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STATUTORY INSTRUMENTS

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**2017 No. 466**

**The Individual Savings Account  
(Amendment No. 2) Regulations 2017**

**New regulation 12B**

**24.** After regulation 12A(1) insert—

**“Conditions for application to open an account that is a Lifetime ISA**

**12B.**—(1) An application by an individual to open a Lifetime ISA must be made to an account manager in the year in which the applicant first makes a payment to that account and must fulfil the conditions specified in paragraph (2).

- (2) The application must state that it is an application to open a Lifetime ISA and—
- (a) specify the first year to which the application relates;
  - (b) contain the information and authorisation specified in paragraph (3); and
  - (c) contain a declaration by the applicant in accordance with paragraph (4).
- (3) The application must contain—
- (a) the applicant’s full name;
  - (b) the address and postcode of the applicant’s permanent residence;
  - (c) the applicant’s national insurance number;
  - (d) the applicant’s date of birth; and
  - (e) the authorisation specified in paragraph (7).
- (4) The application must contain a declaration by the applicant that—
- (a) all subscriptions of money made, and to be made, to the account are or will be the applicant’s money;
  - (b) in the first year and in any subsequent year to which the application relates, the applicant has not—
    - (i) in relation to a qualifying addition made into the account, made and will not make, any such addition to any other Lifetime ISA,
    - (ii) exceeded, and will not exceed, the overall subscription limit in regulation 4ZA(1), and
    - (iii) made, and will not make, current year payments that exceed the overall Lifetime ISA payment limit in regulation 4ZA(1A);
  - (c) the applicant is 18 years of age or over;
  - (d) except where paragraph (5) applies, the applicant is under 40 years of age, and
    - (i) is resident in the United Kingdom, or

- (ii) is a person who has general earnings from overseas Crown employment subject to United Kingdom tax within the meaning given by section 28 of ITEPA 2003, or
  - (iii) is married to or in a civil partnership with a person mentioned in sub-paragraph (ii); and
  - (e) the applicant will inform the account manager if any of the circumstances under sub-paragraph (d)(i) to (iii) changes.
- (5) This paragraph applies where the Lifetime ISA is being opened to receive—
- (a) a transfer of current year’s subscriptions or previous years’ subscriptions from another Lifetime ISA (within the meaning of regulation 21(1)), or
  - (b) a payment in accordance with regulation 5D(2)(a)(ia) or (ib).
- (6) A declaration under paragraph (4) shall have effect for each year in which the applicant makes a payment to the account to which the declaration relates except that after the account has been opened the reference to 40 in paragraph (4)(d) is deemed to be 50.
- (7) The authorisation specified by this paragraph is authority given by the applicant to the account manager—
- (a) to hold the payments, account investments, interest, dividends and any other rights or proceeds (including any government bonus) in respect of those investments and cash;
  - (b) to make on behalf of the applicant any claims to relief from tax in respect of account investments;
  - (c) to submit any government bonus claims to the Board on the applicant’s behalf;
  - (d) to withhold and deduct from a balance in the account and pay to the Board—
    - (i) any charges due to the Board from the account manager on withdrawals from the account; and
    - (ii) any amount wrongly paid by way of government bonus accountable to the Board by the account manager under paragraph 12 of the Schedule; and
  - (e) to make a record in writing in accordance with paragraph (9)(a) where that paragraph requires the account manager to do so.
- (8) An account manager may not accept as an account investor any individual if the account manager has reason to believe that—
- (a) the individual is not, or might not be, a Lifetime ISA qualifying individual;
  - (b) the individual has given untrue information in an application; or
  - (c) subject to the exceptions described in paragraph (5), the individual is 40 years of age or over.
- (9) Where an application 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 (2)(c) and the authorisation required by paragraph (3)(e);
  - (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 (2)(c) and the authorisation required by paragraph (3)(e).

(10) For the purposes of paragraph (9), "in writing" and "written record" have the same meanings as in regulation 12A(12) to (14)(2).

(11) The application may be made on an individual's behalf—

(a) if the individual is resident in England and Wales—

(i) pursuant to an order under section 16(2)(a) of the Mental Capacity Act 2005(3); or

(ii) by a deputy appointed under section 16(2)(b) of that Act; or

(b) if the individual is resident in Scotland or Northern Ireland and is suffering from mental disorder, by a parent, guardian, spouse, civil partner, son or daughter of the individual.

(12) In paragraph (11)(b) "mental disorder" has the meaning given by, in Scotland section 328 of the Mental Health (Care and Treatment) (Scotland) Act 2003(4) or, in Northern Ireland, Article 3 of the Mental Health (Northern Ireland) Order 1986(5)."

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(2) Regulation 12A was inserted by [S.I. 2011/1780](#).

(3) [2005 c. 9](#).

(4) [2003 asp 13](#).

(5) [S.I. 1986/595 \(N.I. 4\)](#).