

---

STATUTORY INSTRUMENTS

---

**2016 No. 364**

**The Individual Savings Account  
(Amendment No. 2) Regulations 2016**

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

**3.** In regulation 2(1)(a) (interpretation)—

- (a) in the definition of “account investment”, for “or a cash component, as the case may be, within the meaning of regulation 7 or 8” substitute “, a cash component or an innovative finance component, as the case may be, within the meaning of regulation 7, 8 or 8A”;

(b) at the appropriate places insert—

““article 36H agreement” is to be construed in accordance with article 36H(4) of the Regulated Activities Order 2001 and is an agreement entered into by an account investor as lender with a borrower with the facilitation of an operator and for the purposes of regulation 8A(2) includes such an agreement notwithstanding that, after it is entered into, the operator assumes the rights of the lender under it;”;

““borrower” is to be construed in accordance with article 36H(9) of the Regulated Activities Order 2001;”;

““interim permission” is to be construed in accordance with Chapter 4 of Part 8 of the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013(1);”;

““innovative finance account” has the meaning given in regulation 4(1ZA);”;

““lender” is to be construed in accordance with article 36H(9) of the Regulated Activities Order 2001;”;

““operator” means a person who has permission (other than an interim permission) under Part 4A of FISMA 2000 to carry on the regulated activity specified in article 36H(1) of the Regulated Activities Order 2001;”;

““outstanding principal balance” means, in relation to an article 36H agreement, the amount of capital and interest the borrower owes the account investor at any time;”;

““qualifying investments for an innovative finance component” has the meaning given in regulation 8A;” and

““Regulated Activities Order 2001” means the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001(2);”.

---

(1) S.I. 2013/1881. Relevant amending instruments are: S.I. 2014/208, S.I. 2014/506, S.I. 2014/835, S.I. 2014/1446, S.I. 2014/2632 and S.I. 2015/910.  
(2) S.I. 2001/544. Relevant amending instruments are: S.I. 2013/1881, S.I. 2014/366 and the Financial Services and Markets Act 2000 (Regulated Activities)(Amendment) Order 2016.