
STATUTORY INSTRUMENTS

2011 No. 1780

**The Individual Savings Account
(Amendment No. 2) Regulations 2011**

Amendments to the Individual Savings Account Regulations 1998

26. After regulation 21A, insert—

“Transfers relating to junior ISA accounts

21B.—(1) This regulation only applies to an account that is a junior ISA account.

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

“the current year’s subscriptions” means—

- (a) subscriptions made to the account in the year in which the transfer takes place, but before the transfer;
- (b) subscriptions made in the year in which the transfer takes place to any other account held by the named child 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) in any earlier year or years, and
- (b) the qualifying investments and other proceeds (including income) representing those subscriptions.

(3) 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).

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

(5) In the case of a cash account—

- (a) all or part of the previous years’ subscriptions and, if current year’s subscriptions are to be transferred, all of the current year’s subscriptions made to the cash account, may be transferred to a junior ISA account that is a stocks and shares account belonging to the same named child, or
- (b) all of the subscriptions made to the cash account (“old cash account”) that are held in the account immediately before the transfer may be transferred to a junior ISA account that is a cash account (“new cash account”) belonging to the same

named child (and, for the avoidance of doubt, no transfer may be made to a new cash account if the transfer does not comprise all of the subscriptions held in the old cash account immediately before the transfer).

(6) In the case of a stocks and shares account—

- (a) all or part of the previous years' subscriptions and, if current year's subscriptions are to be transferred, all of the current year's subscriptions made to the stocks and shares account, may be transferred to a junior ISA account that is a cash account belonging to the same named child, or
- (b) all of the subscriptions made to the stocks and shares account ("old stocks and shares account") that are held in the account immediately before the transfer may be transferred to a junior ISA account that is a stocks and shares account ("new stocks and shares account") belonging to the same named child (and, for the avoidance of doubt, no transfer may be made to a new stocks and shares account if the transfer does not comprise all of the subscriptions held in the old stocks and shares account immediately before the transfer).

(7) Where current year's subscriptions are transferred from a junior ISA account to another junior ISA account, the current year's subscriptions transferred shall count towards the overall subscription limit for the child holding the account for that year.

(8) The registered contact shall make a fresh application under regulation 12A (with any necessary modifications to reflect that it is made on a transfer) to the transferee.

(9) This regulation shall also apply where an account is transferred in consequence of an account manager ("the transferor") ceasing to act or qualify as an account manager.

(10) Except where the transferor has provided information to the transferee in accordance with regulation 21A(2)(b)(ii), the transferor shall within 30 days after the date of the transfer give the transferee a notice containing the information specified in paragraph (11).

(11) The information specified in this paragraph is—

- (a) as regards the named child who holds the account transferred—
 - (i) the full name of the child,
 - (ii) the address (including postcode) of the permanent residence of the child,
 - (iii) the date of birth of the child,
 - (iv) the national insurance number of the child (if any); and
- (b) as regards an account from which the transfer is made—
 - (i) whether the account is a cash account or stocks and shares account,
 - (ii) the date of the transfer,
 - (iii) the total amount of cash subscribed to the account during the period from the beginning of the year in which the transfer takes place to the date of the transfer,
 - (iv) the date on which the first subscription (if any) was made to the account, in the year in which the transfer takes place,
 - (v) the amount of any dividends on account investments which are payable to, but have not been received by, the transferor at the date of the transfer,
 - (vi) the full name of the person who is the registered contact in relation to the account, and
 - (vii) the address of the registered contact's permanent residence, including postcode.

Repair of invalid junior ISA accounts

21C.—(1) It is an overriding requirement to be satisfied in relation to a junior ISA account that the account manager and registered contact, as the case may be, take any steps necessary to remedy any breach of these Regulations.

(2) Where a breach is remedied as mentioned in paragraph (1), the account shall, to the extent of that breach, be treated as having been a valid account at all times.”.