
STATUTORY INSTRUMENTS

2011 No. 1780

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

Amendments to the Individual Savings Account Regulations 1998

6. After regulation 2 (interpretation) insert—

“Meaning of account investor

2A.—(1) This regulation makes provision for the meaning of “account investor” in these Regulations.

(2) In relation to an account that is not a junior ISA account, “account investor” means an individual who subscribes to an account and who is a qualifying individual within the meaning of regulation 10.

(3) In relation to a junior ISA account, “account investor” has different meanings in relation to the application of the regulations specified in paragraphs (4) and (5) as provided for in those paragraphs.

(4) For the purposes of the application of regulations 5C, 6(3), 7, 8, 9 (other than regulation 9(3)(b)(iii) and (6)), 21A(1) (other than its first occurrence therein), 21A(2) and (3), 22, 24, 28, 31, 34, 35 (other than regulation 35(10)) and 36, “account investor” means the named child in relation to the account in question.

(5) For the purposes of the application of regulations 4, 9(6), 15, 17, 19, 20, 21A(7), 35(10) and its first occurrence in regulation 21A(1), “account investor” means the registered contact in relation to the account in question.

Meaning of junior ISA account

2B. In these Regulations—

- (a) an account opened pursuant to a junior ISA application described in regulation 12A is a junior ISA account at any time when it is held by a child;
- (b) references to “account” shall be construed as including a reference to an account that is a junior ISA account except where the context otherwise requires; and
- (c) references to an account held by a child are references to an account in respect of which the child is the beneficial owner of the account investments under that account.

Meaning of “registered contact” etc.

2C.—(1) In these Regulations “registered contact” means the person who may give instructions in respect of the management of a junior ISA account to the person who is the account manager in relation to that account.

(2) The person who may give instructions in respect of the management of a junior ISA account to the account manager of that account is—

- (a) the named child who holds the account if the application to open the account in accordance with regulation 12A was made by that child,
 - (b) the named child who holds the account if—
 - (i) the child has attained the age of 16 years,
 - (ii) paragraph (3) does not apply in relation to the child, and
 - (iii) the child has assumed responsibility for the management of the account in accordance with paragraph (6), or
 - (c) in any other case, the responsible person in relation to the account.
- (3) This paragraph applies in relation to a child where the child is suffering mental disorder within the meaning given by—
- (a) section 1(2) of the Mental Health Act 1983⁽¹⁾;
 - (b) in relation to a child resident in Scotland, section 328 of the Mental Health (Care and Treatment) (Scotland) Act 2003⁽²⁾;
 - (c) in relation to a child resident in Northern Ireland, Article 3 of the Mental Health (Northern Ireland) Order 1986⁽³⁾.
- (4) A person is the responsible person in relation to a junior ISA account if—
- (a) that person—
 - (i) makes the application to open the account in question in accordance with regulation 12A; or
 - (ii) assumes responsibility for the management of the account in accordance with paragraph (6); and
 - (b) that person has parental responsibility in relation to the named child who holds the account at the time when that person—
 - (i) makes the application described in sub-paragraph (a)(i); or
 - (ii) assumes responsibility for the management of the account as described in sub-paragraph (a)(ii).
- (5) A person ceases to be the person who may give instructions in respect of the management of a junior ISA account to the person who is the account manager in relation to that account when another person assumes responsibility for the management of the account in accordance with paragraph (6).
- (6) A person assumes responsibility for the management of a junior ISA account if—
- (a) the person makes an application to assume responsibility for the management of the account in accordance with paragraph (7), and
 - (b) the account manager of the account in question accepts the application.
- (7) An application by a person (“the applicant”) to assume responsibility for the management of a junior ISA account must—
- (a) be made to the account manager of the account in question;
 - (b) contain—
 - (i) the applicant’s full name,
 - (ii) the applicant’s address (including postcode),
 - (iii) the named child’s full name and date of birth,

(1) 1983 c. 20; section 1(2) was substituted by section 1(2) of the Mental Health Act 2007 (c. 12).

(2) 2003 asp 13.

(3) 1986 No. 595 (N.I. 4).

- (iv) the named child's address (including postcode),
 - (v) the named child's national insurance number if the child is over 16 and has been issued with a national insurance number, and
 - (vi) the authorisation specified in paragraph (8);
- (c) contain a declaration by the applicant that the applicant—
- (i) is 16 years of age or over,
 - (ii) is the named child who holds the account in question or has parental responsibility in relation to the named child who holds the account in question, and
 - (iii) is to be the registered contact for the account.
- (8) The authorisation specified by this paragraph is authority given by the applicant to the account manager (on behalf of the named child who holds the account where appropriate)—
- (a) to hold the subscriptions, account investments, interest, dividends and any other rights or proceeds in respect of those investments and cash;
 - (b) to make on behalf of the named child any claims to relief from tax in respect of account investments; and
 - (c) to make a record in writing in accordance with paragraph (11) where that paragraph requires the account manager to do so.
- (9) An account manager must not accept an application to assume responsibility for the management of a junior ISA account if—
- (a) except in the circumstances specified in paragraph (10), the person who is the registered contact in relation to the account at the time when the application is made does not consent to the applicant assuming responsibility for the management of the account; or
 - (b) the account manager has reason to believe that the applicant has given untrue information in the application.
- (10) The circumstances specified in this paragraph are—
- (a) the death of the most recent registered contact,
 - (b) the incapacity of the registered contact,
 - (c) where the registered contact cannot be contacted,
 - (d) the bringing to an end of a Court order under which the registered contact is a responsible person,
 - (e) where the applicant is the named child who holds the account and is aged 16 or over,
 - (f) where, under an adoption order, the applicant is the adopter of the named child who holds the account,
 - (g) where a Court so orders,
 - (h) where the applicant has been appointed to be a guardian or special guardian of the named child who holds the account.
- (11) Where the application to assume responsibility for the management of a junior ISA account is not in writing or the account manager operates a record system under which all original written applications are not retained—

- (a) the account manager must, immediately after receiving the application, record, in writing, on behalf of the applicant the declaration required by paragraph (7)(c) and the authorisation required by paragraphs (7)(b)(vi) and (8);
- (b) the account manager must notify the applicant of the contents of the written record within 5 business days of making it; and
- (c) the written record (as amended by any corrections notified to the account manager by the applicant within 30 days of the notification mentioned in sub-paragraph (b)) shall be treated as the applicant's declaration required by paragraph (7)(c) and authorisation required by paragraphs (7)(b)(vi) and (8).

Regulations that do not apply to junior ISA accounts

2D. Regulations 4(6)(fa), 4ZA, 4A, 4B, 4C, 4D, 5B, 7(2)(h), 10, 11, 12, 21, 23 and 30, do not apply to a junior ISA account.

Contracts entered into by or on behalf of a child who is 16 or over

2E. Where, by virtue of the opening of an account pursuant to a junior ISA application described in regulation 12A, a contract is entered into by a child who is—

- (a) aged 16 or over; and
- (b) the child who—
 - (i) holds the account, or
 - (ii) has parental responsibility in relation to the child who holds the account,

the contract has effect as if the child who opened the account had been 18 or over when the contract was entered into.”.