
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Individual Savings Account Regulations 1998 (S.I. 1998/1870) (“the Individual Savings Account Regulations”) to provide for when a transfer is made of investments held in a child trust fund which has matured under the Child Trust Funds Regulations 2004 (S.I.2004/1450) as amended by the Child Trust Funds (Amendment) Regulations 2020, which come into force at the same time as these Regulations (“the Child Trust Fund Regulations”), subject to regulation 1(2) of each of these Regulations and the Child Trust Fund Regulations.

Regulation 3 makes an amendment to the definition of “recognised UCITS” in regulation 2(1)(b) of the Individual Savings Account Regulations to take account of amendments made under the Financial Services and Markets Act 2000 (c.8). Consequential amendment is made by regulation 5 to regulation 7 of those Regulations.

Regulation 4 inserts new regulation 5DZ and 5DZA into the Individual Savings Account Regulations and regulations 6 and 7 make consequential changes.

Regulation 5DZ provides for when there has been a transfer under regulation 13A of the Child Trust Fund Regulations, when instructions are given by the person who holds the child trust fund which has matured as to what is to be done with the investments in the child trust fund.

Regulation 5DZA provides for when there has been a transfer under regulation 13B(2)(b) of the Child Trust Fund Regulations when no such instructions have been given.

A Tax Information and Impact Note will be published on the HM Government website at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>.