
STATUTORY INSTRUMENTS

1998 No. 1871

**The Individual Savings Account
(Insurance Companies) Regulations 1998**

Modifications of the Taxes Act

21.—(1) The amendments made to Schedule 19AB by paragraphs 10 to 12 of Schedule 3 to the Finance (No. 2) Act 1997, other than the amendment made by paragraph 10(4) of that Schedule, shall not have effect.

(2) Paragraph 1(2) of Schedule 19AB (provisional repayment period) shall have effect, in relation to an insurance company carrying on pension business that begins to carry on individual savings account business, as if a provisional repayment period began, as respects the company's individual savings account business, when the company began to carry on individual savings account business ("the commencement date") and ended when the provisional repayment period for the company's pension business in which the commencement date falls ended.

(3) In paragraph 1(3) of Schedule 19AB there shall be added at the end "or to the fraction determined in accordance with sub-paragraphs (4A) to (4C) below".

(4) After paragraph 1(4) of Schedule 19AB there shall be inserted—

“(4A) Where in any relevant accounting period a company carries on individual savings account business, the provisional fraction for the purposes of this paragraph for that accounting period shall be such fraction as the company may reasonably estimate, being a fraction which an inspector is satisfied is not likely to be greater than the relevant fraction determined in accordance with subsections (5) to (9) of section 432A for that accounting period or (as the case may be) for such part of that accounting period as ends at the end of the most recent provisional repayment period of that company.

(4B) Where an inspector is not satisfied as mentioned in sub-paragraph (4A) above, he shall refer any question as to the amount of the estimate of the provisional fraction to the Special Commissioners, who shall hear and determine that question in the same way as an appeal to the Special Commissioners under the Taxes Acts.

(4C) In sub-paragraph (4A) above “relevant accounting period” means—

- (a) the accounting period in which the date of 6th April 1999 falls, or
- (b) either of the next two accounting periods.”