
STATUTORY INSTRUMENTS

2011 No. 1780

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

Amendments to the Individual Savings Account Regulations 1998

8. After regulation 4 insert—

“Subscriptions to an account other than a junior ISA account

4ZA.—(1) The overall subscription limit for any qualifying individual for any year (that is the aggregate of the qualifying individual’s subscriptions to all accounts that are not junior ISA accounts in that year) is—

- (a) where the qualifying individual is 16 or over but less than 18 at the end of the year, £5,340; and
- (b) in all other cases, £10,680, but subject to paragraph (2).

(2) Where the qualifying individual is 18 or over at the end of the year, the qualifying individual may only invest up to 50 per cent of the overall subscription limit specified in paragraph (1)(b) in any year to a cash account.

(3) A qualifying individual may not subscribe to an account that was a junior ISA account while it was held by the qualifying individual as the named child for the account unless the account manager of that account has been provided with—

- (a) the qualifying individual’s national insurance information specified by paragraph (4);
- (b) a declaration specified by paragraph (5);
- (c) the authorisation specified by paragraph (6); and
- (d) if the account manager of the account requires, an authorisation specified by paragraph (7).

(4) The national insurance information specified by this paragraph is—

- (a) the qualifying individual’s national insurance number; or
- (b) a declaration by the qualifying individual that the qualifying individual does not have a national insurance number.

(5) The declaration specified by this paragraph is a declaration by the qualifying individual that, if the qualifying individual were making an application to open an account pursuant to regulation 12, would be in accordance with paragraph (3)(c) to (f) of that regulation.

(6) The authorisation specified by this paragraph is an authorisation by the qualifying individual that, if the qualifying individual were making an application to open an account pursuant to regulation 12, would be in accordance with paragraphs (4)(e) and (4A)(c) of that regulation.

(7) The authorisation specified by this paragraph is an authorisation by the qualifying individual that, if the qualifying individual were making an application to open an account

pursuant to regulation 12, would be in accordance with paragraphs (4)(e) and (4A)(a) and (b) of that regulation.

(8) Regulation 12(7), (9) and (10) apply in relation to the declaration specified by paragraph (5) and authorisations specified by paragraphs (6) and (7) as if they were made in relation to an application made by the qualifying individual to open an account pursuant to regulation 12.

(9) For the purposes of paragraphs (5) to (8)—

- (a) references in regulation 12 to “the applicant” are references to the qualifying individual making the declaration specified by paragraph (5) or giving an authorisation specified in paragraphs (6) and (7);
- (b) references in regulation 12(3)(c) to (f) to “the year in which paragraph (2) refers” (the first year to which the application to open the account relates) are references to the year in which the declaration specified by paragraph (5) is made by the qualifying individual.

Subscriptions to a junior ISA account

4ZB.—(1) Any person may subscribe to a junior ISA account provided the overall amount subscribed by that person and any other person for any year in respect of the same named child does not exceed £3,600.

(2) An amount paid to a junior ISA account in excess of the amount mentioned in paragraph (1) is not an amount subscribed to a junior ISA account and must not be held in that account.

(3) A single subscription for an amount equal to the amount mentioned in paragraph (1) or any number of smaller amounts that, when aggregated, do not exceed the amount mentioned in paragraph (1), may be made in respect of the same named child—

- (a) to a cash account held by that child,
- (b) to a stocks and shares account held by that child, or
- (c) in any proportion between such accounts.

(4) No subscription may be made to a cash account that is a junior ISA account held by a named child where—

- (a) the balance in the account is less than one penny; and
- (b) that child holds another cash account opened pursuant to a junior ISA application described in regulation 12A after the time when the account mentioned in sub-paragraph (a) was opened.

(5) No subscription may be made to a stocks and shares account that is a junior ISA account held by a named child where—

- (a) the balance in the account is less than one penny; and
- (b) that child holds another stocks and shares account opened pursuant to a junior ISA application described in regulation 12A after the time when the account mentioned in sub-paragraph (a) was opened.

Inalienability of a junior ISA account

4ZC.—(1) Any assignment of, or agreement to assign, investments under a junior ISA account, and any charge on or agreement to charge any such investments, is void.

(2) On the bankruptcy of the named child holding a junior ISA account, the entitlement to investments under it does not pass to any trustee or other person acting on behalf of the child's creditors.

(3) "Assignment" includes assignation; and "assign" is to be construed accordingly.

(4) "Charge on or agreement to charge" includes a right in security over or an agreement to create a right in security over.

(5) "Bankruptcy", in relation to a named child, includes the sequestration of the child's estate.

(6) Paragraph (1) shall not render void anything done to vest title to an account investment as required by regulation 4(6)(b)(ia) or 15(a) by virtue of—

(a) a transfer of an account in accordance with regulation 21B; or

(b) a change of registered contact in relation to a junior ISA account.

Permitted withdrawals from a junior ISA account

4ZD. Withdrawals from a junior ISA account may only be made—

(a) by the account manager, to settle any management charges and other incidental expenses, which are due by or under the management agreement,

(b) in accordance with regulation 4ZE, or

(c) where the account manager is satisfied that the named child who held the account has died.

Permitted withdrawals from a junior ISA account where the named child is terminally ill

4ZE.—(1) A registered contact may make a claim to the Board for withdrawals from a junior ISA account to be permitted in accordance with this regulation.

(2) The claim shall be—

(a) made in a manner prescribed by the Board, which shall include the giving of any consent necessary for the verification or consideration of the claim, and

(b) accepted in either of the following cases:

Case 1

The named child holding the account has been, or is, accepted by the Department for Work and Pensions as falling within section 72(5) of the Social Security Contributions and Benefits Act 1992⁽¹⁾ (special rules for terminally ill person's entitlement to care component of disability living allowance).

Case 2

Evidence that the named child holding the account is terminally ill has been supplied to the satisfaction of the Board.

(3) The Board shall issue a letter to the registered contact authorising withdrawals from the account under this regulation, and shall also notify the account manager.

(4) Once a claim has been accepted, withdrawals of any amount (including the proceeds from a policy of life insurance and an amount sufficient to close the account) may be made

(1) 1992 c. 4; section 72(5) was amended by section 67(2) of the Welfare Reform and Pensions Act 1999 (c. 30) and section 52(4) of the Welfare Reform Act 2007 (c. 5).

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by the registered contact at any time (but this does not include the transfer of a policy of life insurance otherwise than in accordance with regulation 21B).

(5) Where account investments are withdrawn in a form other than sterling currency, the named child shall be treated as having sold the account investments in question, and as having reacquired them in his personal capacity, for a consideration equal to their market value at the time of their withdrawal.

(6) In this regulation, “terminally ill” has the meaning in section 66(2)(a) of the Social Security Contributions and Benefits Act 1992.”