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STATUTORY INSTRUMENTS

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**2013 No. 623**

**INCOME TAX**

**CAPITAL GAINS TAX**

The Individual Savings Account  
(Amendment No. 2) Regulations 2013

<i>Made</i>	- - - -	<i>14th March 2013</i>
<i>Laid before the House of Commons</i>	- - - -	<i>15th March 2013</i>
<i>Coming into force</i>	- -	<i>5th April 2013</i>

The Treasury make these Regulations exercising their powers in sections 694, 695, 696 and 701 of the Income Tax (Trading and Other Income) Act 2005(1) and section 151 of the Taxation of Chargeable Gains Act 1992(2).

**Citation and commencement**

1. These Regulations may be cited as the Individual Savings Account (Amendment No. 2) Regulations 2013 and come into force on 5th April 2013.

**Amendment of the Individual Savings Account Regulations 1998**

- 2.—(1) This regulation amends the Individual Savings Account Regulations 1998(3) as follows.  
(2) It inserts after regulation 5DM—

**“Subscriptions made by account investors issued with certificates by Royal Bank of Scotland Group disregarded for the purposes of regulations 4ZA and 31(3)(c)(ii)**

5E.—(1) A subscription to an account made in accordance with this regulation on or before 5th April 2013 must be disregarded for the purposes of—

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(1) 2005 c. 5; section 694 was amended by the Finance Act 2011 (c. 11), section 40; sections 695 and 696 were amended by the Commissioners for Revenue and Customs Act 2005 (c. 11), Schedule 4, paragraph 132; section 701 was amended by the Finance Act 2008 (c. 9), section 40 and the Finance Act 2011, section 40.  
(2) 1992 c. 12; section 151 was amended by the Finance Act 1993 (c. 34), section 85; the Finance Act 1995 (c. 4), section 64(2); the Finance Act 1998 (c. 36), section 75(6) and Schedule 27, Part 3(15); the Income Tax (Trading and Other Income) Act 2005, Schedule 1(2), paragraph 436; and the Finance Act 2011, section 40.  
(3) S.I. 1998/1870; relevant amending instruments are S.I. 2002/3158, 2007/2119, 2011/1780, 2012/705, 2012/1871.

- (a) the subscription limits in regulation 4ZA (subscriptions to an account other than a junior ISA account); and
  - (b) regulation 31(3)(c)(ii) (returns of information by account manager).
- (2) A subscription to an account is made in accordance with this regulation if—
- (a) it is made to a cash account held by an account investor;
  - (b) a withdrawal was made during the relevant period from a cash account held by the account investor with the account manager holding the cash account to which the subscription is made;
  - (c) the account manager of the account to which the subscription is made holds the certificate issued to the account investor in accordance with paragraph (3) (or a copy of it);
  - (d) the subscription does not exceed the amount determined in accordance with paragraph (4); and
  - (e) no earlier subscription in accordance with this regulation has been made to an account held by the account investor with the account manager holding the cash account to which the subscription in question is made.
- (3) A certificate is issued to an account investor in accordance with this paragraph if—
- (a) it is issued to the account investor by a RBSG bank;
  - (b) it contains the name and address (including postcode) of the account investor;
  - (c) it identifies the period in respect of which the delay certified in accordance with subparagraph (d) occurred; and
  - (d) it certifies—
    - (i) that the account investor held with a RBSG bank a banking facility (other than an account opened in accordance with regulation 12), in respect of which the updating of the records of deposits made to and payments from the facility was delayed during the relevant period; or
    - (ii) that a deposit, payment or other transfer of money to the account investor was delayed in the relevant period by reason of the delay described in paragraph (i).
- (4) The amount referred to in paragraph (2)(d) is the total of all withdrawals made in the relevant period from any cash account held with the account manager holding the cash account to which the subscription in question is made.
- (5) In this regulation—
- (a) a bank is a “RBSG bank” if it is—
    - (i) The Royal Bank of Scotland plc, a company incorporated in Scotland (Company Number 090312);
    - (ii) National Westminster Bank plc, a company incorporated in England and Wales (Company Number 00929027);
    - (iii) Ulster Bank, Limited, a company incorporated in Northern Ireland (Company Number R0000733);
  - (b) the “relevant period” is 19th June to 6th July 2012 (but to 22nd July 2012 where the bank in paragraph (3)(d) is Ulster Bank, Limited).”.
- (3) It omits regulation 30(1) (annual notices from account manager to account investor).

14th March 2013

*Robert Goodwill*  
*David Evennett*  
Two of the Lords Commissioners of Her  
Majesty's Treasury

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend the Individual Savings Account Regulations 1998 (S.I. 1998/1870).

The regulation 2(2) amendment secures that no tax disadvantage accrues to savers who are certified to their ISA account manager by Royal Bank of Scotland Group as having held an account affected by a technical incident within that group during the period 19 June to 6 July 2012 (to 22 July 2012 for Ulster Bank), who as a result withdrew sums from their cash ISAs in that period, and who later in the tax year re-subscribed up to the same total amount in a cash account held with the same ISA manager<sup>(4)</sup>, <sup>(5)</sup>.

The regulation 2(3) amendment revokes the duty on an ISA account manager at the start of a tax year to give account investors notice about not subscribing to another ISA of the same type in that tax year, and about not exceeding the ISA subscription limits.

A Tax Information and Impact Note covering this instrument will be published on the HMRC website at <http://www.hmrc.gov.uk/thelibrary/tiins.htm>.

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(4) The amounts are also disregarded for the purposes of the account managers' reporting duties to HM Revenue and Customs.  
(5) Section 701(4) of the Income Tax (Trading and Other Income) Act 2007 and section 151(2) of the Taxation of Chargeable Gains Act 1992 allow these Regulations to include provision having effect in relation to times before they are made since they do not impose or increase any tax liability.