

STATUTORY INSTRUMENTS

1998 No. 1870

The Individual Savings Account Regulations 1998

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.

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

- [^{F1}(a) cash deposited in a deposit account with—
 - (i) a building society,
 - (ii) a credit union,
 - (iii) [^{F2}a bank, other than of a type at paragraph (a), (d) or (e) of section 991(2) of the ITA 2007,]^{F3}...
 - ^{F3}(iv)
- (b) cash deposited in a share account with a building society;
- ^{F4}(c)
- ^{F4}(d)
- [^{F5}(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.]
- ^{F6}(g)
- [^{F7}(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 [^{F8}8(2)(a) to (f)].]
- [^{F9}(j) a deposit account specified as a stakeholder product by regulation 4 of the Stakeholder Products Regulations;]
- ^{F10}(k)
- ^{F11}(l)
- ^{F12}(m)

- [^{F13}(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[^{F14};]]
- [^{F15}(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.]
- [^{F16}(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[^{F17}; and
- (c) a CTF matured account]]

Textual Amendments

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

- F12** 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))
- F13** 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)**
- F14** 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)**
- F15** 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(c)**
- F16** 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**
- F17** 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**

Changes to legislation:

There are currently no known outstanding effects for the The Individual Savings Account Regulations 1998, Section 8.