
STATUTORY INSTRUMENTS

2007 No. 2119

**The Individual Savings Account
(Amendment) Regulations 2007**

Amendment of the Individual Savings Account Regulations 1998

18. In regulation 21 (transfer of accounts)—

- (a) for the heading substitute “Transfers relating to accounts”;
- (b) for paragraphs (1) to (4) substitute—

“(1) In this regulation, in relation to a transfer—

“the current year’s subscriptions” means—

- (a) subscriptions made to the account by the account investor in the year in which the transfer takes place, but before the transfer,
- (b) subscriptions made to any other account by the account investor in the year in which the transfer takes place and transferred to the account before the transfer, and
- (c) the qualifying investments and other proceeds (including income) representing the subscriptions in sub-paragraphs (a) and (b) of this definition;

“the previous years’ subscriptions” means—

- (a) subscriptions made to the account (or any other account or former personal equity plan) in any earlier year or years, and
- (b) the qualifying investments and other proceeds (including income) representing those subscriptions.

(2) Any transfer relating to an account or part of an account shall be made—

- (a) directly between one account manager (“the transferor”) and another account manager (“the transferee”), or
- (b) where the same person is account manager before and after the transfer, solely by that manager (who shall maintain the records of both transferor and transferee required by this regulation).

(3) The current year’s subscriptions may only be transferred as a whole (with or without the whole or part of any previous years’ subscriptions).

(4) In the case of a cash account, the current year’s subscriptions and the previous years’ subscriptions may only be transferred to—

- (a) a stocks and shares account (if the account investor is 18 years of age or over), or
- (b) a cash account,

belonging to the same account investor.

(4A) In the case of a stocks and shares account, the current year’s subscriptions and the previous years’ subscriptions may only be transferred to a stocks and shares account belonging to the same account investor.

(4B) Where the current year’s subscriptions (with or without other subscriptions) are transferred from a cash account to a stocks and shares account (under paragraph (4)(a))—

- (a) the subscriptions in sub-paragraphs (a) and (b) of the definition of “the current year’s subscriptions” in paragraph (1) shall be treated, for all purposes including regulation 31(3)(c), as if they had been made to the stocks and shares account, and
- (b) accordingly, shall not count towards the cash subscription limit in regulation 4(3).

(4C) Where the current year’s subscriptions (with or without other subscriptions) are transferred from—

- (a) a cash account to a cash account, or
- (b) a stocks and shares account to a stocks and shares account,

the subscriptions transferred, and no other subscriptions, shall be treated as the same account, for the purpose of making any remaining permitted subscriptions in that year.

(4D) The account investor shall make a fresh application under regulation 12 (with any necessary modifications to reflect that it is made on a transfer) to the transferee.

(4E) This regulation shall also apply where an account is transferred in consequence of an account manager (“the transferor”) ceasing to act or to qualify as an account manager.”;

(c) in paragraph (6)(b)—

- (i) in the words preceding paragraph (i) after “account” insert “or any part of an account”;
- (ii) in paragraph (i), for the words from “maxi-account” to the end substitute “cash account or stocks and shares account.”;
- (iii) in paragraph (iii), omit the words from “, and the amounts” to the end; and
- (iv) for paragraph (iv) substitute—
 - “(iv) the date on which the first subscription (if any) was made to the account, in the year in which the transfer takes place.”;

(d) omit paragraph (6)(c) and the word “and” which precedes it.