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STATUTORY INSTRUMENTS

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**1998 No. 1870**

The Individual Savings Account Regulations 1998

**General investment rules**

6.—(1) [<sup>F1</sup>Subject to paragraph (1ZB), all transactions] by way of purchase by an account manager of investments under an account shall be made—

- <sup>F2</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>F3</sup>rules 6.3.5 and 6.3.5B of [<sup>F4</sup>COLL]];]
- <sup>F2</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>F5</sup>rules 6.3.5 and 6.3.5A of [<sup>F4</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>F6</sup>(1ZA) In paragraph (1)(a) and (b)—

<sup>F7</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>F8</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>F9</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>F10</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>F11</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>F12</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>F13</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>F14</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>F15</sup>the Director of Savings], an account with [<sup>F15</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>F13</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>F16</sup>(including any government bonus)] in respect of qualifying investments for any [<sup>F17</sup>account] shall at all times be recorded and accounted for separately from that for any other [<sup>F17</sup>account], and may be invested only—

- (a) in qualifying investments for the [<sup>F18</sup>appropriate] component; or
- (b) by way of cash deposit in accordance with paragraphs (4) and (5).

### Textual Amendments

- F1** 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)**
- F2** 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)**
- F3** 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)**
- F4** 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)**
- F5** 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)**
- F6** 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)**
- F7** 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**
- F8** 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)**
- F9** 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**
- F10** 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)**
- F11** 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)**
- F12** 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)**
- F13** 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**

- F14** 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**
- F15** 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**
- F16** 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**
- F17** 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)**
- F18** 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)**

**Changes to legislation:**

There are currently no known outstanding effects for the The Individual Savings Account Regulations 1998, Section 6.