2014 (c. 26), **Sch. 8 paras. 85(b)**, 89 (with Sch. 8 paras. 90-96)
- F21** Words in reg. 2(1)(a) inserted (1.11.2016) by The Individual Savings Account (Amendment No. 3) Regulations 2016 (S.I. 2016/977), regs. 1, **3(b)**
- F22** Words in reg. 2(1)(a) inserted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **3(d)**
- F23** Words in reg. 2(1)(a) inserted (retrospective to 1.11.2011) by The Individual Savings Account (Amendment) (No. 2) Regulations 2012 (S.I. 2012/1871), regs. 2, **5(a)**
- F24** Words in reg. 2(1)(a) inserted (6.4.2020) by The Individual Savings Account (Amendment) Regulations 2020 (S.I. 2020/30), regs. 1(1), **3(a)**
- F25** Words in reg. 2(1)(a) substituted (1.12.2001) by The Financial Services and Markets Act 2000 (Consequential Amendments) (Taxes) Order 2001 (S.I. 2001/3629), arts. 1(2)(b), **169(4)**
- F26** Word in reg. 2(1)(a) inserted (1.7.2015) by The Individual Savings Account (Amendment No. 4) Regulations 2015 (S.I. 2015/1370), regs. 1, **3(a)(i)**
- F27** Words in reg. 2(1)(a) substituted (11.8.2009) by The Individual Savings Account (Amendment No. 2) Regulations 2009 (S.I. 2009/1994), regs. 1(1), **3(a)(i)**

- F28** Punctuation in reg. 2(1)(a) substituted (1.7.2015) by The Individual Savings Account (Amendment No. 4) Regulations 2015 (S.I. 2015/1370), regs. 1, **3(a)(ii)**
- F29** Words in reg. 2(1)(a) omitted (1.7.2015) by virtue of The Individual Savings Account (Amendment No. 4) Regulations 2015 (S.I. 2015/1370), regs. 1, **3(a)(iii)**
- F30** Words in reg. 2(1)(a) inserted (6.4.2018) by The Individual Savings Account (Amendment No. 3) Regulations 2017 (S.I. 2017/1089), regs. 1, **3(b)**
- F31** Words in reg. 2(1)(a) inserted (27.12.2005) by The Individual Savings Account (Amendment No. 3) Regulations 2005 (S.I. 2005/3350), regs. 1, **3**
- F32** Words in reg. 2(1)(a) inserted (9.11.2011 retrospective for specified purposes, 8.8.2012 for remaining purposes) by The Individual Savings Account (Amendment) (No. 2) Regulations 2012 (S.I. 2012/1871), regs. 1, 3, **5(c)**
- F33** Words in reg. 2(1) inserted (6.4.2017) by The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **3(2)(b)**
- F34** Words in reg. 2(1)(a) inserted (6.4.2015) by The Individual Savings Account (Amendment No. 2) Regulations 2015 (S.I. 2015/869), regs. 1, **3**
- F35** Words in reg. 2(1)(a) substituted (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2008 (S.I. 2008/704), regs. 1, **3(2)(c)**
- F36** Words in reg. 2(1)(a) inserted (6.4.1999) by The Individual Savings Account (Amendment) Regulations 1998 (S.I. 1998/3174), regs. 1, **3(2)(a)**
- F37** Words in reg. 2(1)(a) added (1.2.2011) by The Dormant Bank and Building Society Accounts (Tax) Regulations 2011 (S.I. 2011/22), regs. 1(1), **9(2)**
- F38** Words in reg. 2(1)(a) substituted (5.8.2013) by The Individual Savings Account (Amendment No. 3) Regulations 2013 (S.I. 2013/1743), regs. 1(1), **3(a)**
- F39** Words in reg. 2(1)(a) inserted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **3(e)**
- F40** Words in reg. 2(1)(a) omitted (6.4.2013) by virtue of The Income Tax (Removal of Ordinary Residence) Regulations 2013 (S.I. 2013/605), regs. 1, **4(2)** (with reg. 2(a))
- F41** Words in reg. 2(1) inserted (6.4.2017) by The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **3(2)(c)**
- F42** Words in reg. 2(1)(a) substituted (1.12.2001) by The Financial Services and Markets Act 2000 (Consequential Amendments) (Taxes) Order 2001 (S.I. 2001/3629), arts. 1(2)(b), **169(5)**
- F43** Words in reg. 2(1)(a) substituted (15.8.2013) by The Individual Savings Account (Amendment) Regulations 2014 (S.I. 2014/654), regs. 1(2), **3(c)**
- F44** Words in reg. 2(1)(a) inserted (15.8.2013) by The Individual Savings Account (Amendment) Regulations 2014 (S.I. 2014/654), regs. 1(2), **3(c)**
- F45** Words in reg. 2(1)(a) substituted (9.11.2011 retrospective for specified purposes, 8.8.2012 for remaining purposes) by The Individual Savings Account (Amendment) (No. 2) Regulations 2012 (S.I. 2012/1871), regs. 1, 3, **5(d)**
- F46** Words in reg. 2(1)(a) inserted (1.2.2016) by The Individual Savings Account (Amendment) Regulations 2016 (S.I. 2016/16), regs. 1, **3(1)**
- F47** Words in reg. 2(1)(a) inserted (with effect in accordance with reg. 1 of the amending S.I.) by The Individual Savings Account (Amendment) Regulations 2016 (S.I. 2016/16), regs. 1, **3(2)**
- F48** Words in reg. 2(1)(a) substituted (6.4.1999) by The Individual Savings Account (Amendment) Regulations 1998 (S.I. 1998/3174), regs. 1, **3(2)(b)**
- F49** Words in reg. 2(1) inserted (6.4.2017) by The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **3(2)(d)**
- F50** Words in reg. 2(1)(a) omitted (6.4.2008) by virtue of The Individual Savings Account (Amendment) Regulations 2008 (S.I. 2008/704), regs. 1, **3(2)(d)**
- F51** Words in reg. 2(1)(a) omitted (1.7.2015) by virtue of The Individual Savings Account (Amendment No. 4) Regulations 2015 (S.I. 2015/1370), regs. 1, **3(b)**
- F52** Words in reg. 2(1)(a) substituted (6.4.2017) by The Individual Savings Account (Amendment) Regulations 2017 (S.I. 2017/186), regs. 1, **3**

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*Changes to legislation: There are currently no known outstanding effects for the The Individual Savings Account Regulations 1998. (See end of Document for details)*

- F53** Words in reg. 2(1)(a) inserted (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2008 (S.I. 2008/704), regs. 1, **3(2)(e)**
- F54** Words in reg. 2(1)(a) inserted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **3(f)**
- F55** Words in reg. 2(1)(a) omitted (1.12.2001) by virtue of The Financial Services and Markets Act 2000 (Consequential Amendments) (Taxes) Order 2001 (S.I. 2001/3629), arts. 1(2)(b), **169(6)**
- F56** Words in reg. 2(1) inserted (6.4.2017) by The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **3(2)(e)**
- F57** Words in reg. 2(1)(a) inserted (8.8.2012) by The Individual Savings Account (Amendment) (No. 2) Regulations 2012 (S.I. 2012/1871), regs. 1, **5(e)**
- F58** Words in reg. 2(1)(a) inserted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **3(g)**
- F59** Words in reg. 2(1)(a) substituted (6.4.1999) by The Individual Savings Account (Amendment) Regulations 1998 (S.I. 1998/3174), regs. 1, **3(2)(c)**
- F60** Words in reg. 2(1)(a) substituted (1.11.2016) by The Individual Savings Account (Amendment No. 3) Regulations 2016 (S.I. 2016/977), regs. 1, **3(a)**
- F61** Words in reg. 2(1)(a) inserted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **3(h)**
- F62** Words in reg. 2(1)(a) inserted (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2008 (S.I. 2008/704), regs. 1, **3(2)(g)**
- F63** Words in reg. 2(1) inserted (6.4.2017) by The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **3(2)(f)**
- F64** Words in reg. 2(1)(a) substituted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **3(i)**
- F65** Words in reg. 2(1)(a) inserted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **3(j)**
- F66** Words in reg. 2(1)(a) substituted (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2008 (S.I. 2008/704), regs. 1, **3(2)(h)**
- F67** Words in reg. 2(1)(a) inserted (with effect in accordance with reg. 1 of the amending S.I.) by The Individual Savings Account (Amendment) Regulations 2016 (S.I. 2016/16), regs. 1, **3(3)**
- F68** Words in reg. 2(1)(a) omitted (6.4.2014) by virtue of The Individual Savings Account (Amendment) Regulations 2014 (S.I. 2014/654), regs. 1(1), **3(e)**
- F69** Words in reg. 2(1)(a) inserted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **3(k)**
- F70** Words in reg. 2(1)(a) omitted (6.4.2008) by virtue of The Individual Savings Account (Amendment) Regulations 2008 (S.I. 2008/704), regs. 1, **3(2)(j)**
- F71** Words in reg. 2(1)(a) inserted (retrospective to 6.4.2014) by Finance Act 2014 (c. 26), **Sch. 8 paras. 85(c)**, 89 (with Sch. 8 paras. 90-96)
- F72** Words in reg. 2(1)(a) inserted (retrospective to 6.4.2014) by Finance Act 2014 (c. 26), **Sch. 8 paras. 144(b)**, 146 (with Sch. 8 paras. 147-157)
- F73** Words in reg. 2(1)(a) substituted (6.4.1999) by The Individual Savings Account (Amendment) Regulations 1998 (S.I. 1998/3174), regs. 1, **3(2)(d)**
- F74** Words in reg. 2(1)(a) substituted (16.12.2008) by The Individual Savings Account (Amendment No. 3) Regulations 2008 (S.I. 2008/3025), regs. 1, **3(a)**
- F75** Words in reg. 2(1)(a) added (16.12.2008) by The Individual Savings Account (Amendment No. 3) Regulations 2008 (S.I. 2008/3025), regs. 1, **3(b)**
- F76** Words in reg. 2(1)(a) inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by The Individual Savings Account (Amendment No. 2) Regulations 2004 (S.I. 2004/2996), regs. 1(1), **3(c)**
- F77** Words in reg. 2(1)(a) omitted (6.4.2008) by virtue of The Individual Savings Account (Amendment) Regulations 2007 (S.I. 2007/2119), regs. 1, **3(b)**
- F78** Words in reg. 2(1)(b) inserted (1.12.2001) by The Financial Services and Markets Act 2000 (Consequential Amendments) (Taxes) Order 2001 (S.I. 2001/3629), arts. 1(2)(b), **169(8)**

- F79** Words in reg. 2(1)(b) omitted (6.4.2008) by virtue of The Individual Savings Account (Amendment) Regulations 2008 (S.I. 2008/704), regs. 1, **3(3)(a)**
- F80** Words in reg. 2(1) omitted (1.4.2013) by virtue of The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 22(2)(a)**
- F81** Words in reg. 2(1)(b) substituted (1.12.2001) by The Financial Services and Markets Act 2000 (Consequential Amendments) (Taxes) Order 2001 (S.I. 2001/3629), arts. 1(2)(b), **169(9)**
- F82** Words in reg. 2(1)(b) omitted (11.8.2009) by virtue of The Individual Savings Account (Amendment No. 2) Regulations 2009 (S.I. 2009/1994), regs. 1(1), **3(b)(i)**
- F83** Words in reg. 2(1)(b) added (11.8.2009) by The Individual Savings Account (Amendment No. 2) Regulations 2009 (S.I. 2009/1994), regs. 1(1), **3(b)(v)**
- F84** Words in reg. 2(1) substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 22(2)(b)**
- F85** Words in reg. 2(1)(b) inserted (13.12.2000) by The Individual Savings Account (Amendment No. 3) Regulations 2000 (S.I. 2000/3112), regs. 1, **3**
- F86** Words in reg. 2(1)(b) omitted (6.4.2008) by virtue of The Individual Savings Account (Amendment) Regulations 2008 (S.I. 2008/704), regs. 1, **3(3)(c)**
- F87** Words in reg. 2(1)(b) inserted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **4**
- F88** Words in reg. 2(1)(b) substituted (13.1.2018) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(6), **Sch. 8 para. 7** (with reg. 3)
- F89** Words in reg. 2(1) substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 22(2)(c)**
- F90** Words in reg. 2(1)(b) omitted (22.7.2013) by virtue of The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 2 para. 4**
- F91** Words in reg. 2(1)(b) substituted (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2008 (S.I. 2008/704), regs. 1, **3(3)(d)**
- F92** Words in reg. 2(1)(b) inserted (27.12.2005) by The Individual Savings Account (Amendment No. 3) Regulations 2005 (S.I. 2005/3350), regs. 1, **4(c)**
- F93** Word in reg. 2(1)(b) omitted (6.4.2008) by virtue of The Individual Savings Account (Amendment) Regulations 2008 (S.I. 2008/704), regs. 1, **3(3)(f)**
- F94** Word in reg. 2(1) substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 22(2)(d)(i)**
- F95** Words in reg. 2(1) substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 22(2)(d)(ii)**
- F96** Words in reg. 2(1)(b) substituted (11.8.2009) by The Individual Savings Account (Amendment No. 2) Regulations 2009 (S.I. 2009/1994), regs. 1(1), **3(b)(iii)**
- F97** Word in reg. 2(1) substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 22(2)(e)**
- F98** Words in reg. 2(1)(b) omitted (6.4.2008) by virtue of The Individual Savings Account (Amendment) Regulations 2008 (S.I. 2008/704), regs. 1, **3(3)(g)**
- F99** Words in reg. 2(1) substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 22(2)(f)(i)**
- F100** Words in reg. 2(1) substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 22(2)(f)(ii)**
- F101** Words in reg. 2(1)(b) substituted (1.12.2001) by The Financial Services and Markets Act 2000 (Consequential Amendments) (Taxes) Order 2001 (S.I. 2001/3629), arts. 1(2)(b), **169(16)**
- F102** Words in reg. 2(1) substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 22(2)(g)**
- F103** Words in reg. 2(1)(b) substituted (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2008 (S.I. 2008/704), regs. 1, **3(3)(h)(i)**
- F104** Words in reg. 2(1)(b) substituted (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2008 (S.I. 2008/704), regs. 1, **3(3)(h)(ii)**



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- F105** Words in reg. 2(1)(b) substituted (6.4.2008) by [The Individual Savings Account \(Amendment\) Regulations 2008 \(S.I. 2008/704\)](#), regs. 1, **3(3)(i)**
- F106** Words in reg. 2(1)(b) omitted (17.11.2003 with effect in accordance with reg. 1(2) of the amending S.I.) by virtue of [The Individual Savings Account \(Amendment\) Regulations 2003 \(S.I. 2003/2747\)](#), regs. 1(1), **3(c)**
- F107** Words in reg. 2(1)(b) inserted (11.8.2009) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2009 \(S.I. 2009/1994\)](#), regs. 1(1), **3(b)(iv)**
- F108** Words in reg. 2(1)(b) omitted (6.4.2008) by virtue of [The Individual Savings Account \(Amendment\) Regulations 2008 \(S.I. 2008/704\)](#), regs. 1, **3(3)(j)**
- F109** Reg. 2(1A) inserted (retrospective to 9.11.2011) by [The Individual Savings Account \(Amendment\) \(No. 2\) Regulations 2012 \(S.I. 2012/1871\)](#), regs. 3, **6**
- F110** Reg. 2(1A)(a)(i)(ii) substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Individual Savings Account \(Amendment No. 3\) Regulations 2013 \(S.I. 2013/1743\)](#), regs. 1(1), **3(b)**
- F111** Reg. 2(2) entries inserted (6.4.2008) by [The Individual Savings Account \(Amendment\) Regulations 2007 \(S.I. 2007/2119\)](#), regs. 1, **4(c)**
- F112** Words in reg. 2(2) substituted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **5(a)**
- F113** Words in reg. 2(2) substituted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **5(b)**
- F114** Reg. 2(2) entries omitted (6.4.2008) by virtue of [The Individual Savings Account \(Amendment\) Regulations 2007 \(S.I. 2007/2119\)](#), regs. 1, **4(b)**
- F115** Words in reg. 2(2) omitted (1.11.2011) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **5(d)**
- F116** Words in reg. 2(2) inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **3(3)**
- F117** Words in reg. 2(2) omitted (with effect in accordance with reg. 1(2) of the amending S.I.) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2004 \(S.I. 2004/2996\)](#), regs. 1(1), **4**
- F118** Words in reg. 2(2) inserted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **5(e)**
- F119** Words in reg. 2(2) substituted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **5(c)**
- F120** Words in reg. 2(2) substituted (1.7.2014) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **3**

### Marginal Citations

- M3** 1986 c.53.
- M4** Number 17 of 1989.
- M5** 1992 c.40.
- M6** 1970 c.9.
- M7** 1992 c.40.
- M8** 1988 c.1; section 187 was amended by paragraph 9 of Schedule 12 to the [Finance Act 1989 \(c.26\)](#), [sections 38](#) and 41 of the Finance Act 1991, paragraph 14(1) and (13) of Schedule 10 to the Taxation of Chargeable Gains Act 1992, paragraph 12(a) of Part III of Schedule 4, and Part II of Schedule 7 to the [Pensions Act 1995 \(c.26\)](#) and sections 116 and 117(2) of, and Part V(5) of Schedule 41 to, the [Finance Act 1996 \(c.8\)](#).
- M9** Section 231 was amended by section 106 of and Part IV of Schedule 17 to the Finance Act 1989, paragraph 2 of Schedule 7 to the Finance Act 1990, paragraph 12 of Schedule 20 and Part V(10) of Schedule 41 to the Finance Act 1996, Part VI(7) of Schedule 18 to the [Finance Act 1997 \(c.16\)](#), and sections 19, 22 and 30 of, and paragraph 4 of Schedule 4, and Part II(9) of Schedule 8 to, the [Finance \(No. 2\) Act 1997 \(c.58\)](#).

**[<sup>F121</sup>Meaning of account investor**

**2A.—(1)** This regulation makes provision for the meaning of “account investor” in these Regulations.

(2) In relation to an account that is not a junior ISA account [<sup>F122</sup>nor a Lifetime ISA], “account investor” means an individual who subscribes to an account and who is a qualifying individual within the meaning of regulation 10.

(3) In relation to a junior ISA account, “account investor” has different meanings in relation to the application of the regulations specified in paragraphs (4) and (5) as provided for in those paragraphs.

(4) For the purposes of the application of regulations 5C, [<sup>F123</sup>5D to 5DC, 5DF,] 6(3), 7, 8, 9 (other than regulation 9(3)(b)(iii) and (6)), 21A(1) (other than its first occurrence therein), 21A(2) and (3), 22, 24, 28, 31, 34, 35 (other than regulation 35(10)) and 36, “account investor” means the named child in relation to the account in question.

(5) For the purposes of the application of regulations 4, 9(6), 15, 17, 19, 20, 21A(7), 35(10) and its first occurrence in regulation 21A(1), “account investor” means the registered contact in relation to the account in question.

[<sup>F124</sup>(6) In relation to a Lifetime ISA, “account investor” means an individual who—

- (a) makes, or has made, a qualifying addition to a Lifetime ISA, and
- (b) at the time of each qualifying addition by the individual into the Lifetime ISA, is a Lifetime ISA qualifying individual.]

**Textual Amendments**

**F121** Regs. 2A-2E inserted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **6**

**F122** Words in reg. 2A(2) inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **4(a)**

**F123** Words in reg. 2A(4) inserted (8.8.2012) by [The Individual Savings Account \(Amendment\) \(No. 2\) Regulations 2012 \(S.I. 2012/1871\)](#), regs. 1, **7**

**F124** Reg. 2A(6) inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **4(b)**

**Meaning of junior ISA account**

**2B.** In these Regulations—

- (a) an account opened pursuant to a junior ISA application described in regulation 12A is a junior ISA account at any time when it is held by a child;
- (b) references to “account” shall be construed as including a reference to an account that is a junior ISA account except where the context otherwise requires; and
- (c) references to an account held by a child are references to an account in respect of which the child is the beneficial owner of the account investments under that account.

**Textual Amendments**

**F121** Regs. 2A-2E inserted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **6**

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### Meaning of “registered contact” etc.

**2C.**—(1) In these Regulations “registered contact” means the person who may give instructions in respect of the management of a junior ISA account to the person who is the account manager in relation to that account.

(2) The person who may give instructions in respect of the management of a junior ISA account to the account manager of that account is—

- (a) the named child who holds the account if the application to open the account in accordance with regulation 12A was made by that child,
- (b) the named child who holds the account if—
  - (i) the child has attained the age of 16 years,
  - (ii) paragraph (3) does not apply in relation to the child, and
  - (iii) the child has assumed responsibility for the management of the account in accordance with paragraph (6), or
- (c) in any other case, the responsible person in relation to the account.

(3) [<sup>F125</sup>For the purposes of paragraph (2)(b)(ii) this paragraph applies in relation to the child—

- (a) if the child is resident in England and Wales and lacks capacity in relation to the management of the junior ISA account under section 2(1) of the Mental Capacity Act 2005;]
- (b) [<sup>F126</sup>if the child is resident in Scotland, the child is suffering mental disorder within the meaning given by] section 328 of the Mental Health (Care and Treatment) (Scotland) Act 2003;
- (c) [<sup>F127</sup>if the child is resident in Northern Ireland, the child is suffering mental disorder within the meaning given by] Article 3 of the Mental Health (Northern Ireland) Order 1986.

(4) A person is the responsible person in relation to a junior ISA account if—

- (a) that person—
  - (i) makes the application to open the account in question in accordance with regulation 12A; or
  - (ii) assumes responsibility for the management of the account in accordance with paragraph (6); and
- (b) that person has parental responsibility in relation to the named child who holds the account at the time when that person—
  - (i) makes the application described in sub-paragraph (a)(i); or
  - (ii) assumes responsibility for the management of the account as described in sub-paragraph (a)(ii).

(5) A person ceases to be the person who may give instructions in respect of the management of a junior ISA account to the person who is the account manager in relation to that account when another person assumes responsibility for the management of the account in accordance with paragraph (6).

(6) A person assumes responsibility for the management of a junior ISA account if—

- (a) the person makes an application to assume responsibility for the management of the account in accordance with paragraph (7), and
- (b) the account manager of the account in question accepts the application.

(7) An application by a person (“the applicant”) to assume responsibility for the management of a junior ISA account must—

- (a) be made to the account manager of the account in question;



- (b) contain—
    - (i) the applicant's full name,
    - (ii) the applicant's address (including postcode),
    - (iii) the named child's full name and date of birth,
    - (iv) the named child's address (including postcode),
    - (v) the named child's national insurance number if the child is over 16 and has been issued with a national insurance number, and
    - (vi) the authorisation specified in paragraph (8);
  - (c) contain a declaration by the applicant that the applicant—
    - (i) is 16 years of age or over,
    - (ii) is the named child who holds the account in question or has parental responsibility in relation to the named child who holds the account in question, and
    - (iii) is to be the registered contact for the account.
- (8) The authorisation specified by this paragraph is authority given by the applicant to the account manager (on behalf of the named child who holds the account where appropriate)—
- (a) to hold the subscriptions, account investments, interest, dividends and any other rights or proceeds in respect of those investments and cash;
  - (b) to make on behalf of the named child any claims to relief from tax in respect of account investments; and
  - (c) to make a record in writing in accordance with paragraph (11) where that paragraph requires the account manager to do so.
- (9) An account manager must not accept an application to assume responsibility for the management of a junior ISA account if—
- (a) except in the circumstances specified in paragraph (10), the person who is the registered contact in relation to the account at the time when the application is made does not consent to the applicant assuming responsibility for the management of the account; or
  - (b) the account manager has reason to believe that the applicant has given untrue information in the application.
- (10) The circumstances specified in this paragraph are—
- (a) the death of the most recent registered contact,
  - (b) the incapacity of the registered contact,
  - (c) where the registered contact cannot be contacted,
  - (d) the bringing to an end of a Court order under which the registered contact is a responsible person,
  - (e) where the applicant is the named child who holds the account and is aged 16 or over,
  - (f) where, under an adoption order, the applicant is the adopter of the named child who holds the account,
  - (g) where a Court so orders,
  - (h) where the applicant has been appointed to be a guardian or special guardian of the named child who holds the account.
- (11) Where the application to assume responsibility for the management of a junior ISA account is not in writing or the account manager operates a record system under which all original written applications are not retained—

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- (a) the account manager must, immediately after receiving the application, record, in writing, on behalf of the applicant the declaration required by paragraph (7)(c) and the authorisation required by paragraphs (7)(b)(vi) and (8);
- (b) the account manager must notify the applicant of the contents of the written record within 5 business days of making it; and
- (c) the written record (as amended by any corrections notified to the account manager by the applicant within 30 days of the notification mentioned in sub-paragraph (b)) shall be treated as the applicant's declaration required by paragraph (7)(c) and authorisation required by paragraphs (7)(b)(vi) and (8).

#### Textual Amendments

- F121** Regs. 2A-2E inserted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **6**
- F125** Words in reg. 2C(3) substituted (6.4.2014) by [The Individual Savings Account \(Amendment\) Regulations 2014 \(S.I. 2014/654\)](#), regs. 1(1), **4(a)**
- F126** Words in reg. 2C(3)(b) substituted (6.4.2014) by [The Individual Savings Account \(Amendment\) Regulations 2014 \(S.I. 2014/654\)](#), regs. 1(1), **4(b)**
- F127** Words in reg. 2C(3)(c) substituted (6.4.2014) by [The Individual Savings Account \(Amendment\) Regulations 2014 \(S.I. 2014/654\)](#), regs. 1(1), **4(c)**

#### Regulations that do not apply to junior ISA accounts

**2D.** Regulations 4(6)(fa), 4ZA, 4A, <sup>[**F128**4AA,]</sup> 4B, <sup>F129</sup> ... <sup>F130</sup> ... <sup>[**F131**5DDA,]</sup> <sup>[**F132**5DDB,]</sup> <sup>[**F133**5DDC,]</sup> <sup>[**F134**5DI to 5DM,]</sup> 7(2)(h), <sup>[**F135**8ZA, 8A, 10 to 12, 12B,]</sup> <sup>F129</sup> 21<sup>F129</sup> ... and 30, do not apply to a junior ISA account.

#### Textual Amendments

- F121** Regs. 2A-2E inserted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **6**
- F128** Word in reg. 2D inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **5(a)**
- F129** Words in reg. 2D omitted (1.7.2014) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **4**
- F130** Word in reg. 2D omitted (6.4.2017) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **5(b)**
- F131** Word in reg. 2D inserted (6.4.2015) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2015 \(S.I. 2015/869\)](#), regs. 1, **4**
- F132** Word in reg. 2D inserted (with effect in accordance with reg. 1 of the amending S.I.) by [The Individual Savings Account \(Amendment\) Regulations 2016 \(S.I. 2016/16\)](#), regs. 1, **4(a)**
- F133** Word in reg. 2D inserted (1.2.2016) by [The Individual Savings Account \(Amendment\) Regulations 2016 \(S.I. 2016/16\)](#), regs. 1, **4(b)**
- F134** Words in reg. 2D inserted (8.8.2012) by [The Individual Savings Account \(Amendment\) \(No. 2\) Regulations 2012 \(S.I. 2012/1871\)](#), regs. 1, **8**
- F135** Words in reg. 2D substituted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **5(c)**

### Contracts entered into by or on behalf of a child who is 16 or over

**2E.** Where, by virtue of the opening of an account pursuant to a junior ISA application described in regulation 12A, a contract is entered into by a child who is—

- (a) aged 16 or over; and
- (b) the child who—
  - (i) holds the account, or
  - (ii) has parental responsibility in relation to the child who holds the account,

the contract has effect as if the child who opened the account had been 18 or over when the contract was entered into.]

#### Textual Amendments

**F121** Regs. 2A-2E inserted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, 6

### [<sup>F136</sup>Special provision in respect of Looked After Children

**2F.**—(1) A child is a Looked After Child where, after 2nd January 2011, there is a continuous period of at least 12 months during which paragraph (2) applies in relation to the child.

(2) This paragraph applies in relation to a child where the child is—

- (a) looked after by a local authority within the meaning of section 22(1) of the Children Act 1989 (general duty of local authority in relation to children looked after by them);  
[ looked after by a local authority within the meaning of section 74 of the Social Services <sup>F137</sup>(ab) and Well-being (Wales) Act 2014;]
- (b) provided with accommodation by an authority by virtue of article 21 of the Children (Northern Ireland) Order 1995 (provision of accommodation for children: general);
- (c) the subject of an order made under article 50(1)(a) of the Children (Northern Ireland) Order 1995 (care orders and supervision orders);
- (d) provided with accommodation by a local authority by virtue of section 25 of the Children (Scotland) Act 1995 (provision of accommodation for children, etc.);
- (e) the subject of a supervision requirement made under section 70(1) of the Children (Scotland) Act 1995 (disposal of referral by children’s hearing: supervision requirements, including residence in secure accommodation);  
[ the subject of a compulsory supervision order within section 83 of the Children’s Hearings <sup>F138</sup>(ea) (Scotland) Act 2011 (“the 2011 Act”) (meaning of compulsory supervision order);
- (eb) the subject of an interim compulsory supervision order within section 86 of the 2011 Act (meaning of interim compulsory supervision order);]
- (f) the subject of a permanence order made under section 80 of the Adoption and Children (Scotland) Act 2007 (permanence orders); or
- (g) treated as if the child were subject to an order described in sub-paragraph (f) by virtue of article 13(1) of the Adoption and Children (Scotland) Act 2007 (Commencement No. 4, Transitional and Savings) Order 2009.

(3) In relation to a Looked After Child, regulations 2C(4)(b) (meaning of “registered contact” etc.) and 12A(4)(b)(i) (conditions for application to open an account that is a junior ISA account) must be construed as if the Share Foundation has parental responsibility in respect of that child.

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(4) In relation to an application to assume responsibility for the management of a junior ISA account by the Share Foundation, regulation 2C(7)(c) must be construed as requiring a declaration that—

- (a) the applicant is the Share Foundation;
- (b) the application is in relation to a Looked After Child; and
- (c) the Share Foundation is to be the registered contact for the account.

(5) Where an application to assume responsibility for the management of a junior ISA account is made in relation to which the registered contact is the Share Foundation, regulation 2C(9)(a) must be construed as referring only to sub-paragraphs (e) and (g) of paragraph (10).

(6) Where the registered contact in relation to a junior ISA account is the Share Foundation, any reference in these Regulations to the residence of the registered contact must be construed as meaning a reference to the registered offices of the Share Foundation.

(7) In this regulation “the Share Foundation” means the company limited by guarantee (number 4500923) and charity registered with the Charity Commission of England and Wales (number 1108068) as “The Share Foundation”.]

#### Textual Amendments

**F136** Reg. 2F inserted (8.8.2012) by [The Individual Savings Account \(Amendment\) \(No. 2\) Regulations 2012 \(S.I. 2012/1871\)](#), regs. 1, **9**

**F137** Reg. 2F(2)(ab) inserted (6.4.2017) by [The Individual Savings Account \(Amendment\) Regulations 2017 \(S.I. 2017/186\)](#), regs. 1, **4**

**F138** Reg. 2F(2)(ea)(eb) inserted (with effect in accordance with reg. 1(3) of the amending S.I.) by [The Individual Savings Account \(Amendment No. 3\) Regulations 2013 \(S.I. 2013/1743\)](#), regs. 1(1), **4**

#### [<sup>F139</sup>Continuing account of a deceased investor and administration-period investments

**2G.**—(1) This regulation applies to an account, other than a junior ISA account, when the account investor has died (“continuing account of a deceased investor”).

(2) Investments held in such an account are to be administration-period investments as a result of section 694A(4) or (5) of ITTOIA 2005 for the period beginning on the death of the account investor and ending on the earlier of—

- (a) the completion of the administration of the deceased’s estate,
- (b) the day falling on the third anniversary of the death, or
- (c) the closure of the account within the meaning of regulation 4B(3)(a).

(3) A continuing account of a deceased investor is to cease to be such an account at the end of the period referred to in paragraph (2).

(4) Notwithstanding any other provision of these Regulations—

- (a) no subscription or qualifying addition is to be made to a continuing account of a deceased investor, and
- (b) no transfer is to be made of a continuing account of a deceased investor otherwise than a transfer when regulation 17, 19 or 20 applies.

(5) In relation to a continuing account of a deceased investor, wherever the following expressions occur in these Regulations—

- (a) “investments”, “account investments”, “qualifying investments”, “investments under an account”, or any other description of an account investment, includes administration-period investments,

- (b) “account investor”, “applicant”, or any other description of an account investor, includes any person within the description of section 694A(2) of ITTOIA 2005 and, in the case of regulations 22 and 36(3), also any person referred to in section 694A(1) of that Act, and
  - (c) “account”, “Lifetime ISA”, or any reference to a scheme of investment, includes a continuing account of a deceased investor, notwithstanding that no subscription or qualifying addition can be made to it.
- (6) In relation to a continuing account of a deceased investor—
- (a) regulations 4(6)(a) and (f) (except in relation to a transfer when regulation 17, 19 or 20 applies), 12(3)(f) and (6)(a) and 12B(8)(a) and (c) do not apply,
  - (b) in regulation 7(2)(h)(iii), the phrase “but have remained in the beneficial ownership of the participant” is to be treated as omitted, <sup>F140</sup>and]
  - (c) in regulation 21(4D), after “made on a transfer”, there is to be treated as inserted “and is a continuing account of a deceased investor”. <sup>F141</sup>...
- <sup>F141</sup>(d) .....]

**Textual Amendments**

- F139** Reg. 2G inserted (6.4.2018) by [The Individual Savings Account \(Amendment No. 3\) Regulations 2017 \(S.I. 2017/1089\)](#), regs. 1, 4
- F140** Word in reg. 2G(6) inserted (6.4.2018) by [The Individual Savings Account \(Amendment\) Regulations 2018 \(S.I. 2018/359\)](#), regs. 1, 3(a)
- F141** Words in reg. 2G(6) omitted (6.4.2018) by virtue of [The Individual Savings Account \(Amendment\) Regulations 2018 \(S.I. 2018/359\)](#), regs. 1, 3(b)

**Introductory**

3. These Regulations provide for the setting up of plans in the form of an account, by account managers approved by the Board, under which individuals may make certain investments, for the conditions under which they may invest and under which those accounts are to operate, for relief from tax in respect of account investments and generally for the administration of tax in relation to such accounts.

**General conditions for accounts and subscriptions to accounts**

- 4.—<sup>F142</sup>(1) An account is a scheme of investment, to which a subscription may be made, <sup>F143</sup>which is an innovative finance account <sup>F144</sup>[or a Lifetime ISA] or in respect of which—
- (a) the conditions and requirements contained in paragraphs (1A) and (5) to (8) are fulfilled; and
  - (b) either—
    - (i) the conditions contained in paragraph (1B) are fulfilled, or
    - (ii) at the time when the subscription to the account is made, the account is a junior ISA account.]
- <sup>F145</sup>(1ZA) An innovative finance account is an account in respect of which—
- (a) the conditions in paragraphs (1A)(a) and (ca); <sup>F146</sup>(1B)(ba) and (c), d(i) and (e)]; (5); (6) (a), (e) and (g) are fulfilled;
  - (b) in relation to cash held in an account, the conditions in paragraphs (6)(f) and (fa) and (7) are fulfilled; and

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- (c) the application to open the account is made in accordance with regulation 12.]
- [<sup>F147</sup>(1ZB) A Lifetime ISA is an account in respect of which—
- (a) the conditions in paragraphs (1A)(a) and (cb), (1B)(bb), (c), (d)(ii), (e) and (f) and (5) to (10) are fulfilled; and
- (b) the application to open the account is made in accordance with regulation 12B.]
- [<sup>F148</sup>(1A) The conditions in this paragraph are—
- (a) the account is set up as a stocks and shares account[<sup>F149</sup>, a cash account[<sup>F150</sup>, an innovative finance account or a Lifetime ISA]];
- (b) a stocks and shares account is made up of a single stocks and shares component only;
- (c) a cash account is made up of a single cash component only;
- [ an innovative finance account is made up of a single innovative finance component only;]
- <sup>F151</sup>(ca)
- [ a Lifetime ISA is made up of a single Lifetime ISA component only;]
- <sup>F152</sup>(cb)
- (d) the application to open the account is made in accordance with regulation 12 or 12A.
- (1B) The conditions in this paragraph are—
- (a) [<sup>F153</sup>except for a subscription made in accordance with regulation 5D(2)(a)(i),(iv) or (v),] a qualifying individual who is 16 or over may only subscribe to a single cash account that is not a junior ISA account in a particular year;
- (b) [<sup>F154</sup>except for a subscription made in accordance with regulation 5D(2)(a)(iv),] a qualifying individual who is 18 or over may only subscribe to a single stocks and shares account that is not a junior ISA account in a particular year;
- [ except for a subscription made in accordance with regulation 5D(2)(a)(iv), a qualifying
- <sup>F155</sup>(ba) individual who is 18 or over may only subscribe to a single innovative finance account in a particular year;]
- [ a Lifetime ISA qualifying individual may only make a qualifying addition to a single
- <sup>F156</sup>(bb) Lifetime ISA in a particular year;]
- (c) it is an account to which only one qualifying individual subscribes [<sup>F157</sup>or, in the case of a Lifetime ISA, to which only one Lifetime ISA qualifying individual makes a qualifying addition];
- [<sup>F158</sup>(d) subject to regulations 5DDA(2)(e) and 7(2)(h), it is—
- (i) an account that is not a Lifetime ISA account to which the qualifying individual subscribes only by payment to the account manager of a sum or sums of the individual's cash, or
- (ii) a Lifetime ISA to which the Lifetime ISA qualifying individual makes qualifying additions only by—
- (aa) payment to the account manager of a sum or sums of the individual's cash; or
- (bb) a transfer of qualifying investments for a Lifetime ISA component from another account of the account investor;]
- (e) the subscriptions made by the qualifying individual to accounts (ignoring transfers and payments from account managers to the individual) do not in the aggregate in any year exceed the subscription [<sup>F159</sup>limit] in regulation 4ZA(1)<sup>F160</sup> ....][<sup>F161</sup>; and

- (f) in the case of a Lifetime ISA the current year payments made by a Lifetime ISA qualifying individual do not in aggregate in any year exceed the Lifetime ISA payment limit in regulation 4ZA(1A).]

<sup>F162</sup>(2) .....

<sup>F162</sup>(3) .....

<sup>F163</sup>(4) .....

(5) An account must at all times be managed in accordance with these Regulations by an account manager and under terms agreed in a recorded form between the account manager and the account investor.

(6) Apart from other requirements of these Regulations the terms agreed to which paragraph (5) refers shall [<sup>F164</sup>secure]—

<sup>F165</sup>(a) that the account investments shall be in the beneficial ownership of—

- (i) in the case of an account that is not a junior ISA account, the account investor; or
- (ii) in the case of a junior ISA account, the named child;]

(b) that, except in relation to qualifying investments for a cash component within regulation 8(2)(a), (b) or (e) [<sup>F166</sup>and qualifying investments for an innovative finance component], and subject to regulation 15—

(i) [<sup>F167</sup>in relation to an account that is not a junior ISA account,] the title to all account investments shall be vested in the account manager or his nominee or jointly in one of them and the account investor,

<sup>F168</sup>(ia) in relation to an account that is a junior ISA account, title to all investments shall be vested in the account manager or his nominee or jointly in one of them and either one of the registered contact or named child to the account in question as the account manager considers appropriate,] and

(ii) where a share certificate or other document evidencing title to an account investment is issued, it shall be held by the account manager or as he may direct;

(c) that, in relation to a stocks and shares component, [<sup>F169</sup>qualifying investments for an innovative finance component][<sup>F170</sup>, a Lifetime ISA component][<sup>F171</sup>and qualifying investments falling within sub-paragraph (h) of regulation 8(2)], the account manager shall, if the account investor so elects, arrange for the account investor to receive a copy of the annual report and accounts issued to investors by every company, unit trust, open-ended investment company or other entity in which he has account investments;

(d) that, in relation to a stocks and shares component, [<sup>F172</sup>qualifying investments for an innovative finance component][<sup>F173</sup>, a Lifetime ISA component][<sup>F174</sup>and qualifying investments falling within sub-paragraph (h) of regulation 8(2)], the account manager shall be under an obligation (subject to any provisions made under any enactment and if the account investor so elects) to arrange for the account investor to be able—

- (i) to attend any meetings of investors in companies, unit trusts, open-ended investment companies and other entities in which he has account investments,
- (ii) to vote, and
- (iii) to receive, in addition to the documents referred to in sub-paragraph (c), any other information issued to investors in such companies, unit trusts, open-ended investment companies and other entities;

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- (e) that the account manager shall satisfy himself that any person to whom he delegates any of his functions or responsibilities under the terms agreed with the account investor is competent to carry out those functions or responsibilities;
- (f) that <sup>F175</sup>on the instructions of the account investor (“the transfer instructions”) and within such time as is stipulated by the account investor in the transfer instructions]—
- (i) an account, with all rights and obligations of the parties to it, or
  - (ii) such parts thereof as may be agreed between the account investor and the account manager,
- <sup>F176</sup>shall] be transferred to another account manager subject to and in accordance with <sup>F177</sup>regulation 21 or 21B]<sup>F178</sup>and, where it applies, regulation 21A];
- <sup>F179</sup>(fa) that on the instructions, subject to regulation 9(3)(b), of the account investor (“the withdrawal instructions”) and within such time as is stipulated by the account investor in the withdrawal instructions, account investments, interest, dividends, rights or other proceeds in respect of such investments or any cash shall be transferred or paid to him <sup>F180</sup>or, where paragraph 6(12) of the Schedule applies, an eligible conveyancer];
- (g) that the account manager shall notify the account investor if by reason of any failure to satisfy the provisions of these Regulations an account is or will become no longer exempt from tax by virtue of regulation 22(1).
- <sup>F181</sup>(7) The time stipulated in the transfer instructions or withdrawal instructions shall be subject to any reasonable business period of the account manager required for the practical implementation of the instructions, but such period—
- (a) must not exceed 30 days; and
  - (b) must be consistent with regulation 21A where it applies.]
- <sup>F182</sup>Where the account is a Lifetime ISA and an amount is being withdrawn for the purpose of a first-time residential purchase by the account investor under paragraph 6 of the Schedule, the period of 30 days referred to in sub-paragraph (a) runs from the date on which the account manager receives the information from the account investor’s conveyancer in accordance with paragraph 8(2) and (3) of the Schedule.]
- <sup>F183</sup>(8) Where an account holds units in or shares of a UK UCITS, recognised UCITS or non-UCITS retail scheme, and dealings in the units or shares are suspended in accordance with Rule 7.2 of <sup>F184</sup>COLL], or any direct foreign equivalent of that Rule, the business period in paragraph (7) may be extended to 7 days after the end of such suspension.]
- <sup>F185</sup>(9) A Lifetime ISA opened in accordance with regulation 12B is to be treated as such an account notwithstanding that the account investor reaches 50 years of age or over and that no further qualifying addition can be made to the account.
- (10) A Lifetime ISA in relation to which an account manager has received notification of closure within 30 days after the latest applicable cancellation period start date for the purposes of the Conduct of Business Sourcebook (published by the Financial Conduct Authority under FISMA 2000) is to be treated for all purposes of these Regulations as never having been such an account.
- (11) Where a Lifetime ISA is opened (“the new account”) on a transfer from another such account (“the original account”) of the account investor, the latest applicable cancellation period start date for the original account is to be treated for the purposes of paragraph (10) as the latest applicable cancellation start date for the new account.
- (12) If during the year 2017-18 after the opening of a Lifetime ISA a withdrawal is made other than in any of the circumstances specified in paragraph (13) or described in paragraph 11 of the Schedule the account is to be treated for all purposes of these Regulations as never having been such an account.



- (13) The circumstances specified in this paragraph are where—
- (a) the withdrawal is by way of a transfer to another Lifetime ISA in accordance with regulation 21;
  - (b) the account investor is suffering from a terminal illness (within the meaning of paragraph 4(2) of the Schedule); or
  - (c) the withdrawal is made at a time after the account investor's death.]

#### Textual Amendments

- F142** Reg. 4(1) substituted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **7(a)**
- F143** Words in reg. 4(1) substituted (6.4.2016) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2016 \(S.I. 2016/364\)](#), regs. 1, **5(a)**
- F144** Words in reg. 4(1) inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **6(2)**
- F145** Reg. 4(1ZA) inserted (6.4.2016) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2016 \(S.I. 2016/364\)](#), regs. 1, **5(b)**
- F146** Words in reg. 4(1ZA) substituted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **6(3)**
- F147** Reg. 4(1ZB) inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **6(4)**
- F148** Reg. 4(1A)(1B) inserted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **7(b)**
- F149** Words in reg. 4(1A)(a) substituted (6.4.2016) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2016 \(S.I. 2016/364\)](#), regs. 1, **5(c)(i)**
- F150** Words in reg. 4(1A)(a) substituted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **6(5)(a)**
- F151** Reg. 4(1A)(ca) inserted (6.4.2016) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2016 \(S.I. 2016/364\)](#), regs. 1, **5(c)(ii)**
- F152** Reg. 4(1A)(cb) inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **6(5)(b)**
- F153** Words in reg. 4(1B)(a) inserted (1.2.2016) by [The Individual Savings Account \(Amendment\) Regulations 2016 \(S.I. 2016/16\)](#), regs. 1, **5(a)**
- F154** Words in reg. 4(1B)(b) inserted (1.2.2016) by [The Individual Savings Account \(Amendment\) Regulations 2016 \(S.I. 2016/16\)](#), regs. 1, **5(b)**
- F155** Reg. 4(1B)(ba) inserted (6.4.2016) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2016 \(S.I. 2016/364\)](#), regs. 1, **5(d)**
- F156** Reg. 4(1B)(bb) inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **6(6)(a)**
- F157** Words in reg. 4(1B)(c) inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **6(6)(b)**
- F158** Reg. 4(1B)(d) substituted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **6(6)(c)**
- F159** Word in reg. 4(1B)(e) substituted (1.7.2014) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **5(a)**
- F160** Words in reg. 4(1B)(e) omitted (1.7.2014) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **5(a)**
- F161** Reg. 4(1B)(f) and preceding word inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **6(6)(d)**
- F162** Reg. 4(2)(3) omitted (1.11.2011) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **7(c)**

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*Changes to legislation: There are currently no known outstanding effects for the The Individual Savings Account Regulations 1998. (See end of Document for details)*

- F163** Reg. 4(4) omitted (6.4.2011) by virtue of The Individual Savings Account (Amendment) Regulations 2011 (S.I. 2011/782), regs. 1, **5** (with reg. 2)
- F164** Word in reg. 4(6) substituted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **7(d)**
- F165** Reg. 4(6)(a) substituted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **7(e)**
- F166** Words in reg. 4(6)(b) inserted (6.4.2016) by The Individual Savings Account (Amendment No. 2) Regulations 2016 (S.I. 2016/364), regs. 1, **5(e)**
- F167** Words in reg. 4(6)(b)(i) inserted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **7(f)**
- F168** Reg. 4(6)(b)(ia) inserted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **7(g)**
- F169** Words in reg. 4(6)(c) inserted (1.11.2016) by The Individual Savings Account (Amendment No. 3) Regulations 2016 (S.I. 2016/977), regs. 1, **4**
- F170** Words in reg. 4(6)(c) inserted (6.4.2017) by The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **6(7)(a)**
- F171** Words in reg. 4(6)(c) substituted (1.7.2014) by The Individual Savings Account (Amendment No. 2) Regulations 2014 (S.I. 2014/1450), regs. 1, **5(b)** (with reg. 1(2))
- F172** Words in reg. 4(6)(d) inserted (1.11.2016) by The Individual Savings Account (Amendment No. 3) Regulations 2016 (S.I. 2016/977), regs. 1, **4**
- F173** Words in reg. 4(6)(d) inserted (6.4.2017) by The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **6(7)(a)**
- F174** Words in reg. 4(6)(d) substituted (1.7.2014) by The Individual Savings Account (Amendment No. 2) Regulations 2014 (S.I. 2014/1450), regs. 1, **5(b)** (with reg. 1(2))
- F175** Words in reg. 4(6)(f) substituted (1.10.2002) by The Individual Savings Account (Amendment No. 2) Regulations 2002 (S.I. 2002/1974), regs. 1(2), **3(2)(a)**
- F176** Word in reg. 4(6)(f) substituted (1.10.2002) by The Individual Savings Account (Amendment No. 2) Regulations 2002 (S.I. 2002/1974), regs. 1(2), **3(2)(b)**
- F177** Words in reg. 4(6)(f) substituted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **7(h)**
- F178** Words in reg. 4(6)(f) inserted (6.4.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2010 (S.I. 2010/2957), regs. 1(2), **3(1)**
- F179** Reg. 4(6)(fa) inserted (1.10.2002) by The Individual Savings Account (Amendment No. 2) Regulations 2002 (S.I. 2002/1974), regs. 1(2), **3(3)**
- F180** Words in reg. 4(6)(fa) inserted (6.4.2017) by The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **6(7)(b)**
- F181** Reg. 4(7) substituted (6.4.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2010 (S.I. 2010/2957), regs. 1(2), **3(2)**
- F182** Words in reg. 4(7) inserted (6.4.2017) by The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **6(8)**
- F183** Reg. 4(8) added (11.8.2009) by The Individual Savings Account (Amendment No. 2) Regulations 2009 (S.I. 2009/1994), regs. 1(1), **4**
- F184** Word in reg. 4(8) substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 22(3)**
- F185** Reg. 4(9)-(13) inserted (6.4.2017) by The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **6(9)**

### <sup>F186</sup>**Subscriptions to an account other than a junior ISA account**

**4ZA.**—(1) The overall subscription limit for any qualifying individual for any year (that is the aggregate of the qualifying individual's subscriptions to all accounts that are not junior ISA accounts in that year) is <sup>F187</sup>£20,000].

F188(a) .....

F188(b) .....

[  
F189(1A) The overall Lifetime ISA payment limit in respect of current year payments for any Lifetime ISA qualifying individual for any year is £4,000.]

F190(2) .....

(3) A qualifying individual may not subscribe to an account that was a junior ISA account while it was held by the qualifying individual as the named child for the account unless the account manager of that account has been provided with—

- (a) the qualifying individual’s national insurance information specified by paragraph (4);
- (b) a declaration specified by paragraph (5);
- (c) the authorisation specified by paragraph (6); and
- (d) if the account manager of the account requires, an authorisation specified by paragraph (7).

(4) The national insurance information specified by this paragraph is—

- (a) the qualifying individual’s national insurance number; or
- (b) a declaration by the qualifying individual that the qualifying individual does not have a national insurance number.

(5) The declaration specified by this paragraph is a declaration by the qualifying individual that, if the qualifying individual were making an application to open an account pursuant to regulation 12, would be in accordance with paragraph (3)(c) to (f) of that regulation.

(6) The authorisation specified by this paragraph is an authorisation by the qualifying individual that, if the qualifying individual were making an application to open an account pursuant to regulation 12, would be in accordance with paragraphs (4)(e) and (4A)(c) of that regulation.

(7) The authorisation specified by this paragraph is an authorisation by the qualifying individual that, if the qualifying individual were making an application to open an account pursuant to regulation 12, would be in accordance with paragraphs (4)(e) and (4A)(a) and (b) of that regulation.

(8) Regulation 12(7), (9) and (10) apply in relation to the declaration specified by paragraph (5) and authorisations specified by paragraphs (6) and (7) as if they were made in relation to an application made by the qualifying individual to open an account pursuant to regulation 12.

(9) For the purposes of paragraphs (5) to (8)—

- (a) references in regulation 12 to “the applicant” are references to the qualifying individual making the declaration specified by paragraph (5) or giving an authorisation specified in paragraphs (6) and (7);
- (b) references in regulation 12(3)(c) to (f) to “the year in which paragraph (2) refers” (the first year to which the application to open the account relates) are references to the year in which the declaration specified by paragraph (5) is made by the qualifying individual.

**Textual Amendments**

**F186** Regs. 4ZA-4ZE inserted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, 8

**F187** Sum in reg. 4ZA(1) substituted (6.4.2017) by [The Individual Savings Account \(Amendment\) Regulations 2017 \(S.I. 2017/186\)](#), regs. 1, 5

**F188** Reg. 4ZA(1)(a)(b) omitted (1.7.2014) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, 6(a)(ii)

*Status: Point in time view as at 06/04/2020.*

*Changes to legislation: There are currently no known outstanding effects for the The Individual Savings Account Regulations 1998. (See end of Document for details)*

**F189** Reg. 4ZA(1A) inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, 7

**F190** Reg. 4ZA(2) omitted (1.7.2014) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **6(b)**

### Subscriptions to a junior ISA account

**4ZB.**—(1) Any person may subscribe to a junior ISA account provided the overall amount subscribed by that person and any other person for any year in respect of the same named child does not exceed [<sup>F191</sup>£9,000].

(2) An amount paid to a junior ISA account in excess of the amount mentioned in paragraph (1) is not an amount subscribed to a junior ISA account and must not be held in that account.

(3) A single subscription for an amount equal to the amount mentioned in paragraph (1) or any number of smaller amounts that, when aggregated, do not exceed the amount mentioned in paragraph (1), may be made in respect of the same named child—

- (a) to a cash account held by that child,
- (b) to a stocks and shares account held by that child, or
- (c) in any proportion between such accounts.

(4) No subscription may be made to a cash account that is a junior ISA account held by a named child where—

- (a) the balance in the account is less than one penny; and
- (b) that child holds another cash account opened pursuant to a junior ISA application described in regulation 12A after the time when the account mentioned in sub-paragraph (a) was opened.

(5) No subscription may be made to a stocks and shares account that is a junior ISA account held by a named child where—

- (a) the balance in the account is less than one penny; and
- (b) that child holds another stocks and shares account opened pursuant to a junior ISA application described in regulation 12A after the time when the account mentioned in sub-paragraph (a) was opened.

### Textual Amendments

**F186** Regs. 4ZA-4ZE inserted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, 8

**F191** Sum in reg. 4ZB(1) substituted (6.4.2020) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2020 \(S.I. 2020/261\)](#), regs. 1, 3

### Inalienability of a junior ISA account

**4ZC.**—(1) Any assignment of, or agreement to assign, investments under a junior ISA account, and any charge on or agreement to charge any such investments, is void.

(2) On the bankruptcy of the named child holding a junior ISA account, the entitlement to investments under it does not pass to any trustee or other person acting on behalf of the child's creditors.

(3) “Assignment” includes assignation; and “assign” is to be construed accordingly.

(4) “Charge on or agreement to charge” includes a right in security over or an agreement to create a right in security over.

(5) “Bankruptcy”, in relation to a named child, includes the sequestration of the child’s estate.

(6) Paragraph (1) shall not render void anything done to vest title to an account investment as required by regulation 4(6)(b)(ia) or 15(a) by virtue of—

- (a) a transfer of an account in accordance with regulation 21B; or
- (b) a change of registered contact in relation to a junior ISA account.

#### Textual Amendments

**F186** Regs. 4ZA-4ZE inserted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, 8

#### Permitted withdrawals from a junior ISA account

**4ZD.** Withdrawals from a junior ISA account may only be made—

- (a) by the account manager, to settle any management charges and other incidental expenses, which are due by or under the management agreement,
- (b) in accordance with regulation 4ZE, or
- (c) where the account manager is satisfied that the named child who held the account has died.

#### Textual Amendments

**F186** Regs. 4ZA-4ZE inserted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, 8

#### Permitted withdrawals from a junior ISA account where the named child is terminally ill

**4ZE.**—(1) A registered contact may make a claim to the Board for withdrawals from a junior ISA account to be permitted in accordance with this regulation.

(2) The claim shall be—

- (a) made in a manner prescribed by the Board, which shall include the giving of any consent necessary for the verification or consideration of the claim, and
- (b) accepted in either of the following cases:

##### *F192* Case 1

The named child holding the account:

- ((i)) in England and Wales or Scotland, falls within either section 72(5) of the Social Security Contributions and Benefits Act 1992 (special rules for terminally ill person’s entitlement to care component of disability living allowance) or section 82(4) of the Welfare Reform Act 2012 (terminal illness); or
- ((ii)) in Northern Ireland, falls within section 72(5) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (the care component).]

##### Case 2

Evidence that the named child holding the account is terminally ill has been supplied to the satisfaction of the Board.

*Status: Point in time view as at 06/04/2020.*

*Changes to legislation: There are currently no known outstanding effects for the The Individual Savings Account Regulations 1998. (See end of Document for details)*

(3) The Board shall issue a letter to the registered contact authorising withdrawals from the account under this regulation<sup>F193</sup>....

(4) Once a claim has been accepted, withdrawals of any amount (including the proceeds from a policy of life insurance and an amount sufficient to close the account) may be made by the registered contact at any time (but this does not include the transfer of a policy of life insurance otherwise than in accordance with regulation 21B).

(5) Where account investments are withdrawn in a form other than sterling currency, the named child shall be treated as having sold the account investments in question, and as having reacquired them in his personal capacity, for a consideration equal to their market value at the time of their withdrawal.

(6) In this regulation, “terminally ill” has the meaning—

- (a) [<sup>F194</sup> for England and Wales and Scotland] in section 66(2)(a) of the Social Security Contributions and Benefits Act 1992<sup>F195</sup> or section 82(4) of the Welfare Reform Act 2012 (terminal illness); or
- (b) for Northern Ireland, section 72(5) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (the care component)].]

#### Textual Amendments

- F186** Regs. 4ZA-4ZE inserted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **8**
- F192** Words in reg. 4ZE(2)(b) substituted (6.4.2014) by [The Individual Savings Account \(Amendment\) Regulations 2014 \(S.I. 2014/654\)](#), regs. 1(1), **7(1)**
- F193** Words in reg. 4ZE(3) omitted (6.4.2014) by virtue of [The Individual Savings Account \(Amendment\) Regulations 2014 \(S.I. 2014/654\)](#), regs. 1(1), **7(2)**
- F194** Words in reg. 4ZE(6) inserted (6.4.2014) by [The Individual Savings Account \(Amendment\) Regulations 2014 \(S.I. 2014/654\)](#), regs. 1(1), **7(3)(a)**
- F195** Words in reg. 4ZE(6) inserted (6.4.2014) by [The Individual Savings Account \(Amendment\) Regulations 2014 \(S.I. 2014/654\)](#), regs. 1(1), **7(3)(b)**

#### <sup>F196</sup><sup>F197</sup> **Repair of certain incompatible account and excess subscriptions - accounts other than junior ISA accounts**

**4A.—**(1) An invalid account is “eligible for repair” if, in relation to the year in which the subscriptions to the account were made (“the relevant year”), it satisfies—

- <sup>F198</sup>(a) both the First and Second Conditions below, or
- (b) the Third Condition.

##### **First Condition**

The account is invalid because a subscription to the account causes the account investor to breach the conditions in [<sup>F199</sup>regulation 4(1B)(a)[<sup>F200</sup>, (b) or (ba)]] (which, taken together, allow an individual to subscribe to a single cash account<sup>F201</sup>, a single stocks and shares account and a single innovative finance account], in a particular year) and for no other reason.

##### **Second Condition**

The account is (disregarding any account exempt from tax under regulation 4B) the earliest account in the relevant year, the subscriptions to which caused the account investor to breach the conditions in [<sup>F199</sup>regulation 4(1B)(a)[<sup>F202</sup>, (b) or (ba)]], as the case may be (that is, it was first subscribed to earlier in that year than any other such account).



### Third Condition

The account is invalid because a subscription to the account breaches the overall subscription limit in <sup>F203</sup>regulation [<sup>F204</sup>4ZA(1)], and for no other reason.]

(2) In this regulation—

- (a) where an account investor subscribes to a particular account in more than one year, each year’s subscriptions shall be treated as a separate account for the purposes of this regulation, and regulation 4B (except for determining when an account is closed) only;
- (b) “date of discovery” means the date on which an officer of the Board gives a notice (“notice of discovery”) to the account manager or account investor that the account is invalid, and (if appropriate) directions under paragraph (5) below;

<sup>F205</sup>(c) .....

- (d) “valid account” means an account which (apart from under this regulation) is exempt from tax under regulation 22(I);
- (e) “invalid account” means a scheme of investment which is not exempt from tax under these Regulations but which (if so exempt) would be an account, within the meaning in <sup>F206</sup>regulation 4(1A)(a)] and, in relation to an invalid account, references to an account <sup>F207</sup>and component] have corresponding meanings; and
- (f) (for the avoidance of doubt) “repair” of an account is without prejudice to loss of, and accounting to the Board for, any relief from tax given for the period up to the date of discovery.

(3) An invalid account which is eligible for repair shall be treated as—

- (a) exempt from tax under this regulation (as if under regulation 22), and
- (b) complying with the conditions of regulation [<sup>F208</sup>regulation 4(1B)(a)]<sup>F209</sup>, (b) or (ba)], or 4ZA(1) <sup>F210</sup>... ], as the case may be,

as from the date of discovery, to the extent of the relevant proportion mentioned in paragraph (4)(b).

<sup>F211</sup>(a) (4) [<sup>F211</sup>(a) Calculate the extent to which the subscriptions made (and counting towards the subscription [<sup>F212</sup>limit]) during the relevant year—

- (i) to that account, any other account which is eligible for repair, and any valid account (but ignoring subscriptions to any closed account within the meaning in regulation 4B)) do not exceed,
- (ii) the subscriptions [<sup>F213</sup>limit] in [<sup>F214</sup>regulation 4ZA(1)]<sup>F215</sup>... , and]

(b) an officer of the Board shall apportion that result between the accounts mentioned in subparagraph (a)(i), and the amount apportioned to the account mentioned in paragraph (3) is the relevant proportion.

(5) The account manager must comply within 30 days with any directions in the notice of discovery which—

- (a) make the apportionment under paragraph (4)(b) and identify the account and component from which excess subscriptions or allocations (if any) are to be removed;
- (b) direct the removal of subscriptions and proceeds representing them from an account; or
- (c) direct the removal of subscriptions and proceeds representing them from a component.

[  
<sup>F216</sup>(6) For the purposes of this regulation, a subscription to an account that is a junior ISA account shall be disregarded.]

[

*Status: Point in time view as at 06/04/2020.*

*Changes to legislation: There are currently no known outstanding effects for the The Individual Savings Account Regulations 1998. (See end of Document for details)*

<sup>F217</sup>(7) This regulation is subject to regulation 4AA.]]

#### Textual Amendments

- F196** Reg. 4A inserted (with effect in accordance with reg. 1(2)(a) of the amending S.I.) by *The Individual Savings Account (Amendment No. 3) Regulations 2002 (S.I. 2002/3158)*, regs. 1(2), **3**
- F197** Reg. 4A heading substituted (1.11.2011) by *The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780)*, regs. 1, **9(a)**
- F198** Words in reg. 4A(1) substituted (6.4.2008) by *The Individual Savings Account (Amendment) Regulations 2007 (S.I. 2007/2119)*, regs. 1, **7(b)**
- F199** Words in reg. 4A(1) substituted (1.11.2011) by *The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780)*, regs. 1, **9(b)(i)**
- F200** Words in reg. 4A(1) substituted (6.4.2016) by *The Individual Savings Account (Amendment No. 2) Regulations 2016 (S.I. 2016/364)*, regs. 1, **6(a)(i)**
- F201** Words in reg. 4A(1) substituted (6.4.2016) by *The Individual Savings Account (Amendment No. 2) Regulations 2016 (S.I. 2016/364)*, regs. 1, **6(a)(ii)**
- F202** Words in reg. 4A(1) substituted (6.4.2016) by *The Individual Savings Account (Amendment No. 2) Regulations 2016 (S.I. 2016/364)*, regs. 1, **6(b)**
- F203** Words in reg. 4A(1) substituted (1.11.2011) by *The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780)*, regs. 1, **9(b)(ii)**
- F204** Word in reg. 4A(1) substituted (1.7.2014) by *The Individual Savings Account (Amendment No. 2) Regulations 2014 (S.I. 2014/1450)*, regs. 1, **8(a)**
- F205** Reg. 4A(2)(c) omitted (6.4.2008) by virtue of *The Individual Savings Account (Amendment) Regulations 2007 (S.I. 2007/2119)*, regs. 1, **7(c)(i)**
- F206** Words in reg. 4A(2)(e) substituted (1.11.2011) by *The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780)*, regs. 1, **9(c)**
- F207** Words in reg. 4A(2)(e) substituted (6.4.2008) by *The Individual Savings Account (Amendment) Regulations 2007 (S.I. 2007/2119)*, regs. 1, **7(c)(ii)**
- F208** Words in reg. 4A(3)(b) substituted (1.11.2011) by *The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780)*, regs. 1, **9(d)**
- F209** Words in reg. 4A(3)(b) substituted (6.4.2016) by *The Individual Savings Account (Amendment No. 2) Regulations 2016 (S.I. 2016/364)*, regs. 1, **6(c)**
- F210** Words in reg. 4A(3)(b) omitted (1.7.2014) by virtue of *The Individual Savings Account (Amendment No. 2) Regulations 2014 (S.I. 2014/1450)*, regs. 1, **8(b)**
- F211** Reg. 4A(4)(a) substituted (6.4.2008) by *The Individual Savings Account (Amendment) Regulations 2007 (S.I. 2007/2119)*, regs. 1, **7(e)**
- F212** Word in reg. 4A(4)(a) substituted (1.7.2014) by *The Individual Savings Account (Amendment No. 2) Regulations 2014 (S.I. 2014/1450)*, regs. 1, **8(c)(i)**
- F213** Word in reg. 4A(4)(a)(ii) substituted (1.7.2014) by *The Individual Savings Account (Amendment No. 2) Regulations 2014 (S.I. 2014/1450)*, regs. 1, **8(c)(ii)**
- F214** Words in reg. 4A(4)(a)(ii) substituted (1.11.2011) by *The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780)*, regs. 1, **9(e)**
- F215** Words in reg. 4A(4)(a)(ii) omitted (1.7.2014) by virtue of *The Individual Savings Account (Amendment No. 2) Regulations 2014 (S.I. 2014/1450)*, regs. 1, **8(c)(ii)**
- F216** Reg. 4A(6) inserted (1.11.2011) by *The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780)*, regs. 1, **9(f)**
- F217** Reg. 4A(7) inserted (6.4.2017) by *The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466)*, regs. 1, **8**



## <sup>F218</sup> Application of the repair provisions to Lifetime ISAs

**4AA.**—(1) The following modifications to regulation 4A apply where one or more of the accounts to which the investor subscribes in the relevant year is a Lifetime ISA.

(2) Where an investor has made current year payments in excess of the Lifetime ISA payment limit in regulation 4ZA(1A) to a single Lifetime ISA, an officer of the Board may direct the removal of the excess and proceeds representing the excess, whether or not the overall subscription limit in regulation 4ZA(1) has been exceeded.

(3) Where an investor has exceeded the overall subscription limit in regulation 4ZA(1), but has not exceeded the Lifetime ISA payment limit in regulation 4ZA(1A), the excess shall be removed from the accounts which are not Lifetime ISAs.

(4) Where an investor has made current year payments or a payment described in regulation 10A(4)(c) to more than one Lifetime ISA, only one account will be a valid account which is eligible for the payment of a government bonus.]

### Textual Amendments

**F218** Reg. 4AA inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, 9

## <sup>F219</sup>Closure of [<sup>F220</sup>cash] account [<sup>F221</sup>that is not a junior ISA account] prior to the opening of the same type of account to be disregarded once

**4B.**—(1) Where—

(a) an account investor, within the same year—

(i) subscribes to a [<sup>F222</sup>cash] account,

(ii) then closes it (“the closed account”), and

(iii) subsequently first subscribes to another [<sup>F223</sup>cash account], and

(b) the closed account was (apart from under this regulation) exempt from tax under regulation 22(1),

the earliest account in that year to fall within the terms of sub-paragraph (a)(iii) (the “first later account”) shall be eligible for the relief in paragraph (2).

(2) The first later account shall be treated, as from the date of the first subscription to it mentioned in paragraph (1)(a)(iii) [<sup>F224</sup>as complying with the conditions of [<sup>F225</sup>regulation 4(1B)(a)]] in the same manner as the closed account.

(3) In this regulation, an account is closed where—

(a) the account investor withdraws from the account all account investments, other proceeds in respect of such investments and cash, representing subscriptions to the account (and closure shall be treated as occurring at the date of such withdrawal), and

(b) no further subscriptions to the account are made during the remainder of the year, after such withdrawal.

[  
<sup>F226</sup>(4) This regulation does not apply to a subscription to an account made in accordance with regulation 5D.]]

*Status: Point in time view as at 06/04/2020.*

*Changes to legislation: There are currently no known outstanding effects for the The Individual Savings Account Regulations 1998. (See end of Document for details)*

#### Textual Amendments

- F219** Reg. 4B inserted (with effect in accordance with reg. 1(2)(b) of the amending S.I.) by [The Individual Savings Account \(Amendment No. 3\) Regulations 2002 \(S.I. 2002/3158\)](#), regs. 1(2), **4**
- F220** Word in reg. 4B substituted (6.4.2008) by [The Individual Savings Account \(Amendment\) Regulations 2007 \(S.I. 2007/2119\)](#), regs. 1, **8(a)**
- F221** Words in reg. 4B heading inserted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **10(a)**
- F222** Word in reg. 4B(1)(a)(i) substituted (6.4.2008) by [The Individual Savings Account \(Amendment\) Regulations 2007 \(S.I. 2007/2119\)](#), regs. 1, **8(b)**
- F223** Words in reg. 4B(1)(a)(iii) substituted (6.4.2008) by [The Individual Savings Account \(Amendment\) Regulations 2007 \(S.I. 2007/2119\)](#), regs. 1, **8(c)**
- F224** Words in reg. 4B(2) substituted (6.4.2008) by [The Individual Savings Account \(Amendment\) Regulations 2007 \(S.I. 2007/2119\)](#), regs. 1, **8(d)**
- F225** Words in reg. 4B(2) substituted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **10(b)**
- F226** Reg. 4B(4) inserted (1.2.2016) by [The Individual Savings Account \(Amendment\) Regulations 2016 \(S.I. 2016/16\)](#), regs. 1, **6**

#### Removal of insurance components at 6th April 2005

<sup>F227</sup>**4C.** . . . . .

#### Textual Amendments

- F227** Reg. 4C omitted (1.7.2014) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **9**

#### Removal of maxi-accounts, mini-accounts and TESSA only accounts at 6<sup>th</sup> April 2008

<sup>F228</sup>**4D.** . . . . .

#### Textual Amendments

- F228** Reg. 4D omitted (1.7.2014) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **10**

#### Treatment of sums held in accounts managed by Icesave Bank

<sup>F229</sup>**5A.** . . . . .

#### Textual Amendments

- F229** Reg. 5A omitted (1.11.2011) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **11**

**Treatment of certain sums held in accounts managed by Keydata Investment Services Limited****<sup>F230</sup>5B.** .....**Textual Amendments****F230** Reg. 5B omitted (8.8.2012) by virtue of [The Individual Savings Account \(Amendment\) \(No. 2\) Regulations 2012 \(S.I. 2012/1871\)](#), regs. 1, **10****<sup>F231</sup>Treatment of certain sums held in dormant accounts**

**5C.**—(1) Regulations 30 and 31 (information by account managers) shall not apply to a dormant account, while section 1 or 2 of the Dormant Bank and Building Society Accounts Act 2008 (“the 2008 Act”) applies in relation to that account.

(2) Where, following a repayment claim, the balance of a dormant account is paid—

- (a) back into the account (in a case where the original cash account can be reinstated with the same account manager, the same account investor and number), or
- (b) into another cash account in the same account investor’s name, with the same account manager (in any other case),

the payment into the account shall not count towards the subscription [<sup>F232</sup>limit] in [<sup>F233</sup>regulation 4ZA(1)].

(3) In this regulation, “repayment claim” means a repayment claim mentioned in section 5(6) of the 2008 Act, and other terms used in this regulation and that Act have the same meaning in this regulation as in that Act.]

**Textual Amendments****F231** Reg. 5C inserted (1.2.2011) by [The Dormant Bank and Building Society Accounts \(Tax\) Regulations 2011 \(S.I. 2011/22\)](#), regs. 1(1), **9(3)****F232** Word in reg. 5C(2) substituted (1.7.2014) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **11****F233** Words in reg. 5C(2) substituted (1.7.2014) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **11****<sup>F234</sup>Subscriptions disregarded for the purposes of the subscription limits in regulations [<sup>F235</sup>4ZA(1)] and 4ZB**

**5D.**—(1) A subscription to an account made in accordance with this regulation must be disregarded for the purposes of the subscription limits in regulations [<sup>F236</sup>4ZA(1)] (subscriptions to an account other than a junior ISA account) and 4ZB (subscriptions to a junior ISA account).

(2) A subscription to an account held by an account investor is made in accordance with this regulation if—

- (a) the subscription is—
  - (i) a defaulted cash account subscription;
  - [ a defaulted Lifetime ISA subscription;

**<sup>F237</sup>(ia)**

*Status: Point in time view as at 06/04/2020.*

*Changes to legislation: There are currently no known outstanding effects for the The Individual Savings Account Regulations 1998. (See end of Document for details)*

- (ib) a returned withdrawal from a Lifetime ISA following failure of a purchase to complete under paragraph 10(1) of the Schedule;]
- (ii) a defaulted investment subscription; <sup>F238</sup> ...
- [ a replacement subscription;]
- <sup>F239</sup>(iia)
- (iii) permitted in accordance with regulation 5DE; <sup>F240</sup> ...
- [ permitted in accordance with regulation 5DDA; [<sup>F242</sup>or]]
- <sup>F241</sup>(iv)
- [ permitted in accordance with regulation 5DDC; and]
- <sup>F243</sup>(v)
- (b) the account manager of the account to which the subscription is made is provided with the information specified in regulation 5DF as relevant to the subscription[<sup>F244</sup>;<sup>F245</sup>and
- (c) in a case within sub-paragraph (a)(iv)—
- (i) the account manager of the account to which the subscription is made is provided with the declarations required by regulation 5DFA as relevant to the subscription;
- (ii) the notices specified in regulation 5DFB(1) and (3) are given, as relevant to the subscription; and
- (iii) the information and declarations required by regulation 5DFC(2) are provided][<sup>F246</sup>; and
- (d) in a case within paragraph (2)(a)(ib) the account manager of the Lifetime ISA to which the subscription is made is provided with the information specified in paragraph 9(3)(b) of the Schedule.]
- [
- <sup>F247</sup>(3) A subscription to an account held by an account investor is made in accordance with this regulation if it comprises a transfer provided for by regulation 20A of the Child Trust Funds Regulations 2004.]

### Textual Amendments

- F234** Regs. 5D-5DM inserted (8.8.2012) by [The Individual Savings Account \(Amendment\) \(No. 2\) Regulations 2012 \(S.I. 2012/1871\)](#), regs. 1, **11**
- F235** Word in reg. 5D heading substituted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **10(a)**
- F236** Word in reg. 5D(1) substituted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **10(a)**
- F237** Reg. 5D(2)(a)(ia)(ib) inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **10(b)**
- F238** Word in reg. 5D(2)(a)(ii) omitted (6.4.2015) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2015 \(S.I. 2015/869\)](#), regs. 1, **6(a)**
- F239** Reg. 5D(2)(a)(iia) inserted (with effect in accordance with reg. 1 of the amending S.I.) by [The Individual Savings Account \(Amendment\) Regulations 2016 \(S.I. 2016/16\)](#), regs. 1, **7(a)**
- F240** Word in reg. 5D(2)(a)(iii) omitted (1.2.2016) by virtue of [The Individual Savings Account \(Amendment\) Regulations 2016 \(S.I. 2016/16\)](#), regs. 1, **7(b)**
- F241** Reg. 5D(2)(a)(iv) inserted (6.4.2015) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2015 \(S.I. 2015/869\)](#), regs. 1, **6(c)**
- F242** Word in reg. 5D(2)(a)(iv) substituted (1.2.2016) by [The Individual Savings Account \(Amendment\) Regulations 2016 \(S.I. 2016/16\)](#), regs. 1, **7(c)**

- F243** Reg. 5D(2)(a)(v) inserted (1.2.2016) by [The Individual Savings Account \(Amendment\) Regulations 2016 \(S.I. 2016/16\)](#), regs. 1, **7(d)**
- F244** Punctuation in reg. 5D(2)(b) substituted (6.4.2015) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2015 \(S.I. 2015/869\)](#), regs. 1, **6(d)**
- F245** Reg. 5D(2)(c) and preceding word inserted (6.4.2015) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2015 \(S.I. 2015/869\)](#), regs. 1, **6(d)**
- F246** Reg. 5D(2)(d) and preceding word inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **10(c)**
- F247** Reg. 5D(3) inserted (6.4.2015) by [The Individual Savings Account \(Amendment No. 3\) Regulations 2015 \(S.I. 2015/941\)](#), regs. 1, **3**

**[<sup>F248</sup>Treatment of ISA where funds transferred under regulation 13A of the Child Trust Funds Regulations (maturity of child trust fund - instructions)**

**5DZ.**—(1) This regulation applies where a qualifying individual has given an instruction under regulation 13A of the Child Trust Funds Regulations that investments be transferred by way of subscription to an account under these regulations.

(2) A subscription made in accordance with this regulation must be disregarded for the purposes of—

- (a) the overall subscription limit under regulation 4ZA(1) (subscriptions to an account other than a junior ISA account); and
- (b) the conditions under regulations—
  - (i) 10(2)(b) to (d) (qualifying individuals who may invest under an account that is not a junior ISA account nor a Lifetime ISA);
  - (ii) 10A(2)(f) (Lifetime ISA qualifying individuals who may invest under a Lifetime ISA); and
  - (iii) 12B(4)(d)(i) to (iii) (conditions for application to open an account that is a Lifetime ISA).

(3) Where a qualifying individual has given an instruction in relation to funds held otherwise than in cash, such transfer may be made in specie.

**Textual Amendments**

- F248** Regs. 5DZ, 5DZA inserted (6.4.2020) by [The Individual Savings Account \(Amendment\) Regulations 2020 \(S.I. 2020/30\)](#), regs. 1(1), **4**

**Treatment of ISA where funds transferred under regulation 13B(2)(b) of the Child Trust Funds Regulations (maturity of child trust fund - no instructions)**

**5DZA.**—(1) This regulation applies where a transfer is made under regulation 13B(2)(b) of the Child Trust Funds Regulations to a cash account or a stocks and shares account (“a CTF matured account”).

(2) A transfer under that regulation is to be disregarded for the purposes of—

- (a) the overall subscription limit under regulation 4ZA(1) (subscriptions to an account other than a junior ISA account), and
- (b) the conditions for a qualifying individual under regulation 10(2)(b) to (d) (qualifying individuals who may invest under an account that is not a junior ISA account nor a Lifetime ISA).

*Status: Point in time view as at 06/04/2020.*

*Changes to legislation: There are currently no known outstanding effects for the The Individual Savings Account Regulations 1998. (See end of Document for details)*

(3) Notwithstanding any other provision of these regulations, paragraphs (4) to (10) apply until the account holder makes an application under regulation 12 (conditions for application to open an account that is not a junior ISA account or a Lifetime ISA).

(4) The CTF matured account is to be held in the name of the account holder of the matured child trust fund to which the transfer relates in accordance with regulation 13B(2)(b) of the Child Trust Funds Regulations.

(5) The account holder is to be treated as an account investor.

(6) No further subscription may be made to the CTF matured account.

(7) Amounts in respect of investments on the CTF matured account are to be credited to it.

(8) In relation to a CTF matured account, regulation 31(1) (returns of information by account manager) is to be treated as omitted and paragraph (9) is to apply instead.

(9) This paragraph applies for the purposes of paragraph (8).

(a) An account manager must within 60 days after the end of each year (beginning the year 2020-21) deliver to the Board a return for that year which contains the information as at the 5th April in that year specified in sub-paragraphs (b) and (c) and is to be accompanied by a certificate as to the contents of the return being true and correct in the form prescribed by the Board, signed by the account manager or on their behalf;

(b) the information specified in this sub-paragraph as regards the account holder is their—

(i) full name,

(ii) address of permanent residence including postcode,

(iii) date of birth, and

(iv) national insurance number, or unique reference number for the child trust fund relating to the transfer; and

(c) the information specified in this sub-paragraph as regards the account is—

(i) the type of account and that it represents a matured child trust fund,

(ii) the number allocated to it by the account manager, and

(iii) the aggregate market value of the investments in the account in that year.

(10) No transfer is to be made of any part of the CTF matured account, otherwise than in circumstances where the account manager intends to cease to act as an account provider, or ceases to qualify as such and any of regulations 19 (account provider's intention to make a bulk transfer of accounts or to cease to act as an account provider), 20 (account manager ceasing to qualify) or 21 (relating to transfers of accounts) applies.]

#### Textual Amendments

**F248** Regs. 5DZ, 5DZA inserted (6.4.2020) by [The Individual Savings Account \(Amendment\) Regulations 2020 \(S.I. 2020/30\)](#), regs. 1(1), 4

#### Defaulted cash account subscription

**5DA.** A subscription is a defaulted cash account subscription if—

(a) it is made to an account (which may be a stocks and shares account<sup>F249</sup>, a cash account, an innovative finance account or a Lifetime ISA) held by an account investor who held a cash account (“defaulted cash account”) in respect of which a default event occurred no more than 180 days before the subscription is made; and

- (b) it does not exceed the amount held in the defaulted cash account immediately before the default event occurred (including interest accrued but not paid at that time) [<sup>F250</sup>plus, in the case of a flexible account, in the year in which the default event occurred and before such event, the amount (if any) of cash withdrawn from the account which was not replaced by a replacement subscription].

#### Textual Amendments

- F234** Regs. 5D-5DM inserted (8.8.2012) by [The Individual Savings Account \(Amendment\) \(No. 2\) Regulations 2012 \(S.I. 2012/1871\)](#), regs. 1, **11**
- F249** Words in reg. 5DA(a) substituted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **11**
- F250** Words in reg. 5DA(b) inserted (with effect in accordance with reg. 1 of the amending S.I.) by [The Individual Savings Account \(Amendment\) Regulations 2016 \(S.I. 2016/16\)](#), regs. 1, **8**

#### [<sup>F251</sup>Defaulted Lifetime ISA subscription

**5DAA.** A subscription is a defaulted Lifetime ISA subscription if—

- (a) it is made to a Lifetime ISA held by the account investor who held the Lifetime ISA in respect of which a defaulted investment payment has been made no more than 180 days before the subscription is made; and
- (b) it does not exceed the defaulted investment payment.]

#### Textual Amendments

- F251** [Reg. 5DAA](#) inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **12**

#### Defaulted investment subscription

**5DB.** A subscription is a defaulted investment subscription if—

- (a) it is made to [<sup>F252</sup>an account] held by the account investor who held the account in respect of which a defaulted investment payment has been made no more than 180 days before the subscription is made; and
- (b) it does not exceed the amount of the defaulted investment payment.

#### Textual Amendments

- F234** Regs. 5D-5DM inserted (8.8.2012) by [The Individual Savings Account \(Amendment\) \(No. 2\) Regulations 2012 \(S.I. 2012/1871\)](#), regs. 1, **11**
- F252** Words in [reg. 5DB\(a\)](#) substituted (1.7.2014) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **12**

#### Default event in respect of cash account

**5DC.** A default event in respect of a cash account held by an account investor occurs where the account manager of that account is determined to be unable or likely to be unable to satisfy claims against the account manager in accordance with the rules of the scheme for compensation established pursuant to section 213 of the Financial Services and Markets Act 2000.



*Status: Point in time view as at 06/04/2020.*

*Changes to legislation: There are currently no known outstanding effects for the The Individual Savings Account Regulations 1998. (See end of Document for details)*

### Textual Amendments

**F234** Regs. 5D-5DM inserted (8.8.2012) by [The Individual Savings Account \(Amendment\) \(No. 2\) Regulations 2012 \(S.I. 2012/1871\)](#), regs. 1, **11**

### Defaulted investment payment

<sup>F253</sup>**5DD.** A defaulted investment payment occurs where a payment is made (otherwise than by accretion to an account) by way of compensation in respect of poor performance, loss (in whole or in part), depreciation or risk of depreciation of an investment (“defaulted investment”)—

- (a) described in regulation 7, held in a stocks and shares account (whether or not the defaulted investment continues to be held in the account at the time of the payment); <sup>F254</sup>...
- (b) described in regulation 8A, held in an innovative finance account (whether or not the defaulted investment continues to be held in the account at the time of the payment)<sup>F255</sup>; or
- (c) described in regulation 7 or 8, held in a Lifetime ISA (whether or not the defaulted investment continues to be held in the account at the time of the payment).]]

### Textual Amendments

**F253** Words in reg. 5DD substituted (6.4.2016) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2016 \(S.I. 2016/364\)](#), regs. 1, **7**

**F254** Word in reg. 5DD(a) omitted (6.4.2017) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **13(a)**

**F255** Reg. 5DD(c) and preceding word inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **13(b)**

### <sup>F256</sup>**Additional permitted subscription to an account other than a junior ISA account**

**5DDA.**—(1) A subscription to an account other than a junior ISA account is permitted by this regulation if—

- (a) it is made in the circumstances described in paragraph (2); and
  - (b) the amount of the subscription, or the aggregate of a number of such subscriptions, does not exceed in value the amount determined in accordance with paragraph (3).
- (2) The circumstances are—
- (a) an account investor dies on or after 3rd December 2014 leaving a surviving spouse or civil partner (S);
  - (b) subject to paragraph (6), a subscription is made by S to an account or accounts managed by a single account manager or, in a case within sub-paragraph (e), the deceased’s account manager;
  - (c) the subscription is within the permitted period;
  - (d) S and the deceased were living together at the date of the deceased’s death; and
  - (e) where the subscription comprises non-cash assets—
    - (i) the deceased held an account either comprising or including non-cash assets at the date of the deceased’s death;
    - (ii) S inherits all or part of those assets;
    - (iii) S makes a subscription comprising those assets or any part thereof; <sup>F257</sup>...



(iv) throughout the period beginning with the day on which the deceased's account manager was notified of the deceased's death and ending immediately before the subscription is made, title to those assets is vested in the deceased's account manager, that manager's nominee or jointly in one of them and another<sup>F258</sup>; and]

[ in the case of an innovative finance account, paragraph (iv) shall apply but with the <sup>F259</sup>(v) words from "title to" to "and another." being substituted by "those assets remain under the management of the deceased's account manager.]

(3) The amount is—

- (a) where the deceased held a single account with a single account manager, then the value of that account at the date of the deceased's death <sup>F260</sup>or, in the event that the period for an administration-period investment in a continuing account of a deceased investor with an account manager ends and S has not made a subscription under paragraph (1), immediately before the account ceasing to be a continuing account of a deceased investor (whichever is the higher)]; or
- (b) where the deceased held more than one account with a single account manager, then the combined value of those accounts at the date of the deceased's death <sup>F261</sup>or, in the event mentioned in paragraph 3(a) occurring, immediately before the account ceasing to be a continuing account of a deceased investor (whichever is the higher)];

but does not include any sums the deceased held in a junior ISA account.

[  
<sup>F262</sup>(3A) In respect of an innovative finance account, for the purposes of paragraph (3), the value of the account at the date of the deceased's death <sup>F263</sup>or, in the event mentioned in paragraph 3(a) occurring, immediately before the account ceasing to be a continuing account of a deceased investor (whichever is the higher)] is the combined value of the outstanding principal balance under those <sup>F264</sup>qualifying investments for an innovative finance component] in respect of which payments are due to be made to the account manager of the account investor and cash deposited by the account investor under regulations 6(4) to (6).]

[  
<sup>F265</sup>(3B) For the purposes of paragraph (3) the value of a Lifetime ISA at the date of the deceased's death <sup>F266</sup>or, in the event mentioned in paragraph 3(a) occurring, immediately before the account ceasing to be a continuing account of a deceased investor (whichever is the higher)] includes any government bonus that has accrued to the date of death but has not been paid.]

(4) In this regulation, the permitted period means—

- (a) in the case of a subscription comprising non-cash assets made in accordance with paragraph (2), the period beginning with distribution to S by the deceased's estate of the non-cash assets and ending no more than 180 days thereafter;
- (b) in the case <sup>F267</sup>of] any other subscription under this regulation, the period beginning with the date of the deceased's death and ending either—
  - (i) no more than 3 years thereafter; or
  - (ii) no more than 180 days after administration of the estate is complete;

whichever is the later.

(5) Where the deceased died in the period beginning with 3rd December 2014 and ending on 5th April 2015—

- (a) for the purposes of paragraph (4)(a), distribution to S by the deceased's estate of non-cash assets is treated as occurring on either 6th April 2015, or, the actual date of distribution, whichever is the later; and

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*Changes to legislation: There are currently no known outstanding effects for the The Individual Savings Account Regulations 1998. (See end of Document for details)*

- (b) for the purposes of paragraph(4)(b), the deceased is treated as dying on 6thApril 2015.
- (6) The requirement in paragraph (2)(b) is deemed as met where the Board authorises an account manager to accept a subscription from S.
- (7) The following regulations do not apply to a subscription permitted by this regulation—
  - F268(a) .....
  - F268(b) .....
  - (c) 6(3);
  - F269(d) .....
  - F269(e) .....
  - F270(f) .....
  - F271(8) .....
  - F271(9) .....
  - F271(10) .....
- (11) In this regulation—
  - (a) “inherits” in paragraph (2)(e)(ii) includes inherits under a will trust or as a result of a deed of variation;
  - (b) “non-cash assets” means—
    - (i) those investments specified in regulation 7, other than those in paragraph (2)(j); and
    - (ii) those investments specified in regulation 8(2)(f), (h), (p) or (q); and
    - [ the right to exercise the rights of the lender in respect of the outstanding principal
    - F272(iii) balance under an article 36H agreement; and]
    - [ those investments specified in regulation 8A(2)(ca); and]
    - F273(iv)
  - (c) the value of a subscription comprising non-cash assets made pursuant to paragraph (2) is the value of the assets at the date of the subscription.]

**Textual Amendments**

- F256** Reg. 5DDA inserted (6.4.2015) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2015 \(S.I. 2015/869\)](#), regs. 1, 7
- F257** Word in reg. 5DDA(2)(e)(iii) omitted (6.4.2016) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2016 \(S.I. 2016/364\)](#), regs. 1, **8(a)(i)**
- F258** Word in reg. 5DDA(2)(e)(iv) substituted for full stop (6.4.2016) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2016 \(S.I. 2016/364\)](#), regs. 1, **8(a)(ii)**
- F259** Reg. 5DDA(2)(e)(v) inserted (6.4.2016) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2016 \(S.I. 2016/364\)](#), regs. 1, **8(a)(iii)**
- F260** Words in reg. 5DDA(3)(a) inserted (6.4.2018) by [The Individual Savings Account \(Amendment No. 3\) Regulations 2017 \(S.I. 2017/1089\)](#), regs. 1, **5(a)(i)**
- F261** Words in reg. 5DDA(3)(b) inserted (6.4.2018) by [The Individual Savings Account \(Amendment No. 3\) Regulations 2017 \(S.I. 2017/1089\)](#), regs. 1, **5(a)(ii)**
- F262** Reg. 5DDA(3A) inserted (6.4.2016) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2016 \(S.I. 2016/364\)](#), regs. 1, **8(b)**
- F263** Words in reg. 5DDA(3A) inserted (6.4.2018) by [The Individual Savings Account \(Amendment No. 3\) Regulations 2017 \(S.I. 2017/1089\)](#), regs. 1, **5(a)(ii)**

- F264** Words in reg. 5DDA(3A) substituted (1.11.2016) by The Individual Savings Account (Amendment No. 3) Regulations 2016 (S.I. 2016/977), regs. 1, **5(a)**
- F265** Reg. 5DDA(3B) inserted (6.4.2017) by The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **14**
- F266** Words in reg. 5DDA(3B) inserted (6.4.2018) by The Individual Savings Account (Amendment No. 3) Regulations 2017 (S.I. 2017/1089), regs. 1, **5(a)(ii)**
- F267** Word in reg. 5DDA(4)(b) inserted (6.4.2018) by The Individual Savings Account (Amendment No. 3) Regulations 2017 (S.I. 2017/1089), regs. 1, **5(b)**
- F268** Reg. 5DDA(7)(a)(b) omitted (1.2.2016) by virtue of The Individual Savings Account (Amendment) Regulations 2016 (S.I. 2016/16), regs. 1, **9(a)**
- F269** Reg. 5DDA(7)(d)(e) omitted (1.2.2016) by virtue of The Individual Savings Account (Amendment) Regulations 2016 (S.I. 2016/16), regs. 1, **9(a)**
- F270** Reg. 5DDA(7)(f) omitted (1.2.2016) by virtue of The Individual Savings Account (Amendment) Regulations 2016 (S.I. 2016/16), regs. 1, **9(a)**
- F271** Regs. 5DDA(8)-(10) omitted (1.2.2016) by virtue of The Individual Savings Account (Amendment) Regulations 2016 (S.I. 2016/16), regs. 1, **9(b)**
- F272** Reg. 5DDA(11)(b)(iii) inserted (6.4.2016) by The Individual Savings Account (Amendment No. 2) Regulations 2016 (S.I. 2016/364), regs. 1, **8(c)**
- F273** Reg. 5DDA(11)(b)(iv) inserted (1.11.2016) by The Individual Savings Account (Amendment No. 3) Regulations 2016 (S.I. 2016/977), regs. 1, **5(b)**

#### **[<sup>F274</sup>Flexible account**

**5DDB.**—(1) —The terms and conditions of an account (other than a junior ISA account [<sup>F275</sup>or a Lifetime ISA]) (“flexible account”) may provide for an account investor to be able to replace (in whole or part) a cash amount withdrawn by the account investor in any year by a replacement subscription of a cash amount [<sup>F276</sup>or qualifying investments for a stocks and shares component within regulation 7(2)(h)] (“replacement subscription”) made in that year.

(2) Subject to regulation [<sup>F277</sup>4(1B)(a), (b)[<sup>F278</sup>, (ba) and (bb)]], a replacement subscription in respect of a subscription counting towards the limit in regulation 4ZA(1) may be made into any account of the account investor.

(3) Any other replacement subscription may be made only to the account from which the withdrawal of a cash amount it is replacing was made.

(4) Any withdrawal of a cash amount in any year is to be deemed to be made first out of a current year’s subscription.

(5) Any replacement subscription is to be deemed to be a replacement first of any withdrawal of a cash amount made out of a previous years’ subscription.

(6) On any transfer under regulation 21 of the whole of previous years’ subscriptions, the right of the account investor under paragraph (1) in relation to an account transferred is to cease in respect of a withdrawal of a cash amount from the account made before the transfer.

(7) Paragraph (6) does not apply where an account is transferred in a bulk transfer of accounts.

(8) For the purposes of this regulation—

“current year’s subscription” means (other than a subscription made in accordance with regulation 5D)—

- (a) a subscription made to the account by the account investor in the year in which a replacement subscription is made;
- (b) a subscription made to any other account by the account investor in the year in which a replacement subscription is made and transferred to the account; and

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*Changes to legislation: There are currently no known outstanding effects for the The Individual Savings Account Regulations 1998. (See end of Document for details)*

- (c) the qualifying investments and other proceeds (including income) representing the subscriptions in sub-paragraphs (a) and (b) of this definition;
- “previous years’ subscription” means—
- (a) a subscription made to the account (or any other account or former personal equity plan) in any earlier year or years;
- (b) any replacement subscription of a withdrawal of a cash amount made out of that subscription; and
- (c) the qualifying investments and other proceeds (including income) representing the subscriptions in sub-paragraphs (a) and (b) of this definition.

#### **Textual Amendments**

- F274** Regs. 5DDB, 5DDC inserted (with effect in accordance with reg. 1 of the amending S.I.) by [The Individual Savings Account \(Amendment\) Regulations 2016 \(S.I. 2016/16\)](#), regs. 1, **10**
- F275** Words in reg. 5DDB(1) inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **15(a)**
- F276** Words in reg. 5DDB(1) inserted (6.4.2016) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2016 \(S.I. 2016/364\)](#), regs. 1, **9(a)**
- F277** Words in reg. 5DDB(2) substituted (6.4.2016) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2016 \(S.I. 2016/364\)](#), regs. 1, **9(b)**
- F278** Words in reg. 5DDB(2) substituted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **15(b)**

#### **Additional permitted subscription of cash to an account other than a junior ISA on closure of Help to Buy ISA**

**5DDC.**—(1) A subscription of cash to an account, other than a junior ISA account, is permitted by this regulation if—

- (a) it is made in the circumstances described in paragraph (2); and
- (b) the amount of the subscription does not exceed in value the amount determined in accordance with paragraph (3).

(2) The circumstances are—

- (a) the account investor has closed their Help to Buy ISA;
- (b) the account investor has provided to the account manager evidence in accordance with the terms and conditions of the Help to Buy ISA of a failure of a completion of a purchase of a home;
- (c) the subscription is within the permitted period described in paragraph (4).

(3) The amount is an amount up to that which the account investor withdrew from the Help to Buy ISA at the time of closure.

(4) In this regulation, the permitted period means the period of no more than 12 months beginning with the date of closure of the Help to Buy ISA.

(5) Only one subscription may be made under paragraph (1) in the circumstances of paragraph (2), even if the subscription made is less than the full amount which could have been made in accordance with paragraph (3).

(6) In this regulation “Help to Buy ISA” means a cash account (or an element of one) which is managed and held in accordance with these Regulations and scheme rules from time to time made by the Treasury in order to help an individual who is eligible under those rules to purchase a home.]

#### Textual Amendments

**F274** Regs. 5DDB, 5DDC inserted (with effect in accordance with reg. 1 of the amending S.I.) by [The Individual Savings Account \(Amendment\) Regulations 2016 \(S.I. 2016/16\)](#), regs. 1, **10**

#### Additional permitted subscription to a junior ISA account

**5DE.** A subscription is permitted by this regulation if it is made to a junior ISA account that is a cash account but would have been a defaulted investment subscription if it had been made to a stocks and shares account.

#### Textual Amendments

**F234** Regs. 5D-5DM inserted (8.8.2012) by [The Individual Savings Account \(Amendment\) \(No. 2\) Regulations 2012 \(S.I. 2012/1871\)](#), regs. 1, **11**

#### Information required by regulation 5D

- 5DF.**—(1) The information specified by this regulation is—
- (a) in relation to a defaulted cash account subscription—
    - (i) [<sup>F279</sup>evidence of ] the amount held in the defaulted cash account to which the subscription relates immediately before the default event occurred (including interest accrued but not paid at that time);
    - [ in the case of a flexible account, in the year in which the default event occurred
    - <sup>F280</sup>(ia) and before such event, evidence of the amount (if any) of cash withdrawn from the account which was not replaced by a replacement subscription;]
    - (ii) the current year’s subscription made to that account; and
    - (iii) the date on which the first subscription (if any) was made to that account, in the year in which the defaulted cash subscription is made;
  - (b) in relation to a defaulted investment subscription[<sup>F281</sup>, defaulted Lifetime ISA subscription] or a subscription permitted by regulation 5DE—
    - (i) evidence of the amount of the defaulted investment payment to which the subscription relates and the date it was paid;
    - (ii) details of the defaulted investment in respect of which the defaulted investment payment was made;
    - (iii) the full name and address (including postcode) of the account manager of the stocks and shares account[<sup>F282</sup>, innovative finance account or Lifetime ISA] in which the defaulted investment was held;
    - (iv) the full name and address (including postcode) of the maker of the defaulted investment payment[<sup>F283</sup>;
  - [ in relation to a subscription permitted by regulation 5DDA—
  - <sup>F284</sup>(c)
    - (i) the deceased’s full name;
    - (ii) the full address of the deceased’s permanent residence at the date of death;
    - (iii) the deceased’s National Insurance number, if known;
    - (iv) the deceased’s date of birth and date of death; and

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*Changes to legislation: There are currently no known outstanding effects for the The Individual Savings Account Regulations 1998. (See end of Document for details)*

- (v) the date of S’s marriage or civil partnership to the deceased;
- (d) in relation to a subscription permitted by regulation 5DDA and made with an account manager other than the deceased’s account manager, the name and address of the deceased’s account manager.]

[<sup>F285</sup>(1A) The requirements in sub-paragraph (1)(c) are met where the information is provided on the first instance a subscription permitted by regulation 5DDA is made to an account.]

(2) In this regulation—

“current year’s subscription” in relation to a defaulted cash account means—

- (a) subscriptions [<sup>F286</sup>(other than a subscription to the account made in accordance with regulation 5D)] made to the account in the year in which the defaulted cash account subscription is made, but before the default event; and
- (b) subscriptions made to any other account held by the account investor in the year in which the defaulted cash account subscription is made and transferred to the account before the subscription is made.

#### Textual Amendments

- F234** Regs. 5D-5DM inserted (8.8.2012) by [The Individual Savings Account \(Amendment\) \(No. 2\) Regulations 2012 \(S.I. 2012/1871\)](#), regs. 1, **11**
- F279** Words in reg. 5DF(1)(a) inserted (1.2.2016) by [The Individual Savings Account \(Amendment\) Regulations 2016 \(S.I. 2016/16\)](#), regs. 1, **11(a)**
- F280** Reg. 5DF(1)(a)(ia) inserted (with effect in accordance with reg. 1 of the amending S.I.) by [The Individual Savings Account \(Amendment\) Regulations 2016 \(S.I. 2016/16\)](#), regs. 1, **11(b)**
- F281** Words in reg. 5DF(1)(b) inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **16(a)**
- F282** Words in reg. 5DF(1)(b)(iii) substituted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **16(b)**
- F283** Punctuation in reg. 5DF(1)(b)(iv) substituted (6.4.2015) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2015 \(S.I. 2015/869\)](#), regs. 1, **8(a)**
- F284** Reg. 5DF(1)(c)(d) inserted (6.4.2015) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2015 \(S.I. 2015/869\)](#), regs. 1, **8(b)**
- F285** Reg. 5DF(1A) inserted (6.4.2015) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2015 \(S.I. 2015/869\)](#), regs. 1, **8(b)**
- F286** Words in reg. 5DF(2) inserted (1.2.2016) by [The Individual Savings Account \(Amendment\) Regulations 2016 \(S.I. 2016/16\)](#), regs. 1, **11(c)**

#### [<sup>F287</sup>Declarations required by regulation 5D

**5DFA.**—(1) The declarations in regulation 5D(2)(c) required by S in relation to a subscription permitted by regulation 5DDA are—

- (a) in all cases, those specified in paragraph (2);
- (b) in a case where the subscription is made with the deceased’s account manager (A), those specified in paragraph (3); and
- (c) in a case where the subscription is being made with an account manager other than the deceased’s account manager (B), those specified in paragraph (4).

(2) The declarations specified in this paragraph are—

- (a) that S is the surviving spouse or civil partner of the deceased;

- (b) that S and the deceased were living together so as to meet the requirements specified in section 1011 of the Income Tax Act 2007, at the date of the deceased's death; and
  - (c) that the subscription is being made under regulation 5DDA.
- (3) The declarations specified in this paragraph are that the subscription is being made—
- (a) in the case of a subscription of non-cash assets made in accordance with paragraph (2) of that regulation—
    - (i) in the period beginning with distribution to S by the deceased's estate of those assets and ending no more than 180 days thereafter; or
    - (ii) in the case of the deceased's death occurring in the period beginning with 3rd December 2014 and ending with 5th April 2015, no later than 2nd October 2015; whichever is the later; and
  - (b) in the case of any other subscription under that regulation, in the period beginning with the date of the deceased's death and ending—
    - (i) no more than 3 years thereafter, or in the case of the deceased's death occurring in the period beginning with 3rd December 2014 and ending with 5th April 2015, no later than 5th April 2018; or
    - (ii) no more than 180 days after administration of the estate is complete.
- (4) The declarations specified in this paragraph are—
- (a) that the subscription is being made by a payment of cash;
  - (b) that, in the permitted period, S has not made, with A, any subscription permitted by regulation 5DDA in respect of the amount determined in accordance with paragraph (3) of that regulation; and
  - (c) that the subscription is being made in the period beginning with the date of the deceased's death and ending—
    - (i) no more than 3 years thereafter, or in the case of the deceased's death occurring in the period beginning with 3rd December 2014 and ending with 5th April 2015, no later than 5th April 2018; or
    - (ii) no more than 180 days after administration of the estate is complete.
- (5) The requirements in sub-paragraphs (2)(a), (b) and (4)(b) are met where the information is provided on the first instance a subscription permitted by regulation 5DDA in respect of an amount determined in accordance with paragraph (3) of that regulation is made to an account.

#### Textual Amendments

**F287** Regs. 5DFA-5DFD inserted (6.4.2015) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2015 \(S.I. 2015/869\)](#), regs. 1, 9

#### Notices required by regulation 5D

**5DFB.**—(1) Where an account manager (B) has—

- (a) been notified by S that S wishes to make a subscription under regulation 5DDA; or
- (b) received an application from S to make such a subscription;

that account manager shall, within the period of 30 days beginning with the day on which the notification or application is received, give to the deceased's account manager (A) a notice containing the information specified in paragraph (2).



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- (2) The information specified in this paragraph is—
- (i) the name and address of the deceased;
  - (ii) the deceased's date of birth and date of death;
  - (iii) the deceased's National Insurance number, if known;
  - (iv) S's name and address;
  - (v) a statement that B has either received an application from S to make a subscription under regulation 5DDA or been notified that S wishes to make such a subscription; and
  - (vi) a statement that B has, subject to relevant checks, accepted that application or, where B has been notified that S wishes to make such a subscription, that B will accept such an application subject to relevant checks.
- (3) Where A receives from B a notice under paragraph (1), A shall, within the period of 30 days beginning with the day on which that notification is received, give B a notice containing—
- (i) the deceased's full name;
  - (ii) the full address of the deceased's permanent residence at the date of death;
  - (iii) the deceased's date of birth and date of death;
  - (iv) the deceased's National Insurance number, if known;
  - (v) the amount determined in accordance with paragraph (3) of regulation 5DDA;
  - (vi) a declaration that, in the permitted period, S has not made to an account held by A, any subscription permitted by regulation 5DDA in respect of the amount determined in accordance with paragraph (3) of that regulation;
  - (vii) an undertaking that, other than in the case of an authorisation given under paragraph (6) of regulation 5DDA, A will not accept a subscription made by S in respect of the amount determined in accordance with paragraph (3) of that regulation; and
  - (viii) an undertaking that, other than in the case of an authorisation given under paragraph (6) of regulation 5DDA, A will not provide the information and declarations in this paragraph to another account manager in respect of the amount determined in accordance with paragraph (3) of that regulation.
- (4) In this regulation relevant checks means checks by B in relation to the information and declarations provided by S pursuant to regulations 5DF and 5DFA.

**5DFC.**—(1) Where the deceased's account manager receives a request from S made in accordance with paragraph (2), that account manager shall, within the period of 30 days beginning with the day on which the request is received, provide to S a statement of the amount determined in accordance with paragraph (3) of regulation 5DDA.

(2) The request shall contain the information required by regulation 5DF(1)(c) and the declarations required by regulation 5DFA(1)(a) and (b).

**5DFD.** —Regulation 12(7) to (11), (12) and (13) applies in relation to any information or declaration required under regulations 5DF(1)(c) and 5DFA as it applies to any application to open an account.]

#### Textual Amendments

**F287** Regs. 5DFA-5DFD inserted (6.4.2015) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2015 \(S.I. 2015/869\)](#), regs. 1, 9



### Single regulation 5D subscription

**5DG.** Only one defaulted cash account subscription, defaulted investment subscription<sup>F288</sup>, defaulted Lifetime ISA subscription] or subscription permitted by regulation 5DE may be made in respect of a defaulted cash account or a defaulted investment payment as the case may be even if the subscription made is an amount less than that which could have been made by way of such subscription in accordance with regulation 5D.

#### Textual Amendments

**F234** Regs. 5D-5DM inserted (8.8.2012) by [The Individual Savings Account \(Amendment\) \(No. 2\) Regulations 2012 \(S.I. 2012/1871\)](#), regs. 1, **11**

**F288** Words in reg. 5DG inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **17**

### Default event or default investment payment occurring in the period beginning on 6th April 2011 and ending on 7th August 2012

**5DH.** Anything occurring in the period commencing on 6th April 2011 and ending on 7th August 2012 that, if it had occurred after that period, would have been—

- (i) a default event in respect of a cash account within regulation 5DC, or
- (ii) a defaulted investment payment within regulation 5DD,

shall be treated as occurring on 8th August 2012 for the purposes of regulations 5D to 5DG.

#### Textual Amendments

**F234** Regs. 5D-5DM inserted (8.8.2012) by [The Individual Savings Account \(Amendment\) \(No. 2\) Regulations 2012 \(S.I. 2012/1871\)](#), regs. 1, **11**

### Special provision in respect of Lehman Brothers investments and Keydata investments

**5DI.**—(1) Regulations 5DJ to 5DM make special provision in respect of an investment that is a Lehman Brothers investment or a Keydata investment.

(2) An investment is a Lehman Brothers investment if—

- (a) the investment was a qualifying investment held by an account investor in a stocks and shares account on 15th September 2008;
- (b) Lehman Brothers Holdings Inc. acted as the sole counterparty underwriting the investment on that day; and
- (c) the investment was not sold or otherwise disposed of on that day so as to cause it to cease to be a qualifying investment of the account on that day or any other day.

(3) An investment is a Keydata investment if—

- (a) the investment was a qualifying investment held by an account investor in a stocks and shares account on 8th June 2009;
- (b) Keydata Investment Services Limited (Keydata) on that day—
  - (i) was the account manager of the account, or
  - (ii) administered the account for another account manager; and

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*Changes to legislation: There are currently no known outstanding effects for the The Individual Savings Account Regulations 1998. (See end of Document for details)*

- (c) the investment was not sold or otherwise disposed of on that day so as to cause it to cease to be a qualifying investment of the account on that day or any other day.

#### Textual Amendments

**F234** Regs. 5D-5DM inserted (8.8.2012) by [The Individual Savings Account \(Amendment\) \(No. 2\) Regulations 2012 \(S.I. 2012/1871\)](#), regs. 1, **11**

### Special application of regulations 5DB, 5DD, 5DF and 5DH in respect of a Lehman Brothers investment

**5DJ.** In respect of a Lehman Brothers investment—

- (a) regulation 5D shall apply as if after paragraph (2) there is added—
- “(3) No defaulted investment subscription may be made in respect of a defaulted investment payment made or treated as made on 8th August 2012 other than a single defaulted investment payment treated as made by virtue of regulation 5DL(2).”;
- (b) regulation 5DB shall apply as if paragraph (b) provided that a defaulted investment subscription must not exceed the amount of the defaulted investment payment determined in accordance with regulation 5DL;
- (c) regulation 5DD is subject to regulation 5DL(2);
- (d) regulation 5DF(1)(b) shall apply as if the information specified by it is—
- (i) the information specified in paragraphs (i)-(iv) of that regulation;
  - (ii) the value of the defaulted investment at the opening of trading on the London Stock Exchange on 15th September 2008;
  - (iii) the date and amount of any earlier defaulted investment subscriptions in respect of the Lehman Brothers investment in question made before the making of the defaulted investment subscription;
  - (iv) the name and address (including postcode) of the account manager to whom any subscription referred to in sub-paragraph (iii) of this paragraph was made;
- (e) regulation 5DH—
- (i) shall apply as if the period mentioned in that regulation were the period commencing on 16th September 2008 and ending on 7th August 2012;
  - (ii) is subject to regulation 5DL(2).

#### Textual Amendments

**F234** Regs. 5D-5DM inserted (8.8.2012) by [The Individual Savings Account \(Amendment\) \(No. 2\) Regulations 2012 \(S.I. 2012/1871\)](#), regs. 1, **11**

### Deemed defaulted investment payment in respect of a Lehman Brothers investment

**5DK.** A defaulted investment payment shall be treated as made on 8th August 2012 in respect of a Lehman Brothers investment to the account investor who held it.

**Textual Amendments**

**F234** Regs. 5D-5DM inserted (8.8.2012) by [The Individual Savings Account \(Amendment\) \(No. 2\) Regulations 2012 \(S.I. 2012/1871\)](#), regs. 1, **11**

**Specified amount for the purposes of a defaulted investment subscription in respect of a Lehman Brothers investment**

**5DL.**—(1) This regulation determines the amount which a defaulted investment subscription must not exceed for the purposes of regulation 5DB(b) in relation to a defaulted investment payment made or treated as made in respect of a Lehman Brothers investment.

(2) Where one or more defaulted investment payments in respect of a Lehman Brothers investment are made on 8th August 2012 or are treated as made on that day by virtue of regulations 5DH or 5DK, they shall be treated as if they comprised a single defaulted investment payment made on that day of an amount which is the greater of—

- (a) the value of the investment at the opening of trading on the London Stock Exchange on 15th September 2008; or
- (b) the total of the payments made or treated as made by virtue of regulation 5DH on 8th August 2012.

(3) Where a defaulted investment payment in respect of a Lehman Brothers investment is made after 8th August 2012, its amount for the purposes of regulation 5DB(b) is the greater of—

- (a) the amount determined by the formula  $A - B$

$$A - B$$

where—

- (i) “A” is the total of the single defaulted investment payment treated as made on 8th August 2012 in respect of the investment by virtue of paragraph (2) and all defaulted investment payments made in respect of it in the period commencing immediately after that day and ending immediately after the defaulted investment payment in question;
- (ii) “B” is the total of all defaulted investment subscriptions made in respect of the Lehman Brothers investment before the subscription in question; or

- (b) the amount determined by the formula  $C - D$

$$C - D$$

where—

- (i) “C” is the value of the investment at the opening of trading on the London Stock Exchange on 15th September 2008;
- (ii) “D” is the total of all defaulted investment subscriptions made in respect of the Lehman Brothers investment before the subscription in question.

**Textual Amendments**

**F234** Regs. 5D-5DM inserted (8.8.2012) by [The Individual Savings Account \(Amendment\) \(No. 2\) Regulations 2012 \(S.I. 2012/1871\)](#), regs. 1, **11**

*Status: Point in time view as at 06/04/2020.*

*Changes to legislation: There are currently no known outstanding effects for the The Individual Savings Account Regulations 1998. (See end of Document for details)*

## Special application of regulations 5DJ to 5DL in respect of a Keydata investment

**5DM.** In respect of a Keydata investment—

- (a) regulations 5DJ to 5DL shall apply as if—
  - (i) a reference to a Lehman Brothers investment were a reference to a Keydata investment;
  - (ii) the reference in regulation 5DJ(e)(i) to 16th September 2008 were a reference to 9th June 2009;
- (b) regulation 5DJ(d)(ii) shall apply as if the information it requires is the amount for which the Keydata investment in question was acquired;
- (c) regulation 5DL(2)(a) shall apply as if it referred to the amount of subscriptions made to the account (or any other account or personal equity plan) and other proceeds (including income) representing those subscriptions used to purchase the investment;
- (d) regulation 5DL(3)(a)(i) shall apply as if element “A” is the amount described in regulation 5DL(2)(a) as construed in accordance with paragraph (c) of this regulation;
- (e) regulation 5DL(3)(b)(i) shall apply as if element “C” is the total of the single defaulted investment payment treated as made on 8th August 2012 in respect of the investment by virtue of regulation 5DL(2) and all defaulted investment payments made in respect of it in the period commencing immediately after that day and ending immediately after the defaulted investment payment in question.]

### Textual Amendments

**F234** Regs. 5D-5DM inserted (8.8.2012) by [The Individual Savings Account \(Amendment\) \(No. 2\) Regulations 2012 \(S.I. 2012/1871\)](#), regs. 1, **11**

## <sup>F289</sup>Subscriptions made by account investors issued with certificates by Royal Bank of Scotland Group disregarded for the purposes of regulations 4ZA and 31(3)(c)(ii)

**5E.**—(1) A subscription to an account made in accordance with this regulation on or before 5th April 2013 must be disregarded for the purposes of—

- (a) the subscription [<sup>F290</sup>limit] in regulation 4ZA (subscriptions to an account other than a junior ISA account); and
  - (b) regulation 31(3)(c)(ii) (returns of information by account manager).
- (2) A subscription to an account is made in accordance with this regulation if—
- (a) it is made to a cash account held by an account investor;
  - (b) a withdrawal was made during the relevant period from a cash account held by the account investor with the account manager holding the cash account to which the subscription is made;
  - (c) the account manager of the account to which the subscription is made holds the certificate issued to the account investor in accordance with paragraph (3) (or a copy of it);
  - (d) the subscription does not exceed the amount determined in accordance with paragraph (4); and
  - (e) no earlier subscription in accordance with this regulation has been made to an account held by the account investor with the account manager holding the cash account to which the subscription in question is made.
- (3) A certificate is issued to an account investor in accordance with this paragraph if—

- (a) it is issued to the account investor by a RBSG bank;
  - (b) it contains the name and address (including postcode) of the account investor;
  - (c) it identifies the period in respect of which the delay certified in accordance with sub-paragraph (d) occurred; and
  - (d) it certifies—
    - (i) that the account investor held with a RBSG bank a banking facility (other than an account opened in accordance with regulation 12), in respect of which the updating of the records of deposits made to and payments from the facility was delayed during the relevant period; or
    - (ii) that a deposit, payment or other transfer of money to the account investor was delayed in the relevant period by reason of the delay described in paragraph (i).
- (4) The amount referred to in paragraph (2)(d) is the total of all withdrawals made in the relevant period from any cash account held with the account manager holding the cash account to which the subscription in question is made.
- (5) In this regulation—
- (a) a bank is a “RBSG bank” if it is—
    - (i) The Royal Bank of Scotland plc, a company incorporated in Scotland (Company Number 090312);
    - (ii) National Westminster Bank plc, a company incorporated in England and Wales (Company Number 00929027);
    - (iii) Ulster Bank, Limited, a company incorporated in Northern Ireland (Company Number R0000733);
  - (b) the “relevant period” is 19th June to 6th July 2012 (but to 22nd July 2012 where the bank in paragraph (3)(d) is Ulster Bank, Limited).]

**Textual Amendments**

- F289** Reg. 5E inserted (5.4.2013) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2013 \(S.I. 2013/623\)](#), regs. 1, **2(2)**
- F290** Word in reg. 5E(1)(a) substituted (1.7.2014) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **13**

**Transfers from matured tax-exempt special savings accounts**

<sup>F291</sup>5. ....

**Textual Amendments**

- F291** Reg. 5 omitted (6.4.2008) by virtue of [The Individual Savings Account \(Amendment\) Regulations 2007 \(S.I. 2007/2119\)](#), regs. 1, **10**

**General investment rules**

6.—(1) [<sup>F292</sup>Subject to paragraph (1ZB), all transactions] by way of purchase by an account manager of investments under an account shall be made—

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*Changes to legislation: There are currently no known outstanding effects for the The Individual Savings Account Regulations 1998. (See end of Document for details)*

- [<sup>F293</sup>(a) in the case of an authorised fund which is a dual priced unit trust, at the manager’s price for the sale of the relevant class of units within the meaning of, and complying with the requirements of, [<sup>F294</sup>rules 6.3.5 and 6.3.5B of [<sup>F295</sup>COLL]];]
- [<sup>F293</sup>(b) in the case of an authorised fund which is a single priced unit trust or an open-ended investment company, at the price of a unit or share within the meaning of, and complying with the requirements of, [<sup>F296</sup>rules 6.3.5 and 6.3.5A of [<sup>F295</sup>COLL]]; and]
- (c) in the case of all other account investments, at the price for which those investments might reasonably be expected to be purchased in the open market.

[<sup>F297</sup>(1ZA) In paragraph (1)(a) and (b)—

<sup>F298</sup>

“a dual priced unit trust” means an authorised unit trust in respect of which the manager gives different prices for buying and selling units at the same time;

“a single priced unit trust” means an authorised unit trust in respect of which the manager gives the same price for buying and selling units at the same time.]

[<sup>F299</sup>(1ZB) Where an investment is made of a kind described in regulation 8A(2)(a), the amount of the payments made pursuant to the article 36H agreement must be such as might reasonably be expected to be made under such an agreement entered into in the open market.]

(2) All other transactions by way of sale or otherwise <sup>F300</sup>... in investments under an account shall be made at the price for which those investments might reasonably be expected to be sold or otherwise transacted, as the case may be, in the open market.

[<sup>F301</sup>(2A) Where the right to exercise the rights of the lender under an article 36H agreement is sold or otherwise transacted, that sale or transaction must be made at a price for which the investment might reasonably be expected to be sold or otherwise transacted, as the case may be, in the open market.]

(3) Investments, or rights in respect of investments, may not at any time—

(a) be purchased or made otherwise than out of cash which an account manager holds under an account [<sup>F302</sup>and component], for which those investments or rights are qualifying investments; or

(b) be purchased from—

(i) an account investor, or

(ii) the spouse [<sup>F303</sup>or civil partner] of an account investor,

so as to become account investments under an account to which the account investor subscribes or has subscribed.

(4) Subject to paragraphs (5) and (6), [<sup>F304</sup>cash subscriptions and other cash] held by an account manager under an account shall be held only in sterling and be deposited in—

(i) an account with a deposit-taker [<sup>F305</sup>(including for this purpose a credit union)], or a deposit account or a share account with a building society, or

(ii) in the case where the account manager is [<sup>F306</sup>the Director of Savings], an account with [<sup>F306</sup>the Director of Savings],

which is designated as an ISA account for the purposes of these Regulations only.

(5) An account manager who is a European institution, a relevant authorised person or an assurance undertaking may hold [<sup>F304</sup>cash subscriptions and other cash] held under an account in the currency of the EEA State in which he has his principal place of business and may deposit such cash

in an account, which is designated as mentioned in paragraph (4), with any person authorised under the law of that State to accept deposits.

(6) Cash by way of dividends, interest, distributions, and other rights or proceeds [<sup>F307</sup>(including any government bonus)] in respect of qualifying investments for any [<sup>F308</sup>account] shall at all times be recorded and accounted for separately from that for any other [<sup>F308</sup>account], and may be invested only—

- (a) in qualifying investments for the [<sup>F309</sup>appropriate] component; or
- (b) by way of cash deposit in accordance with paragraphs (4) and (5).

### Textual Amendments

- F292** Words in reg. 6(1) substituted (6.4.2016) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2016 \(S.I. 2016/364\)](#), regs. 1, **11(a)**
- F293** Reg. 6(1)(a)(b) substituted (1.12.2001) by [The Financial Services and Markets Act 2000 \(Consequential Amendments\) \(Taxes\) Order 2001 \(S.I. 2001/3629\)](#), arts. 1(2)(b), **171(2)**
- F294** Words in reg. 6(1)(a) substituted (6.4.2008) by [The Individual Savings Account \(Amendment\) Regulations 2008 \(S.I. 2008/704\)](#), regs. 1, **5(2)**
- F295** Word in reg. 6(1) substituted (1.4.2013) by [The Financial Services Act 2012 \(Consequential Amendments and Transitional Provisions\) Order 2013 \(S.I. 2013/472\)](#), **Sch. 2 para. 22(4)**
- F296** Words in reg. 6(1)(b) substituted (6.4.2008) by [The Individual Savings Account \(Amendment\) Regulations 2008 \(S.I. 2008/704\)](#), regs. 1, **5(3)**
- F297** Reg. 6(1ZA) inserted (1.12.2001) by [The Financial Services and Markets Act 2000 \(Consequential Amendments\) \(Taxes\) Order 2001 \(S.I. 2001/3629\)](#), arts. 1(2)(b), **171(3)**
- F298** Words in reg. 6(1ZA) omitted (17.11.2003 with effect in accordance with reg. 1(2) of the amending S.I.) by virtue of [The Individual Savings Account \(Amendment\) Regulations 2003 \(S.I. 2003/2747\)](#), regs. 1(1), **4**
- F299** Reg. 6(1ZB) inserted (6.4.2016) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2016 \(S.I. 2016/364\)](#), regs. 1, **11(b)**
- F300** Words in reg. 6(2) omitted (1.11.2016) by virtue of [The Individual Savings Account \(Amendment No. 3\) Regulations 2016 \(S.I. 2016/977\)](#), regs. 1, **6**
- F301** Reg. 6(2A) inserted (6.4.2016) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2016 \(S.I. 2016/364\)](#), regs. 1, **11(c)**
- F302** Words in reg. 6(3)(a) substituted (6.4.2008) by [The Individual Savings Account \(Amendment\) Regulations 2007 \(S.I. 2007/2119\)](#), regs. 1, **11(a)**
- F303** Words in reg. 6(3)(b)(ii) inserted (5.12.2005) by [The Tax and Civil Partnership \(No. 2\) Regulations 2005 \(S.I. 2005/3230\)](#), regs. 1, **10(2)**
- F304** Words in reg. 6(4)(5) substituted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **14**
- F305** Words in reg. 6(4)(i) inserted (27.12.2005) by [The Individual Savings Account \(Amendment No. 3\) Regulations 2005 \(S.I. 2005/3350\)](#), regs. 1, **5**
- F306** Words in reg. 6(4)(ii) substituted (6.4.1999) by [The Individual Savings Account \(Amendment\) Regulations 1998 \(S.I. 1998/3174\)](#), regs. 1, **4**
- F307** Words in reg. 6(6) inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **18**
- F308** Word in reg. 6(6) substituted (6.4.2008) by [The Individual Savings Account \(Amendment\) Regulations 2007 \(S.I. 2007/2119\)](#), regs. 1, **11(b)(i)**
- F309** Word in reg. 6(6)(a) substituted (6.4.2008) by [The Individual Savings Account \(Amendment\) Regulations 2007 \(S.I. 2007/2119\)](#), regs. 1, **11(b)(ii)**

*Status: Point in time view as at 06/04/2020.*

*Changes to legislation: There are currently no known outstanding effects for the The Individual Savings Account Regulations 1998. (See end of Document for details)*

## Qualifying investments for a stocks and shares component

7.—(1) This regulation specifies the kind of investments (“qualifying investments for a stocks and shares component”) which may be purchased, made or held under a stocks and shares component, and in this regulation and regulations 31 and 34, “shares” without more includes stock.

(2) Qualifying investments for a stocks and shares component to which paragraph (1) refers are—

- (a) shares, not being shares in an investment trust<sup>F310</sup>—
  - (i) issued by a company wherever incorporated, <sup>F311</sup>and]
  - (ii) subject to paragraph (3), <sup>F312</sup>either officially listed on a recognised stock exchange or, in the European Economic Area, admitted to trading on a recognised stock exchange<sup>F313</sup>. <sup>F314</sup>...]]
  - <sup>F315</sup>(iii) .....
- (b) securities (“qualifying securities”)—
  - (i) issued by a company wherever incorporated, <sup>F316</sup>and]
  - <sup>F317</sup>(ii) where the securities in question satisfy at least one of the conditions specified in paragraph (5)<sup>F318</sup>.]]
  - <sup>F319</sup>(iii) .....
- <sup>F320</sup>(c) gilt-edged securities<sup>F321</sup> ...;
  - (ca) any securities issued by or on behalf of a government of any EEA State<sup>F322</sup> ...;
  - <sup>F323</sup>(cb) any securities which, in relation to a security mentioned in sub-paragraph (ca), would be a strip of that security if “strip” had the same meaning as in section 47 of the Finance Act 1942, with the omission of the words “issued under the National Loans Act 1968”];
  - <sup>F324</sup>(cc) securities issued by a multilateral institution, contributions to which may be reported as official development assistance, listed in Part I of Annex 2 to the DAC Statistical Reporting Directive (approved by the Development Assistance Committee of the Organisation for Economic Co-operation and Development), where the securities satisfy the <sup>F325</sup>condition] in <sup>F325</sup>paragraph] (5)(b)<sup>F326</sup> ...;]
- (d) shares in an investment trust<sup>F327</sup> ...;
- <sup>F328</sup>(e) .....
- (f) units in, or shares of, a <sup>F329</sup>UK UCITS or recognised UCITS<sup>F330</sup> ...;
- <sup>F331</sup>(g) qualifying units in or shares of a non-UCITS retail scheme<sup>F332</sup> ...;]
- (h) subject to the conditions specified in paragraph (10)<sup>F333</sup>—
  - (i) shares which the qualifying individual has exercised the right to acquire in accordance with the provisions of <sup>F334</sup>[<sup>F335</sup>a Schedule 3]SAYE option scheme],
  - (ii) shares which have been appropriated to the qualifying individual in accordance with the provisions of an approved profit sharing scheme, or
  - (iii) plan shares of <sup>F336</sup>[<sup>F337</sup>a Schedule 2][<sup>F337</sup>SIP] which cease to be subject to the plan but have remained in the beneficial ownership of the participant,]
 and such shares shall be treated as fulfilling the condition as to payment of cash in <sup>F338</sup>regulation 4(1B)(d)];
- <sup>F339</sup>(ha) a depositary interest;]
- (j) cash deposited in accordance with regulation 6(4) to (6)<sup>F340</sup> ... ;



- [<sup>F341</sup>(k) investments which—
- (i) were held under a stocks and shares component [<sup>F342</sup>or a personal equity plan] on 28th November 2001,
  - (ii) on that date were admitted to trading on a recognised stock exchange in an EEA State and were not listed by a competent authority in an EEA State for the purposes of Council Directive 2001/34,
  - (iii) since that date have not ceased to be so admitted and have not become so listed,
  - (iv) do not fall within any of the other sub-paragraphs of this paragraph, and
  - (v) are not investments which, having fallen within any of those sub-paragraphs, have ceased so to fall on or after that date.]
- [<sup>F343</sup>(l) investments which—
- (i) were held under the stocks and shares component [<sup>F344</sup>or a personal equity plan] on 6th April 2004; and
  - (ii) immediately before that date, fell within sub-paragraphs (e), (f) or (g), or sub-paragraph (ha) so far as the relevant investments (within the meaning in the definition of “depository interest”) fell within any of those sub-paragraphs.]
- [<sup>F345</sup>(m) units in a relevant collective investment scheme specified as a stakeholder product by regulation 5 of the Stakeholder Products Regulations<sup>F346</sup> ...;
- (n) policies of life insurance falling within regulation 9, issued in respect of an insurance made on or after 6th April 2005<sup>F347</sup> ...;]
- <sup>F348</sup>(o) .....
- [<sup>F349</sup>(p) in the case of a personal equity plan which is treated on and from 6<sup>th</sup> April 2008 as a stocks and shares account, investments which, immediately before that date, were qualifying investments for the plan under regulation 6(2)(m) of the Personal Equity Plan Regulations 1989<sup>F350</sup>;]
- [<sup>F351</sup>(q) core capital deferred shares within the meaning of regulation 2 of the Building Societies (Core Capital Deferred Shares) Regulations 2013, provided that such shares are listed on the official list of a recognised stock exchange.]
- (3) [<sup>F352</sup>An investment in shares fulfils the conditions as to official listing and admission to trading in paragraph (2)(a)], if—
- (a) in pursuance of a public offer, the account manager applies for the allotment or allocation to him of shares in a company<sup>F353</sup> ... which are due to be admitted to such listing [<sup>F354</sup>or admitted to such trading] within 30 days of the allocation or allotment, and which, when admitted to such listing [<sup>F355</sup>or trading], would be qualifying investments for a stocks and shares component, and
  - (b) the shares are not allotted or allocated to the account manager in the circumstances specified in paragraph (4).
- (4) The circumstances specified in this paragraph are where—
- (a) the allotment or allocation of the shares was connected with the allotment or allocation of—
    - (i) shares in the company or trust of a different class, or
    - (ii) rights to shares in the company or trust of a different class, or
    - (iii) shares or rights to shares in another company or trust, or



[<sup>F372</sup>(13) The references to “shares” in paragraphs (2)(h) and (10) shall include references to a depositary interest where the relevant investments in question (referred to in paragraphs (a) and (b) of the definition of “depositary interest”) are shares falling within both paragraphs (2)(h) and (10).]

<sup>F373</sup>(14) .....

<sup>F374</sup>(15) .....

[<sup>F375</sup>(16) In this regulation, references, in relation to qualifying investments, to the value, are to be construed in accordance with regulation 6(2), but deducting the incidental costs that would be incurred by a disposal and, in the case of a policy of life insurance, omitting any benefits payable in the event of the death of the account investor.]

<sup>F376</sup>(17) .....

**Textual Amendments**

- F310** Words in reg. 7(2)(a) substituted (6.10.2005) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2005 \(S.I. 2005/2561\)](#), regs. 1, **5(a)**
- F311** Word in reg. 7(2)(a)(i) inserted (1.7.2014) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **14(a)**
- F312** Words in reg. 7(2)(a)(ii) substituted (5.8.2013) by [The Individual Savings Account \(Amendment No. 3\) Regulations 2013 \(S.I. 2013/1743\)](#), regs. 1(1), **5(a)**
- F313** Punctuation in reg. 7(2)(a)(ii) substituted (1.7.2014) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **14(b)**
- F314** Word in reg. 7(2)(a)(ii) omitted (1.7.2014) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **14(b)**
- F315** Reg. 7(2)(a)(iii) omitted (1.7.2014) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **14(c)**
- F316** Word in reg. 7(2)(b)(i) inserted (1.7.2015) by [The Individual Savings Account \(Amendment No. 4\) Regulations 2015 \(S.I. 2015/1370\)](#), regs. 1, **4(a)(i)**
- F317** Reg. 7(2)(b)(ii) substituted (1.7.2014) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **14(d)**
- F318** Punctuation in reg. 7(2)(b)(ii) substituted (1.7.2015) by [The Individual Savings Account \(Amendment No. 4\) Regulations 2015 \(S.I. 2015/1370\)](#), regs. 1, **4(a)(ii)**
- F319** Reg. 7(2)(b)(iii) omitted (1.7.2015) by virtue of [The Individual Savings Account \(Amendment No. 4\) Regulations 2015 \(S.I. 2015/1370\)](#), regs. 1, **4(a)(iii)**
- F320** Reg. 7(2)(c)-(cb) substituted for reg. 7(2)(c) (6.4.1999) by [The Individual Savings Account \(Amendment\) Regulations 1998 \(S.I. 1998/3174\)](#), regs. 1, **5(2)**
- F321** Words in reg. 7(2)(c) omitted (1.7.2014) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **14(e)**
- F322** Words in reg. 7(2)(ca) omitted (1.7.2014) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **14(f)**
- F323** Reg. 7(2)(cb) substituted (1.7.2014) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **14(g)**
- F324** Reg. 7(2)(cc) inserted (16.12.2008) by [The Individual Savings Account \(Amendment No. 3\) Regulations 2008 \(S.I. 2008/3025\)](#), regs. 1, **4**
- F325** Word in reg. 7(2)(cc) substituted (1.7.2014) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **14(h)**
- F326** Words in reg. 7(2)(cc) omitted (1.7.2014) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **14(h)**
- F327** Words in reg. 7(2)(d) omitted (1.7.2015) by virtue of [The Individual Savings Account \(Amendment No. 4\) Regulations 2015 \(S.I. 2015/1370\)](#), regs. 1, **4(a)(iv)**

*Status: Point in time view as at 06/04/2020.*

*Changes to legislation: There are currently no known outstanding effects for the The Individual Savings Account Regulations 1998. (See end of Document for details)*

- F328** Reg. 7(2)(e) omitted (6.4.2008) by virtue of The Individual Savings Account (Amendment) Regulations 2008 (S.I. 2008/704), regs. 1, **6(3)**
- F329** Words in reg. 7(2)(f) substituted (11.8.2009) by The Individual Savings Account (Amendment No. 2) Regulations 2009 (S.I. 2009/1994), regs. 1(1), **6**
- F330** Words in reg. 7(2)(f) omitted (1.7.2014) by virtue of The Individual Savings Account (Amendment No. 2) Regulations 2014 (S.I. 2014/1450), regs. 1, **14(i)**
- F331** Reg. 7(2)(g) substituted for reg. 7(2)(g)(ga) (27.12.2005) by The Individual Savings Account (Amendment No. 3) Regulations 2005 (S.I. 2005/3350), regs. 1, **6(d)**
- F332** Words in reg. 7(2)(g) omitted (1.7.2014) by virtue of The Individual Savings Account (Amendment No. 2) Regulations 2014 (S.I. 2014/1450), regs. 1, **14(j)**
- F333** Words in reg. 7(2)(h) substituted (21.8.2000) by The Individual Savings Account (Amendment No. 2) Regulations 2000 (S.I. 2000/2079), regs. 1, **4(2)**
- F334** Words in reg. 7(2)(h)(i) substituted (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2008 (S.I. 2008/704), regs. 1, **6(4)(a)**
- F335** Words in reg. 7(2)(h)(i) substituted (retrospective to 6.4.2014) by Finance Act 2014 (c. 26), **Sch. 8 paras. 145, 146** (with Sch. 8 paras. 147-157)
- F336** Words in reg. 7(2)(h)(iii) substituted (retrospective to 6.4.2014) by Finance Act 2014 (c. 26), **Sch. 8 paras. 86, 89** (with Sch. 8 paras. 90-96)
- F337** Word in reg. 7(2)(h)(iii) substituted (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2008 (S.I. 2008/704), regs. 1, **6(4)(b)**
- F338** Words in reg. 7(2)(h) substituted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **15(a)**
- F339** Reg. 7(2)(ha) inserted (13.12.2000) by The Individual Savings Account (Amendment No. 3) Regulations 2000 (S.I. 2000/3112), regs. 1, **4(a)**
- F340** Words in reg. 7(2)(j) omitted (1.7.2014) by virtue of The Individual Savings Account (Amendment No. 2) Regulations 2014 (S.I. 2014/1450), regs. 1, **14(k)**
- F341** Reg. 7(2)(k) added (19.12.2001) by The Individual Savings Account (Amendment No. 2) Regulations 2001 (S.I. 2001/3778), regs. 1, **3(2)**
- F342** Words in reg. 7(2)(k)(i) inserted (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2007 (S.I. 2007/2119), regs. 1, **12(a)**
- F343** Reg. 7(2)(l) inserted (17.11.2003 with effect in accordance with reg. 1(3) of the amending S.I.) by The Individual Savings Account (Amendment) Regulations 2003 (S.I. 2003/2747), regs. 1(1), **5(d)**
- F344** Words in reg. 7(2)(l)(i) inserted (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2007 (S.I. 2007/2119), regs. 1, **12(a)**
- F345** Reg. 7(2)(m)-(o) added (with effect in accordance with reg. 1(2) of the amending S.I.) by The Individual Savings Account (Amendment No. 2) Regulations 2004 (S.I. 2004/2996), regs. 1(1), **7**
- F346** Words in reg. 7(2)(m) omitted (1.7.2014) by virtue of The Individual Savings Account (Amendment No. 2) Regulations 2014 (S.I. 2014/1450), regs. 1, **14(l)**
- F347** Words in reg. 7(2)(n) omitted (1.7.2014) by virtue of The Individual Savings Account (Amendment No. 2) Regulations 2014 (S.I. 2014/1450), regs. 1, **14(m)**
- F348** Reg. 7(2)(o) omitted (1.7.2014) by virtue of The Individual Savings Account (Amendment No. 2) Regulations 2014 (S.I. 2014/1450), regs. 1, **14(n)** (with reg. 1(2))
- F349** Reg. 7(2)(p) added (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2007 (S.I. 2007/2119), regs. 1, **12(b)**
- F350** Punctuation in reg. 7(2)(p) substituted (1.7.2014) by The Individual Savings Account (Amendment No. 2) Regulations 2014 (S.I. 2014/1450), regs. 1, **14(o)**
- F351** Reg. 7(2)(q) inserted (1.7.2014) by The Individual Savings Account (Amendment No. 2) Regulations 2014 (S.I. 2014/1450), regs. 1, **14(o)**
- F352** Words in reg. 7(3) substituted (6.4.2014) by The Individual Savings Account (Amendment) Regulations 2014 (S.I. 2014/654), regs. 1(1), **8(b)**
- F353** Words in reg. 7(3)(a) omitted (6.4.2014) by virtue of The Individual Savings Account (Amendment) Regulations 2014 (S.I. 2014/654), regs. 1(1), **8(c)**

- F354** Words in reg. 7(3)(a) inserted (5.8.2013) by The Individual Savings Account (Amendment No. 3) Regulations 2013 (S.I. 2013/1743), regs. 1(1), **5(c)(i)**
- F355** Words in reg. 7(3)(a) inserted (5.8.2013) by The Individual Savings Account (Amendment No. 3) Regulations 2013 (S.I. 2013/1743), regs. 1(1), **5(c)(ii)**
- F356** Reg. 7(4)(a)(iv) substituted for reg. 7(4)(a)(iv)(v) (1.12.2001) by The Financial Services and Markets Act 2000 (Consequential Amendments) (Taxes) Order 2001 (S.I. 2001/3629), arts. 1(2)(b), **172(3)**
- F357** Word in reg. 7(4)(a) substituted (2.7.2002) by The Financial Services and Markets Act 2000 (Consequential Amendments) (Taxes) Order 2002 (S.I. 2002/1409), arts. 1, **7**
- F358** Word in reg. 7(5)(c) substituted (8.8.2012) by The Individual Savings Account (Amendment) (No. 2) Regulations 2012 (S.I. 2012/1871), regs. 1, **12(a)**
- F359** Punctuation in reg. 7(5)(c) substituted (1.7.2015) by The Individual Savings Account (Amendment No. 4) Regulations 2015 (S.I. 2015/1370), regs. 1, **4(b)**
- F360** Reg. 7(5)(d)-(f) inserted (1.7.2015) by The Individual Savings Account (Amendment No. 4) Regulations 2015 (S.I. 2015/1370), regs. 1, **4(b)**
- F361** Reg. 7(6) omitted (1.7.2014) by virtue of The Individual Savings Account (Amendment No. 2) Regulations 2014 (S.I. 2014/1450), regs. 1, **14(p)**
- F362** Reg. 7(7) omitted (6.4.2008) by virtue of The Individual Savings Account (Amendment) Regulations 2008 (S.I. 2008/704), regs. 1, **6(5)**
- F363** Reg. 7(8) omitted (1.7.2015) by virtue of The Individual Savings Account (Amendment No. 4) Regulations 2015 (S.I. 2015/1370), regs. 1, **4(a)(v)**
- F364** Reg. 7(9) omitted (6.4.2008) by virtue of The Individual Savings Account (Amendment) Regulations 2008 (S.I. 2008/704), regs. 1, **6(7)**
- F365** Words in reg. 7(10)(a) substituted (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2008 (S.I. 2008/704), regs. 1, **6(8)**
- F366** Words in reg. 7(10)(a) substituted (retrospective to 6.4.2014) by Finance Act 2014 (c. 26), **Sch. 8 paras. 145, 146** (with Sch. 8 paras. 147-157)
- F367** Reg. 7(10)(ba) inserted (21.8.2000) by The Individual Savings Account (Amendment No. 2) Regulations 2000 (S.I. 2000/2079), regs. 1, **4(3)(a)**
- F368** Words in reg. 7(10)(c) substituted (21.8.2000) by The Individual Savings Account (Amendment No. 2) Regulations 2000 (S.I. 2000/2079), regs. 1, **4(3)(b)**
- F369** Words in reg. 7(10)(c) substituted (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2007 (S.I. 2007/2119), regs. 1, **13**
- F370** Words in reg. 7(10)(c) substituted (1.7.2014) by The Individual Savings Account (Amendment No. 2) Regulations 2014 (S.I. 2014/1450), regs. 1, **14(r)**
- F371** Reg. 7(12) omitted (1.7.2014) by virtue of The Individual Savings Account (Amendment No. 2) Regulations 2014 (S.I. 2014/1450), regs. 1, **14(s)**
- F372** Reg. 7(13) added (13.12.2000) by The Individual Savings Account (Amendment No. 3) Regulations 2000 (S.I. 2000/3112), regs. 1, **4(b)**
- F373** Reg. 7(14) omitted (1.7.2014) by virtue of The Individual Savings Account (Amendment No. 2) Regulations 2014 (S.I. 2014/1450), regs. 1, **14(t)**
- F374** Reg. 7(15) omitted (1.7.2014) by virtue of The Individual Savings Account (Amendment No. 2) Regulations 2014 (S.I. 2014/1450), regs. 1, **14(u)**
- F375** Reg. 7(16) substituted (1.7.2014) by The Individual Savings Account (Amendment No. 2) Regulations 2014 (S.I. 2014/1450), regs. 1, **14(v)**
- F376** Reg. 7(17) omitted (1.7.2014) by virtue of The Individual Savings Account (Amendment No. 2) Regulations 2014 (S.I. 2014/1450), regs. 1, **14(w)**

### Qualifying investments for a cash component

**8.—(1)** This regulation specifies the kind of investments (“qualifying investments for a cash component”) which may be purchased, made or held under a cash component.

*Status: Point in time view as at 06/04/2020.*

*Changes to legislation: There are currently no known outstanding effects for the The Individual Savings Account Regulations 1998. (See end of Document for details)*

(2) Qualifying investments for a cash component to which paragraph (1) refers are, subject to paragraph (3)—

- [<sup>F377</sup>(a) cash deposited in a deposit account with—
  - (i) a building society,
  - (ii) a credit union,
  - (iii) [<sup>F378</sup>a bank, other than of a type at paragraph (a), (d) or (e) of section 991(2) of the ITA 2007,]<sup>F379</sup> ...
  - <sup>F379</sup>(iv) . . . . .]
- (b) cash deposited in a share account with a building society;
- <sup>F380</sup>(c) . . . . .
- <sup>F380</sup>(d) . . . . .
- [<sup>F381</sup>(e) such investment deposits with the National Savings Bank which, according to the terms and conditions subject to which they are made, are expressly permitted to be held under a cash component of an account;
- (f) any securities issued under the National Loans Act 1968—
  - (i) for the purpose of or in connection with raising money under the auspices of the Director of Savings within the meaning of section 11(1)(a) of the National Debt Act 1972, and
  - (ii) other than national savings certificates, premium savings bonds, national savings stamps and national savings gift tokens,

which, according to the terms and conditions subject to which they are issued and purchased, are expressly permitted to be held under a cash component of an account.]
- <sup>F382</sup>(g) . . . . .
- [<sup>F383</sup>(h) a depositary interest (with the references in that definition to a stocks and shares component and to regulation 7(2)(a) to (h) being replaced with references to a cash component and to regulation [<sup>F384</sup>8(2)(a) to (f)].]
- [<sup>F385</sup>(j) a deposit account specified as a stakeholder product by regulation 4 of the Stakeholder Products Regulations;]
- <sup>F386</sup>(k) . . . . .
- <sup>F387</sup>(l) . . . . .
- <sup>F388</sup>(m) . . . . .
- [<sup>F389</sup>(n) arrangements falling within section 47 of the Finance Act 2005 (alternative finance arrangements) under which the person referred to in that section as Y is a financial institution;
- (o) arrangements falling within section 49 of that Act[<sup>F390</sup>;]]
- [<sup>F391</sup>(p) a short-term money market fund which meets the conditions in COLL section 5.9.3.R;
- (q) a money market fund which meets the conditions in COLL section 5.9.5R.]

[<sup>F392</sup>(3) A deposit account or share account which is a qualifying investment for a cash component falling within sub-paragraphs (a) or (b) of paragraph (2) respectively (“Account A”) must not be connected with any other account falling within the descriptions in those sub-paragraphs (“Account B”), held by the account investor or any other person.

(4) For the purposes of paragraph (3), Account A is connected with Account B if all of the following circumstances apply—

- (a) either of the accounts was opened with reference to the other, or with a view to enabling the other to be opened on particular terms, or with a view to facilitating the opening of the other on particular terms,
  - (b) the terms on which Account A was opened would have been significantly less favourable to the holder if Account B had not been opened, and
  - (c) Account B is not a tax exempt account.
- (5) The following are tax exempt accounts for the purposes of paragraph (4)—
- (a) an account opened (or treated as opened) in accordance with regulation 12 or 12A;
  - (b) a child trust fund<sup>F393</sup>; and
  - (c) a CTF matured account]]

### Textual Amendments

- F377** Reg. 8(2)(a) substituted (12.8.2008) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2008 \(S.I. 2008/1934\)](#), regs. 1(1), **4**
- F378** Reg. 8(2)(a)(iii) substituted (6.4.2014) by [The Individual Savings Account \(Amendment\) Regulations 2014 \(S.I. 2014/654\)](#), regs. 1(1), **9(a)**
- F379** Reg. 8(2)(a)(iv) and preceding word omitted (6.4.2014) by virtue of [The Individual Savings Account \(Amendment\) Regulations 2014 \(S.I. 2014/654\)](#), regs. 1(1), **9(b)**
- F380** Reg. 8(2)(c)(d) omitted (6.4.2008) by virtue of [The Individual Savings Account \(Amendment\) Regulations 2008 \(S.I. 2008/704\)](#), regs. 1, **7(2)**
- F381** Reg. 8(2)(d)-(f) substituted for reg. 8(2)(d)(e) (6.4.1999) by [The Individual Savings Account \(Amendment\) Regulations 1998 \(S.I. 1998/3174\)](#), regs. 1, **6**
- F382** Reg. 8(2)(g) omitted (1.7.2014) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **15(a)** (with reg. 1(2))
- F383** Reg. 8(2)(g)(h) added (17.11.2003 with effect in accordance with reg. 1(2) of the amending S.I.) by [The Individual Savings Account \(Amendment\) Regulations 2003 \(S.I. 2003/2747\)](#), regs. 1(1), **7**
- F384** Words in reg. 8(2)(h) substituted (1.7.2014) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **15(b)** (with reg. 1(2))
- F385** Reg. 8(2)(j)-(m) added (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2004 \(S.I. 2004/2996\)](#), regs. 1(1), **12**
- F386** Reg. 8(2)(k) omitted (1.7.2014) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **15(a)** (with reg. 1(2))
- F387** Reg. 8(2)(l) omitted (1.7.2014) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **15(a)** (with reg. 1(2))
- F388** Reg. 8(2)(m) omitted (1.7.2014) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **15(a)** (with reg. 1(2))
- F389** Reg. 8(2)(n)(o) added (27.12.2005) by [The Individual Savings Account \(Amendment No. 3\) Regulations 2005 \(S.I. 2005/3350\)](#), regs. 1, **9(c)**
- F390** Punctuation in reg. 8(2)(o) substituted (1.7.2014) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **15(c)**
- F391** Reg. 8(2)(p)(q) inserted (1.7.2014) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **15(e)**
- F392** Reg. 8(3)-(5) substituted for reg. 8(3) (retrospective to 1.11.2011) by [The Individual Savings Account \(Amendment\) \(No. 2\) Regulations 2012 \(S.I. 2012/1871\)](#), regs. 2, **13**
- F393** Reg. 8(5)(c) and preceding word inserted (6.4.2020) by [The Individual Savings Account \(Amendment\) Regulations 2020 \(S.I. 2020/30\)](#), regs. 1(1), **6**



*Status: Point in time view as at 06/04/2020.*

*Changes to legislation: There are currently no known outstanding effects for the The Individual Savings Account Regulations 1998. (See end of Document for details)*

### <sup>F394</sup>Qualifying investments for a Lifetime ISA component

**8ZA.** The kind of investments (“qualifying investments for a Lifetime ISA component”) which may be purchased, made or held under a Lifetime ISA are—

- (a) qualifying investments for a stocks and shares component; and
- (b) qualifying investments for a cash component.]

#### Textual Amendments

**F394** Reg. 8ZA inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, 19

### <sup>F395</sup>Qualifying investments for an innovative finance component

**8A.**—(1) This regulation specifies the kind of investments (“qualifying investments for an innovative finance component”) which may be purchased, made or held under an innovative finance account.

(2) Qualifying investments for an innovative finance component to which paragraph (1) refers are—

- (a) payments by a borrower made under an article 36H agreement where the conditions in paragraph (3) are met;
- (b) payments by an assignee for the right to exercise the rights of the lender under an article 36H agreement where the conditions in paragraph (3)(c) and (d) are met;
- (c) payments by a novatee in respect of the novation of an article 36H agreement where the conditions in paragraph (3)(c) and (d) are met;
- [ debentures where the conditions in paragraph (4) are met;]

<sup>F396</sup>(ca)

- (d) cash deposited in accordance with regulation 6(4) to (6); and
- (e) payments by way of compensation in respect of a matter described in regulation 5DD in relation to an investment specified in this regulation.

(3) The conditions in this paragraph are—

- (a) the payment is a payment of interest or capital or both;
- (b) the payment is made to the account manager of the account investor;
- (c) the article 36H agreement is made on genuine commercial terms; and
- (d) the article 36H agreement is not part of a scheme or arrangement the main purpose, or one of the main purposes, of which is the avoidance of tax.

[  
<sup>F397</sup>(4) The conditions in this paragraph are—

- (a) the debenture is a transferable security issued by a company or a charity;
- (b) the investment in the debenture is facilitated by a person carrying on an activity of the kind specified in article 25 of the Regulated Activities Order 2001 through an electronic system operated by that person in an EEA State for such purpose;
- (c) that person or another, acting under an arrangement with that person or at that person’s direction, in respect of the investment, treats the account investor as its client and undertakes on behalf of the account investor to—
  - (i) receive payments in respect of the debenture;

- (ii) make payments, when due, in respect of the debenture to the account investor; and
- (iii) exercise, or facilitate the exercise of, rights in respect of the debenture;
- (d) the investment in the debenture is not part of a scheme or arrangement the main purpose, or one of the main purposes, of which is the avoidance of tax;
- (e) the debenture is not made available to the account investor by reason of their or of another's status, whether past, present or prospective, as an employee, director, partner, trustee or the holder of any office;
- (f) the account investor is not connected with the issuer of the debenture, and for this purpose "connected" has the meaning given in section 170 of ITA 2007 with the omission of the reference to "in period A" in sub-section (7);
- (g) the debenture must not be connected with any other investment held outside an account by the account investor or any other person, and for this purpose an investment is to be treated as connected with another if—
  - (i) either was made with reference to the other or with a view to enabling the other to be made on particular terms;
  - (ii) the terms on which either investment was made would have been significantly less favourable if the other investment had not been made; and
- (h) the investment in the debenture is made on genuine commercial terms.]]

#### Textual Amendments

- F395** Reg. 8A inserted (6.4.2016) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2016 \(S.I. 2016/364\)](#), regs. 1, **12**
- F396** Reg. 8A(2)(ca) inserted (1.11.2016) by [The Individual Savings Account \(Amendment No. 3\) Regulations 2016 \(S.I. 2016/977\)](#), regs. 1, **7(a)**
- F397** Reg. 8A(4) inserted (1.11.2016) by [The Individual Savings Account \(Amendment No. 3\) Regulations 2016 \(S.I. 2016/977\)](#), regs. 1, **7(b)**

#### [<sup>F398</sup>Insurance policies]

9.—[<sup>F399</sup>(1) Policies referred to in regulation 7(2)(n) or (o) <sup>F400</sup>... must, subject to compliance with [<sup>F401</sup>paragraphs (4) to (9) as appropriate], satisfy the conditions specified in paragraph (3).]

[<sup>F399</sup>(2) In paragraph (1) "policies" includes rights under a linked long-term contract specified as a stakeholder product by regulation 6 of the Stakeholder Products Regulations.]

- (3) The conditions specified in this paragraph are that—
- (a) the insurance is on the life of the account investor only;
  - (b) the terms and conditions of the policy provide—
    - (i) that the policy may only be owned or held as a qualifying investment for <sup>F402</sup>...an account which satisfies the provisions of these Regulations;
    - (ii) [<sup>F403</sup>in the case of a policy that is held under an account that is not a junior ISA account,] that the policy shall automatically terminate if [<sup>F404</sup>it comes to the notice of the account manager, in any manner, that either of the events specified in paragraph (8) has occurred in relation to the policy;]
- [<sup>F405</sup>(ia) in the case of a policy that is held under an account that is a junior ISA account, that the policy shall automatically terminate if it comes to the notice of the account

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manager, in any manner, that the event specified in paragraph (8A) has occurred in relation to the policy;]

[<sup>F406</sup>(iii) subject to paragraph (3B), for an express prohibition of any transfer, assignment or (in Scotland) assignation of the policy to the account investor who holds the account under which the policy is held or, in the case of a policy held under an account that is a junior ISA account, the registered contact or named child in relation to that account;]

<sup>F407</sup>(iv) .....

[<sup>F408</sup>(c) the policy evidences or secures a contract of insurance which—

- (i) falls within paragraph I or III of Part II of Schedule 1 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, or
- (ii) would fall within either of those paragraphs if the insurer was a company with permission under Part 4 of the Financial Services and Markets Act 2000 to effect or carry out contracts of insurance;]

(d) the policy is not—

- (i) a contract to pay an annuity on human life, or
- (ii) a personal portfolio bond within the meaning given by [<sup>F409</sup>[<sup>F410</sup>section 516 of ITTOIA 2005], or]
- (iii) a contract, the effecting and carrying out of which constitutes “pension business” within the meaning given by section 431B(1) of the Taxes Act <sup>M10</sup>; and

(e) after the first payment in respect of a premium in relation to the policy has been made, there is no contractual obligation on any person to make any other such payment.

[<sup>F411</sup>(3A) In paragraphs (3)(b)(iii) and (3B), “policy” includes—

- (a) the rights conferred by a policy; and
- (b) any share or interest in the rights conferred by a policy.

(3B) The prohibition required by paragraph (3)(b)(iii) must not prohibit—

- (a) the cash proceeds from the termination of the policy or a partial surrender of the policy ownership—
  - (i) being paid to the account investor where the policy is held under an account that is not a junior ISA account;
  - (ii) being withdrawn in accordance with regulation 4ZD (permitted withdrawals from a junior ISA account) or 4ZE (permitted withdrawals from a junior ISA account where the named child is terminally ill);
- (b) the transfer of title to the policy so that it is vested as required from time to time by regulations 4(6)(b)(i) and (ia) (general conditions for accounts) and 15(a) (special provisions relating to insurer-managers) by virtue of—
  - (i) a transfer of an account in accordance with regulations 21 or 21B;
  - (ii) a change of registered contact in relation to a junior ISA account; or
  - (iii) an account ceasing to be a junior ISA account upon the named child in relation to the account attaining 18 years;
- (c) the vesting of the policy in the personal representatives of the account investor.]

(4) A policy <sup>F412</sup>...must not be connected with any other policy (“the linked policy”), held by the account investor or any other person, and for this purpose a policy is connected with another if—

- (a) either policy was issued in respect of an insurance made with reference to the other, or with a view to enabling the other to be made on particular terms, or with a view to facilitating the making of the other on particular terms, and
  - (b) the terms on which the first-mentioned policy in this paragraph was issued would have been significantly less favourable to the holder if the linked policy had not been issued.
- (5) References to “the linked policy” in paragraph (4) shall include a contract of insurance, and references to the issuing of the linked policy shall include the making of such a contract.

(6) No sum may at any time, at or after the making of the insurance, be lent to or at the direction of the account investor by or by arrangement with the insurer for the time being responsible for the obligations under the policy.

[<sup>F413</sup>(7) Where [<sup>F414</sup>any of the events specified in paragraphs (8) or (8A)] occurs in relation to a policy, the policy shall nevertheless be treated, for the purposes of these Regulations, [<sup>F415</sup>excepting paragraphs (3)(b)(ii) and (ia), (8) and (8A)] and regulation 36, as if it had satisfied the conditions in paragraph (3)(b)(i) during the period—

- (a) commencing at the time at which the specified event occurred, and
  - (b) ending immediately before—
    - (i) the end of the [<sup>F416</sup>final insurance year in relation to the policy, within the meaning given by section 499 of ITTOIA 2005], or
    - (ii) the time at which the specified event came to the notice of the account manager, whichever first occurs (the “termination event”).
- (8) The events specified in this paragraph are—
- (a) that the policy has ceased to be one in respect of which the conditions in paragraph (3)(b)(i) are satisfied; and
  - (b) that those conditions were not satisfied in relation to the policy at the date on which the insurance was made.

[<sup>F417</sup>(8A) The event specified in this paragraph is that—

- (a) the policy has ceased to be one in respect of which the conditions in paragraph (3)(b)(i) are satisfied or those conditions were not satisfied in relation to the policy at the date on which the insurance was made; and
  - (b) the breach or non-compliance cannot be remedied in accordance with regulation 21C or has not been remedied within a reasonable time.]
- (9) Where—
- (a) it comes to the notice of the account manager, in any manner, that an event specified in [<sup>F418</sup>paragraph (8) or (8A)] has occurred in relation to a policy, and
  - (b) the account manager is not the insurer for the time being responsible for the obligations under the policy or, where the policy is not still in existence, the person who was the last such insurer,

the account manager shall, within 30 days of the event coming to his notice, give notice to that insurer, specifying the event mentioned in sub-paragraph (a), and the termination event.]

#### Textual Amendments

**F398** Reg. 9 heading substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2004 \(S.I. 2004/2996\)](#), regs. 1(1), **13(a)**

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*Changes to legislation: There are currently no known outstanding effects for the The Individual Savings Account Regulations 1998. (See end of Document for details)*

- F399** Reg. 9(1)(2) substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by The Individual Savings Account (Amendment No. 2) Regulations 2004 (S.I. 2004/2996), regs. 1(1), **13(b)**
- F400** Words in reg. 9(1) omitted (1.7.2014) by virtue of The Individual Savings Account (Amendment No. 2) Regulations 2014 (S.I. 2014/1450), regs. 1, **16**
- F401** Words in reg. 9(1) substituted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **16(a)**
- F402** Words in reg. 9(3)(b)(i) omitted (with effect in accordance with reg. 1(2) of the amending S.I.) by virtue of The Individual Savings Account (Amendment No. 2) Regulations 2004 (S.I. 2004/2996), regs. 1(1), **13(c)**
- F403** Words in reg. 9(3)(b)(ii) inserted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **16(b)**
- F404** Words in reg. 9(3)(b)(ii) substituted (6.4.1999) by The Individual Savings Account (Amendment) Regulations 1998 (S.I. 1998/3174), regs. 1, **7(2)**
- F405** Reg. 9(3)(b)(ia) inserted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **16(c)**
- F406** Reg. 9(3)(b)(iii) substituted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **16(d)**
- F407** Reg. 9(3)(b)(iv) omitted (1.11.2011) by virtue of The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **16(e)**
- F408** Reg. 9(3)(c) substituted (1.12.2001) by The Financial Services and Markets Act 2000 (Consequential Amendments) (Taxes) Order 2001 (S.I. 2001/3629), arts. 1(2)(b), **174**
- F409** Words in reg. 9(3)(d)(ii) substituted (6.4.2001) by The Individual Savings Account (Amendment) Regulations 2001 (S.I. 2001/908), regs. 1, **4**
- F410** Words in reg. 9(3)(d)(ii) substituted (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2008 (S.I. 2008/704), regs. 1, **8(2)**
- F411** Reg. 9(3A)(3B) inserted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **16(f)**
- F412** Words in reg. 9(4) omitted (with effect in accordance with reg. 1(2) of the amending S.I.) by virtue of The Individual Savings Account (Amendment No. 2) Regulations 2004 (S.I. 2004/2996), regs. 1(1), **13(d)**
- F413** Reg. 9(7)-(9) substituted for reg. 9(7) (6.4.1999) by The Individual Savings Account (Amendment) Regulations 1998 (S.I. 1998/3174), regs. 1, **7(3)**
- F414** Words in reg. 9(7) substituted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **16(g)(i)**
- F415** Words in reg. 9(7) substituted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **16(g)(ii)**
- F416** Words in reg. 9(7)(b)(i) substituted (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2008 (S.I. 2008/704), regs. 1, **8(3)**
- F417** Reg. 9(8A) inserted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **16(h)**
- F418** Words in reg. 9(9) substituted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **16(i)**

#### Marginal Citations

- M10** Section 431B was inserted by paragraphs 2, 57(1) and 58 of Schedule 8 to the Finance Act 1995 (c.4).

#### Qualifying individuals who may invest under an account [<sup>F419</sup>that is not a junior ISA account][<sup>F420</sup>nor a Lifetime ISA]

**10.**—[<sup>F421</sup>(1) This regulation specifies the description of individual (“qualifying individual”) who may invest under an account that is not a junior ISA account [<sup>F422</sup>nor a Lifetime ISA].]

- (2) A qualifying individual to whom paragraph (1) refers is an individual—
- [<sup>F423</sup>(a) who, in the case of a cash account, is 16 years of age or over and, in the case of a stocks and shares account [<sup>F424</sup>or innovative finance account], is 18 years of age or over;
- (b) who, [<sup>F425</sup>except for a subscription made in accordance with regulation [<sup>F426</sup>5D(2)(a)(iia) or (iv)],] in the case of a stocks and shares account, has not subscribed, and will not subscribe, to any other stocks and shares account, in the year in which the subscription is made;
- (c) who, [<sup>F427</sup>except for a subscription made in accordance with regulation [<sup>F428</sup>5D(2)(a)(i), (iia), (iv) or (v)],] in the case of a cash account, has not subscribed, and will not subscribe, to any other cash account, in the year in which the subscription is made;
- [<sup>F429</sup>(cza) who, except for a subscription made in accordance with regulation 5D(2)(a)(iia) or (iv), in the case of an innovative finance account, has not subscribed and will not subscribe, to any other innovative finance account, in the year in which the subscription is made;]
- (ca) who has not exceeded the <sup>F430</sup>... overall subscription limit in [<sup>F431</sup>regulation 4ZA(1)]<sup>F430</sup> ... in that year;]
- (d) (i) who is resident <sup>F432</sup>... in the United Kingdom, or
- [<sup>F433</sup>(ii) who, though not resident in the United Kingdom, has general earnings from overseas Crown employment subject to United Kingdom tax within the meaning given by section 28 of ITEPA 2003,][<sup>F434</sup>or
- (iii) who, though not resident in the United Kingdom, is married to [<sup>F435</sup>or in a civil partnership with] a person mentioned in paragraph (ii)][<sup>F436</sup>; or]
- [<sup>F437</sup>(iv) who, where the terms and conditions of an account allow for it, though not resident in the United Kingdom, makes a subscription to the account in accordance with regulation 5D.]
- [<sup>F438</sup>(3) For the purposes of paragraph (2)(b) and (c), a subscription to a junior ISA account shall be disregarded.]

### Textual Amendments

- F419** Words in reg. 10 heading added (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **17(a)**
- F420** Words in reg. 10 heading inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **20(a)**
- F421** Reg. 10(1) substituted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **17(b)**
- F422** Words in reg. 10(1) inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **20(b)**
- F423** Reg. 10(2)(a)-(ca) substituted for reg. 10(2)(a)-(c) (6.4.2008) by [The Individual Savings Account \(Amendment\) Regulations 2007 \(S.I. 2007/2119\)](#), regs. 1, **14**
- F424** Words in reg. 10(2)(a) inserted (6.4.2016) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2016 \(S.I. 2016/364\)](#), regs. 1, **13(a)**
- F425** Words in reg. 10(2)(b) inserted (1.2.2016) by [The Individual Savings Account \(Amendment\) Regulations 2016 \(S.I. 2016/16\)](#), regs. 1, **12(a)**
- F426** Words in reg. 10(2)(b) substituted (6.4.2016) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2016 \(S.I. 2016/364\)](#), regs. 1, **13(b)**
- F427** Words in reg. 10(2)(c) inserted (1.2.2016) by [The Individual Savings Account \(Amendment\) Regulations 2016 \(S.I. 2016/16\)](#), regs. 1, **12(b)**
- F428** Words in reg. 10(2)(c) substituted (6.4.2016) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2016 \(S.I. 2016/364\)](#), regs. 1, **13(c)**



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*Changes to legislation: There are currently no known outstanding effects for the The Individual Savings Account Regulations 1998. (See end of Document for details)*

- F429** Reg. 10(2)(cza) inserted (6.4.2016) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2016 \(S.I. 2016/364\)](#), regs. 1, **13(d)**
- F430** Words in reg. 10(2)(ca) omitted (1.7.2014) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **17**
- F431** Words in reg. 10(2)(ca) substituted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **17(c)(i)**
- F432** Words in reg. 10(2)(d)(i) omitted (6.4.2013) by virtue of [The Income Tax \(Removal of Ordinary Residence\) Regulations 2013 \(S.I. 2013/605\)](#), regs. 1, **4(3)** (with reg. 2(a))
- F433** Reg. 10(2)(d)(ii) substituted (6.4.2008) by [The Individual Savings Account \(Amendment\) Regulations 2008 \(S.I. 2008/704\)](#), regs. 1, **9**
- F434** Reg. 10(2)(d)(iii) and preceding word added (6.4.2001) by [The Individual Savings Account \(Amendment\) Regulations 2001 \(S.I. 2001/908\)](#), regs. 1, **5(b)**
- F435** Words in reg. 10(2)(d)(iii) inserted (5.12.2005) by [The Tax and Civil Partnership \(No. 2\) Regulations 2005 \(S.I. 2005/3230\)](#), regs. 1, **10(3)**
- F436** Word in reg. 10(2)(d)(iii) substituted (1.2.2016) by [The Individual Savings Account \(Amendment\) Regulations 2016 \(S.I. 2016/16\)](#), regs. 1, **12(c)**
- F437** Reg. 10(2)(d)(iv) inserted (1.2.2016) by [The Individual Savings Account \(Amendment\) Regulations 2016 \(S.I. 2016/16\)](#), regs. 1, **12(d)**
- F438** Reg. 10(3) inserted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **17(d)**

#### **[<sup>F439</sup>Lifetime ISA qualifying individuals who may invest under a Lifetime ISA**

**10A.**—(1) This regulation specifies the description of individual (“Lifetime ISA qualifying individual”) who may invest under a Lifetime ISA.

- (2) A Lifetime ISA qualifying individual to whom paragraph (1) refers is an individual who—
- (a) is 18 years of age or over;
  - (b) in relation to a current year payment is under 50 years of age;
  - (c) in relation to a current year payment or a payment under paragraph (4)(c), has not made, and will not make, any such payment to any other Lifetime ISA in the year in which the payment is made;
  - (d) has not exceeded the overall subscription limit in regulation 4ZA(1) in that year;
  - (e) has not exceeded the overall Lifetime ISA payment limit in regulation 4ZA(1A) in that year; and
  - (f) in relation to a current year payment or a payment under paragraph (4)(c), is resident in the United Kingdom or, if not so resident—
    - (i) is a person who has general earnings from overseas Crown employment subject to United Kingdom tax within the meaning given by section 28 of ITEPA 2003, or
    - (ii) is married to or in a civil partnership with a person mentioned in paragraph (i).
- (3) Subject to paragraph (4), the following are current year payments—
- (a) a subscription of money;
  - (b) a subscription of shares to which regulation 7(2)(h) applies;
  - (c) a subscription to which regulation 5D applies;
  - (d) an additional permitted subscription in accordance with regulation 5DDA;
  - (e) a replacement subscription in accordance with regulation 5DDB;
  - (f) an additional permitted subscription on closure of a Help to Buy ISA in accordance with regulation 5DDC; and



- (g) a transfer of qualifying investments for a Lifetime ISA component from an account which is not a Lifetime ISA.
- (4) The following are not current year payments—
- (a) a defaulted Lifetime ISA subscription under regulation 5D(2)(a)(ia);
  - (b) a returned withdrawal under regulation 5D(2)(a)(ib); and
  - (c) the first or only transfer from a Help to Buy ISA (as described in regulation 5DDC(6)) to a Lifetime ISA in the year 2017-18 in an amount not exceeding the balance on the Help to Buy ISA as at 5th April 2017 plus accrued interest.]

#### Textual Amendments

**F439** Reg. 10A inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **21**

#### Account investor ceasing to qualify

**11.** Notwithstanding any other provision of these Regulations an account investor who, after subscribing [<sup>F440</sup>or making a qualifying addition] to an account, at any time ceases to fulfil the conditions of regulation 10(2)(d) [<sup>F441</sup>or 10A(2)(f), as the case may be,] may retain the benefits of the account (including the right to any relief or exemption due under the account) subsisting at that time but, so long as he fails to fulfil those conditions, shall not be entitled to subscribe further [<sup>F442</sup>or make a qualifying addition] to such an account.

#### Textual Amendments

**F440** Words in [reg. 11](#) inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **22(a)**

**F441** Words in [reg. 11](#) inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **22(b)**

**F442** Words in [reg. 11](#) inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **22(c)**

#### <sup>F443</sup>Conditions for application to open an account that is not a junior ISA account][<sup>F444</sup>or a Lifetime ISA]

**12.—(1)** An application by an individual to [<sup>F445</sup>open] an account in the year in which he first subscribes to that account, and in the year following a year in which that individual has not subscribed to the account, must be made to an account manager in a statement and <sup>F446</sup>... must fulfil the conditions specified in paragraphs (2), (3) and (4).

(2) An application must specify the first year to which the application relates.

(3) An application [<sup>F447</sup>must contain] a declaration by the applicant that—

- <sup>F448</sup>(a) his application is to [<sup>F449</sup>open] a stocks and shares account[<sup>F450</sup>, cash account or innovative finance account], as the case may be;]
- (b) the declaration shall have effect for the year to which paragraph (2) refers, and each successive year following that year, in which the applicant subscribes to the account;
- (c) all cash subscriptions made, and to be made, to the account are the applicant's cash;

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- [<sup>F451</sup>(d) in the case of a stocks and shares account, the applicant[<sup>F452</sup>, except for a subscription made in accordance with regulation [<sup>F453</sup>5D(2)(a)(ia) or (iv)]]—
  - (i) has not subscribed, and will not subscribe, to any other stocks and shares account, in the year to which paragraph (2) refers, and
  - (ii) will not subscribe to any other stocks and shares account, in each successive year following that year, in which the declaration has effect;]

- [<sup>F451</sup>(e) in the case of a cash account, the applicant[<sup>F454</sup>, except for a subscription made in accordance with regulation [<sup>F455</sup>5D(2)(a)(i), (ia), (iv) or (v)]]—
  - (i) has not subscribed, and will not subscribe, to any other cash account, in the year to which paragraph (2) refers, and
  - (ii) will not subscribe to any other cash account, in each successive year following that year, in which the declaration has effect;

- (ea) that the applicant has not subscribed, and will not subscribe, more than the <sup>F456</sup>... overall subscription limit in [<sup>F457</sup>regulation 4ZA(1)] (aggregating subscriptions to all accounts)—
  - (i) in the year to which paragraph (2) refers, and
  - (ii) in each successive year following that year, in which the declaration has effect;]

<sup>F458</sup>(eb) .....

- [<sup>F459</sup>(f) the applicant is 16 years of age or over, and [<sup>F460</sup>except in relation to a subscription made in accordance with regulation 5D [<sup>F461</sup>or 5DZ] into an account opened solely to receive such a subscription]—
  - (i) is resident <sup>F462</sup>... in the United Kingdom, or
  - (ii) [<sup>F463</sup>is a person who has general earnings from overseas Crown employment subject to United Kingdom tax within the meaning given by section 28 of ITEPA 2003,] or
  - (iii) is married to [<sup>F464</sup>or in a civil partnership with] a person mentioned in paragraph (ii), and will inform the account manager if he ceases to be so resident <sup>F465</sup>..., or to perform such duties, or to be married to [<sup>F466</sup>or in a civil partnership with] a person who performs such duties, as the case may be;]

- [<sup>F467</sup>(fa) in the case of an innovative finance account, except for a subscription made in accordance with regulation 5D(2)(a), (ia) or (iv), the applicant—
  - (i) has not subscribed, and will not subscribe, to any other innovative finance account, in the year to which paragraph (2) refers, and
  - (ii) will not subscribe to any other innovative finance account, in each successive year following that year in which the declaration has effect;]

<sup>F468</sup>(g) .....

- (4) An application must contain—
  - (a) the applicant’s full name,
  - (b) the address of his permanent residence, including postcode,
  - (c) his national insurance number, or confirmation that he does not have one, <sup>F469</sup>...
  - (d) his date of birth[<sup>F470</sup>,
  - (e) the authorisation specified in paragraph (4A)]

[<sup>F471</sup>(4A) The authorisation specified by this paragraph is authority given by the applicant to the account manager—

- (a) to hold the subscriptions, account investments, interest, dividends and any other rights or proceeds in respect of those investments and cash;
- (b) to make on behalf of the applicant any claims to relief from tax in respect of account investments; and
- (c) to make a record in writing in accordance with paragraph (7) where that paragraph requires the account manager to do so.]

<sup>F472</sup>(5) .....

(6) An account manager may not accept as an account investor any individual if he has reason to believe that—

- (a) he is not or might not be a qualifying individual, or
- (b) he has given untrue information in his application.

[<sup>F473</sup>(7) Where an application is not in writing or the manager operates a record system under which all original written applications are not retained—

- (a) the account manager must, immediately after receiving the application, record in writing on behalf of the applicant, the declaration required by paragraph (3) and authorisation required by paragraphs (4)(e) and (4A);
- (b) the account manager must notify the applicant of the contents of the written record within 5 business days of making it; and
- (c) the written record (as amended by any corrections notified to the account manager by the applicant within 30 days of the notification mentioned in sub-paragraph (b)) shall be treated as the applicant’s declaration required by paragraph (3) and authorisation required by paragraphs (4)(e) and (4A).]

<sup>F474</sup>(7A) .....

(8) Section 95 of the Management Act <sup>M11</sup> shall have effect as if—

- (a) the statement and declarations to which paragraphs (1), (3) and (7) refer were a statement or declarations, as the case may be, within the meaning of subsection (1)(b), and
- (b) there were substituted for subsection (3) the following words—

“(3) The relevant years of assessment for the purposes of this section are the year of assessment in respect of which any claim to relief or exemption from tax in connection with which the statement or declarations are relevant, is made, the next following, and any preceding year of assessment.”

[<sup>F475</sup>(9) An application furnished by an individual under this regulation <sup>F476</sup>... shall be regarded as in writing if it is furnished—

- (a) by telephonic facsimile transmission containing the signature of the individual, or
- (b) by electronic communication containing an electronic signature of the individual.

[<sup>F477</sup>(10) Where an account manager is required by paragraph (7) to make a record in writing—

- (a) a record shall be regarded as being a written record if it is produced by electronic means;
- (b) the notification of the contents of the record by the account manager to the applicant required by paragraph (7)(b) may be sent to the applicant by telephonic facsimile transmission or by electronic communication.]

(11) In this regulation—

[<sup>F478</sup>“electronic communication” includes any communication conveyed by means of an electronic communications network.]

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“electronic signature” has the meaning given by section 7(2) of the Electronic Communications Act 2000.]

[<sup>F479</sup>(11A) In paragraph (3), references to subscriptions to an account do not include subscriptions to an account that is a junior ISA account.]

[<sup>F480</sup>(12) An application may be made on an individual’s behalf —

(a) if the individual is resident in England and Wales—

(i) pursuant to an order under section 16(2)(a) of the Mental Capacity Act 2005; or

(ii) by a deputy appointed under section 16(2)(b) of that Act; or

(b) if the individual is resident in Scotland or Northern Ireland and is suffering from mental disorder, by a parent, guardian, spouse, civil partner, son or daughter of the individual.]

[<sup>F481</sup>(13) In paragraph (12) “mental disorder” has the meaning given by <sup>F482</sup>... in Scotland, [<sup>F483</sup>section 328 of the Mental Health (Care and Treatment) (Scotland) Act 2003] or, in Northern Ireland, Article 3 of the Mental Health (Northern Ireland) Order 1986.]

[<sup>F484</sup>(14) This regulation does not apply to a Lifetime ISA.]

#### Textual Amendments

**F443** Reg. 12 heading inserted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **18(a)**

**F444** Words in reg. 12 heading inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **23(a)**

**F445** Word in reg. 12(1) substituted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **18(b)**

**F446** Words in reg. 12(1) omitted (8.8.2012) by virtue of [The Individual Savings Account \(Amendment\) \(No. 2\) Regulations 2012 \(S.I. 2012/1871\)](#), regs. 1, **14**

**F447** Words in reg. 12(3) substituted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **18(c)(i)**

**F448** Reg. 12(3)(a) substituted (6.4.2008) by [The Individual Savings Account \(Amendment\) Regulations 2007 \(S.I. 2007/2119\)](#), regs. 1, **15(a)**

**F449** Words in reg. 12(3)(a) substituted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **18(c)(ii)**

**F450** Words in reg. 12(3)(a) substituted (6.4.2016) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2016 \(S.I. 2016/364\)](#), regs. 1, **14(a)**

**F451** Reg. 12(3)(d)-(eb) substituted for reg. 12(3)(d)(e) (6.4.2008) by [The Individual Savings Account \(Amendment\) Regulations 2007 \(S.I. 2007/2119\)](#), regs. 1, **15(b)**

**F452** Words in reg. 12(3)(d) inserted (1.2.2016) by [The Individual Savings Account \(Amendment\) Regulations 2016 \(S.I. 2016/16\)](#), regs. 1, **13(a)**

**F453** Words in reg. 12(3)(d) substituted (6.4.2016) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2016 \(S.I. 2016/364\)](#), regs. 1, **14(b)**

**F454** Words in reg. 12(3)(e) inserted (1.2.2016) by [The Individual Savings Account \(Amendment\) Regulations 2016 \(S.I. 2016/16\)](#), regs. 1, **13(b)**

**F455** Words in reg. 12(3)(e) substituted (6.4.2016) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2016 \(S.I. 2016/364\)](#), regs. 1, **14(c)**

**F456** Word in reg. 12(3)(ea) omitted (1.7.2014) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **18(a)**

**F457** Words in reg. 12(3)(ea) substituted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **18(c)(iii)**

**F458** Reg. 12(3)(eb) omitted (1.7.2014) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **18(b)**

- F459** Reg. 12(3)(f) substituted (6.4.2001) by The Individual Savings Account (Amendment) Regulations 2001 (S.I. 2001/908), regs. 1, **6(a)**
- F460** Words in reg. 12(3)(f) inserted (1.2.2016) by The Individual Savings Account (Amendment) Regulations 2016 (S.I. 2016/16), regs. 1, **13(c)**
- F461** Words in reg. 12(3)(f) inserted (6.4.2020) by The Individual Savings Account (Amendment) Regulations 2020 (S.I. 2020/30), regs. 1(1), **7**
- F462** Words in reg. 12(3)(f)(i) omitted (6.4.2013) by virtue of The Income Tax (Removal of Ordinary Residence) Regulations 2013 (S.I. 2013/605), regs. 1, **4(4)** (with reg. 2(a))
- F463** Reg. 12(3)(f)(ii) substituted (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2008 (S.I. 2008/704), regs. 1, **10(2)**
- F464** Words in reg. 12(3)(f)(iii) inserted (5.12.2005) by The Tax and Civil Partnership (No. 2) Regulations 2005 (S.I. 2005/3230), regs. 1, **10(4)(a)(i)**
- F465** Words in reg. 12(3)(f) omitted (6.4.2013) by virtue of The Income Tax (Removal of Ordinary Residence) Regulations 2013 (S.I. 2013/605), regs. 1, **4(4)** (with reg. 2(a))
- F466** Words in reg. 12(3)(f) inserted (5.12.2005) by The Tax and Civil Partnership (No. 2) Regulations 2005 (S.I. 2005/3230), regs. 1, **10(4)(a)(ii)**
- F467** Reg. 12(3)(fa) inserted (as a duplicate sub-paragraph (f)) (6.4.2016) by The Individual Savings Account (Amendment No. 2) Regulations 2016 (S.I. 2016/364), regs. 1, 14(d); relabelled as reg. 12(3)(fa) (6.4.2017) by virtue of The Individual Savings Account (Amendment) Regulations 2017 (S.I. 2017/186), regs. 1, **8**
- F468** Reg. 12(3)(g) omitted (1.11.2011) by virtue of The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **18(c)(v)**
- F469** Word in reg. 12(4) omitted (1.11.2011) by virtue of The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **18(d)(i)**
- F470** Reg. 12(4)(e) and preceding comma inserted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **18(d)(ii)**
- F471** Reg. 12(4A) inserted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **18(e)**
- F472** Reg. 12(5) omitted (6.4.2008) by virtue of The Individual Savings Account (Amendment) Regulations 2007 (S.I. 2007/2119), regs. 1, **16**
- F473** Reg. 12(7) substituted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **18(f)**
- F474** Reg. 12(7A) omitted (1.11.2011) by virtue of The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **18(g)**
- F475** Reg. 12(9)-(11) added (6.4.2001) by The Individual Savings Account (Amendment) Regulations 2001 (S.I. 2001/908), regs. 1, **6(b)**
- F476** Words in reg. 12(9) omitted (8.1.2003) by virtue of The Individual Savings Account (Amendment No. 3) Regulations 2002 (S.I. 2002/3158), regs. 1(2), **5(a)**
- F477** Reg. 12(10) substituted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **18(h)**
- F478** Words in reg. 12(11) substituted (17.9.2003) by The Communications Act 2003 (Consequential Amendments) Order 2003 (S.I. 2003/2155), art. 1(1), Sch. 1 para. 24(1)(c)**(2)**
- F479** Reg. 12(11A) inserted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **18(i)**
- F480** Reg. 12(12) substituted (6.4.2014) by The Individual Savings Account (Amendment) Regulations 2014 (S.I. 2014/654), regs. 1(1), **10(a)**
- F481** Reg. 12(12)(13) added (8.1.2003) by The Individual Savings Account (Amendment No. 3) Regulations 2002 (S.I. 2002/3158), regs. 1(2), **5(c)**
- F482** Words in reg. 12(13) omitted (6.4.2014) by virtue of The Individual Savings Account (Amendment) Regulations 2014 (S.I. 2014/654), regs. 1(1), **10(b)**
- F483** Words in reg. 12(13) substituted (5.10.2005) by The Mental Health (Care and Treatment) (Scotland) Act 2003 (Modification of Subordinate Legislation) Order 2005 (S.S.I. 2005/445), arts. 1, 2, **Sch.**

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**para. 28;** The Mental Health (Care and Treatment) (Scotland) Act 2003 (Consequential Provisions) Order 2005 (S.I. 2005/2078), art. 1(1), **Sch. 2 para. 19**

**F484** Reg. 12(14) inserted (6.4.2017) by The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **23(b)**

#### Marginal Citations

**M11** 1970 c.9; section 95 was amended by section 148 of and Schedule 14 Part VIII to the Finance Act 1988 (c.39), by section 163 of the Finance Act 1989 (c.26) and sections 196 and 199 of, and paragraph 27 of Schedule 19, and Schedule 26 Part V(23), to the Finance Act 1994 (c.9).

#### [<sup>F485</sup>Conditions for application to open an account that is a junior ISA account

**12A.—**(1) An application (“junior ISA application”) to open a junior ISA account with an account manager may only be made if the account will be held by an eligible child immediately following the opening of the account [<sup>F486</sup>or by the holder of a junior ISA account arising from a transfer provided for by regulation 20A of the Child Trust Funds Regulations 2004, or if the application is preliminary to such a transfer].

(2) [<sup>F487</sup>A] child may hold—

- (a) only one account set up as a cash account; and
- (b) only one account set up as a stocks and shares account.

(3) For the purposes of paragraphs (2) and (7), an account holding an amount of less than one penny shall be disregarded.

[<sup>F488</sup>(3A) Except in the case of an account that will be held by an eligible child as mentioned in paragraph (1), the word “eligible” in paragraphs (4), (6), (7)(g), (h) and (i) and (8) must be disregarded.]

(4) A junior ISA application may be made by a person who—

- (a) is over 16, and
- (b) in relation to the junior ISA account to be opened pursuant to the application is—
  - (i) a person who has parental responsibility in relation to the eligible child who will hold the account; or
  - (ii) the eligible child who will hold the account.

(5) A junior ISA application must be made to an account manager in a statement and must fulfil the conditions specified in paragraphs (6), (7) and (8).

(6) A junior ISA application must specify the eligible child as being the beneficial owner of the account investments under that account.

(7) A junior ISA application must contain a declaration by the applicant that—

- (a) the application is made to open a junior ISA account;
- (b) the information provided in accordance with paragraph (8) is true;
- (c) the child who will hold the account opened pursuant to the application is not an “eligible child” within the meaning given in the Child Trust Funds Act 2004 [<sup>F489</sup>(but this is not required if the person who will hold the account is already the holder of a junior ISA account arising from a transfer mentioned in paragraph (1), or if the application is preliminary to such a transfer)];
- (d) the child who will hold the account opened pursuant to the application is—

- (i) resident <sup>F490</sup>... in the United Kingdom [<sup>F491</sup>(but this is not required if the application is preliminary to a transfer mentioned in paragraph (1))],
  - (ii) a person who has general earnings from overseas Crown employment subject to United Kingdom tax within the meaning given by section 28 of ITEPA 2003,
  - (iii) married to or in a civil partnership with a person mentioned in paragraph (ii), or
  - (iv) a dependant of a person mentioned in paragraph (ii);
  - (e) the applicant is the person who, upon the opening of the account, will be the registered contact in relation to the account;
  - (f) the application is to open a stocks and shares account or cash account, as the case may be;
  - (g) in the case of a stocks and shares account, the applicant—
    - (i) has not subscribed, and will not subscribe, to any other stocks and shares account that is a junior ISA account held by the same eligible child, and
    - (ii) is not aware of any other stocks and shares account held by the eligible child that is a junior ISA account;
  - (h) in the case of a cash account, the applicant—
    - (i) has not subscribed, and will not subscribe, to any other cash account that is a junior ISA account held by the same eligible child, and
    - (ii) is not aware of any other cash account held by the eligible child that is a junior ISA account;
  - (i) as far as the applicant is aware, the applicant has not subscribed amounts to the account (or any other account) that, when aggregated with other subscriptions, exceed the overall subscription limit in regulation 4ZB(1) (subscriptions to accounts opened in accordance with this regulation) in relation to the eligible child who will hold the account in the year in which the junior ISA application is made; and
  - (j) the applicant will not knowingly subscribe amounts to the account that, when aggregated with other subscriptions, exceed the overall subscription limit in regulation 4ZB(1) applicable from time to time (subscriptions to accounts opened in accordance with this regulation) in each successive year following the year in which the junior ISA application is made.
- (8) A junior ISA application must contain—
- (a) the applicant's full name,
  - (b) the address of the applicant's permanent residence, including postcode,
  - (c) the full name of the eligible child,
  - (d) the date of birth of the eligible child,
  - (e) where the applicant is not the eligible child, the address of the eligible child's permanent residence, including postcode,
  - (f) the eligible child's national insurance number if the child—
    - (i) is 16 or over, and
    - (ii) has been issued with a national insurance number,
  - (g) the authorisation specified in paragraph (9).
- (9) The authorisation specified by this paragraph is authority given by the applicant to the account manager (on behalf of the child who holds the account where appropriate)—
- (a) to hold the subscriptions, account investments, interest, dividends and any other rights or proceeds in respect of those investments and cash;



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- (b) to make on behalf of the child any claim to relief from tax in respect of account investments; and
- (c) to make a record in writing in accordance with paragraph (11) where that paragraph requires the account manager to do so.
- (10) An account manager must not accept a junior ISA application if the account manager has reason to believe that the applicant has given untrue information in the application.
- (11) Where the junior ISA application is not in writing, or the account manager operates a record system under which all original written applications are not retained—
- (a) the account manager must, immediately after receiving the application, record in writing on behalf of the applicant, the declaration required by paragraph (7) and authorisation required by paragraphs (8)(g) and (9);
- (b) the account manager must notify the applicant of the contents of the written record within 5 business days of making it; and
- (c) the written record (as amended by any corrections notified to the account manager by the applicant within 30 days of the notification mentioned in sub-paragraph (b)) shall be treated as the applicant’s declaration required by paragraph (7) and authorisation required by paragraphs (8)(g) and (9).
- (12) An application furnished by an applicant under this regulation shall be regarded as in writing if it is furnished—
- (a) by telephonic facsimile transmission containing the signature of the applicant, or
- (b) by electronic communication containing an electronic signature of the applicant.
- (13) Where an account manager is required by paragraph (11) to make a record in writing—
- (a) a record shall be regarded as being a written record if it is produced by electronic means;
- (b) the notification of the contents of the record by the account manager to the applicant required by paragraph (11)(b) may be sent to the applicant by telephonic facsimile transmission or by electronic communication.
- (14) In this regulation—
- “electronic communication” includes any communication conveyed by means of an electronic communications network;
- “electronic signature” has the meaning given by section 7(2) of the Electronic Communications Act 2000.]

#### Textual Amendments

- F485** Reg. 12A inserted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **19**
- F486** Words in reg. 12A(1) inserted (6.4.2015) by [The Individual Savings Account \(Amendment No. 3\) Regulations 2015 \(S.I. 2015/941\)](#), regs. 1, **4(1)**
- F487** Word in reg. 12A(2) substituted (6.4.2015) by [The Individual Savings Account \(Amendment No. 3\) Regulations 2015 \(S.I. 2015/941\)](#), regs. 1, **4(2)**
- F488** Reg. 12A(3A) inserted (6.4.2015) by [The Individual Savings Account \(Amendment No. 3\) Regulations 2015 \(S.I. 2015/941\)](#), regs. 1, **4(3)**
- F489** Words in reg. 12A(7)(c) inserted (6.4.2015) by [The Individual Savings Account \(Amendment No. 3\) Regulations 2015 \(S.I. 2015/941\)](#), regs. 1, **4(4)**
- F490** Words in reg. 12A(7)(d)(i) omitted (6.4.2013) by virtue of [The Income Tax \(Removal of Ordinary Residence\) Regulations 2013 \(S.I. 2013/605\)](#), regs. 1, **4(5)** (with reg. 2(a))

**F491** Words in reg. 12A(7)(d)(i) inserted (6.4.2015) by [The Individual Savings Account \(Amendment No. 3\) Regulations 2015 \(S.I. 2015/941\)](#), regs. 1, **4(5)**

**[F492] Conditions for application to open an account that is a Lifetime ISA**

**12B.**—(1) An application by an individual to open a Lifetime ISA must be made to an account manager in the year in which the applicant first makes a payment to that account and must fulfil the conditions specified in paragraph (2).

- (2) The application must state that it is an application to open a Lifetime ISA and—
- (a) specify the first year to which the application relates;
  - (b) contain the information and authorisation specified in paragraph (3); and
  - (c) contain a declaration by the applicant in accordance with paragraph (4).
- (3) The application must contain—
- (a) the applicant’s full name;
  - (b) the address and postcode of the applicant’s permanent residence;
  - (c) the applicant’s national insurance number;
  - (d) the applicant’s date of birth; and
  - (e) the authorisation specified in paragraph (7).
- (4) The application must contain a declaration by the applicant that—
- (a) all subscriptions of money made, and to be made, to the account are or will be the applicant’s money;
  - (b) in the first year and in any subsequent year to which the application relates, the applicant has not—
    - (i) in relation to a qualifying addition made into the account, made and will not make, any such addition to any other Lifetime ISA,
    - (ii) exceeded, and will not exceed, the overall subscription limit in regulation 4ZA(1), and
    - (iii) made, and will not make, current year payments that exceed the overall Lifetime ISA payment limit in regulation 4ZA(1A);
  - (c) the applicant is 18 years of age or over;
  - (d) except where paragraph (5) applies, the applicant is under 40 years of age, and
    - (i) is resident in the United Kingdom, or
    - (ii) is a person who has general earnings from overseas Crown employment subject to United Kingdom tax within the meaning given by section 28 of ITEPA 2003, or
    - (iii) is married to or in a civil partnership with a person mentioned in sub-paragraph (ii); and
  - (e) the applicant will inform the account manager if any of the circumstances under sub-paragraph (d)(i) to (iii) changes.
- (5) This paragraph applies where the Lifetime ISA is being opened to receive—
- (a) a transfer of current year’s subscriptions or previous years’ subscriptions from another Lifetime ISA (within the meaning of regulation 21(1)), or
  - (b) a payment in accordance with regulation 5D(2)(a)(ia) or (ib).

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(6) A declaration under paragraph (4) shall have effect for each year in which the applicant makes a payment to the account to which the declaration relates except that after the account has been opened the reference to 40 in paragraph (4)(d) is deemed to be 50.

(7) The authorisation specified by this paragraph is authority given by the applicant to the account manager—

- (a) to hold the payments, account investments, interest, dividends and any other rights or proceeds (including any government bonus) in respect of those investments and cash;
- (b) to make on behalf of the applicant any claims to relief from tax in respect of account investments;
- (c) to submit any government bonus claims to the Board on the applicant's behalf;
- (d) to withhold and deduct from a balance in the account and pay to the Board—
  - (i) any charges due to the Board from the account manager on withdrawals from the account; and
  - (ii) any amount wrongly paid by way of government bonus accountable to the Board by the account manager under paragraph 12 of the Schedule; and
- (e) to make a record in writing in accordance with paragraph (9)(a) where that paragraph requires the account manager to do so.

(8) An account manager may not accept as an account investor any individual if the account manager has reason to believe that—

- (a) the individual is not, or might not be, a Lifetime ISA qualifying individual;
- (b) the individual has given untrue information in an application; or
- (c) subject to the exceptions described in paragraph (5), the individual is 40 years of age or over.

(9) Where an application is not in writing, or the account manager operates a record system under which all original written applications are not retained—

- (a) the account manager must, immediately after receiving the application, record in writing on behalf of the applicant, the declaration required by paragraph (2)(c) and the authorisation required by paragraph (3)(e);
- (b) the account manager must notify the applicant of the contents of the written record within 5 business days of making it; and
- (c) the written record, as amended by any corrections notified to the account manager by the applicant within 30 days of the notification mentioned in sub-paragraph (b), shall be treated as the applicant's declaration required by paragraph (2)(c) and the authorisation required by paragraph (3)(e).

(10) For the purposes of paragraph (9), “in writing” and “written record” have the same meanings as in regulation 12A(12) to (14).

(11) The application may be made on an individual's behalf—

- (a) if the individual is resident in England and Wales—
  - (i) pursuant to an order under section 16(2)(a) of the Mental Capacity Act 2005; or
  - (ii) by a deputy appointed under section 16(2)(b) of that Act; or
- (b) if the individual is resident in Scotland or Northern Ireland and is suffering from mental disorder, by a parent, guardian, spouse, civil partner, son or daughter of the individual.

(12) In paragraph (11)(b) “mental disorder” has the meaning given by, in Scotland section 328 of the Mental Health (Care and Treatment) (Scotland) Act 2003 or, in Northern Ireland, Article 3 of the Mental Health (Northern Ireland) Order 1986.]

**Textual Amendments**

**F492** Reg. 12B inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **24**

**Application by curator bonis**

<sup>F493</sup>**13.** .....

**Textual Amendments**

**F493** Reg. 13 omitted (8.1.2003) by virtue of [The Individual Savings Account \(Amendment No. 3\) Regulations 2002 \(S.I. 2002/3158\)](#), regs. 1(2), **6**

**Account manager—qualifications and Board’s approval**

**14.**—(1) This regulation specifies the circumstances (“qualifying circumstances”) in which a person may be approved by the Board as an account manager.

(2) The qualifying circumstances to which paragraph (1) refers are the following—

(a) the person must make an application to the Board for approval in a form prescribed by the Board;

<sup>F494</sup>(aa) if the person intends to be an account manager in relation to a junior ISA account, the person must undertake to the Board to—

(i) publicise (and update where appropriate) statements of the minimum amount which may be subscribed to a junior ISA account on a single occasion, and the permitted means of payment of subscriptions; and

(ii) inform persons proposing to make a subscription to a junior ISA account (other than the named child) that the subscription is a gift to the child;]

(b) an account manager must be—

(i) an authorised person within the meaning of <sup>F495</sup>[<sup>F496</sup>FISMA 2000] who has permission <sup>F497</sup>(other than an interim permission)] to carry on one or more of the activities specified in Articles 14, 21, 25, <sup>F498</sup>36H, 37, 39G], 40, 45, <sup>F499</sup>51ZA, 51ZC, 51ZE] and 53 and, in so far as it applies to any of those activities, Article 64 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 but excluding any person falling within paragraph (iv) below]; or

(ii) a European institution which <sup>F500</sup>carries on one or more of those activities]; or

<sup>F501</sup>(ia) in the case of a credit union, an authorised person within the meaning of <sup>F502</sup>FISMA 2000], who has permission to carry on one or more of the activities specified in Article 5 of the Financial Services And Markets Act 2000 (Regulated Activities) Order 2001;]

(iii) <sup>F503</sup>... <sup>F504</sup>[the Director of Savings], a building society <sup>F505</sup>or a person falling within section 991(2)(b) or (c) or (3)(c) of ITA 2007 (bank or credit union)]; or

(iv) <sup>F506</sup>... an insurance company, within the meaning given by section 431(2) of the Taxes Act <sup>M12</sup>, an incorporated friendly society, or a registered friendly society; or

(v) <sup>F507</sup>[any] assurance undertaking which does not fall within paragraph (iv) above;

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- [<sup>F508</sup>(c) an account manager must not be prevented from acting as such by any requirement imposed under Part 4A of FISMA 2000, or by any prohibition imposed by or under any rules made by the Financial Conduct Authority or the Prudential Regulation Authority under that Act; and]
- (d) an account manager who—
- (i) is a European institution or a relevant authorised person and who does not have a branch or business establishment in the United Kingdom, or has such a branch or business establishment but does not intend to carry out all his functions as an account manager at that branch or business establishment, or
  - (ii) falls within sub-paragraph (b)(v),
- must fulfil one of the three requirements specified in regulation 16.
- (3) The terms of the Board’s approval may—
- (a) approve a person to set up and administer [<sup>F509</sup>cash accounts only, or stocks and shares accounts only, [<sup>F510</sup>or innovative finance accounts only, [<sup>F511</sup>or Lifetime ISAs only,] or any combination of such accounts]], [<sup>F512</sup>and]
  - (b) include conditions designed to ensure that the provisions of these Regulations are satisfied.

#### Textual Amendments

- F494** Reg. 14(2)(aa) inserted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **20(a)**
- F495** Words in reg. 14(2)(b)(i) substituted (1.12.2001) by [The Financial Services and Markets Act 2000 \(Consequential Amendments\) \(Taxes\) Order 2001 \(S.I. 2001/3629\)](#), arts. 1(2)(b), **175(a)**
- F496** Words in reg. 14(2)(b) substituted (1.4.2013) by [The Financial Services Act 2012 \(Consequential Amendments and Transitional Provisions\) Order 2013 \(S.I. 2013/472\)](#), **Sch. 2 para. 22(5)(a)**
- F497** Words in reg. 14(2)(b)(i) inserted (6.4.2016) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2016 \(S.I. 2016/364\)](#), regs. 1, **15(a)(i)**
- F498** Words in reg. 14(2)(b)(i) substituted (6.4.2016) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2016 \(S.I. 2016/364\)](#), regs. 1, **15(a)(ii)**
- F499** Words in reg. 14(2)(b)(i) substituted (6.4.2017) by [The Individual Savings Account \(Amendment\) Regulations 2017 \(S.I. 2017/186\)](#), regs. 1, **7**
- F500** Words in reg. 14(2)(b)(ii) substituted (1.12.2001) by [The Financial Services and Markets Act 2000 \(Consequential Amendments\) \(Taxes\) Order 2001 \(S.I. 2001/3629\)](#), arts. 1(2)(b), **175(b)**
- F501** Reg. 14(2)(b)(iia) inserted (27.12.2005) by [The Individual Savings Account \(Amendment No. 3\) Regulations 2005 \(S.I. 2005/3350\)](#), regs. 1, **10**
- F502** Words in reg. 14(2)(b)(iia) substituted (1.9.2013) by [The Financial Services Act 2012 \(Consequential Amendments and Transitional Provisions\) \(No. 3\) Order 2013 \(S.I. 2013/1765\)](#), arts. 1, **3**
- F503** Words in reg. 14(2)(b)(iii) omitted (with effect in accordance with reg. 1(2) of the amending S.I.) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2004 \(S.I. 2004/2996\)](#), regs. 1(1), **14(a)(i)**
- F504** Words in reg. 14(2)(b)(iii) substituted (6.4.1999) by [The Individual Savings Account \(Amendment\) Regulations 1998 \(S.I. 1998/3174\)](#), regs. 1, **8**
- F505** Words in reg. 14(2)(b)(iii) substituted (6.4.2014) by [The Individual Savings Account \(Amendment\) Regulations 2014 \(S.I. 2014/654\)](#), regs. 1(1), **11**
- F506** Words in reg. 14(2)(b)(iv) omitted (with effect in accordance with reg. 1(2) of the amending S.I.) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2004 \(S.I. 2004/2996\)](#), regs. 1(1), **14(a)(ii)**
- F507** Word in reg. 14(2)(b)(v) substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2004 \(S.I. 2004/2996\)](#), regs. 1(1), **14(a)(iii)**

- F508** Reg. 14(2)(c) substituted (1.4.2013) by [The Financial Services Act 2012 \(Consequential Amendments and Transitional Provisions\) Order 2013 \(S.I. 2013/472\)](#), **Sch. 2 para. 22(5)(b)**
- F509** Words in reg. 14(3)(a) substituted (6.4.2008) by [The Individual Savings Account \(Amendment\) Regulations 2007 \(S.I. 2007/2119\)](#), regs. 1, **17**
- F510** Words in reg. 14(3)(a) substituted (6.4.2016) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2016 \(S.I. 2016/364\)](#), regs. 1, **15(b)**
- F511** Words in reg. 14(3)(a) inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **25**
- F512** Word in reg. 14(3)(a) substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2004 \(S.I. 2004/2996\)](#), regs. 1(1), **14(b)(ii)**

#### Marginal Citations

- M12** 1988 c.1; the definition of "insurance company" in section 431(2) was amended by section 52 of the [Finance Act 1995 \(c.4\)](#).

### Special requirements relating to insurer-managers

15. If and so long as a person falling within regulation 14(2)(b)(iv) or (v) acts as account manager of an account, and the account investments include a policy of life insurance—

- (a) the title to all such policies shall be vested in the account investor; and
- (b) where a policy document or other document evidencing title to such policies of life insurance is issued, it shall be held by the account investor.

### Account manager—appointment of tax representative

16.—(1) This regulation specifies the requirements mentioned in regulation 14(2)(d).

(2) The first requirement specified in this regulation is that—

- (a) a person who falls within [<sup>F513</sup>section 698(2)(b) of ITTOIA 2005] is for the time being appointed by the account manager to be responsible for securing the discharge of the duties prescribed by paragraph (5) which fall to be discharged by the account manager, and
- (b) his identity and the fact of his appointment have been notified to the Board by the account manager.

(3) The second requirement specified in this regulation is that there are for the time being other arrangements with the Board for a person other than the account manager to secure the discharge of such duties.

(4) The third requirement specified in this regulation is that there are for the time being other arrangements with the Board designed to secure the discharge of such duties.

(5) The duties prescribed by this paragraph are those that fall to be discharged by an account manager under these Regulations.

(6) The appointment of a person in pursuance of the first requirement shall be treated as terminated in circumstances where—

- (a) the Board have reason to believe that the person concerned—
  - (i) has failed to secure the discharge of any of the duties prescribed by paragraph (5), or
  - (ii) does not have adequate resources to discharge those duties, and
- (b) the Board have notified the account manager and that person that they propose to treat his appointment as having terminated with effect from the date specified in the notice.

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(7) Where, in accordance with the first requirement, a person is at any time responsible for securing the discharge of duties, the person concerned—

- (a) shall be entitled to act on the account manager’s behalf for any of the purposes of the provisions relating to the duties;
- (b) shall secure (where appropriate by acting on the account manager’s behalf) the account manager’s compliance with and discharge of the duties; and
- (c) shall be personally liable in respect of any failure of the account manager to comply with or discharge any such duty as if the duties imposed on the account manager were imposed jointly and severally on the account manager and the person concerned.

**Textual Amendments**

**F513** Words in reg. 16(2)(a) substituted (6.4.2008) by [The Individual Savings Account \(Amendment\) Regulations 2008 \(S.I. 2008/704\)](#), regs. 1, **11**

**Account manager—withdrawal by Board of approval**

**17.**—(1) This regulation specifies the circumstances (“the disqualifying circumstances”) in which the Board may by notice withdraw their approval of a person as an account manager in relation to an account.

(2) The disqualifying circumstances to which paragraph (1) refers are that the Board have reason to believe—

- (a) that any provision of these Regulations is not or at any time has not been satisfied in respect of an account managed by the account manager; or
- (b) that a person to whom they have given approval to act as an account manager is not qualified so to act.

(3) The notice to which paragraph (1) refers—

- (a) may withdraw an approval in part, that is, in respect of particular types of accounts specified in the notice;
- (b) shall specify the date from which the Board’s approval is withdrawn; and
- (c) shall specify the disqualifying circumstances.

[<sup>F514</sup>(4) On receiving the notice referred to in paragraph (1), subject to any appeal in accordance with regulation 18, the account manager shall notify the person who is the account investor in relation to the account held with the account manager of the right to transfer the account under regulations 21 or 21B (as appropriate), and the provision made by regulation 20(3).]

**Textual Amendments**

**F514** Reg. 17(4) inserted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **21**

**Account manager—appeal against withdrawal of Board’s approval**

**18.**—(1) An account manager to whom notice of withdrawal of approval has been given under regulation 17 may appeal against the withdrawal by notice given to the Board within 30 days after the date of the notice of withdrawal.

<sup>F515</sup>(2) .....



(3) The like provisions as are contained in Part V of the Management Act<sup>M13</sup> (appeals and other proceedings) shall apply to an appeal and the [<sup>F516</sup>tribunal, on an appeal notified to it, shall] confirm the notice unless <sup>F517</sup>... satisfied that the notice ought to be quashed.

#### Textual Amendments

- F515** Reg. 18(2) omitted (1.4.2009) by virtue of [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 2 para. 46(2)**
- F516** Words in reg. 18(3) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 2 para. 46(3)(a)**
- F517** Words in reg. 18(3) omitted (1.4.2009) by virtue of [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 2 para. 46(3)(b)**

#### Marginal Citations

- M13** 1970 c.9.

### <sup>F518</sup>**Account manager's intention to make a bulk transfer of accounts or to cease to act as an account manager**

- 19.**—(1) An account manager must give notice to the Board if the account manager—
- (a) intends to cease to act as an account manager; or
  - (b) intends to make a bulk transfer of accounts.
- (2) An account manager must give notice to a person who is the account investor in relation to an account held with the account manager if the account manager—
- (a) intends to cease to act as an account manager; or
  - (b) intends that the account will be one of the accounts transferred in a bulk transfer of accounts.
- (3) The notices described in paragraphs (1) and (2) must—
- (a) specify whether the account manager—
    - (i) intends to cease to act as an account manager; or
    - (ii) intends to make a bulk transfer of accounts;
  - (b) where the notice specifies an intention to cease to act as an account manager,—
    - (i) specify the day on or after which the account manager intends to cease to act as an account manager; and
    - (ii) be given no less than 30 days before that day;
  - (c) where the notice specifies an intention to make a bulk transfer of accounts,—
    - (i) specify the day on or after which the account manager intends to make the first transfer in the bulk transfer of accounts;
    - (ii) be given no less than 30 days before that day; and
    - (iii) advise the name and address of the person to whom the account manager intends to transfer accounts.
- (4) The notice described in paragraph (2) must also—
- (a) identify the account to which it relates;

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- (b) advise the account investor that the account may be transferred in accordance with regulation 21 or 21B otherwise than in a bulk transfer of accounts if sufficient instructions are provided to enable the account manager to do so;
- (c) advise the day by which the account manager must receive sufficient instructions for the account to be transferred otherwise than in a bulk transfer of accounts.

(5) Where an account manager intends to make a bulk transfer of accounts in consequence of an intention to cease to act as an account manager, such intention may be specified in the same notice to the Board or an account investor (as appropriate) provided the requirements of paragraphs (3) and (4) are met.]

#### Textual Amendments

**F518** Reg. 19 and heading substituted (8.8.2012) by [The Individual Savings Account \(Amendment\) \(No. 2\) Regulations 2012 \(S.I. 2012/1871\)](#), regs. 1, 15

#### Account manager ceasing to qualify

**20.**—<sup>F519</sup>(1) A person shall cease to qualify as an account manager and shall notify the Board within 30 days of the relevant event in sub-paragraphs (a) to (e), of that relevant event, where—

- (a) the person no longer fulfils the conditions of regulation 14;
- (b) there is an insolvency event in relation to the account manager;
- <sup>F520</sup>(ba) a debt relief order is made in respect of the person (under Part 7A of the Insolvency Act 1986) or;
- (c) an application has been made for a bank insolvency order or a bank administration order;
- (d) in the case of a building society, a person falling within section 991 of ITA 2007 or a credit union—
  - (i) it ceases to be a building society or to fall within section 991 of ITA 2007 or to be a credit union, as the case may be;
  - (ii) its directors have made a proposal under Part 1 of the Insolvency Act 1986 for a composition in satisfaction of its debts or a scheme of arrangement of its affairs; or
  - (iii) a receiver or manager of its property has been appointed; or
- (e) in the case of a European institution, a relevant authorised person or an assurance undertaking which falls within regulation 14(2)(b)(iv) and (v), action corresponding to any described in sub-paragraphs (b) to (d) has been taken by or in relation to the institution, person or undertaking under the law of an EEA State.]

(2) On giving the notice referred to in paragraph (1), the person shall also notify the account investor of his right to transfer the account under regulation 21 <sup>F521</sup>or 21B (as appropriate)], and the notice shall inform the account investor of his rights under paragraph (3).

(3) Where the account investor—

- (a) receives a notice under paragraph (2), or <sup>F522</sup>regulation 17(4) or 19], and
- (b) within 30 days of the sending of the notice to him, transfers the account to another account manager pursuant to regulation 21 <sup>F523</sup>or 21B (as appropriate)],

the period between the transferor ceasing to act or to qualify as an account manager, and the transfer to the transferee, shall be ignored in determining whether the account has at all times been managed by an account manager.

**Textual Amendments**

- F519** Reg. 20(1) substituted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **23(a)**
- F520** Reg. 20(1)(ba) inserted (1.10.2012) by [The Tribunals, Courts and Enforcement Act 2007 \(Consequential Amendments\) Order 2012 \(S.I. 2012/2404\)](#), art. 1, **Sch. 3 para. 11** (with art. 7)
- F521** Words in reg. 20(2) inserted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **23(b)**
- F522** Words in reg. 20(3)(a) substituted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **23(c)**
- F523** Words in reg. 20(3)(b) inserted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **23(d)**

**[<sup>F524</sup>Transfers relating accounts other than junior ISA accounts]**

**21.**—[<sup>F525</sup>(1) [<sup>F526</sup>In this regulation, in relation to a transfer of an account that is not a junior ISA account]—

“the current year’s subscriptions” means—

- (a) subscriptions made to the account by the account investor in the year in which the transfer takes place, but before the transfer,
- (b) subscriptions made to any other account by the account investor in the year in which the transfer takes place and transferred to the account before the transfer, and
- (c) the qualifying investments and other proceeds (including [<sup>F527</sup>income and any government bonus]) representing the subscriptions in sub-paragraphs (a) and (b) of this definition;

“the previous years’ subscriptions” means—

- (a) subscriptions made to the account (or any other account or former personal equity plan) in any earlier year or years, and
- (b) the qualifying investments and other proceeds (including [<sup>F528</sup>income and any government bonus]) representing those subscriptions.]

[<sup>F529</sup>“subscriptions” includes all payments made into a Lifetime ISA.]

[<sup>F525</sup>(2) Any transfer relating to an account or part of an account shall be made—

- (a) directly between one account manager (“the transferor”) and another account manager (“the transferee”), or
- (b) where the same person is account manager before and after the transfer, solely by that manager (who shall maintain the records of both transferor and transferee required by this regulation).]

[<sup>F525</sup>(3) The current year’s subscriptions may only be transferred as a whole (with or without the whole or part of any previous years’ subscriptions).]

[<sup>F525</sup>(4) <sup>F530</sup> ... [<sup>F531</sup>The] current year’s subscriptions and the previous years’ subscriptions may only be transferred to—

- (a) a stocks and shares account (if the account investor is 18 years of age or over), <sup>F532</sup> ...
- (b) a cash account, <sup>F533</sup> ...

[<sup>F534</sup>(c) an innovative finance account (if the account investor is 18 years of age or over),][<sup>F535</sup>, or  
(d) a Lifetime ISA (if the account investor is 18 or over),]

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belonging to the same account investor.

<sup>F536</sup>(4A) .....

(4B) [<sup>F537</sup>Where the current year’s subscriptions (with or without other subscriptions) are transferred under paragraph (4), the subscriptions in sub-paragraphs (a) and (b) in the definition of “the current year’s subscriptions” in paragraph (1) shall be treated, for all purposes<sup>F538</sup> ... , as if they had been made to the account held with the transferee.]

(4C) Where the current year’s subscriptions (with or without other subscriptions) are transferred from—

- (a) a cash account to a cash account, <sup>F539</sup> ...
- (b) a stocks and shares account to a stocks and shares account, <sup>F540</sup> ...

[<sup>F541</sup>(c) an innovative finance account to an innovative finance account,][<sup>F542</sup>or

(d) a Lifetime ISA to a Lifetime ISA,]

the subscriptions transferred, and no other subscriptions, shall be treated as the same account, for the purpose of making any remaining permitted subscriptions [<sup>F543</sup>or qualifying additions] in that year.

[<sup>F544</sup>(4CA) [<sup>F545</sup>Regulations 12(1) and 12B(1) do] not prevent the current year’s subscriptions and the previous years’ subscriptions being transferred to an account that was held immediately before the transfer but to which no subscription has been made in the year in which the transfer occurs or the year immediately before that year.]

(4D) The account investor shall[<sup>F546</sup>, subject to paragraph (4DA),] make a fresh application under regulation [<sup>F547</sup>12 or 12B, as the case may be,] (with any necessary modifications to reflect that it is made on a transfer) to the transferee.

[<sup>F548</sup>(4DA) Paragraph (4D) does not apply where—

- (a) an account is transferred in a bulk transfer of accounts;
- (b) a cash account (whether or not in a bulk transfer of accounts) is transferred to a cash account held with the transferee immediately before the time when the transfer is made;
- (c) a stocks and shares account (whether or not in a bulk transfer of accounts) is transferred to a stocks and shares account held with the transferee immediately before the time when the transfer is made; <sup>F549</sup> ...

[ an innovative finance account (whether or not in a bulk transfer of accounts) is transferred <sup>F550</sup>(ca) to an innovative finance account held with the transferee immediately before the time when the transfer is made;]

[ a Lifetime ISA (whether or not in a bulk transfer of accounts) is transferred to a Lifetime <sup>F551</sup>(cb) ISA held with the transferee immediately before the time when the transfer is made;]

(d) a cash account is transferred (otherwise than in a bulk transfer of accounts) to [<sup>F552</sup>a Lifetime ISA,] a stocks and shares account [<sup>F553</sup>or an innovative finance account] held with the transferee immediately before the time when the transfer is made[<sup>F554</sup>,]<sup>F555</sup> ...

[ a stocks and shares account is transferred (otherwise than in a bulk transfer of accounts) <sup>F556</sup>(e) to [<sup>F557</sup>a Lifetime ISA,] a cash account [<sup>F558</sup>or an innovative finance account] held with the transferee immediately before the time when the transfer is made]<sup>F559</sup> ... [<sup>F560</sup>; or

(f) an innovative finance account is transferred (otherwise than in a bulk transfer of accounts) to [<sup>F561</sup>a Lifetime ISA,] a cash account or a stocks and shares account held with the transferee immediately before the time when the transfer is made.]

(4DB) Where an account is transferred in a bulk transfer of accounts that is not also a transfer described in paragraph [F562(4DA)(b), (c), or (ca)], a subscription to the account after the transfer may only be made if—

- (a) the subscription is made after the account investor has, during the period of time determined in accordance with paragraph (4DC), made an application to the transferee in relation to the account in accordance with regulation 12 (with any necessary modifications where appropriate to reflect that the account has been transferred in a bulk transfer of accounts);
- (b) the subscription is made in the year immediately following a year in which a subscription has been made to the account other than a subscription permitted by virtue of paragraph (4DE); or
- (c) the subscription is permitted by virtue of paragraph (4DE).

[F563] This paragraph does not apply to a Lifetime ISA.]

(4DC) The period of time referred to in paragraph (4DB)(a) is the period—

- (a) starting at the beginning of the year immediately preceding the year in which the subscription is made, and
- (b) ending immediately before the subscription is made.

[F564] (4DCA) In the case of a Lifetime ISA, where the account is transferred in a bulk transfer of accounts which is not a transfer described in paragraph (4DA)(cb) a payment by the account investor to the account after the transfer may only be made (unless permitted by paragraph (4DE)) after the account investor has made an application to the transferee in relation to the account in accordance with regulation 12B (with any necessary modifications where appropriate to reflect the fact that the account has been transferred in a bulk transfer of accounts).]

(4DD) For the purposes of paragraphs (4DB) and (4DE), the current year's subscriptions and the previous years' subscriptions transferred are not subscriptions to the account.

(4DE) A subscription to an account is permitted by this paragraph if—

- (a) the account has been transferred to the transferee [F565] in a bulk transfer of accounts pursuant to a scheme described in regulation 2(1A)(a)(ii) or] in a group transfer of accounts;
- (b) the most recent application in accordance with regulation 12 [F566] or 12B] relating to the transferred account made before its transfer is available to the transferee; and
- (c) [F567] except in relation to a Lifetime ISA,] the subscription is made—
  - (i) in the year in which the account is transferred (provided a subscription has been made to the account in that year before the account was transferred); or
  - (ii) in a year immediately following a year in which a subscription has been made to the transferred account (including a subscription made before the transfer).

(4DF) For the purposes of paragraph (4DE)(b), an application in accordance with regulation 12 [F568] or 12B] as described in that paragraph is available to a transferee if—

- (a) paragraph (4DG) or (4DH) applies; and
- (b) [F569] except in relation to a Lifetime ISA,] the transferor has advised the transferee whether a subscription has been made to the transferred account in the year immediately preceding the year in which the transfer takes place.

(4DG) This paragraph applies where the application described in paragraph (4DE)(b) (or a copy of it) is held by the transferee.

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(4DH) This paragraph applies where—

- (a) the application described in paragraph (4DE)(b) (or a copy of it) is held by the transferor; and
- (b) the transferee can require the transferor to make it available to the transferee for any purpose necessary to ensure the transferee’s compliance with these regulations.

(4DI) An account transferred in accordance with this regulation in a bulk transfer of accounts is an account opened in accordance with regulation 12 [F570 or 12B] for the purposes of these Regulations whether or not an application in accordance with regulation 12 [F570 or 12B] as described in paragraph (4DB)(a) [F571 or (4DCA), as the case requires,] is made. ]

(4E) This regulation shall also apply where an account is transferred in consequence of an account manager (“the transferor”) ceasing to act or to qualify as an account manager.]

[F572(5) Where an account is transferred, the transferor must, subject to paragraph (5B), give to the transferee a notice containing the information specified in paragraph (6) before the relevant time specified in paragraph (5A).

(5A) The relevant time specified in this paragraph is—

- (a) in the case of an account transferred in a bulk transfer of accounts, the time of the transfer;
- (b) in any other case, the expiry of 30 days after the day of the transfer.

(5B) Paragraph (5) does not apply where a transferor provides information to a transferee in accordance with regulation 21A(2)(b)(ii).]

(6) The information specified in this paragraph is—

- (a) as regards the account investor—
  - (i) his full name,
  - (ii) the address of his permanent residence, including postcode,
  - (iii) his date of birth, and
  - (iv) if he has one, his national insurance number, and
- (b) as regards an account [F573 or any part of an account] transferred pursuant to paragraph (2)—
  - (i) whether the account is a [F574 cash account[F575, stocks and shares account[F576, an innovative finance account or a Lifetime ISA]],]
  - [F577(ia) whether the account is a continuing account of a deceased investor;]
  - (ii) the date of the transfer,
  - (iii) the total amount of cash subscribed to the account during the period from the beginning of the year in which the transfer takes place to the date of the transfer[F578 ... [F579, disregarding a subscription made in accordance with regulation 5D (except for a replacement subscription), less, in the case of a flexible account, the amount of any cash withdrawn from it during that period and if the result is in the negative, the amount to be reported is nil],
  - [F580(iv) the date on which the first subscription (if any) was made to the account, in the year in which the transfer takes place,][F581 and]
  - (v) the amount of any dividends on account investments which are payable to, but have not been received by, the transferor at the date of the transfer[F582.]
  - [F583(vi) .....

[<sup>F584</sup>(ba) where the transfer is as described in regulation 10A(4)(c), that the amount being transferred is in respect of a Help to Buy ISA and is as described in that regulation (and in this case paragraph (6)(b)(i) and (iii) to (v) is not to apply.)]

<sup>F585</sup>(c) ..... [<sup>F586</sup>and

(d) as regards an account or any part of an account transferred pursuant to paragraph (2) which is a Lifetime ISA—

- (i) the date on which that Lifetime ISA was first opened and for the purposes of a payment made in accordance with regulation 5D(2)(a)(ia) or (ib), a Lifetime ISA opened for the purpose of receiving the payment is to be treated as being the same Lifetime ISA from which the money the subject of the payment originated;
- (ii) the date of the first qualifying addition to the account in the year of transfer;
- (iii) the amount of any government bonus that has accrued, but not been claimed, at the date of the transfer,
- (iv) the number allocated to the account by the transferor;
- (v) any government bonus already paid within the current year;
- (vi) the total amount of qualifying additions to the Lifetime ISA during the period from the beginning of the year in which the transfer takes place to the date of transfer, with separate entries for a Help to Buy transfer under regulation 10A(4)(c) and any other qualifying additions;
- (vii) details of qualifying additions to the Lifetime ISA for which a claim has not been made with separate entries for a Help to Buy transfer under regulation 10A(4)(c) and any other qualifying additions;
- (viii) confirmation of whether or not there has been a withdrawal for a first-time residential purchase, for which information required under paragraph 9 of the Schedule and expected by the transferor has not been received;
- (ix) if there has been such a withdrawal, an undertaking to pass on to the transferee any such information received without delay. ]

[<sup>F587</sup>(6A) Where a Lifetime ISA is transferred, the transferee must before the time of the transfer give to the transferor a notice stating whether or not the account to which the investments are being transferred is a Lifetime ISA.

(6B) A Lifetime ISA of an account investor to which another Lifetime ISA of the account investor (“the original”) is transferred in accordance with this regulation is a successor to the original.]

<sup>F588</sup>(7) .....

**Textual Amendments**

- F524** Reg. 21 heading substituted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **24(a)**
- F525** Reg. 21(1)-(4E) substituted for reg. 21(1)-(4) (6.4.2008) by [The Individual Savings Account \(Amendment\) Regulations 2007 \(S.I. 2007/2119\)](#), regs. 1, **18(b)**
- F526** Words in reg. 21(1) substituted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **24(b)**
- F527** Words in reg. 21(1) substituted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **26(2)(a)**
- F528** Words in reg. 21(1) substituted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **26(2)(b)**



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- F529** Words in reg. 21(1) inserted (6.4.2017) by The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **26(2)(c)**
- F530** Words in reg. 21(4) omitted (1.7.2014) by virtue of The Individual Savings Account (Amendment No. 2) Regulations 2014 (S.I. 2014/1450), regs. 1, **19(1)(a)**
- F531** Word in reg. 21(4) substituted (1.7.2014) by The Individual Savings Account (Amendment No. 2) Regulations 2014 (S.I. 2014/1450), regs. 1, **19(1)(a)**
- F532** Word in reg. 21(4)(a) omitted (6.4.2016) by virtue of The Individual Savings Account (Amendment No. 2) Regulations 2016 (S.I. 2016/364), regs. 1, **16(a)(i)**
- F533** Word in reg. 21(4)(b) omitted (6.4.2017) by virtue of The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **26(3)(a)**
- F534** Reg. 21(4)(c) and preceding word inserted (6.4.2016) by The Individual Savings Account (Amendment No. 2) Regulations 2016 (S.I. 2016/364), regs. 1, **16(a)(ii)**
- F535** Reg. 21(4)(d) and preceding word inserted (6.4.2017) by The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **26(3)(b)**
- F536** Reg. 21(4A) omitted (1.7.2014) by virtue of The Individual Savings Account (Amendment No. 2) Regulations 2014 (S.I. 2014/1450), regs. 1, **19(1)(b)**
- F537** Reg. 21(4B) substituted (1.7.2014) by The Individual Savings Account (Amendment No. 2) Regulations 2014 (S.I. 2014/1450), regs. 1, **19(1)(c)**
- F538** Words in reg. 21(4B) omitted (6.4.2015) by virtue of The Individual Savings Account (Amendment No. 3) Regulations 2015 (S.I. 2015/941), regs. 1, **5**
- F539** Word in reg. 21(4C)(a) omitted (6.4.2016) by virtue of The Individual Savings Account (Amendment No. 2) Regulations 2016 (S.I. 2016/364), regs. 1, **16(b)(i)**
- F540** Word in reg. 21(4C)(b) omitted (6.4.2017) by virtue of The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **26(4)(a)**
- F541** Reg. 21(4C)(c) and preceding word inserted (6.4.2016) by The Individual Savings Account (Amendment No. 2) Regulations 2016 (S.I. 2016/364), regs. 1, **16(b)(ii)**
- F542** Reg. 21(4C)(d) and preceding word inserted (6.4.2017) by The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **26(4)(b)**
- F543** Words in reg. 21(4C) inserted (6.4.2017) by The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **26(4)(c)**
- F544** Reg. 21(4CA) inserted (retrospective to 9.11.2011) by The Individual Savings Account (Amendment) (No. 2) Regulations 2012 (S.I. 2012/1871), regs. 3, **16(b)**
- F545** Words in reg. 21(4CA) substituted (6.4.2017) by The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **26(5)**
- F546** Words in reg. 21(4D) inserted (retrospective to 9.11.2011) by The Individual Savings Account (Amendment) (No. 2) Regulations 2012 (S.I. 2012/1871), regs. 3, **16(c)**
- F547** Words in reg. 21(4D) substituted (6.4.2017) by The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **26(6)**
- F548** Reg. 21(4DA)-(4DI) inserted (retrospective to 9.11.2011) by The Individual Savings Account (Amendment) (No. 2) Regulations 2012 (S.I. 2012/1871), regs. 3, **16(d)**
- F549** Word in reg. 21(4DA)(c) omitted (1.7.2014) by virtue of The Individual Savings Account (Amendment No. 2) Regulations 2014 (S.I. 2014/1450), regs. 1, **19(2)(a)**
- F550** Reg. 21(4DA)(ca) inserted (6.4.2016) by The Individual Savings Account (Amendment No. 2) Regulations 2016 (S.I. 2016/364), regs. 1, **16(c)(i)**
- F551** Reg. 21(4DA)(cb) inserted (6.4.2017) by The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **26(7)(a)**
- F552** Words in reg. 21(4DA)(d) inserted (6.4.2017) by The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **26(7)(b)**
- F553** Words in reg. 21(4DA)(d) inserted (6.4.2016) by The Individual Savings Account (Amendment No. 2) Regulations 2016 (S.I. 2016/364), regs. 1, **16(c)(ii)**
- F554** Word in reg. 21(4DA)(d) substituted (1.7.2014) by The Individual Savings Account (Amendment No. 2) Regulations 2014 (S.I. 2014/1450), regs. 1, **19(2)(b)**

- F555** Word in reg. 21(4DA)(d) omitted (6.4.2016) by virtue of The Individual Savings Account (Amendment No. 2) Regulations 2016 (S.I. 2016/364), regs. 1, **16(c)(iii)**
- F556** Reg. 21(4DA)(e) inserted (1.7.2014) by The Individual Savings Account (Amendment No. 2) Regulations 2014 (S.I. 2014/1450), regs. 1, **19(2)(c)**
- F557** Words in reg. 21(4DA)(e) inserted (6.4.2017) by The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **26(7)(b)**
- F558** Words in reg. 21(4DA)(e) inserted (6.4.2016) by The Individual Savings Account (Amendment No. 2) Regulations 2016 (S.I. 2016/364), regs. 1, **16(c)(iv)**
- F559** Full stop in reg. 21(4DA)(e) omitted (6.4.2016) by virtue of The Individual Savings Account (Amendment No. 2) Regulations 2016 (S.I. 2016/364), regs. 1, **16(c)(v)**
- F560** Reg. 21(4DA)(f) and preceding word inserted (6.4.2016) by The Individual Savings Account (Amendment No. 2) Regulations 2016 (S.I. 2016/364), regs. 1, **16(c)(vi)**
- F561** Words in reg. 21(4DA)(f) inserted (6.4.2017) by The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **26(7)(b)**
- F562** Words in reg. 21(4DB) substituted (6.4.2016) by The Individual Savings Account (Amendment No. 2) Regulations 2016 (S.I. 2016/364), regs. 1, **16(d)**
- F563** Words in reg. 21(4DB) inserted (6.4.2017) by The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **26(8)**
- F564** Reg. 21(4DCA) inserted (6.4.2017) by The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **26(9)**
- F565** Words in reg. 21(4DE)(a) inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by The Individual Savings Account (Amendment No. 3) Regulations 2013 (S.I. 2013/1743), regs. 1(1), **6**
- F566** Words in reg. 21(4DE) inserted (6.4.2017) by The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **26(10)**
- F567** Words in reg. 21(4DE)(c) inserted (6.4.2017) by The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **26(11)**
- F568** Words in reg. 21(4DF) inserted (6.4.2017) by The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **26(10)**
- F569** Words in reg. 21(4DF)(b) inserted (6.4.2017) by The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **26(11)**
- F570** Words in reg. 21(4DI) inserted (6.4.2017) by The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **26(10)**
- F571** Words in reg. 21(4DI) inserted (6.4.2017) by The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **26(12)**
- F572** Reg. 21(5)-(5B) substituted for reg. 21(5) (8.8.2012) by The Individual Savings Account (Amendment) (No. 2) Regulations 2012 (S.I. 2012/1871), regs. 1, **16(e)**
- F573** Words in reg. 21(6)(b) inserted (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2007 (S.I. 2007/2119), regs. 1, **18(c)(i)**
- F574** Words in reg. 21(6)(b)(i) substituted (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2007 (S.I. 2007/2119), regs. 1, **18(c)(ii)**
- F575** Words in reg. 21(6)(b)(i) substituted (6.4.2016) by The Individual Savings Account (Amendment No. 2) Regulations 2016 (S.I. 2016/364), regs. 1, **16(e)**
- F576** Words in reg. 21(6)(b)(i) substituted (6.4.2017) by The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **26(13)(a)**
- F577** Reg. 21(6)(b)(ia) inserted (6.4.2018) by The Individual Savings Account (Amendment No. 3) Regulations 2017 (S.I. 2017/1089), regs. 1, **6**
- F578** Words in reg. 21(6)(b)(iii) omitted (6.4.2008) by virtue of The Individual Savings Account (Amendment) Regulations 2007 (S.I. 2007/2119), regs. 1, **18(c)(iii)**
- F579** Words in reg. 21(6)(b)(iii) inserted (1.2.2016) by The Individual Savings Account (Amendment) Regulations 2016 (S.I. 2016/16), regs. 1, **14**
- F580** Reg. 21(6)(b)(iv) substituted (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2007 (S.I. 2007/2119), regs. 1, **18(c)(iv)**

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- F581** Word in reg. 21(6)(b)(iv) inserted (1.7.2014) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **19(3)(a)**
- F582** Punctuation in reg. 21(6)(b)(v) substituted (1.7.2014) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **19(3)(b)**
- F583** Reg. 21(6)(b)(vi) omitted (1.7.2014) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **19(3)(c)**
- F584** Reg. 21(6)(ba) inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **26(13)(b)**
- F585** Reg. 21(6)(c) and preceding word omitted (6.4.2008) by virtue of [The Individual Savings Account \(Amendment\) Regulations 2007 \(S.I. 2007/2119\)](#), regs. 1, **18(d)**
- F586** Reg. 21(6)(d) and preceding word inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **26(13)(c)**
- F587** Reg. 21(6A)(6B) inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **26(14)**
- F588** Reg. 21(7) omitted (11.8.2009) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2009 \(S.I. 2009/1994\)](#), regs. 1(1), **8(b)**

### **[<sup>F589</sup>Further requirements relating to transfers between cash accounts**

**21A.**—(1) This regulation applies where an account investor, through the agency of an account manager (“the transferee”), gives instructions (“transfer instructions”) to an account manager with whom the account investor holds a cash account (“the transferor”) for that account or part of that account to be transferred, subject to and in accordance with [<sup>F590</sup>regulations 21 or 21B, to a cash account held by the account investor with the transferee.]

- (2) Where this regulation applies—
- (a) the transferee shall, within 5 business days beginning on the instruction day, send to the transferor—
    - (i) the transfer instructions; and
    - (ii) a notice specifying that the transferee consents to the transfer (“the consent notice”);
  - (b) the transferor shall, within 5 business days beginning on the day that the transferor receives the transfer instructions and the consent notice,—
    - (i) transfer to the transferee the subscriptions specified in the transfer instructions; and
    - (ii) send to the transferee a notice containing the information specified in paragraph (3); and
  - (c) the transferee shall ensure that the subscriptions specified in the transfer instructions are transferred to a cash account [<sup>F591</sup>held by the account investor] with the transferee within 3 business days beginning on the day that the transferee receives the subscriptions and the notice referred to in sub-paragraph (b)(ii).
- (3) The information specified in this paragraph is—
- (a) as regards the account investor—
    - (i) the full name of the account investor,
    - (ii) the address of the account investor’s permanent residence, including postcode,
    - (iii) the date of birth of the account investor, and
    - (iv) the national insurance number of the account investor (if any), <sup>F592</sup>...
  - (b) as regards the cash account or any part of the cash account—
    - (i) the date of the transfer,

- (ii) the total amount of cash subscribed to the account during the period from the beginning of the year in which the transfer takes place to the date of the transfer<sup>F593</sup>, disregarding a subscription made in accordance with regulation 5D (except for a replacement subscription), less, in the case of a flexible account, the amount of any cash withdrawn from it during that period and if the result is in the negative, the amount to be reported is nil],
- <sup>F594</sup>(iii) in relation to the transfer of an account that is not a junior ISA account, the date on which the first subscription (if any) was made to the account in the year in which the transfer takes place,
- (iiia) in relation to the transfer of an account that is a junior ISA account, the date on which the subscription described in paragraph (3A) was made (if appropriate), <sup>F595</sup> ...]
- (iv) the reference number or other means used by the transferor to identify the account belonging to the account investor in respect of which the transfer is made<sup>F596</sup>, and
  - [ whether the account is a continuing account of a deceased investor; and]
- <sup>F597</sup>(v)
- (c) in relation to an account that is a junior ISA account—
  - (i) the full name of the registered contact,
  - (ii) the address of the registered contact’s permanent residence, including postcode].
- [<sup>F598</sup>(3A) The subscription referred to in paragraph (3)(b)(iiia) is the first subscription to the account provided the subscription is made in the same year as the transfer.]
- (4) For the purposes of paragraph (2)(a) and (b), the transfer instructions and the notices (as appropriate) shall be treated as sent if they are—
  - (a) posted to, or left at, the proper address of the transferor or the transferee (as appropriate); or
  - (b) transmitted by electronic communication.
- (5) For the purposes of paragraph (2)(b), where the transferor receives the transfer instructions and consent notice on different days, they must both be treated as received on the latest of those days.
- (6) For the purposes of paragraph (2)(c), where the transferee receives subscriptions specified in the transfer instructions and the notice described in paragraph (2)(b) on different days, they must all be treated as received on the latest of those days.
- (7) In this regulation—
  - <sup>F599</sup> .....
  - “electronic communication” includes any communication conveyed by means of an electronic communications network;
  - “instruction day” means—
    - (a) the day stipulated by the account investor for the transferee to begin the transfer process, or
    - (b) if no day is stipulated, the day that the transfer instructions are received by the transferee;
  - “subscriptions” means the current year’s subscriptions and the previous years’ subscriptions as described in regulation 21(1).
- (8) For the purposes of this regulation—
  - (a) a document is “posted” if it is sent pre-paid by a postal service which seeks to deliver documents by post within the United Kingdom no later than the next business day in all

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or the majority of cases, and to deliver by post outside the United Kingdom within such a period as is reasonable in all the circumstances; and

- (b) the “proper address” to which a document is to be sent is any current address provided by the transferor or transferee as an address for service of such documents, but if no current address is provided then it shall be the address of its registered or principal office in the United Kingdom.]

#### Textual Amendments

- F589** Reg. 21A inserted (4.1.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2010 \(S.I. 2010/2957\)](#), regs. 1(2), **5** (with reg. 1(3))
- F590** Words in reg. 21A(1) substituted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **25(a)**
- F591** Words in reg. 21A(2)(c) substituted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **25(b)**
- F592** Word in reg. 21A omitted (1.11.2011) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **25(c)**
- F593** Words in reg. 21A(3)(b)(ii) inserted (1.2.2016) by [The Individual Savings Account \(Amendment\) Regulations 2016 \(S.I. 2016/16\)](#), regs. 1, **15**
- F594** Reg. 21A(3)(b)(iii)(iiia) substituted for reg. 21A(3)(b)(iii) (8.8.2012) by [The Individual Savings Account \(Amendment\) \(No. 2\) Regulations 2012 \(S.I. 2012/1871\)](#), regs. 1, **17(a)**
- F595** Word in reg. 21A(3)(b)(iiia) omitted (6.4.2018) by virtue of [The Individual Savings Account \(Amendment No. 3\) Regulations 2017 \(S.I. 2017/1089\)](#), regs. 1, **7(a)**
- F596** Reg. 21A(3)(c) and preceding word inserted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **25(d)**
- F597** Reg. 21A(3)(b)(v) inserted (6.4.2018) by [The Individual Savings Account \(Amendment No. 3\) Regulations 2017 \(S.I. 2017/1089\)](#), regs. 1, **7(b)**
- F598** Reg. 21A(3A) inserted (8.8.2012) by [The Individual Savings Account \(Amendment\) \(No. 2\) Regulations 2012 \(S.I. 2012/1871\)](#), regs. 1, **17(b)**
- F599** Words in reg. 21A(7) omitted (1.11.2011) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **25(e)**

#### [<sup>F600</sup>Transfers relating to junior ISA accounts

**21B.**—(1) This regulation only applies to an account that is a junior ISA account.

(2) In this regulation, in relation to a transfer—

“the current year’s subscriptions” means—

- (a) subscriptions made to the account in the year in which the transfer takes place, but before the transfer;
- (b) subscriptions made in the year in which the transfer takes place to any other account held by the named child and transferred to the account before the transfer, and
- (c) the qualifying investments and other proceeds (including income) representing the subscriptions in sub-paragraphs (a) and (b) of this definition;

“the previous years’ subscriptions” means—

- (a) subscriptions made to the account (or any other account) in any earlier year or years, and
- (b) the qualifying investments and other proceeds (including income) representing those subscriptions.

[

<sup>F601</sup>(2A) Anything transferred to the account as part of the transfer mentioned in regulation 12A(1) is treated as previous years' subscriptions for the purposes of this regulation.]

- (3) Any transfer relating to an account or part of an account shall be made—
  - (a) directly between one account manager (“the transferor”) and another account manager (“the transferee”), or
  - (b) where the same person is account manager before and after the transfer, solely by that manager (who shall maintain the records of both transferor and transferee required by this regulation).
- (4) The current year’s subscriptions may only be transferred as a whole (with or without the whole or part of any previous years’ subscriptions).
- (5) In the case of a cash account—
  - (a) all or part of the previous years’ subscriptions and, if current year’s subscriptions are to be transferred, all of the current year’s subscriptions made to the cash account, may be transferred to a junior ISA account that is a stocks and shares account belonging to the same named child, or
  - (b) all of the subscriptions made to the cash account (“old cash account”) that are held in the account immediately before the transfer may be transferred to a junior ISA account that is a cash account (“new cash account”) belonging to the same named child (and, for the avoidance of doubt, no transfer may be made to a new cash account if the transfer does not comprise all of the subscriptions held in the old cash account immediately before the transfer).
- (6) In the case of a stocks and shares account—
  - (a) all or part of the previous years’ subscriptions and, if current year’s subscriptions are to be transferred, all of the current year’s subscriptions made to the stocks and shares account, may be transferred to a junior ISA account that is a cash account belonging to the same named child, or
  - (b) all of the subscriptions made to the stocks and shares account (“old stocks and shares account”) that are held in the account immediately before the transfer may be transferred to a junior ISA account that is a stocks and shares account (“new stocks and shares account”) belonging to the same named child (and, for the avoidance of doubt, no transfer may be made to a new stocks and shares account if the transfer does not comprise all of the subscriptions held in the old stocks and shares account immediately before the transfer).
- (7) Where current year’s subscriptions are transferred from a junior ISA account to another junior ISA account, the current year’s subscriptions transferred shall count towards the overall subscription limit for the child holding the account for that year.
- (8) The registered contact shall<sup>F602</sup>, subject to paragraph (8A),] make a fresh application under regulation 12A (with any necessary modifications to reflect that it is made on a transfer) to the transferee.

<sup>F603</sup>(8A) Paragraph (8) does not apply where an account is transferred in a bulk transfer of accounts.

- <sup>F604</sup>(8B) .....
- <sup>F604</sup>(8C) .....
- <sup>F604</sup>(8D) .....
- <sup>F604</sup>(8E) .....
- <sup>F604</sup>(8F) .....



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<sup>F604</sup>(8G) .....

(8H) An account transferred in accordance with this regulation in a bulk transfer of accounts is a junior ISA account opened pursuant to an application in accordance with regulation 12A for the purposes of these Regulations whether or not an application in accordance with regulation 12A <sup>F605</sup>... is made.]

(9) This regulation shall also apply where an account is transferred in consequence of an account manager (“the transferor”) ceasing to act or qualify as an account manager.

[<sup>F606</sup>(10) Where an account is transferred, the transferor must, subject to paragraph (10B), give to the transferee a notice containing the information specified in paragraph (11) before the relevant time specified in paragraph (10A).

(10A) The relevant time specified in this paragraph is—

- (a) in the case of an account transferred in a bulk transfer of accounts, the time of the transfer;
- (b) in any other case, the expiry of 30 days after the day of the transfer.

(10B) Paragraph (10) does not apply where a transferor provides information to a transferee in accordance with regulation 21A(2)(b)(ii).]

(11) The information specified in this paragraph is—

- (a) as regards the named child who holds the account transferred—
  - (i) the full name of the child,
  - (ii) the address (including postcode) of the permanent residence of the child,
  - (iii) the date of birth of the child,
  - (iv) the national insurance number of the child (if any) [<sup>F607</sup>(otherwise, any unique reference number he may have had as mentioned in the Child Trust Funds Regulations 2004)]; and
- (b) as regards an account from which the transfer is made—
  - (i) whether the account is a cash account or stocks and shares account,
  - (ii) the date of the transfer,
  - (iii) the total amount of cash subscribed to the account during the period from the beginning of the year in which the transfer takes place to the date of the transfer,
  - [<sup>F608</sup>(iv) the date on which the subscription described in paragraph (12) was made (if appropriate), and]
  - (v) the amount of any dividends on account investments which are payable to, but have not been received by, the transferor at the date of the transfer,
  - (vi) the full name of the person who is the registered contact in relation to the account, and
  - (vii) the address of the registered contact’s permanent residence, including postcode.

[<sup>F609</sup>(12) The subscription referred to in paragraph (11)(b)(iv) is the first subscription to the account provided the subscription is made in the same year as the transfer.]

#### Textual Amendments

**F600** Regs. 21B, 21C inserted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, 26

**F601** Reg. 21B(2A) inserted (6.4.2015) by [The Individual Savings Account \(Amendment No. 3\) Regulations 2015 \(S.I. 2015/941\)](#), regs. 1, 6(1)



- F602** Words in reg. 21B(8) inserted (retrospective to 9.11.2011) by The Individual Savings Account (Amendment) (No. 2) Regulations 2012 (S.I. 2012/1871), regs. 3, **18(a)**
- F603** Regs. 21B(8A)-(8H) inserted (retrospective to 9.11.2011) by The Individual Savings Account (Amendment) (No. 2) Regulations 2012 (S.I. 2012/1871), regs. 3, **18(b)**
- F604** Regs. 21B(8B)-(8G) omitted (6.4.2015) by virtue of The Individual Savings Account (Amendment No. 3) Regulations 2015 (S.I. 2015/941), regs. 1, **6(2)**
- F605** Words in reg. 21B(8H) omitted (6.4.2015) by virtue of The Individual Savings Account (Amendment No. 3) Regulations 2015 (S.I. 2015/941), regs. 1, **6(3)**
- F606** Regs. 21B(10)-(10B) substituted for reg. 21B(10) (8.8.2012) by The Individual Savings Account (Amendment) (No. 2) Regulations 2012 (S.I. 2012/1871), regs. 1, **18(c)**
- F607** Words in reg. 21B(11)(a)(iv) inserted (6.4.2015) by The Individual Savings Account (Amendment No. 3) Regulations 2015 (S.I. 2015/941), regs. 1, **7**
- F608** Reg. 21B(11)(b)(iv) substituted (8.8.2012) by The Individual Savings Account (Amendment) (No. 2) Regulations 2012 (S.I. 2012/1871), regs. 1, **18(d)**
- F609** Reg. 21B(12) inserted (8.8.2012) by The Individual Savings Account (Amendment) (No. 2) Regulations 2012 (S.I. 2012/1871), regs. 1, **18(e)**

### Repair of invalid junior ISA accounts

**21C.**—(1) It is an overriding requirement to be satisfied in relation to a junior ISA account that the account manager and registered contact, as the case may be, take any steps necessary to remedy any breach of these Regulations.

(2) Where a breach is remedied as mentioned in paragraph (1), the account shall, to the extent of that breach, be treated as having been a valid account at all times.]

#### Textual Amendments

- F600** Regs. 21B, 21C inserted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **26**

### Exemption from tax of account income and gains

**22.**—(1) Subject to these Regulations—

- (a) no tax shall be chargeable on the account manager or his nominee or on the account investor—
- (i) in respect of interest, dividends, distributions or gains in respect of account investments [<sup>F610</sup>(<sup>F611</sup>including any government bonus, but excluding] any building society bonus)], or
- [<sup>F612</sup>(ia) in respect of alternative finance return paid by a financial institution in accordance with Part 10A of ITA 2007, or]
- [<sup>F613</sup>(ib) in respect of a payment under a building society bonus scheme, so far as the payment is calculated by reference to account investments (and if paid directly by the society into the account, the payment shall not count towards the subscription [<sup>F614</sup>limit] in [<sup>F615</sup>regulations [<sup>F616</sup>4ZA(1) and 4ZB(1)]]); or]
- (ii) on any annual profits or gains treated [<sup>F617</sup>under Part 12 of ITA 2007 (accrued income profits)] as having been received by any of them in respect of account investments, or
- [<sup>F618</sup>(iii) on an offshore income gain to which a disposal by any of them of an account investment would otherwise give rise to a charge to tax under regulation 17 of the Offshore Funds (Tax) Regulations 2009, or]

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- [<sup>F619</sup>(iv) on a profit on the disposal of a deeply discounted security within the meaning given by section 430 of ITTOIA 2005,] or
- (v) in respect of gains treated [<sup>F620</sup>under Chapter 9 of Part 4 of ITTOIA 2005] as arising in connection with a policy of life insurance which is an account investment<sup>F621</sup>...;
- (b) losses in respect of account investments shall be disregarded for the purposes of capital gains tax;
- [<sup>F622</sup>(ba) any gain or loss accruing on and attributable to a payment within paragraph (ib) of sub-paragraph (a) shall not be a chargeable gain or allowable loss for capital gains tax purposes;]
- [<sup>F623</sup>(c) a deficiency arising in a tax year and falling within section 539(1) of ITTOIA 2005, so far as it relates to an account investment, shall not be allowable as a deduction from the total income of the account investor;]
- (d) relief in respect of tax shall be given in the manner and to the extent provided by these Regulations; <sup>F624</sup>...
- (e) [<sup>F625</sup>in relation to an account that is not a junior ISA account,] interest on a cash deposit which is an account investment held under a cash component shall not[<sup>F626</sup>, except for the purposes of [<sup>F627</sup>section 629 of ITTOIA 2005],] be regarded as income for any income tax purposes[<sup>F628</sup>;
- (f) in relation to a junior ISA account, income arising from account investments shall not be regarded as income for any income tax purposes (including section 629 of ITTOIA 2005)]
- (2) An account investor who, after [<sup>F629</sup>the opening of] an account, at any time ceases to be resident in the United Kingdom, shall be treated as if he were resident in the United Kingdom for the purposes of determining his entitlement to, or to payment of, tax credits in respect of qualifying distributions, so far as they relate to account investments under an account held by him.
- [<sup>F630</sup>(3) A reference to “interest” in this regulation includes a reference to any bonus and to a dividend paid or credited in respect of a share account with a building society.]

#### Textual Amendments

- F610** Words in reg. 22(1)(a)(i) added (1.1.2007) by [The Individual Savings Account \(Amendment\) Regulations 2006 \(S.I. 2006/3194\)](#), regs. 1, **4(a)**
- F611** Words in reg. 22(1)(a)(i) substituted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **27**
- F612** Reg. 22(1)(a)(ia) substituted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **27(a)**
- F613** Reg. 22(1)(a)(ib) and preceding word inserted (1.1.2007) by [The Individual Savings Account \(Amendment\) Regulations 2006 \(S.I. 2006/3194\)](#), regs. 1, **4(b)**
- F614** Word in reg. 22(1)(a)(ib) substituted (1.7.2014) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **20**
- F615** Words in reg. 22(1)(a)(ib) substituted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **27(b)**
- F616** Words in reg. 22(1)(a)(ib) substituted (1.7.2014) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **20**
- F617** Words in reg. 22(1)(a)(ii) substituted (6.4.2008) by [The Individual Savings Account \(Amendment\) Regulations 2008 \(S.I. 2008/704\)](#), regs. 1, **12(2)**
- F618** Reg. 22(1)(a)(iii) substituted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **27(c)**

- F619** Reg. 22(1)(a)(iv) substituted (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2008 (S.I. 2008/704), regs. 1, **12(3)**
- F620** Words in reg. 22(1)(a)(v) substituted (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2008 (S.I. 2008/704), regs. 1, **12(4)**
- F621** Words in reg. 22(1)(a)(v) omitted (with effect in accordance with reg. 1(2) of the amending S.I.) by virtue of The Individual Savings Account (Amendment No. 2) Regulations 2004 (S.I. 2004/2996), regs. 1(1), **15(a)**
- F622** Reg. 22(1)(ba) inserted (1.1.2007) by The Individual Savings Account (Amendment) Regulations 2006 (S.I. 2006/3194), regs. 1, **5**
- F623** Reg. 22(1)(c) substituted (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2008 (S.I. 2008/704), regs. 1, **12(5)**
- F624** Word in reg. 22(1) omitted (1.11.2011) by virtue of The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **27(d)**
- F625** Words in reg. 22(1)(e) inserted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **27(e)**
- F626** Words in reg. 22(1)(e) inserted (6.4.2001) by The Individual Savings Account (Amendment) Regulations 2001 (S.I. 2001/908), regs. 1, **8**
- F627** Words in reg. 22(1)(e) substituted (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2008 (S.I. 2008/704), regs. 1, **12(6)**
- F628** Reg. 22(1)(f) and preceding semicolon inserted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **27(f)**
- F629** Words in reg. 22(2) substituted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **27(g)**
- F630** Reg. 22(3) added (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **27(h)**

**Interest on cash deposits held under a stocks and shares component of an account that is not a junior ISA account**

<sup>F631</sup>**23.** . . . . .

**Textual Amendments**

**F631** Reg. 23 omitted (1.7.2014) by virtue of The Individual Savings Account (Amendment No. 2) Regulations 2014 (S.I. 2014/1450), regs. 1, **21**

**Tax liabilities and reliefs—account manager to act on behalf of account investor**

**24.**—(1) An account manager may under these Regulations make claims, conduct appeals and agree on behalf of the account investor liabilities for and reliefs from tax in respect of an account.

(2) Claims shall be made to the Board in accordance with the provisions of regulations 25 and 26.

(3) Where any relief or exemption from tax previously given in respect of an account has by virtue of these Regulations become excessive, in computing the relief due on any claim there shall be deducted (so that amounts equal to that excess are set-off or repaid to the Board, as the case may be) notwithstanding that those amounts have been invested—

(a) any amount repaid in respect of income tax or paid in respect of a tax credit; [<sup>F632</sup>and]

<sup>F633</sup>(b) . . . . .

(c) any other amount due to the Board by an account manager in respect of any tax liability in respect of account investments under an account including (but without prejudice to the

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making of an assessment under the provisions of that Schedule) any amount falling due in respect of a liability under [<sup>F634</sup>Chapter 9 of Part 15 of ITA 2007].

(4) Any amount deducted under paragraph (3) shall be treated as an amount of income tax deducted at source and not repayable within the meaning and for the purposes of section 95(2)(a) of the Management Act <sup>M14</sup>.

#### Textual Amendments

- F632** Word in reg. 24(3)(a) inserted (1.7.2014) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **22(a)**
- F633** Reg. 24(3)(b) omitted (1.7.2014) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **22(b)**
- F634** Words in reg. 24(3)(c) substituted (6.4.2008) by [The Individual Savings Account \(Amendment\) Regulations 2008 \(S.I. 2008/704\)](#), regs. 1, **13**

#### Marginal Citations

- M14** 1970 c.9; section 95 was amended by section 148 of, and Schedule 14 Part VIII to, the [Finance Act 1988 \(c.39\)](#), by section 163 of the [Finance Act 1989 \(c.26\)](#), and sections 196 and 199 of, and paragraph 27 of Schedule 19 and Part V(23) of Schedule 26 to, the [Finance Act 1994 \(c.9\)](#).

### Repayments in respect of tax to account manager—interim claims

**25.**—(1) Notwithstanding the provisions of any other enactment, the Board shall not be under an obligation to make any repayment in respect of tax under these Regulations earlier than the end of the month following the month in which the claim for the repayment is received.

(2) A claim for repayment in respect of tax which is not an annual claim (“interim claim”) may be made only for a period of a month (or a number of months not exceeding six) beginning on the 6th day of the month and ending on the 5th day of the relevant following month.

(3) No claim for repayment may be made for the month ending 5th October or any subsequent month until the annual return under regulation 26(2) due in respect of an account for the preceding year has been duly made by the account manager and received by the Board.

(4) Where, on the occasion of a claim, there is due to the Board an amount in respect of tax, that amount shall be recoverable by the Board in the same manner as tax charged by an assessment on the account manager which has become final and conclusive.

(5) This regulation and regulation 26 shall not apply to any repayment in respect of tax on [<sup>F635</sup>policies of life insurance falling within regulation 9], or on distributions and other rights or proceeds in respect of [<sup>F636</sup>such policies][<sup>F637</sup>except in so far as [<sup>F638</sup>a return is required in respect of] any gain treated as arising in accordance with regulation 36(3)(a) or (b)].

#### Textual Amendments

- F635** Words in reg. 25(5) substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2004 \(S.I. 2004/2996\)](#), regs. 1(1), **17(a)**
- F636** Words in reg. 25(5) substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2004 \(S.I. 2004/2996\)](#), regs. 1(1), **17(b)**
- F637** Words in reg. 25(5) added (6.4.1999) by [The Individual Savings Account \(Amendment\) Regulations 1998 \(S.I. 1998/3174\)](#), regs. 1, **9**
- F638** Words in reg. 25(5) substituted (1.7.2014) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, **23**

## Repayments in respect of tax to account manager—annual returns and annual claims

26.—(1) An annual claim is a claim for repayment in respect of tax for a year and may not be made at any time more than six years after the end of the year.

(2) An account manager shall within six months after the end of the year make a return of all income <sup>F639</sup> ... [<sup>F640</sup> and any gain treated as arising in accordance with regulation 36(3)(a) or (b)], and in addition an annual claim to establish the total of repayments due under an account for that year <sup>F639</sup> ...

(3) Where the aggregate of the repayments in respect of interim claims for the year shown by an annual claim exceeds the amount repayable for the year shown on the claim, the account manager shall repay the amount of the excess to the Board with the claim.

(4) If an account manager fails to make the return and the annual claim required under this regulation within the time limited, the Board may issue a notice to the account manager showing the aggregate of payments in respect of the interim claims for the year, and stating that the Board are not satisfied that the amount due to the account manager for that year exceeds the lower amount stated in the notice.

(5) If a return and an annual claim are not delivered to the Board within 14 days after the issue of such a notice under paragraph (4) the amount of the difference between the aggregate and the lower amount stated in the notice shall immediately be recoverable by the Board in the same manner as tax charged by an assessment on the account manager which has become final and conclusive.

(6) Where a return and an annual claim have been made and the account manager subsequently discovers that an error or mistake has been made in the return or claim the account manager may make a supplementary return or annual claim within the time allowed in paragraph (1).

### Textual Amendments

**F639** Words in reg. 26(2) omitted (1.7.2014) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1450\)](#), regs. 1, 24

**F640** Words in reg. 26(2) inserted (6.4.1999) by [The Individual Savings Account \(Amendment\) Regulations 1998 \(S.I. 1998/3174\)](#), regs. 1, 10

## Account manager's returns and claims—supplementary provisions

27.—(1) Section 42 of the Management Act <sup>M15</sup> shall not apply to claims under these Regulations.

(2) No appeal shall lie from the Board's decision on an interim claim.

(3) An appeal <sup>F641</sup> ... from the Board's decision on an annual claim <sup>F642</sup> ... shall be brought by giving notice to the Board within 30 days of receipt of notice of the decision.

(4) No payment or repayment made or other thing done on or in relation to an interim claim or a notice under regulation 26(4) shall prejudice the decision on an annual claim.

(5) The like provisions as are contained in Part V of the Management Act (appeals and other proceedings) shall apply to an appeal under paragraph (3) above, and [<sup>F643</sup> on an appeal that is notified to the tribunal, the tribunal] may vary the decision appealed against whether or not the variation is to the advantage of the appellants.

(6) All such assessments, payments and repayments shall be made as are necessary to give effect to the Board's decision on an annual claim or to any variation of that decision on appeal.

(7) Returns and claims under these Regulations shall be in such form and contain such particulars as the Board prescribe and, subject to regulation 31(1) and (2), shall be signed by the account manager, and forms prescribed for annual claims may require a report to be given by a person qualified for appointment as auditor of a company.

*Status: Point in time view as at 06/04/2020.*

*Changes to legislation: There are currently no known outstanding effects for the The Individual Savings Account Regulations 1998. (See end of Document for details)*

#### Textual Amendments

- F641** Words in reg. 27(3) omitted (1.4.2009) by virtue of [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 2 para. 47(2)(a)**
- F642** Words in reg. 27(3) omitted (1.4.2009) by virtue of [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 2 para. 47(2)(b)**
- F643** Words in reg. 27(5) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 2 para. 47(3)**

#### Marginal Citations

- M15** Section 42 was substituted by sections 196 and 199 of, and paragraph 13 of Schedule 19 to, the Finance Act 1994, and amended by sections 97 and 107 of the [Finance Act 1995 \(c.4\)](#), **sections 128** and 130 of, and Part V(3) and (12) of Schedule 41 to, the [Finance Act 1996 \(c.8\)](#), and section 113 of the Finance Act 1997.

### Assessments for withdrawing relief and recovering tax

**28.**—(1) Where—

- (a) any relief or exemption from tax given in respect of income or gains under an account is found not to be due or to be excessive, or
- (b) the full amount of tax in respect of the income or gains under an account has not otherwise been fully accounted for and paid to the Board by or on behalf of the account investor,

an assessment to tax may be made by the Board in the amount or further amount which in their opinion ought to be charged.

(2) An assessment to which paragraph (1) refers may be made on the account manager or on the account investor.

(3) If the assessment is made to recover tax in respect of income (including any amount in respect of a tax credit) under an account it shall be made under [<sup>F644</sup>Chapter 8 of Part 5 of ITTOIA 2005].

#### Textual Amendments

- F644** Words in reg. 28(3) substituted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **29**

### Records to be kept by account manager

**29.**—[<sup>F645</sup>(1)] An account manager shall at all times keep sufficient records in respect of an account to enable the requirements of these Regulations to be satisfied.

[<sup>F646</sup>(2) Where an account is transferred by an account manager (“the transferor”) to another account manager (“the transferee”) in a group transfer of accounts, any records (or copies of records) kept by the transferor in respect of the account at the time when it is transferred shall be treated for the purposes of this regulation as kept by the transferee for so long as sub-paragraphs (a), (b) and (c) of paragraph (3) apply.

(3) For the purposes of paragraph (2)—

- (a) this sub-paragraph applies if the records described in paragraph (2) are kept by the transferor;
- (b) this sub-paragraph applies if the transferor and transferee are members of the same group of companies; and



- (c) this sub-paragraph applies if the transferee can require the transferor to make the records available to the transferee for any purpose necessary to ensure the transferee’s compliance with these regulations.]

**Textual Amendments**

**F645** Reg. 29 renumbered as reg. 29(1) (retrospective to 9.11.2011) by [The Individual Savings Account \(Amendment\) \(No. 2\) Regulations 2012 \(S.I. 2012/1871\)](#), regs. 3, **19(a)**

**F646** Reg. 29(2)(3) inserted (retrospective to 9.11.2011) by [The Individual Savings Account \(Amendment\) \(No. 2\) Regulations 2012 \(S.I. 2012/1871\)](#), regs. 3, **19(b)**

**Information to be given to account investor by account manager [F647 in relation to an account that is not a junior ISA account]**

**30.**—<sup>F648</sup>(1) .....

(2) An account manager who makes a payment to an account investor out of or in respect of which tax, or a sum representing tax, has been deducted shall, if the account investor so requests in writing, furnish the account investor with a statement in writing showing the gross amount of the payment, the amount deducted and the amount actually paid.

(3) On the transfer to an account investor of an account investment, subject to regulation 9(3) (b), the account manager shall provide for the account investor details in writing of the market value on the date of transfer.

**Textual Amendments**

**F647** Words in reg. 30 heading added (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **30(a)**

**F648** Reg. 30(1) omitted (5.4.2013) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2013 \(S.I. 2013/623\)](#), regs. 1, **2(3)**

**Returns of information by account manager**

**31.**—(1) An account manager shall within 60 days after the end of each year (beginning with the year 1999—00) in which he acts as an account manager, and after ceasing to act or to qualify as an account manager, deliver to the Board a return for that year, or for the part of that year in which he so acted or qualified, which contains the information specified in [F649 paragraphs (3), (4), (5), (7)[F650, (7A) and (7B)]], and is accompanied by a certificate as to the contents of the return, in the form prescribed by the Board, signed by the account manager or on his behalf.

[F651(1A) For the purposes of a Lifetime ISA in relation to paragraphs (3) and (10), paragraph (1B) applies instead of paragraph (1).

(1B) An account manager of a Lifetime ISA must, within [F652 60] days after the end of each year in which the account manager acts as an account manager, and after ceasing to act or qualify as an account manager, deliver to the Board a return for the year or part of a year in which the account manager so acted or was qualified, in a form or manner prescribed by the Board, which contains the information specified in the sub-paragraphs referred to in paragraph (9).]

[F653(1C) The Board may authorise an extension of any period of time provided for under this regulation.]

<sup>F654</sup>(2) .....



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(3) The information specified in this paragraph is information relating to each account, in respect of which he acted as account manager, in the year or the part of the year for which the return is made, other than accounts transferred to another account manager under Regulation 21(2) in that year or part of a year, as to—

- (a) as regards the account investor—
- (i) his full name,
  - (ii) the address of his permanent residence, including postcode,
  - (iii) his date of birth, and
  - (iv) if he has one, his national insurance number [<sup>F655</sup>(otherwise, any unique reference number he may have had as mentioned in the Child Trust Funds Regulations 2004)];
- (b) as regards each such account—
- (i) the number allocated to the account by the account manager, and
  - (ii) [<sup>F656</sup>in relation to a cash account or stocks and shares account,] the market value of the account investments held under [<sup>F657</sup>the] component of the account, <sup>F658</sup>...the value of each account investment being determined either as at 5th April in that year, or any other valuation date in that year, not falling earlier than 5th October, and
- (c) as regards each such [<sup>F659</sup>account]<sup>F660</sup> ... —
- (i) whether the account is a [<sup>F661</sup>cash account [<sup>F662</sup>, a stocks and shares account or an innovative finance account]],
  - <sup>F663</sup>(ia) whether the account was a junior ISA account at any time in the year or part of the year for which the return is made,]
  - <sup>F664</sup>(ib) whether the account is a flexible account,]
  - <sup>F665</sup>(ii) [<sup>F666</sup>subject to [<sup>F667</sup>paragraphs (3A) and (3AB)(a)],] the total amount[<sup>F668</sup>, disregarding a subscription made in accordance with regulation 5D,] subscribed to the account, in the year or the part of the year for which the return is made;]
  - <sup>F669</sup>(ia) in place of the provision in paragraph (ii) in the case of a flexible account, in the year or part of the year for which the return is made, disregarding a subscription made in accordance with regulation 5D (except for a replacement subscription), the total amount subscribed to the account less the amount of any cash withdrawn from it and if the result is in the negative, the amount to be reported is nil,]
  - (iii) [<sup>F670</sup>subject to [<sup>F671</sup>paragraphs (3AB)(b) and (3B)],] the date on which the first subscription[<sup>F672</sup>, if any,] (being either cash <sup>F673</sup>... or shares pursuant to regulation 7(2)(h)) was made to the account, in the year or the part of the year for which the return is made, <sup>F674</sup> ...
  - (iv) the aggregate market value at the date of transfer of any shares transferred to the account manager or his nominee in accordance with regulation 7(2)(h) in the year or the part of the year for which the return is made <sup>F675</sup>... [<sup>F676</sup>and]
  - <sup>F677</sup>(v) [<sup>F678</sup>subject to paragraph (3C),] the date when any such [<sup>F679</sup>cash] account was closed, where that occurred during the year or the part of the year for which the return was made[<sup>F680</sup>.]<sup>F681</sup> ...
  - <sup>F682</sup>(vi) ..... [<sup>F683</sup>, and
- (d) in relation to an innovative finance account comprising investments of the kind [<sup>F684</sup>specified in regulation 8A(2)(a) or 8A(2)(ca)], the aggregate of the amounts set out at sub-paragraphs (i) and (ii) —

- (i) the outstanding principal balance as at 5th April in that year, or the date on which an account manager ceases to act or qualify as an account manager, under those <sup>F685</sup>qualifying investments for an innovative finance component in respect of which payments are due to be made]; and
- (ii) the amount of cash held in the account as at 5th April in that year, or the date on which an account manager ceases to act or qualify as an account manager; and]

<sup>F686</sup>(3A) Where a subscription is made to an account that ceases to be a junior ISA account in the year or part of the year for which the return is made, the return must show, as separate amounts, the total amount of cash subscribed to the account at times—

- (a) when the account is a junior ISA account; and
- (b) when the account is not a junior ISA account.

<sup>F687</sup>(3AB) Where a defaulted cash account subscription in accordance with regulation 5D (subscriptions disregarded for the purposes of the subscription limits in regulations 4ZA and 4ZB) is made to an account in the year or part of the year for which a return required by this regulation is made—

- (a) the amount of subscriptions reported to an account manager in accordance with regulation 5DF(1)(a)(ii) (current year's subscriptions made to the defaulted cash account) must be included as part of the total amount of cash subscribed to the account required by paragraph (3)(c)(ii);
- (b) paragraph (3)(c)(iii) must be construed as requiring (in addition to the information specified in that paragraph) the date reported to the account manager in accordance with regulation 5DF(1)(a)(iii).]

(3B) In relation to an account that is a junior ISA account, the information described in paragraph (3)(c)(iii) shall only be provided in the return for the year or part of the year in which the application to open the account in accordance with regulation 12A is made.

(3C) The information provided in accordance with paragraph (3)(c)(v) must not include information relating to an account that was a junior ISA account immediately before it was closed.]

(4) <sup>F688</sup>Subject to paragraph (5), the] information specified in this paragraph is—

- (a) the respective market values at the end of the year or the part of the year for which the return is made of account investments held under stocks and shares components, by him or a nominee for him on behalf of account investors, under all the accounts in respect of which he acted as account manager in that year or part, with separate values for—

- (i) shares, not being shares in an investment trust or in a <sup>F689</sup>UK UCITS, recognised UCITS or non-UCITS retail scheme], <sup>F690</sup>officially listed on a recognised stock exchange;]

- <sup>F691</sup>(ia) such shares admitted to trading on a recognised stock exchange in an EEA State,]

- (ii) qualifying securities <sup>F692</sup>listed on the official list of a recognised stock exchange],

- <sup>F693</sup>(iiaa) qualifying securities admitted to trading on a recognised stock exchange in an EEA State,]

- <sup>F694</sup>(iia) government securities falling within regulation 7(2)(c), (ca) or (cb);]

- (iii) shares in investment trusts,

- <sup>F695</sup>(iv) units in an authorised unit trust,]

- (v) units in, or shares of, a <sup>F696</sup>recognised UCITS, or non-UCITS retail scheme (constituted outside the United Kingdom)],

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- [<sup>F697</sup>(vi) shares in an open-ended investment company,]
- [<sup>F698</sup>(via) the surrender value of life insurance policies<sup>F699</sup> ....,]
- (vii) cash, including cash represented in share accounts with building societies, [<sup>F700</sup>with depositary interests being included in the paragraph to which their relevant investments (referred to in paragraphs (a) and (b) of the definition of “depository interest”) relate];
- [<sup>F701</sup>(aa) the information specified in sub-paragraph (a) in respect of any such account investments (excluding cash (including cash represented in share accounts with building societies)) that are held under Lifetime ISA components;]
- [<sup>F702</sup>(b) the respective market values at the end of the year or the part of the year for which the return is made of account investments held under cash components, by him or a nominee for him on behalf of account investors, under all the accounts in respect of which he acted as account manager in that year or part, with separate values for—
  - (i) cash, including cash represented in share accounts with building societies, [<sup>F703</sup>and]
  - (ii) [<sup>F704</sup>investments other than those specified in paragraph (i); and]]
- [<sup>F705</sup>(ba) the information specified in sub-paragraph (b), in respect of any such account investments that are held under Lifetime ISA components;]
- (c) the aggregate market value at that date of all such account investments held by him or his nominee[<sup>F706</sup>; and]
- [<sup>F707</sup>(d) the amount at the end of the year or part of the year for which the return is made of account investments held under innovative finance components, by him or a nominee for him on behalf of account investors, under all the accounts in respect of which he acted as account manager in that year or part of a year, with separate values for—
  - (i) cash, and
  - (ii) the outstanding principal balance under those article 36H agreements in respect of which payments are due to be made to the account manager[<sup>F708</sup>, and]]
  - [<sup>F709</sup>(iii) the outstanding principal balance under those investments specified in regulation 8A(2)(ca) in respect of which payments are due to be made.]
- (5) [<sup>F710</sup>Paragraph (4) shall apply to policies of life insurance falling within regulation 9] with the omission of the words “by him or a nominee for him on behalf of account investors,” with references to the market value of account investments, in the case of policies of life insurance, being replaced with references to the surrender value of such policies, and as if separate valuations were required of such policies<sup>F711</sup> ....
- [<sup>F712</sup>(6) .....
- (7) [<sup>F713</sup>The information specified in this paragraph is information relating to all accounts to which subscriptions were made in the year or part of the year, in respect of which he was acting as account manager immediately before the end of the year or part of the year for which the return is made, or in the case of an account that was closed during the year, in respect of which he was acting as manager at the date the account was closed, as to]—
  - (a) the total number of accounts to which subscriptions were made, with separate figures for—
    - [<sup>F714</sup>(i) cash accounts holding policies of life insurance falling within regulation 9,]
    - [<sup>F714</sup>(ii) all cash accounts,]
    - [<sup>F714</sup>(iii) stocks and shares accounts holding policies of life insurance falling within regulation 9, and

- (iv) all stocks and shares accounts,]
- [<sup>F715</sup>(v) accounts receiving subscriptions made in accordance with regulation 5D(2)(a)(iv); and]
- [<sup>F716</sup>(vi) all innovative finance accounts; and]
- (b) the total amount of <sup>F717</sup>... subscriptions made in the [<sup>F718</sup>year or part of the year][<sup>F719</sup>, disregarding a subscription made in accordance with regulation 5D,] —
  - (i) to stocks and shares components of accounts;
  - (ii) to cash components of accounts; <sup>F720</sup>...
  - [<sup>F721</sup>(ia) in respect of subscriptions made in accordance with regulation 5(D)(2)(a)(iv);]
  - [<sup>F722</sup>(ib) to innovative finance components of accounts;]
  - <sup>F720</sup>(iii) . . . . .
  - [<sup>F723</sup>(iii) invested in policies (within the meaning in regulation 9(1)) under stocks and shares components; and
  - (iv) invested in policies (within that meaning) under cash components.]

[<sup>F724</sup>[<sup>F725</sup>In relation to this paragraph (7), in the case] of a flexible account, in the year or part of the year for which the return is made, there is to be disregarded, in respect of each account, a subscription made in accordance with regulation 5D (except for a replacement subscription) and there is to be deducted from the total amount subscribed the amount of any cash withdrawn from the account and if the result is in the negative, the amount to be reported is nil.]

[<sup>F726</sup>(7A) The information specified in this paragraph is information relating to all accounts in respect of which the account manager was acting as account manager immediately before the end of the year or part of the year for which the return is made that were junior ISA accounts at the end of the period covered by the return (whether or not a subscription was made to the account during that period) with separate figures for cash accounts and stocks and shares accounts.]

[<sup>F727</sup>(7B) The information specified in this paragraph is the total number of continuing accounts of a deceased investor.]

(8) No claim for repayment, or repayment, may be made under regulations 25 and 26 until the returns which have become due under this regulation have been duly made by the account manager and received by the Board.]

[<sup>F728</sup>(9) Paragraphs (3) (except as provided in paragraph (10)) and (3A), (3B), (3C), (7) and (7A) do not apply to a Lifetime ISA.

- (10) The following provisions of paragraph (3) apply to a Lifetime ISA—
  - (a) sub-paragraph (a) with the omission of “if he has one” and the words in parentheses;
  - (b) sub-paragraph (b) with the substitution of “a Lifetime ISA” for “ a cash account or stocks and shares account”;
  - (c) sub-paragraph (c)(ii) with the substitution of “paragraph (3AB)(a)” for “paragraphs (3A) and (3AB)(a)”;
  - (d) sub-paragraph (c)(iv).]

**Textual Amendments**

**F649** Words in reg. 31(1) substituted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **31(a)**

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*Changes to legislation: There are currently no known outstanding effects for the The Individual Savings Account Regulations 1998. (See end of Document for details)*

- F650** Words in reg. 31(1) substituted (6.4.2018) by The Individual Savings Account (Amendment No. 3) Regulations 2017 (S.I. 2017/1089), regs. 1, **8(a)**
- F651** Reg. 31(1A)(1B) inserted (6.4.2017) by The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **28(a)**
- F652** Word in reg. 31(1B) substituted (6.4.2018) by The Individual Savings Account (Amendment) Regulations 2018 (S.I. 2018/359), regs. 1, **5(a)**
- F653** Reg. 31(1C) inserted (6.4.2018) by The Individual Savings Account (Amendment) Regulations 2018 (S.I. 2018/359), regs. 1, **5(b)**
- F654** Reg. 31(2) omitted (6.4.2008) by virtue of The Individual Savings Account (Amendment) Regulations 2008 (S.I. 2008/704), regs. 1, **14(3)**
- F655** Words in reg. 31(3)(a)(iv) inserted (6.4.2015) by The Individual Savings Account (Amendment No. 3) Regulations 2015 (S.I. 2015/941), regs. 1, **7**
- F656** Words in reg. 31(3)(b)(ii) inserted (6.4.2016) by The Individual Savings Account (Amendment No. 2) Regulations 2016 (S.I. 2016/364), regs. 1, **17(a)(i)**
- F657** Word in reg. 31(3)(b)(ii) substituted (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2007 (S.I. 2007/2119), regs. 1, **20(a)**
- F658** Words in reg. 31(3)(b)(ii) omitted (6.4.2014) by virtue of The Individual Savings Account (Amendment) Regulations 2014 (S.I. 2014/654), regs. 1(1), **12(a)**
- F659** Words in reg. 31(3)(c) substituted (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2007 (S.I. 2007/2119), regs. 1, **20(b)(i)**
- F660** Words in reg. 31(3)(c) omitted (1.2.2016) by virtue of The Individual Savings Account (Amendment) Regulations 2016 (S.I. 2016/16), regs. 1, **16(1)(a)**
- F661** Words in reg. 31(3)(c)(i) substituted (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2007 (S.I. 2007/2119), regs. 1, **20(b)(ii)**
- F662** Words in reg. 31(3)(c)(i) substituted (6.4.2016) by The Individual Savings Account (Amendment No. 2) Regulations 2016 (S.I. 2016/364), regs. 1, **17(a)(ii)**
- F663** Reg. 31(3)(c)(ia) inserted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **31(b)**
- F664** Reg. 31(3)(c)(ib) inserted (1.2.2016) by The Individual Savings Account (Amendment) Regulations 2016 (S.I. 2016/16), regs. 1, **16(1)(b)**
- F665** Reg. 31(3)(c)(ii) substituted (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2007 (S.I. 2007/2119), regs. 1, **20(b)(iii)**
- F666** Words in reg. 31(3)(c)(ii) inserted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **31(c)**
- F667** Words in reg. 31(3)(c)(ii) substituted (8.8.2012) by The Individual Savings Account (Amendment) (No. 2) Regulations 2012 (S.I. 2012/1871), regs. 1, **20(a)**
- F668** Words in reg. 31(3)(c)(ii) substituted (1.2.2016) by The Individual Savings Account (Amendment) Regulations 2016 (S.I. 2016/16), regs. 1, **16(1)(c)**
- F669** Reg. 31(3)(c)(iia) inserted (with effect in accordance with reg. 1 of the amending S.I.) by The Individual Savings Account (Amendment) Regulations 2016 (S.I. 2016/16), regs. 1, **16(1)(d)**
- F670** Words in reg. 31(3)(c)(iii) inserted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **31(d)**
- F671** Words in reg. 31(3)(c)(iii) substituted (8.8.2012) by The Individual Savings Account (Amendment) (No. 2) Regulations 2012 (S.I. 2012/1871), regs. 1, **20(b)**
- F672** Words in reg. 31(3)(c)(iii) inserted (1.2.2016) by The Individual Savings Account (Amendment) Regulations 2016 (S.I. 2016/16), regs. 1, **16(1)(e)**
- F673** Words in reg. 31(3)(c)(ii) omitted (with effect in accordance with reg. 1(2)(c) of the amending S.I.) by virtue of The Individual Savings Account (Amendment No. 3) Regulations 2002 (S.I. 2002/3158), regs. 1(2), **7(c)**
- F674** Word in reg. 31(3) omitted (1.11.2011) by virtue of The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **31(e)**
- F675** Word in reg. 31(3)(c)(iv) omitted (6.4.2015) by virtue of The Individual Savings Account (Amendment No. 2) Regulations 2015 (S.I. 2015/869), regs. 1, **10(a)**

- F676** Word in reg. 31(3)(c) inserted (1.2.2016) by The Individual Savings Account (Amendment) Regulations 2016 (S.I. 2016/16), regs. 1, **16(1)(f)**
- F677** Words in reg. 31(3)(c)(v) inserted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **31(f)**
- F678** Reg. 31(3)(c)(v) and preceding word added (with effect in accordance with reg. 1(2)(c) of the amending S.I.) by The Individual Savings Account (Amendment No. 3) Regulations 2002 (S.I. 2002/3158), regs. 1(2), **7(d)**
- F679** Word in reg. 31(3)(c)(v) substituted (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2007 (S.I. 2007/2119), regs. 1, **20(b)(iv)**
- F680** Punctuation in reg. 31(3)(c) substituted (1.2.2016) by The Individual Savings Account (Amendment) Regulations 2016 (S.I. 2016/16), regs. 1, **16(1)(g)**
- F681** Word in reg. 31(3)(c) omitted (1.2.2016) by virtue of The Individual Savings Account (Amendment) Regulations 2016 (S.I. 2016/16), regs. 1, **16(1)(g)**
- F682** Reg. 31(3)(c)(vi) omitted (1.2.2016) by virtue of The Individual Savings Account (Amendment) Regulations 2016 (S.I. 2016/16), regs. 1, **16(1)(h)**
- F683** Reg. 31(3)(d) and preceding word inserted (6.4.2016) by The Individual Savings Account (Amendment No. 2) Regulations 2016 (S.I. 2016/364), regs. 1, **17(a)(iii)**
- F684** Words in reg. 31(3)(d) substituted (1.11.2016) by The Individual Savings Account (Amendment No. 3) Regulations 2016 (S.I. 2016/977), regs. 1, **8(a)(i)**
- F685** Words in reg. 31(3)(d) substituted (1.11.2016) by The Individual Savings Account (Amendment No. 3) Regulations 2016 (S.I. 2016/977), regs. 1, **8(a)(ii)**
- F686** Reg. 31(3A)-(3C) inserted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **31(g)**
- F687** Reg. 31(3AB) inserted (8.8.2012) by The Individual Savings Account (Amendment) (No. 2) Regulations 2012 (S.I. 2012/1871), regs. 1, **20(c)**
- F688** Words in reg. 31(4) substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by The Individual Savings Account (Amendment No. 2) Regulations 2004 (S.I. 2004/2996), regs. 1(1), **18(a)**
- F689** Words in reg. 31(4)(a)(i) substituted (11.8.2009) by The Individual Savings Account (Amendment No. 2) Regulations 2009 (S.I. 2009/1994), regs. 1(1), **9(a)**
- F690** Words in reg. 31(4)(a)(i) inserted (6.4.2014) by The Individual Savings Account (Amendment) Regulations 2014 (S.I. 2014/654), regs. 1(1), **12(b)**
- F691** Reg. 31(4)(a)(ia) inserted (6.4.2014) by The Individual Savings Account (Amendment) Regulations 2014 (S.I. 2014/654), regs. 1(1), **12(c)**
- F692** Words in reg. 31(4)(a)(ii) inserted (1.7.2015) by The Individual Savings Account (Amendment No. 4) Regulations 2015 (S.I. 2015/1370), regs. 1, **5(a)**
- F693** Reg. 31(4)(a)(iiaa) inserted (1.7.2015) by The Individual Savings Account (Amendment No. 4) Regulations 2015 (S.I. 2015/1370), regs. 1, **5(b)**
- F694** Reg. 31(4)(a)(iia) inserted (6.10.2005) by The Individual Savings Account (Amendment No. 2) Regulations 2005 (S.I. 2005/2561), regs. 1, **7(a)**
- F695** Reg. 31(4)(a)(iv) substituted (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2008 (S.I. 2008/704), regs. 1, **14(4)**
- F696** Words in reg. 31(4)(a)(v) substituted (11.8.2009) by The Individual Savings Account (Amendment No. 2) Regulations 2009 (S.I. 2009/1994), regs. 1(1), **9(b)**
- F697** Reg. 31(4)(a)(vi) substituted (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2008 (S.I. 2008/704), regs. 1, **14(5)**
- F698** Reg. 31(4)(a)(via) substituted (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2008 (S.I. 2008/704), regs. 1, **14(6)**
- F699** Words in reg. 31(4)(a)(via) omitted (1.7.2014) by virtue of The Individual Savings Account (Amendment No. 2) Regulations 2014 (S.I. 2014/1450), regs. 1, **25(a)**
- F700** Words in reg. 31(4)(a) added (13.12.2000) by The Individual Savings Account (Amendment No. 3) Regulations 2000 (S.I. 2000/3112), regs. 1, **5**
- F701** Reg. 31(4)(aa) inserted (6.4.2017) by The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **28(b)(i)**

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- F702** Reg. 31(4)(b) substituted (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2008 (S.I. 2008/704), regs. 1, **14(7)**
- F703** Word in reg. 31(4)(b)(i) inserted (1.7.2014) by The Individual Savings Account (Amendment No. 2) Regulations 2014 (S.I. 2014/1450), regs. 1, **25(b)**
- F704** Reg. 31(4)(b)(ii) substituted for reg. 31(4)(b)(ii)(iii) (1.7.2014) by The Individual Savings Account (Amendment No. 2) Regulations 2014 (S.I. 2014/1450), regs. 1, **25(c)**
- F705** Reg. 31(4)(ba) inserted (6.4.2017) by The Individual Savings Account (Amendment No. 2) Regulations 2017 (S.I. 2017/466), regs. 1, **28(b)(ii)**
- F706** Word in reg. 31(4)(c) substituted (6.4.2016) by The Individual Savings Account (Amendment No. 2) Regulations 2016 (S.I. 2016/364), regs. 1, **17(b)(i)**
- F707** Reg. 31(4)(d) inserted (6.4.2016) by The Individual Savings Account (Amendment No. 2) Regulations 2016 (S.I. 2016/364), regs. 1, **17(b)(ii)**
- F708** Word in reg. 31(4)(d)(ii) substituted (1.11.2016) by The Individual Savings Account (Amendment No. 3) Regulations 2016 (S.I. 2016/977), regs. 1, **8(b)**
- F709** Reg. 31(4)(d)(iii) inserted (1.11.2016) by The Individual Savings Account (Amendment No. 3) Regulations 2016 (S.I. 2016/977), regs. 1, **8(c)**
- F710** Words in reg. 31(5) substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by The Individual Savings Account (Amendment No. 2) Regulations 2004 (S.I. 2004/2996), regs. 1(1), **18(b)(i)**
- F711** Words in reg. 31(5) omitted (with effect in accordance with reg. 1(2) of the amending S.I.) by virtue of The Individual Savings Account (Amendment No. 2) Regulations 2004 (S.I. 2004/2996), regs. 1(1), **18(b)(ii)**
- F712** Reg. 31(6) omitted (6.4.2008) by virtue of The Individual Savings Account (Amendment) Regulations 2008 (S.I. 2008/704), regs. 1, **14(8)**
- F713** Words in reg. 31(7) substituted (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2008 (S.I. 2008/704), regs. 1, **14(9)(a)**
- F714** Reg. 31(7)(a)(i)-(iv) substituted for reg. 31(7)(a)(i)-(iii) (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2007 (S.I. 2007/2119), regs. 1, **21**
- F715** Reg. 31(7)(a)(v) inserted (1.2.2016) by The Individual Savings Account (Amendment) Regulations 2016 (S.I. 2016/16), regs. 1, **16(2)(a)**
- F716** Reg. 31(7)(a)(vi) inserted (6.4.2016) by The Individual Savings Account (Amendment No. 2) Regulations 2016 (S.I. 2016/364), regs. 1, **17(c)(i)**
- F717** Word in reg. 31(7)(b) omitted (1.2.2016) by virtue of The Individual Savings Account (Amendment) Regulations 2016 (S.I. 2016/16), regs. 1, **16(2)(b)(i)**
- F718** Words in reg. 31(7)(b) substituted (6.4.2008) by The Individual Savings Account (Amendment) Regulations 2008 (S.I. 2008/704), regs. 1, **14(9)(b)**
- F719** Words in reg. 31(7)(b) inserted (1.2.2016) by The Individual Savings Account (Amendment) Regulations 2016 (S.I. 2016/16), regs. 1, **16(2)(b)(ii)**
- F720** Reg. 31(7)(b)(iii) and preceding word omitted (with effect in accordance with reg. 1(2) of the amending S.I.) by virtue of The Individual Savings Account (Amendment No. 2) Regulations 2004 (S.I. 2004/2996), regs. 1(1), **19**
- F721** Reg. 31(7)(b)(iia) inserted (1.2.2016) by The Individual Savings Account (Amendment) Regulations 2016 (S.I. 2016/16), regs. 1, **16(2)(b)(iii)**
- F722** Reg. 31(7)(b)(iib) inserted (6.4.2016) by The Individual Savings Account (Amendment No. 2) Regulations 2016 (S.I. 2016/364), regs. 1, **17(c)(ii)**
- F723** Reg. 31(4)(b)(iii)(iv) inserted (6.10.2005) by The Individual Savings Account (Amendment No. 2) Regulations 2005 (S.I. 2005/2561), regs. 1, **7(c)**
- F724** Words in reg. 31(7)(b) inserted (with effect in accordance with reg. 1 of the amending S.I.) by The Individual Savings Account (Amendment) Regulations 2016 (S.I. 2016/16), regs. 1, **16(2)(c)**
- F725** Words in reg. 31(7) substituted (6.4.2016) by The Individual Savings Account (Amendment No. 2) Regulations 2016 (S.I. 2016/364), regs. 1, **17(c)(iii)**
- F726** Reg. 31(7A) inserted (1.11.2011) by The Individual Savings Account (Amendment No. 2) Regulations 2011 (S.I. 2011/1780), regs. 1, **31(h)**



**F727** Reg. 31(7B) inserted (6.4.2018) by [The Individual Savings Account \(Amendment No. 3\) Regulations 2017 \(S.I. 2017/1089\)](#), regs. 1, **8(b)**

**F728** Reg. 31(9)(10) inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **28(c)**

### Information to be provided to the Board

<sup>F729</sup>**32.** .....

#### Textual Amendments

**F729** Reg. 33 omitted (1.11.2011) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **32**

### Inspection of records by officer of the Board

<sup>F729</sup>**33.** .....

#### Textual Amendments

**F729** Reg. 33 omitted (1.11.2011) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **32**

### Capital gains tax—adaptation of enactments

**34.—(1)** For the purposes of capital gains tax on the occasion when the title to account investments is transferred from an account manager to an account investor there shall be deemed to be a disposal and reacquisition by the account investor of those investments for a consideration equal to their market value at the date of the transfer.

(2) Sections 104 to 114 of the Taxation of Chargeable Gains Act 1992 <sup>M16</sup> shall apply for the purposes of pooling and identifying account investments as if—

(a) in section 106A <sup>M17</sup> after subsection (11) there were added—

“(12) This section and sections 104, 110, 110A and 114—

(a) shall apply separately in relation to any securities which are held by a person as account investments so long as they are so held, and

(b) shall apply in relation to any such securities which became account investments by being transferred or renounced to an account manager or to a nominee for an account manager in the circumstances specified in regulation 7(2)(h) and [<sup>F730</sup>(10)(a), (b) or (ba)] as if they had been account investments—

(i) in the case of securities acquired by that person in accordance with the provisions of a savings-related share option scheme, which were transferred in the circumstances specified in regulation [<sup>F731</sup>7(2)(h)(i)] and (10)(a), from the date of their acquisition by him, or

(ii) in the case of securities appropriated to that person in accordance with the provisions of an approved profit sharing scheme, which were transferred in the circumstances specified in regulation [<sup>F732</sup>7(2)(h)(ii)] and (10)(b), from the date when he directed the trustees to transfer the ownership of the

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securities to him or, if earlier, the release date in relation to those securities,  
<sup>[F733]</sup>or

(iii) in the case of securities which were plan shares of <sup>[F734]</sup>a Schedule 2<sup>[F735]</sup>SIP before being transferred in the circumstances specified in regulation 7(2)(h)(iii) and (10)(ba), from the date when the securities ceased to be subject to the plan, and]

(c) while applying separately to any such securities, shall have effect as if that person held them in a capacity other than that in which he holds any other securities of the same class whether under another such account or otherwise.

(13) In this section—

(a) “account”, “account investment” and “account manager” have the same meanings as in the Individual Savings Account Regulations 1998 and “regulation” means a regulation of those Regulations;

(b) “approved profit sharing scheme” has the same meaning as in Chapter IV of Part V of the Taxes Act and “savings-related share option scheme” has the meaning given by paragraph 1 of Schedule 9 to that Act.

<sup>[F736]</sup>(c) “<sup>[F737]</sup>Schedule 2]SIP” and “ceased to be subject to the plan” shall be construed in accordance with the SIP code (see section 488(3) of ITEPA 2003); and

(d) “plan shares”, in relation to <sup>[F734]</sup>a Schedule 2]SIP, shall be construed in accordance with the SIP code (see section 488(3) of ITEPA 2003) except that—

(i) paragraph 87(6) of Schedule 2 to ITEPA 2003 (meaning of the word “shares” in the context of company reconstructions) shall not apply, and

(ii) in paragraph 88(2) of that Schedule (treatment of shares acquired under rights issue) the words “or securities or rights” shall be treated as omitted.”]; and

(b) in section 110A <sup>M18</sup> after subsection (5) there were added—

“(6) Where part of a section 104 holding is treated by section 106A(12)(b)(ii) as having been account investments since a particular date—

(a) an operative event shall be regarded as having occurred for the purposes of this section immediately before that date, consisting of the disposal of the part of that section 104 holding which is so treated, and

(b) this section shall apply in relation to the occurrence of that operative event as it would have applied if it had always applied separately in relation to the part of that section 104 holding which is so treated.”

(3) Section 106A of the Taxation of Chargeable Gains Act 1992 shall apply for the purposes of identifying securities within the meaning of that section which are eligible to become account investments as if—

(a) in subsection (4), there were added at the beginning the words “Subject to subsection (14) below”;

(b) in subsection (6), the words “subsections (4) and (5) above” were replaced with the words “subsections (4), (5) and (14)”;

(c) after subsections (12) and (13), as added by paragraph (2), there were added—

“(14) Where a person disposes of securities and securities of the same class which were eligible for transfer to an account under regulation 7(2)(h) were—

(a) held by him immediately before that disposal, or

(b) acquired by him on the same day as that disposal, or

(c) acquired by him within the period of thirty days after that disposal,

and those securities were acquired in the circumstances specified in that regulation, he shall be treated as having first disposed of any securities of that class held or acquired by him which were not so eligible.”

(4) Sections 127 to 131 of the Taxation of Chargeable Gains Act 1992 shall not apply [<sup>F738</sup>in relation to qualifying investments falling within any of sub-paragraphs (a), (b), (d), (e), (f), (g) and (h) of regulation 7(2)] which are held under an account if there is by virtue of any allotment for payment as is mentioned in section 126(2) of that Act a reorganisation affecting those shares or securities.

#### Textual Amendments

- F730** Words in reg. 34(2)(a) substituted (21.8.2000) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2000 \(S.I. 2000/2079\)](#), regs. 1, **5(2)(a)**
- F731** Words in reg. 34(2)(a) substituted (21.8.2000) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2000 \(S.I. 2000/2079\)](#), regs. 1, **5(2)(b)**
- F732** Words in reg. 34(2)(a) substituted (21.8.2000) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2000 \(S.I. 2000/2079\)](#), regs. 1, **5(2)(c)**
- F733** Words in reg. 34(2)(a) substituted (21.8.2000) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2000 \(S.I. 2000/2079\)](#), regs. 1, **5(2)(d)**
- F734** Words in reg. 34(2)(a) substituted (retrospective to 6.4.2014) by [Finance Act 2014 \(c. 26\)](#), **Sch. 8 paras. 87(a)**, 89 (with [Sch. 8 paras. 90-96](#))
- F735** Word in reg. 34(2)(a) substituted (6.4.2008) by [The Individual Savings Account \(Amendment\) Regulations 2008 \(S.I. 2008/704\)](#), regs. 1, **15(2)**
- F736** Words in reg. 34(2)(a) substituted (6.4.2008) by [The Individual Savings Account \(Amendment\) Regulations 2008 \(S.I. 2008/704\)](#), regs. 1, **15(3)**
- F737** Words in reg. 34(2)(a) substituted (retrospective to 6.4.2014) by [Finance Act 2014 \(c. 26\)](#), **Sch. 8 paras. 87(b)**, 89 (with [Sch. 8 paras. 90-96](#))
- F738** Words in reg. 34(4) substituted (1.12.2001) by [The Financial Services and Markets Act 2000 \(Consequential Amendments\) \(Taxes\) Order 2001 \(S.I. 2001/3629\)](#), arts. 1(2)(b), **178**

#### Marginal Citations

- M16** [1992 c.12](#).
- M17** Section 106A was inserted by section 124(1) of the [Finance Act 1998 \(c.36\)](#).
- M18** Section 110A was inserted by section 125(2) of the [Finance Act 1998](#).

#### [<sup>F739</sup>Capital gains tax—administration-period investment

**34A.** For the purposes of capital gains tax—

- (a) on the occasion when title to an administration-period investment is transferred from the personal representatives to a legatee, the legatee is to be treated as having acquired the investment on the date of transfer and for a consideration equal to its market value on such date; and
- (b) on the occasion when title to an investment is transferred from the personal representatives to a legatee after the end of the period in respect of which it was an administration-period investment, there shall be deemed to be a disposal and reacquisition by the personal representatives of that investment at the end of that period and for a consideration equal to its market value at such time and the legatee is to be treated as having acquired the investment for such consideration on the date of transfer.]

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### Textual Amendments

**F739** Reg. 34A inserted (6.4.2018) by [The Individual Savings Account \(Amendment No. 3\) Regulations 2017 \(S.I. 2017/1089\)](#), regs. 1, 9

### Administration of tax in relation to accounts—supplementary

**35.**—(1) Nothing in these Regulations shall be taken to prejudice any powers conferred or duties imposed by or under any enactment in relation to the making of returns of income or gains, or for the recovery of tax, penalties or interest by means of an assessment or otherwise.

(2) Notwithstanding the provisions of these Regulations an account manager shall not be released from obligations under these Regulations in relation to an account except under conditions agreed in writing with and notified to that person by the Board.

(3) The like provisions as are contained in the Management Act<sup>M19</sup> shall apply to any assessment under these Regulations as if it were an assessment to tax for the year in which, apart from these Regulations, the account investor would have been liable (by reason of his ownership of the investments).

(4) In the application of the like provisions as are contained in section 86 of the Management Act by virtue of paragraph (3) in relation to any sums due and payable by virtue of an assessment made on an account manager under these Regulations, the relevant date—

- (a) is the 1st January in the year for which the account investor would have been liable where the account manager has made an interim claim for a period falling within that year; and
- (b) in any other case, is the later of the following dates, that is to say—
  - (i) the 1st January in that year; or
  - (ii) the date of the making of the repayment by the Board following receipt of the annual claim for that year.

(5) The like provisions as are contained in section 97(1) of the Management Act shall apply as if—

- (a) there were inserted after the words “[<sup>F740</sup>section 95] above” the words “or the Individual Savings Account Regulations 1998”, and
- (b) there were inserted after the words “that they were” the words “or have become”.

[<sup>F741</sup>(5A) Paragraphs (3) to (5) do not apply to an assessment made or deemed to be made under the Schedule.]

[<sup>F742</sup>(6) If—

- (a) a chargeable event, within the meaning given by [<sup>F743</sup>Chapter 9 of Part 4 of ITTOIA 2005], has happened in relation to a policy of life insurance which is an account investment<sup>F744</sup> ...; and
- (b) the body by whom the policy was issued is satisfied that no gain is to be treated as chargeable to tax on the happening of the event by virtue of regulation 22(1)(a)(v),

the body shall not be obliged to deliver the certificates mentioned in section 552(1) of that Act.

This paragraph does not prevent the operation of section 552(1) in a case to which regulation 36(1) applies.]

[<sup>F745</sup>(7) A termination of a policy of insurance pursuant to regulation 9(3)(b)(ii) shall be treated as the surrender of all rights under the policy for the purposes of section 484(1)(a)(i) of ITTOIA 2005.]

(8) Where there are in force relevant insurances within the meaning given by section 552A of the Taxes Act<sup>M20</sup> then, so far as they consist of policies of life insurance which are account

investments<sup>F746</sup>..., they shall be disregarded in calculating the amount or value of gross premiums, for the purposes of subsection (4)(b) of that section.

(9) Any form prescribed by the Board for the purposes of these Regulations shall provide for a declaration that all the particulars given in the form are correctly stated to the best of the knowledge and belief of the person concerned.

[<sup>F747</sup>(9A) Paragraph (9) does not apply to any form prescribed under regulation 31(1B) or the Schedule.]

(10) No obligation as to secrecy imposed by statute or otherwise shall preclude the Board from disclosing to an account manager or account investor that any provision of these Regulations has not been satisfied or that relief has been given or claimed in respect of investments under an account.

#### Textual Amendments

- F740** Words in reg. 35(5)(a) substituted (6.4.2008) by [The Individual Savings Account \(Amendment\) Regulations 2008 \(S.I. 2008/704\)](#), regs. 1, **16(2)**
- F741** [Reg. 35\(5A\)](#) inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **29(a)**
- F742** Reg. 35(6) substituted (with effect in accordance with reg. 1 of the amending S.I.) by [The Individual Savings Account \(Amendment\) Regulations 2002 \(S.I. 2002/453\)](#), **reg. 4**
- F743** Words in reg. 35(6)(a) substituted (6.4.2008) by [The Individual Savings Account \(Amendment\) Regulations 2008 \(S.I. 2008/704\)](#), regs. 1, **16(3)**
- F744** Words in reg. 35(6)(a) omitted (with effect in accordance with reg. 1(2) of the amending S.I.) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2004 \(S.I. 2004/2996\)](#), regs. 1(1), **20**
- F745** Reg. 35(7) substituted (6.4.2008) by [The Individual Savings Account \(Amendment\) Regulations 2008 \(S.I. 2008/704\)](#), regs. 1, **16(4)**
- F746** Words in reg. 35(8) omitted (with effect in accordance with reg. 1(2) of the amending S.I.) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2004 \(S.I. 2004/2996\)](#), regs. 1(1), **21**
- F747** [Reg. 35\(9A\)](#) inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **29(b)**

#### Marginal Citations

- M19** 1970 c.9.
- M20** Section 552A was inserted by section 87 of the Finance Act 1998.

[<sup>F748</sup>**Application of the provisions of Chapter II of Part XIII of the Taxes Act [<sup>F749</sup>and of Chapter 9 of Part 4 of ITTOIA 2005] to policies where an investor ceases to be or was not entitled to relief from tax**

**36.**—(1) This paragraph applies to a case where—

- (a) an event specified in regulation 9(8) has occurred in relation to a policy of life insurance, and
- (b) a termination event within the meaning given by regulation 9(7) occurs in relation to that policy.

(2) Where—

- (a) there is a case to which paragraph (1) applies, and
- (b) a chargeable event in relation to the policy, [<sup>F750</sup>falling within section 484(1) of ITTOIA 2005], has occurred prior to the time at which the termination event mentioned in paragraph (1)(b) occurs,

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the account investor shall cease to be, and shall be treated as not having been, entitled to relief from tax under regulation 22(1)(a)(v), in respect of gains treated as arising on the occurrence of any chargeable event mentioned in sub-paragraph (b).

(3) The provisions of Chapter II of Part XIII of the Taxes Act [<sup>F751</sup>and of Chapter 9 of Part 4 of ITTOIA 2005] shall apply, in a case to which paragraph (1) applies, to—

- (a) the termination event mentioned in paragraph (1)(b), and
- (b) any chargeable event mentioned in paragraph (2)(b),

with the modifications provided for in regulation 35(7) and paragraphs (4) to (7) of this regulation, and the account investor and the account manager shall account to the Board in accordance with this regulation for tax from which relief under regulation 22(1)(a)(v) has been given on the basis that the account investor was so entitled, or in circumstances such that the account investor was not so entitled.

[<sup>F752</sup>(4) Section 530 of ITTOIA 2005 does not apply to a gain in a case in which paragraph (1) applies.]

(5) Relief under [<sup>F753</sup>section 535 of ITTOIA 2005] shall be computed as if paragraph (4) had not been enacted.

[<sup>F754</sup>(6) In section 552 of the Taxes Act—

- (a) in subsection (1)(b) for the words “policy holder” there shall be substituted “account investor”;

(b) in subsection (3)—

<sup>F755</sup>(i) . . . . .

- (ii) for the words “the name and address of the appropriate policy holder” there shall be substituted “the name and address of the account investor”;

<sup>F755</sup>(iii) . . . . .

(c) in subsection (5)—

- (i) for the words “the appropriate policy holder” there shall be substituted “the account investor”;
- (ii) sub-paragraph (b)(ii) shall be omitted;
- (iii) paragraph (c) shall be omitted;
- (iv) in paragraph (d) the words “except where paragraph (c) above applies,” shall be omitted; and
- (v) paragraph (f) shall be omitted;

(d) in subsection (6)—

- (i) paragraph (b) shall be omitted;
- (ii) for paragraph (c) there shall be substituted—
  - “(c) if the event is a death, the period of three months beginning with the receipt of written notification of the death;”;
- (iii) after paragraph (c) there shall be inserted—

[<sup>F756cc</sup>(d) if the event is—

- (i) a termination event, or
- (ii) a chargeable event preceding such a termination event (as mentioned in regulation 36(2) of the Individual Savings Account Regulations 1998),

the period of three months beginning with the date on which the insurer received notice under regulation 9(9)(b) of those Regulations or, if earlier, actual notice of the termination event.”];

(e) in subsection (7)—

<sup>F757</sup>(i) .....

(ii) paragraph (b) shall be omitted;

(iii) for paragraph (c) there shall be substituted—

“(c) if the event is a death, the period of three months beginning with the receipt of written notification of the death;”;

(iv) after paragraph (c) there shall be inserted—

<sup>F758</sup>(ca) if the event is—

(i) a termination event, or

(ii) a chargeable event preceding such a termination event (as mentioned in regulation 36(2) of the Individual Savings Account Regulations 1998),

the period of three months beginning with the date on which the insurer received notice under regulation 9(9)(b) of those Regulations or, if earlier, actual notice of the termination event.”]; and

(v) in paragraph (d) for the words “paragraph (c)” there shall be substituted “paragraph (c) or (ca)”;

(f) in subsection (8)—

(i) in paragraph (b) for “policy holder” there shall be substituted “account investor in respect”;

<sup>F759</sup>(ii) .....

<sup>F760</sup>(g) .....

(h) in subsection 10—

(i) before the definition of “amount” there shall be inserted—

““account investor” has the same meaning as in the Individual Savings Account Regulations 1998;”;

(ii) the definition of “appropriate policy holder” shall be omitted; <sup>F761</sup>and]

<sup>F762</sup>(iii) .....

<sup>F762</sup>(iv) .....

(v) after the definition of “section 546 excess” there shall be inserted—

““termination event” has the same meaning as in the Individual Savings Account Regulations 1998;”;

<sup>F763</sup>

...

<sup>F763</sup>(i)] .....

<sup>F764</sup>(6A) In section 552ZA of the Taxes Act—

(a) in subsection (2)(b) the words “or an assignment” shall be omitted; and

(b) subsections (3) and (4) shall be omitted.]



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<sup>F765</sup>(7) .....

(8) The account manager shall account for and pay income tax at the [<sup>F766</sup>basic rate] in force for the year of assessment in which the termination event, or the chargeable event mentioned in paragraph (2)(b), occurred, as the case may be, and any amount so payable—

- (a) may be set off against any repayment in respect of tax due under regulation 25 or regulation 26 and, subject thereto,
- (b) shall be treated as an amount of tax due not later than 6 months after the end of the year in which the event specified in regulation 9(8) came to the notice of the account manager, and
- (c) shall be payable without the making of an assessment.

(9) Where tax is charged in accordance with paragraph (3)(a) or (b)—

- (a) an assessment to income tax at the [<sup>F767</sup>basic rate][<sup>F768</sup>determined in pursuance of section 6(2) of ITA 2007] in force for the relevant year of assessment may be made on the account manager or on the account investor, and

[<sup>F769</sup>(b) an assessment to income tax may be made on the account investor at the higher rate and additional rate (determined in pursuance of section 6(2) of ITA 2007) for that year of assessment as appropriate to the account investor's income tax liability calculated in accordance with section 23 of ITA 2007,]

[<sup>F770</sup>not more than 4 years after the end of] that year of assessment, and regulation 28 shall not apply.]

#### Textual Amendments

- F748** Reg. 36 inserted (6.4.1999) by [The Individual Savings Account \(Amendment\) Regulations 1998 \(S.I. 1998/3174\)](#), regs. 1, **12**
- F749** Words in reg. 36 title inserted (6.4.2008) by [The Individual Savings Account \(Amendment\) Regulations 2008 \(S.I. 2008/704\)](#), regs. 1, **17(2)**
- F750** Words in reg. 36(2)(b) substituted (6.4.2008) by [The Individual Savings Account \(Amendment\) Regulations 2008 \(S.I. 2008/704\)](#), regs. 1, **17(3)**
- F751** Words in reg. 36(3) inserted (6.4.2008) by [The Individual Savings Account \(Amendment\) Regulations 2008 \(S.I. 2008/704\)](#), regs. 1, **17(4)**
- F752** Reg. 36(4) substituted (6.4.2008) by [The Individual Savings Account \(Amendment\) Regulations 2008 \(S.I. 2008/704\)](#), regs. 1, **17(5)**
- F753** Words in reg. 36(5) substituted (6.4.2008) by [The Individual Savings Account \(Amendment\) Regulations 2008 \(S.I. 2008/704\)](#), regs. 1, **17(6)**
- F754** Reg. 36(6) substituted (with effect in accordance with reg. 1 of the amending S.I.) by [The Individual Savings Account \(Amendment\) Regulations 2002 \(S.I. 2002/453\)](#), **reg. 5(2)**
- F755** Reg. 36(6)(b)(i)(iii) omitted (12.8.2008) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2008 \(S.I. 2008/1934\)](#), regs. 1(1), **6(2)(a)**
- F756** Words in reg. 36(6)(d) substituted (8.1.2003) by [The Individual Savings Account \(Amendment No. 3\) Regulations 2002 \(S.I. 2002/3158\)](#), regs. 1(2), **8**
- F757** Reg. 36(6)(e)(i) omitted (12.8.2008) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2008 \(S.I. 2008/1934\)](#), regs. 1(1), **6(2)(b)**
- F758** Words in reg. 36(6)(e) substituted (8.1.2003) by [The Individual Savings Account \(Amendment No. 3\) Regulations 2002 \(S.I. 2002/3158\)](#), regs. 1(2), **8**
- F759** Reg. 36(6)(f)(ii) omitted (12.8.2008) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2008 \(S.I. 2008/1934\)](#), regs. 1(1), **6(2)(c)**
- F760** Reg. 36(6)(g) omitted (12.8.2008) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2008 \(S.I. 2008/1934\)](#), **regs. 1(1), 6(2)(d)**
- F761** Word in reg. 36(6)(h)(ii) inserted (12.8.2008) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2008 \(S.I. 2008/1934\)](#), regs. 1(1), **6(2)(e)(i)**

- F762** Reg. 36(6)(h)(iii)(iv) omitted (12.8.2008) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2008 \(S.I. 2008/1934\)](#), regs. 1(1), **6(2)(e)(ii)**
- F763** Reg. 36(6)(i) and preceding word omitted (12.8.2008) by virtue of [The Individual Savings Account \(Amendment No. 2\) Regulations 2008 \(S.I. 2008/1934\)](#), regs. 1(1), **6(2)(f)**
- F764** Reg. 36(6A) inserted (with effect in accordance with reg. 1 of the amending S.I.) by [The Individual Savings Account \(Amendment\) Regulations 2002 \(S.I. 2002/453\)](#), **reg. 5(3)**
- F765** Reg. 36(7) omitted (with effect in accordance with reg. 1 of the amending S.I.) by virtue of [The Individual Savings Account \(Amendment\) Regulations 2002 \(S.I. 2002/453\)](#), **reg. 5(4)**
- F766** Words in reg. 36(8) substituted (12.8.2008) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2008 \(S.I. 2008/1934\)](#), regs. 1(1), **6(3)**
- F767** Words in reg. 36(9)(a) substituted (12.8.2008) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2008 \(S.I. 2008/1934\)](#), regs. 1(1), **6(4)**
- F768** Words in reg. 36(9)(a) inserted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **33(a)**
- F769** Reg. 36(9)(b) substituted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **33(b)**
- F770** Words in reg. 36(9) substituted (1.11.2011) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/1780\)](#), regs. 1, **33(c)**

[<sup>F771</sup>**37.** The Schedule makes further provision for Lifetime ISA.]

#### **Textual Amendments**

- F771** [Reg. 37](#) inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **30**

*Graham Allen*  
*Bob Ainsworth*  
Two of the Lords Commissioners of Her  
Majesty's Treasury

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## [<sup>F772</sup>SCHEDULE

### LIFETIME ISA FURTHER PROVISION

#### Textual Amendments

**F772** Schedule inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, **31**

#### Interpretation

1.—(1) In this Schedule—

“claim period” has the meaning given in sub-paragraphs (2) and (3);

“government bonus” is an amount equal to 25% of the aggregate of qualifying additions made to a Lifetime ISA in a relevant period;

“qualifying addition” means a current year payment or a payment under regulation 10A (4)(c) which is made into a Lifetime ISA;

“relevant period” means the year 2017-2018 and any subsequent year;

“Schedule 1” means Schedule 1 to the Savings (Government Contributions) Act 2017;

“withdrawal charge” has the meaning given in paragraph 9(4) of Schedule 1.

(2) “Claim period” means—

(a) for the year 2017-18, except where sub-paragraph (3) applies, that year, and

(b) for the year 2018-19 and subsequent years, a month,

or such period as the Board may specify from time to time pursuant to paragraph 2(1).

(3) Where an account manager during the year 2017-18 is notified of a death or determination in accordance with paragraph 4(2) of a terminal illness of an account investor, “claim period” means—

(a) the period beginning with the date of the opening of the account, or, where there has been a transfer, the date of the original opening of the transferred account, and ending at the end of the month in which such notification is received, and

(b) in the case of a continuing terminal illness of the account investor, each month subsequent to the period determined under sub-paragraph (a), in which a qualifying addition has been made to the account.

(4) For the purposes of sub-paragraphs (2) and (3) “month” is a period beginning on the 6th of one month and ending on the 5th of the following month.

#### Government bonus claim

2.—(1) The Board may from time to time specify—

(a) the information to be included in a claim for a government bonus;

(b) the periods to which such a claim is to relate; and

(c) the form or manner in which such a claim is to be made.

(2) A government bonus is only payable if a claim for it is made in accordance with this Schedule.

(3) The person who must make a claim for a government bonus for qualifying additions made to the Lifetime ISA in a claim period is—

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- (a) subject to sub-paragraph (b), the person who is, or was, the account manager of a Lifetime ISA at the end of a claim period or on closure of a Lifetime ISA;
  - (b) where a Lifetime ISA is transferred to another such account of the account investor during a claim period, the account manager of the account at the end of the period.
- (4) The claim is to be made within 14 days beginning with the day after the end of a claim period.
- (5) The Board (subject to checking and if necessary correcting the amount of the claim) must pay the account manager any government bonus amount that is due—
- (a) where the claim is made by the due date, within 14 days beginning with the day after the due date for the claim; and
  - (b) where the claim is made later than the due date, within 14 days beginning with the day after the due date for a claim for the claim period in which the late claim is made.
- (6) Any government bonus payment which on being made is not paid into a Lifetime ISA of the account investor must be treated as a withdrawal.
- (7) Where a claim has been made and the account manager becomes aware within six years after the end of the claim period that—
- (a) anything which should have been included in the claim has not been included,
  - (b) anything which should not have been included in the claim has been included, or
  - (c) any other error has occurred in the claim,
- the account manager must correct the error without delay.
- (8) If the account manager corrects a claim, such assessments, adjustments, payments or repayments of government bonus as are necessary for achieving the objective mentioned in sub-paragraph (9) must be made.
- (9) The objective is that the entitlement (or otherwise) of the account investor to a government bonus should be the same as it would have been if a correct claim had been delivered.
- (10) The Board may enquire into a claim and return if—
- (a) they have reasonable grounds for believing that an error has occurred in the claim, and
  - (b) they give notice to the account manager of their intention to do so no later than 12 months after the date on which the claim is made.
- (11) Otherwise than where an account manager is notified of a death or determination in accordance with paragraph 4(2) of a terminal illness of an account investor, no claim for a government bonus arising in respect of the year 2017-18 may be made before the end of that year.

### **Rejection of government bonus claim**

- 3.—(1)** The Board must notify the account manager of a rejection of any claim for a government bonus together with reasons for the decision—
- (a) where the claim is made by the due date, within 14 days beginning with the day after the due date for the claim, and
  - (b) where the claim is made later than the due date, within 14 days beginning with the day after receipt of the claim.
- (2) The account manager on receipt of such notification must notify the account investor within 14 days beginning with the day after the day of receipt.
- (3) An account investor may within 90 days beginning with the day after receipt of a notification under sub-paragraph (2) apply to the Board for payment of a government bonus which has been refused.

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(4) Paragraph 16 (appeals) applies, in relation to an account manager, to a notification under sub-paragraph (1), and, in relation to an account investor, to a decision in respect of an application under sub-paragraph (3).

(5) The effect of any notification or decision is not suspended by the making of an application or an appeal.

#### **Specified age; terminal illness; transfer to another Lifetime ISA-no withdrawal charge**

4.—(1) For the purposes of paragraph 7(1)(a) of Schedule 1 (withdrawals not triggering a charge-specified age) the specified age is 60.

(2) For the purposes of paragraph 7(5)(c) of Schedule 1 (withdrawals not triggering a charge-terminal illness) an account investor is to be considered as suffering from a terminal illness if the account manager of the account investor's Lifetime ISA has received written evidence from a registered medical practitioner that the account investor is expected to live for less than one year.

(3) For the purposes of paragraph 7(5)(d) of Schedule 1 (withdrawals not triggering a charge-transfer to another Lifetime ISA), a withdrawal by way of transfer from one Lifetime ISA of the account investor to another such account of the investor must be made in accordance with regulation 21.

#### **Specified percentage for withdrawal charge**

5. For the purposes of paragraph 8(2) of Schedule 1 (charge when unlisted withdrawal made) the specified percentage is 25%.

#### **First-time residential purchase**

6.—(1) For the purposes of paragraph 7(5)(a) and (b) of Schedule 1 (withdrawals not triggering a charge) the provisions in sub-paragraphs (2) to (14) apply.

(2) The withdrawal must only be used by the account investor towards defraying the purchase price for the acquisition by the account investor as a first-time buyer of a residential property.

(3) The purchase price must not exceed £450,000.

(4) The account investor must be purchasing as sole owner or as joint owner with another individual who may already own the property.

(5) The purchase must be of a legal interest in land situated in the United Kingdom with a view to the account investor becoming a residential property owner.

(6) The purchase must be—

(a) funded by a loan that will be secured by a charge over the land by way of—

(i) a legal mortgage (if land in England and Wales),

(ii) a heritable security (if land in Scotland), or

(iii) a legal charge, mortgage by conveyance, demise, assignment or sub-demise (if land in Northern Ireland); or

(b) made under the terms of a regulated home purchase plan.

(7) Except in the circumstances specified in paragraph (8) the charge under paragraph (6) (a) must not be by way of a Buy to Let Mortgage.

(8) The circumstances specified in this paragraph are where the account investor is an individual described in regulation 10A(2)(f)(i) or (ii) who is unable to occupy the land as their only or main residence at the time of the acquisition but intends, in the future, to so occupy such land.

(9) The account investor must—

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- (a) on completion of the purchase occupy the land as their only or main residence; or
  - (b) in consequence of the land comprising a residential property in the process of being constructed or adapted for use as a dwelling, on completion of the purchase must intend it to be their only or main residence and must occupy it as such on its becoming suitable for such use; or
  - (c) in consequence of the account investor being an individual described in regulation 10A(2)(f)(i) or (ii), be unable to so occupy the land but must intend to do so in the future.
- (10) The withdrawal and, where there is more than one withdrawal made for the purposes of the purchase, the aggregate of them, must not exceed the purchase price on completion of the purchase.
- (11) The account investor's Lifetime ISA from which the withdrawal is made must have been open for at least 12 months after the date of the first payment into it and, for this purpose, a Lifetime ISA opened in the circumstances provided for in regulation 12B(5) is to be treated as being the same Lifetime ISA as the one from which the moneys transferred or paid into the account originated.
- (12) The amount of the withdrawal must be passed directly by the account manager to the account investor's conveyancer, who must be an eligible conveyancer.
- (13) The account investor must—
- (a) provide to their conveyancer the information specified in paragraph 8(1) together with the declaration specified in paragraph 8(3); and
  - (b) procure that the conveyancer provide the information set out in paragraph (8)(2) to their account manager together with the declaration specified in paragraph 8(3).
- (14) Where the account manager has received all of the information specified in paragraph (13)(b) and has no reason to believe that the information and declarations are not true and complete, the account manager must transfer the amount of the withdrawal to the account investor's conveyancer within the period stipulated under regulation 4(7).

### **Definitions for the purposes of paragraph 6**

7. The following definitions apply for the purposes of paragraph 6—
- “Buy to Let Mortgage” means a loan made to one or more borrowers to be secured by a mortgage over a residential property that is—
- (a) either —
    - (i) let at the date the mortgage is granted, or
    - (ii) intended by the borrower or borrowers to be let either at that time or in the future, and
  - (b) marketed as being intended for such purpose;
- “eligible conveyancer” means—
- (a) in England and Wales, a conveyancer within the meaning of rule 217A of the Land Registration Rules 2003;
  - (b) in Scotland, a solicitor or advocate within the meaning of section 65 of the Solicitors (Scotland) Act 1980, or a conveyancing practitioner as defined in section 23 of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990; or
  - (c) in Northern Ireland, a person enrolled as a solicitor of the Court of Judicature of Northern Ireland pursuant to the Solicitors (Northern Ireland) Order 1976;
- “first-time buyer” means an account investor who is not, and never has been, a residential property owner;

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“a legal interest in land” includes land which will be acquired under the terms of a regulated home purchase plan;

“purchase price” means—

- (a) in connection with the acquisition of any legal interest in land in circumstances other than those described in paragraph (b), (c) or (d), the value of the consideration required to be paid, and which is paid, by the purchaser under the sale and purchase agreement entered into in connection with the acquisition of that interest in land; or
- (b) in connection with the acquisition of any legal interest in land under the terms of a regulated home purchase plan, the value of the consideration required to be paid, and which is paid, to the original seller for the interest in that land; or
- (c) in connection with the acquisition of a legal interest in land by an individual who as a result of the acquisition becomes a joint owner of the land with another individual who previously owned the land, the market value of the whole of the land as determined at the time of the acquisition; or
- (d) in connection with the acquisition of a leasehold legal interest in land under a shared ownership arrangement—
  - (i) the value determined in accordance with paragraph (a), or
  - (ii) the value of the premium required to be paid, and which is paid, by the purchaser under the sale and purchase agreement entered into in connection with the acquisition of that interest, divided by the fraction representing the share of the property to be acquired on completion by the purchaser in return for the premium (howsoever described in the sale and purchase agreement or the lease);

“regulated home purchase plan” means a home purchase plan that is a regulated home purchase plan within the meaning of article 63F of the Regulated Activities Order 2001;

“residential property owner” means an individual who owns as sole or joint owner an interest in residential property (including a legal interest in land acquired under the terms of a regulated home purchase plan or a shared ownership arrangement) which is—

- (a) in England or Wales—
  - (i) freehold;
  - (ii) leasehold, where the lease was originally granted for a term certain exceeding 21 years; or
  - (iii) commonhold;
- (b) in Scotland, registered or recorded, or would be capable of being registered or recorded, as a right of absolute ownership in the Land Register of Scotland or General Register of Sasines in Scotland, as applicable;
- (c) in Northern Ireland—
  - (i) freehold; or
  - (ii) leasehold, where the lease was originally granted for a term certain exceeding 21 years; or
- (d) an equivalent interest in land to the legal interests in land listed in paragraphs (a) to (c) under the laws of any jurisdiction outside the United Kingdom;

“residential property” means a legal interest in land which comprises a building that is used or suitable for use as a dwelling, or is in the process of being constructed or adapted for such use; and



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“shared ownership arrangement” means an arrangement whereby a purchaser acquires from a housing association, local authority or other person a leasehold legal interest in a property which is specified in the sale and purchase agreement and the lease to be comprised of—

- (a) a share for which the purchaser is required to pay a premium on completion, and
- (b) a separate share in respect of which the purchaser is required to pay a periodic rent over the term of the lease.

### **Specified information for the purposes of paragraph 6**

8.—(1) The information to be provided by the account investor to their conveyancer under this sub-paragraph is—

- (a) the amount of the withdrawal;
- (b) the full name and address details (including postcode) of the account manager and the account number of the Lifetime ISA to which the withdrawal relates;
- (c) a declaration that the account investor is a first-time buyer;
- (d) the full address details of the residential property;
- (e) the purchase price of the residential property;
- (f) a declaration that the withdrawal will only be used towards defraying the purchase price for the acquisition of the residential property;
- (g) a declaration that the account investor—
  - (i) is not also claiming a bonus under a Help to Buy ISA (within the meaning of regulation 5DDC(6)); and
  - (ii) has not received payment of such a bonus unless its full amount has been repaid to the scheme administrator of the Help to Buy ISA in accordance with applicable scheme rules;
- (h) if known, the name and address of the seller’s conveyancer for the acquisition to whom the amount of the withdrawal should be paid by the account investor’s conveyancer; and
- (i) a declaration that the provisions of paragraph 6(2) to (13) have been, or will on completion of the purchase, be complied with or, in the case of occupation under paragraph 6(9)(b), when that will take place.

(2) The information to be provided by the account investor’s conveyancer to the account investor’s account manager under this sub-paragraph is—

- (a) a declaration that they are an eligible conveyancer;
- (b) a declaration that they have received the information under sub-paragraph (1) and sub-paragraph (3) relative to the account investor;
- (c) the purchase price of the residential property in question;
- (d) a declaration that the funds withdrawn from the Lifetime ISA will only be released towards defraying the purchase price for the acquisition of the residential property;
- (e) the account details where the withdrawal should be transferred; and
- (f) the conveyancer’s unique conveyancer registration number with the appropriate professional body.

(3) Information provided under sub-paragraphs (1) and (2) must be accompanied by a declaration made by the individual providing it that it is true and complete to the best of the individual’s knowledge and belief.

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### **Information from conveyancer**

**9.—(1)** Within 10 business days after either of the events listed in sub-paragraph (2) the account investor must procure that the conveyancer provides the information referred to in sub-paragraph (3) to the account investor's account manager of the Lifetime ISA from which the withdrawal for the acquisition was made.

(2) The events referred to in sub-paragraph (1) are—

- (a) the purchase of the residential property being completed;
- (b) the purchase not completing within 90 days of the date of receipt of the withdrawal by the conveyancer or, if earlier, the withdrawal of the account investor or the seller from the sale and purchase of the residential property.

(3) The information referred to in sub-paragraph (1) is—

- (a) in the case of a purchase completing—
  - (i) the date of completion of the purchase;
  - (ii) the account number of the Lifetime ISA from which the withdrawal was made; and
  - (iii) the conveyancer's unique conveyancer reference number with the appropriate professional body.
- (b) in the case of a purchase not completing,—
  - (i) a declaration that the purchase of the residential property in question has not completed;
  - (ii) the amount of the withdrawal that is being returned and, if it is not the full amount, an account of any shortfall;
  - (iii) the name and address of the account investor;
  - (iv) the account number of the Lifetime ISA from which the withdrawal was made;
  - (v) the conveyancer's unique conveyancer registration number with the appropriate professional body; and
- (c) in either of the events listed in sub-paragraph (2), a declaration, to the best of the individual's knowledge and belief, as to whether any of the requirements of paragraph 6(2) to (13) has not been complied with or any information provided under paragraph 8 is not true or complete.

### **Purchase failure**

**10.—(1)** Where a purchase fails to complete, the account investor must procure that the conveyancer, within 10 business days of either of the events listed in paragraph 9(2)(b), must return the full amount of the account investor's withdrawal for the purchase to the account manager, to be held for the account investor in a Lifetime ISA.

(2) If there is a shortfall in the amount returned to the account manager, that amount is to be treated for the purposes of paragraph 7(4) of Schedule 1 as a withdrawal to which paragraph 8(6) of that Schedule applies.

(3) Where a person accountable under this paragraph is notified by the Board that an amount is due from them under it, that amount shall be treated for the purposes of Part 6 of the Management Act (collection and recovery) as if it were tax charged in an assessment and due and payable.

(4) The time limits in sections 34, 36 and 40 of the Management Act, as they apply to assessments, apply to amounts payable under sub-paragraph (3).

(5) Paragraph 16 (appeals) applies to any notification under this paragraph.

(6) The effect of any notification is suspended by an appeal under paragraph 16 until the appeal is determined or withdrawn.

#### **Amounts not treated as withdrawals**

**11.** For the purposes of paragraphs 7(2) and 11(b) of Schedule 1, withdrawals, removals or losses from a Lifetime ISA do not count for the application of a withdrawal charge if they are in respect of—

- (a) a payment (including a government bonus) to an invalid account under regulation 4A or 4AA;
- (b) excess payments and their proceeds described in regulation 4AA;
- (c) any fees or charges properly levied or charged in respect of the management by the account manager of a Lifetime ISA and account investments in accordance with their terms and conditions;
- (d) a default event under regulation 5DC or in respect of an act or omission or circumstance not attributable to the account investor; or
- (e) an amount recouped in accordance with paragraph 12.

#### **Recoupment of government bonus payment**

**12.—**(1) Where an amount has been wrongly paid by way of government bonus, the amount must be accounted for to the Board by—

- (a) the account manager of the Lifetime ISA (to the extent that assets relating to the account, or directly or indirectly representing the amount, are in the account manager's possession or control);
- (b) the person who is the account investor (to the extent that the amount has been made or credited to the account investor); and
- (c) any person in whom the amount, or any property directly or indirectly representing any of it, is vested (whether beneficially or otherwise);

and the persons under (a), (b) and (c) shall be jointly and severally liable for the repayment of the amount (subject to the limitation applying under sub-paragraphs (a) and (b)).

(2) Where a person accountable under this paragraph is notified by the Board that an amount is due from them that amount shall be treated for the purposes of Part 6 of the Management Act as if it were tax charged in an assessment and due and payable.

(3) The time limits in sections 34, 36 and 40 of the Management Act, as they apply to assessments, apply to amounts payable under this paragraph.

(4) Paragraph 16 (appeals) applies to any notification under this paragraph.

(5) The effect of sub-paragraph (2) is suspended by an appeal under paragraph 16 until the appeal is determined or withdrawn.

#### **Withdrawals: information returns**

**13.—**(1) For the purposes of paragraph 9(1)(a) of Schedule 1, within 14 days after the end of a claim period, a person who is or was an account manager of a Lifetime ISA during that period must submit to the Board returns of information relating to the Lifetime ISA in respect of that period.

(2) The Board may from time to time specify—

- (a) the information to be included in a return;
- (b) the form of a return;
- (c) the form or manner in which a return is to be submitted; and

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(d) the period to which a return must relate.

(3) Where a return has been made and the account manager becomes aware within four years after the end of the claim period that—

- (a) anything which should have been included in the return has not been so included,
- (b) anything which should not have been included in the return has been so included, or
- (c) any other error has occurred in the return,

the account manager must correct the error without delay.

(4) The Board may enquire into a return if the Board has reasonable grounds for believing that an error has occurred in the return and give notice to the account manager of the Board's intention to do so no later than 12 months after the date on which the return is made.

(5) Sub-paragraph (1) is not to apply for 2017-18 to an account manager for an account which has been transferred to another account before the end of the claim period.

### **Payment to the Board of withdrawal charges**

**14.**—(1) For the purpose of paragraph 9(1)(e) of Schedule 1, an account manager liable under paragraph 8(3)(b) of that Schedule must pay to the Board within [<sup>F773</sup>28] days after the end of each claim period the amounts due in respect of the period.

(2) Where a person accountable under paragraph 8 of Schedule 1 is notified by the Board that an amount is due from them, that amount shall be treated for the purposes of Part 6 of the Management Act as if it were tax charged in an assessment and due and payable.

(3) The time limits in sections 34, 36 and 40 of the Management Act, as they apply to assessments, apply to amounts payable under sub-paragraph (2).

(4) An account investor may apply to the Board where a withdrawal charge has been wrongly made (including, without limitation, in circumstances not attributable to the account investor where paragraphs 4(2) or (3) would otherwise apply) for a refund of the amount of the withdrawal charge.

(5) An application under sub-paragraph (4) must be made within 4 years after the making of the withdrawal charge.

(6) If an application is made, the Board must make any necessary repayment of the charge.

(7) Paragraph 16 (appeals) applies to any decision of the Board in relation to a notification under sub-paragraph (2) or an application under sub-paragraph (4).

(8) The effect of any notification under sub-paragraph (2) is suspended by the making of an appeal under paragraph 16 until the appeal is determined or withdrawn.

(9) The effect of any decision in relation to an application under sub-paragraph (4) is not suspended by the making of an appeal in relation to such an application.

(10) A transfer from a Lifetime ISA to an account other than another Lifetime ISA of the account investor is to be treated as a withdrawal.

#### **Textual Amendments**

**F773** Word in Sch. para. 14(1) substituted (6.4.2018) by [The Individual Savings Account \(Amendment\) Regulations 2018 \(S.I. 2018/359\)](#), regs. 1, **6(a)**

## Payments and Interest

**15.**—(1) Any amount which is payable by virtue of an assessment made, or treated as made, under this Schedule is payable on the day following the end of the period of 30 days beginning with the day on which the notice of assessment is given.

(2) Sections 101 and 103 of the Finance Act 2009 apply for late payment interest on any amount that is payable to the Board under this Schedule which amount payable for this purpose is to be treated as income tax.

(3) Sections 102 and 103 of that Act apply for repayment interest on any amount that is payable by the Board under this Schedule which amount payable is to be treated as a repayment of an overpayment of income tax.

[<sup>F774</sup>(4) Payments are to be made to the Board in the manner specified by it from time to time.]

### Textual Amendments

**F774** Sch. para. 15(4) inserted (6.4.2018) by [The Individual Savings Account \(Amendment\) Regulations 2018 \(S.I. 2018/359\)](#), regs. 1, **6(b)**

## Appeals

**16.**—(1) This paragraph applies to a review or appeal in respect of a decision made or notification given by the Board under any of paragraphs 3 (rejection of government bonus claim), 10 (purchase failure), 12 (recoupment of government bonus), 14 (withdrawal charges) and 15(1) (payments and interest).

(2) Notice of an appeal must be given to the Board within 30 days after the date on which notice of the decision or other notification was given.

(3) Notice of an appeal must—

- (a) specify the grounds of appeal;
- (b) be given in writing;
- (c) contain sufficient information to identify the appellant and the decision against which the appeal is being made; and
- (d) be signed, or authenticated in another way approved by the Board, by or on behalf of the appellant.

(4) Sections 49, 49A to 49I and 54 of the Management Act apply in relation to proceedings for a review and appeal.

(5) The following provisions apply where a person is appealing to the Tribunal.

(6) The Tribunal must either—

- (a) dismiss the appeal, or
- (b) quash the whole or part of the decision to which the appeal relates.

(7) The Tribunal may act as mentioned in sub-paragraph (6)(b) only to the extent that it is satisfied that the decision was wrong on one or more of the following grounds—

- (a) that the decision was based, wholly or partly, on an error of fact;
- (b) that the decision was wrong in law.

(8) If the Tribunal quashes the whole or part of a decision, it may either—

- (a) refer the matter back to the Board with a direction to reconsider and make a new decision in accordance with its ruling, or

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(b) substitute its own decision for that of the Board.

(9) The Tribunal may not direct the Board to take any action which they would not otherwise have the power to take in relation to the decision.

(10) A decision of the Tribunal made by virtue of this section has the same effect as, and may be enforced in the same manner as, a decision of the Board.

(11) In this paragraph “the Tribunal” means the First-tier Tribunal, or when determined by or under Tribunal Procedure Rules, the Upper Tribunal.

### **Information to be given by account manager to account investor**

17. If the account investor so requests in writing, an account manager who makes a payment to an account investor out of an account from which a withdrawal charge has been deducted must, within 30 days beginning with the day after the day of receipt of the request, furnish the account investor with a statement in writing showing—

- (a) the gross amount of the payment,
- (b) the amount deducted, and
- (c) the amount actually paid.

### **Extensions**

18. The Board may authorise an extension to any period of time provided for under this Schedule.]

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## **EXPLANATORY NOTE**

(This note is not part of the Regulations)

These Regulations make provision for the setting up of accounts (Individual Savings Accounts) by account managers, to which an individual may make subscriptions, and through which those subscriptions are invested. The Regulations specify the individuals who may invest, permitted investments, and maximum investment limits, and provide for accounts to be managed by the account managers. The Regulations also make provision for relief from tax in respect of accounts, withdrawal of relief, and modifications of income tax and capital gains tax legislation in relation to accounts.

Regulation 1 provides for the title to and commencement of the Regulations.

Regulation 2 provides definitions.

Regulation 3 gives a general introduction.

Regulation 4 sets out general conditions for accounts and subscriptions to accounts.

Regulation 5 provides for transfers from matured tax-exempt special savings accounts.

Regulation 6 provides general rules for investment under accounts.

Regulation 7 specifies permitted kinds of investment for a stocks and shares component.

Regulation 8 specifies permitted kinds of investment for a cash component.

Regulation 9 specifies permitted kinds of investment for an insurance component.

Regulation 10 specifies the description of individuals who may be account investors.

Regulation 11 provides for consequences when certain individuals become disqualified.

Regulation 12 provides conditions for applications to subscribe to an account.

Regulation 13 provides conditions for such applications by a curator bonis appointed in Scotland.

Regulation 14 provides for approval of account managers by the Board.

Regulation 15 provides special requirements for account managers who are certain types of insurers.

Regulation 16 provides for the appointment of tax representatives for certain foreign account managers.

Regulation 17 provides for the withdrawal of approval of an account manager in certain circumstances.

Regulation 18 provides for an appeal against such a withdrawal.

Regulation 19 requires a person to notify the Board and investors when ceasing to be an account manager.

Regulation 20 provides circumstances in which a person shall cease to qualify as an account manager.

Regulation 21 provides for transfers of accounts, and parts of accounts, from one to another account manager.

Regulation 22 sets out the tax exemptions for account investors.

Regulation 23 provides for a flat-rate charge to tax on interest on cash deposits held under a stocks and shares component or insurance component.

Regulation 24 provides that the account manager may act on behalf of the account investor in respect of tax reliefs and liabilities under the account.

Regulations 25, 26 and 27 provide for claims for relief from tax.

Regulation 28 makes provision for the withdrawal of relief and the recovery of tax.

Regulation 29 provides for the keeping of account records.

Regulation 30 provides for notices, and certificates of tax deducted, to be given by account managers to investors.

Regulation 31 provides for annual and quarterly returns by account managers.

Regulations 32 and 33 empower the Board to obtain information and to inspect records.

Regulation 34 adapts statutory capital gains tax provisions in relation to accounts.

Regulation 35 makes supplementary provisions for tax administration in relation to accounts.



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