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STATUTORY INSTRUMENTS

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**2015 No. 869**

**The Individual Savings Account  
(Amendment No. 2) Regulations 2015**

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

7. After regulation 5DD insert—

**“Additional permitted subscription to an account other than a junior ISA account**

**5DDA.**—(1) A subscription to an account other than a junior ISA account is permitted by this regulation if—

- (a) it is made in the circumstances described in paragraph (2); and
  - (b) the amount of the subscription, or the aggregate of a number of such subscriptions, does not exceed in value the amount determined in accordance with paragraph (3).
- (2) The circumstances are—
- (a) an account investor dies on or after 3rd December 2014 leaving a surviving spouse or civil partner (S);
  - (b) subject to paragraph (6), a subscription is made by S to an account or accounts managed by a single account manager or, in a case within sub-paragraph (e), the deceased’s account manager;
  - (c) the subscription is within the permitted period;
  - (d) S and the deceased were living together at the date of the deceased’s death<sup>(1)</sup>; and
  - (e) where the subscription comprises non-cash assets—
    - (i) the deceased held an account either comprising or including non-cash assets at the date of the deceased’s death;
    - (ii) S inherits all or part of those assets;
    - (iii) S makes a subscription comprising those assets or any part thereof; and
    - (iv) throughout the period beginning with the day on which the deceased’s account manager was notified of the deceased’s death and ending immediately before the subscription is made, title to those assets is vested in the deceased’s account manager, that manager’s nominee or jointly in one of them and another.
- (3) The amount is—
- (a) where the deceased held a single account with a single account manager, then the value of that account at the date of the deceased’s death; or
  - (b) where the deceased held more than one account with a single account manager, then the combined value of those accounts at the date of the deceased’s death;

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<sup>(1)</sup> Section 1011 of the Income Tax Act 2007(c.3), provides that, for the purposes of the Income Tax Acts, individuals who are married or in a civil partnership are treated as living together unless they are separated (a) by a court order, (b) by a deed of separation, or (c) as a matter of fact in circumstances in which the separation is likely to be permanent.

but does not include any sums the deceased held in a junior ISA account.

- (4) In this regulation, the permitted period means—
- (a) in the case of a subscription comprising non-cash assets made in accordance with paragraph (2), the period beginning with distribution to S by the deceased's estate of the non-cash assets and ending no more than 180 days thereafter;
  - (b) in the case any other subscription under this regulation, the period beginning with the date of the deceased's death and ending either—
    - (i) no more than 3 years thereafter; or
    - (ii) no more than 180 days after administration of the estate is complete;

whichever is the later.

(5) Where the deceased died in the period beginning with 3rd December 2014 and ending on 5th April 2015—

- (a) for the purposes of paragraph (4)(a), distribution to S by the deceased's estate of non-cash assets is treated as occurring on either 6th April 2015, or, the actual date of distribution, whichever is the later; and
- (b) for the purposes of paragraph(4)(b), the deceased is treated as dying on 6th April 2015.

(6) The requirement in paragraph (2)(b) is deemed as met where the Board authorises an account manager to accept a subscription from S.

(7) The following regulations do not apply to a subscription permitted by this regulation—

- (a) 4(1B)(a), (b) and (e);
- (b) 4B;
- (c) 6(3);
- (d) 10(2)(b), (c) and (ca);
- (e) 21A(3)(b)(ii) and (iii); and
- (f) 31(3)(c)(ii) and (iii).

(8) The requirement in regulation 10(2)(d) is deemed as met where S makes a subscription permitted by this regulation.

(9) Regulation 12(3) applies to a subscription permitted in accordance with this regulation with the following modifications—

- (a) omit sub-paragraphs (d) and (e) where an account is opened in a year to which regulation 12(2) refers solely to receive subscriptions permitted by this regulation; and
- (b) omit sub-paragraph (ea); and
- (c) in sub-paragraph (f), omit the words after “or over”.

(10) Regulation 21 applies to a subscription permitted in accordance with this regulation with the following modifications—

- (a) in paragraph (1), as if that subscription was a previous years' subscription; and
- (b) in sub-paragraph (6), omit sub-paragraphs (b)(iii) and (iv).

(11) In this regulation—

- (a) “inherits” in paragraph (2)(e)(ii) includes inherits under a will trust or as a result of a deed of variation;

- (b) “non-cash assets” means—
  - (i) those investments specified in regulation 7, other than those in paragraph (2)(j); and
  - (ii) those investments specified in regulation 8(2)(f), (h), (p) or (q); and
- (c) the value of a subscription comprising non-cash assets made pursuant to paragraph (2) is the value of the assets at the date of the subscription.”