
STATUTORY INSTRUMENTS

1998 No. 1870

The Individual Savings Account Regulations 1998

[^{F1}Flexible account

5DDB.—(1) —The terms and conditions of an account (other than a junior ISA account [^{F2}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ISA]) (“flexible account”) may provide for an account investor to be able to replace (in whole or part) a cash amount withdrawn by the account investor in any year by a replacement subscription of a cash amount [^{F3}or qualifying investments for a stocks and shares component within regulation 7(2)(h)] (“replacement subscription”) made in that year.

(2) Subject to regulation [^{F4}4(1B)(a), (b)] [^{F5}, (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
- (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.]

Status: Point in time view as at 06/04/2017. This version of this provision has been superseded.

Changes to legislation: There are currently no known outstanding effects for the The Individual Savings Account Regulations 1998, Section 5DDB. (See end of Document for details)

Textual Amendments

- F1** 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**
- F2** 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)**
- F3** 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)**
- F4** 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)**
- F5** 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)**

Status:

Point in time view as at 06/04/2017. This version of this provision has been superseded.

Changes to legislation:

There are currently no known outstanding effects for the The Individual Savings Account Regulations 1998, Section 5DDB.