
STATUTORY INSTRUMENTS

2002 No. 1974

INCOME TAX

**The Individual Savings Account
(Amendment No. 2) Regulations 2002**

<i>Made</i>	- - - -	<i>25th July 2002</i>
<i>Laid before the House of Commons</i>	- - - -	<i>25th July 2002</i>
<i>Coming into force</i>	- -	<i>1st October 2002</i>

The Treasury, in exercise of the powers conferred on them by section 333 of the Income and Corporation Taxes Act 1988(1), section 151 of the Taxation of Chargeable Gains Act 1992(2) and section 75 of the Finance Act 1998, hereby make the following Regulations:

Citation and commencement

1.—(1) These Regulations may be cited as the Individual Savings Account (Amendment No. 2) Regulations 2002.

(2) These Regulations shall come into force on 1st October 2002 and shall apply to all accounts, whether set up before or after that date.

Interpretation

2. In these Regulations “the principal Regulations” means the Individual Savings Account Regulations 1998(3) and “regulation” means a regulation of the principal Regulations.

Amendments to the principal Regulations

3.—(1) Amend regulation 4(4) as follows.

(2) In paragraph (6)(f)—

(1) 1988 c. 1; section 333 was amended by section 70 of the Finance Act 1991 (c. 31) and by sections 75 and 123(7) of the Finance Act 1998 (c. 36).
(2) 1992 c. 12; section 151 was amended by section 85 of the Finance Act 1993 (c. 34), by section 64(2) of the Finance Act 1995 (c. 4) and by section 75(6) of the Finance Act 1998, and was extended by section 123(7) of the Finance Act 1998.
(3) S.I. 1998/1870; relevant amending instruments are S.I. 2000/809 and 2001/908.
(4) Regulation 4 was amended by regulation 2 of S.I. 2000/809 and regulation 3 of S.I. 2001/908.

- (a) for the words from “at” to “agreed” substitute “on the instructions of the account investor (“the transfer instructions”) and within such time as is stipulated by the account investor in the transfer instructions”;
- (b) for the word “may” (where it secondly appears) substitute “shall”.
- (3) After paragraph (6)(f) insert—
 - “(fa) that on the instructions, subject to regulation 9(3)(b), of the account investor (“the withdrawal instructions”) and within such time as is stipulated by the account investor in the withdrawal instructions, account investments, interest, dividends, rights or other proceeds in respect of such investments or any cash shall be transferred or paid to him;”
- (4) After paragraph (6) insert—
 - “(7) The time stipulated in transfer instructions or withdrawal instructions shall be subject to any reasonable business period (not exceeding 30 days) of the account manager required for the practical implementation of the instructions.”
- 4. Omit regulation 12(3)(g)(iii)(5).
- 5. Omit regulation 13(4)(h)(iii)(6).

25th July 2002

Jim Fitzpatrick
Philip Woolas
Two of the Lords Commissioners of Her
Majesty’s Treasury

(5) Regulation 12 was amended by regulation 6 of S.I. 2001/908.
(6) Regulation 13 was amended by regulation 7 of S.I. 2001/908.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, which come into force on 1st October 2002, amend the Individual Savings Account Regulations 1998 (S.I.1998/1870, amended by S.I. 1998/3174, 2000/809, 2079, 3112, 2001/908, 2002/453). The principal effect of the amendments is to provide that the time for implementation of transfer instructions or withdrawal instructions given by an account investor in an ISA is that specified by the investor in those instructions (subject to a reasonable business period for practical implementation, of a maximum of 30 days, which the manager may specify).