
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, which come into force on 6th April 1999, amend the Individual Savings Account Regulations 1998 (S.I. 1998/1870) (“the principal Regulations”) and also make a small amendment to the Individual Savings Account (Insurance Companies) Regulations 1998 (S.I. 1998/1871). The principal effects of the amendments are to expand the descriptions of investments which are qualifying investments for components of Individual Savings Accounts, and to provide for the taxation of life insurance policies where there has been a breach of regulation 9(3)(b)(i) of the principal Regulations.

Regulation 1 provides for citation and commencement.

Regulation 2 provides for interpretation.

Regulation 3 inserts new definitions in the principal Regulations, amends existing definitions and substitutes another definition for the existing definition of “relevant UCITS”.

Regulation 4 makes a minor amendment to regulation 6 of the principal Regulations.

Regulation 5 makes amendments to regulation 7 of the principal Regulations, to add certain foreign government securities, and “strips” of such securities, to the investments which are qualifying investments for a stocks and shares component.

Regulation 6 makes a minor amendment to regulation 8(2)(d) of the principal Regulations, and sets out the National Savings products which are qualifying investments for a cash component.

Regulation 7 amends regulation 9 of the principal Regulations, relating to investments which are qualifying investments for an insurance component.

Regulations 8 to 11 make minor amendments to regulations 14, 25, 26 and 35 of the principal Regulations.

Regulation 12 inserts a new regulation 36 in the principal Regulations, dealing with insurance policies where there has been a breach of regulation 9(3)(b)(i) of the principal Regulations.

Regulation 13 makes a minor correction to the Individual Savings Account (Insurance Companies) Regulations 1998.