
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.

Status: Point in time view as at 06/04/2015.

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

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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