
STATUTORY INSTRUMENTS

1995 No. 1929

INCOME TAX

**The Tax-exempt Special Savings
Account (Amendment) Regulations 1995**

<i>Made</i>	- - - -	<i>21st July 1995</i>
<i>Laid before the House of Commons</i>	- - - -	<i>21st July 1995</i>
<i>Coming into force</i>	- -	<i>11th August 1995</i>

The Commissioners of Inland Revenue, in exercise of the powers conferred on them by section 326C(1) and (1A) of the Income and Corporation Taxes Act 1988(1), hereby make the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Tax-exempt Special Savings Account (Amendment) Regulations 1995 and shall come into force on 11th August 1995.

Interpretation

2. In these Regulations “the principal Regulations” means the Tax-exempt Special Savings Account Regulations 1990(2) and “regulation” means a regulation of those Regulations.

Amendments to the principal Regulations

3.—(1) Regulation 2 shall be renumbered as paragraph (1) of that regulation.

(2) In regulation 2(1)—

(a) after the definition of “the Board” there shall be inserted—

““follow-up account” has the same meaning as in section 326BB(1)(3) of the Taxes Act;”

(b) in the definition of “the principal sections” for the words “and 326B” there shall be substituted the words “, 326B and 326BB”.

(1) 1988 c. 1; section 326C(1) was inserted by section 28(1) of the Finance Act 1990 (c. 29) and amended by section 62(3) and (4) of the Finance Act 1995 (c. 4); section 326C(1A) was inserted by section 62(5) of the Finance Act 1995.

(2) S.I. 1990/2361.

(3) Section 326BB was inserted by section 62(2) of the Finance Act 1995.

- (3) After regulation 2(1) there shall be inserted—
- “(2) For the purposes of these Regulations an account held by an individual matures when a period of five years throughout which the account was a tax-exempt special savings account comes to an end.”
4. In regulation 3 after paragraph (c) there shall be added—
- “(cc) provide that subsection (2) of section 326BB of the Taxes Act does not apply in relation to a follow-up account unless at the time prescribed by these Regulations the society or institution with which the account is held has a document of a prescribed description containing such information as is prescribed by these Regulations;
- (cd) require societies and institutions operating accounts which mature to give to the individuals who have held them certificates containing such information as is prescribed by these Regulations;”.
5. In regulation 6(3) for sub-paragraphs (b) and (c) there shall be substituted—
- “(b) he does not hold any other account (with the same or any other society or institution) which will not have matured or have been closed at the time when the account in respect of which the application is made is opened,
- (c) he has not made and will not make any other application for an account to be opened (with the same or any other society or institution) which he will hold simultaneously with the account in respect of which the application is made.”.
6. In regulation 7 after paragraph (4) there shall be added—
- “(5) Where the account being transferred is a follow-up account, the transferor shall, in addition to satisfying the preceding requirements of this regulation, within 30 days after the date of transfer give the transferee—
- (a) any document held by him of the description prescribed by regulation 7B(2), or
- (b) a certified copy of any document of that description previously held by him, or
- (c) a print-out or other copy of any record constituting a document of that description.”
7. After regulation 7 there shall be inserted—

“Matured accounts

7A.—(1) Subject to paragraph (2), a society or institution with which a matured account in respect of which the condition in section 326BB(1)(b) of the Taxes Act is satisfied is or has been held shall, if the account-holder so requires by notice to the society or institution, within 30 days after the date of the notice give to the account-holder a certificate containing the information prescribed by paragraph (3) and the declaration prescribed by paragraph (4).

- (2) A society or institution shall not give the certificate referred to in paragraph (1)—
- (a) before the account has matured, or
- (b) after the expiry of a period of 18 months commencing with the date on which the account matured.
- (3) The information prescribed by this paragraph is—
- (a) as regards the account-holder—
- (i) his full name,
- (ii) his permanent address including postcode,
- (iii) if he has one, his national insurance number, and

(b) as regards the account—

- (i) the name of the society or institution with which it was held when it matured;
- (ii) the number allocated to it by that society or institution;
- (iii) the date on which it matured; and
- (iv) the total amount deposited in, or subscribed for shares in connection with, the account since it was opened.

(4) The declaration prescribed by this paragraph is a declaration by the society or institution that the account was a tax-exempt special savings account throughout a period of five years and that the information given in the certificate is correct.

Follow-up accounts

7B.—(1) Subsection (2) of section 326BB of the Taxes Act shall not apply to a follow-up account unless, at the time when the total amount deposited in, or subscribed for shares in, the account first exceeds £3,000, the society or institution holds a document of the description prescribed by paragraph (2) containing the information prescribed by that paragraph.

(2) The description prescribed by this paragraph is that the document is either—

- (a) a certificate given in accordance with regulation 7A(1) and (2) by the society or institution with which the account-holder held a matured account, or
- (b) where the account-holder holds a follow-up account with the same society or institution with which he held a matured account, a record kept by means of a computer or otherwise which was derived from the records of the society or institution and shows—
 - (i) as regards the account-holder, the information prescribed by sub-paragraph (a) of regulation 7A(3), and
 - (ii) as regards the matured account, the information prescribed by paragraphs (ii) to (iv) inclusive of sub-paragraph (b) of paragraph (3) of that regulation.”

8. In regulation 12(1) there shall be added at the end the words “, stated separately in relation to accounts in respect of which a document of the description prescribed by regulation 7B(2), or a certified copy of such a document or a print-out or other copy of the record constituting such a document received in connection with the transfer of the account from another society or institution, is held and other accounts”.

9. In regulation 13(3)(b) after paragraph (ii) there shall be inserted—

“(iia) whether the account is one in respect of which a document of the description prescribed by regulation 7B(2), or a certified copy of such a document or a print-out or other copy of the record constituting such a document received in connection with the transfer of the account from another society or institution, is held;”.

10. For regulation 14 there shall be substituted—

“**14.**—(1) A society or institution shall at all times keep sufficient records in respect of each account that it operates to enable the requirements of the principal sections and of these Regulations to be satisfied.

(2) In particular, but without prejudice to the generality of paragraph (1), the society or institution shall preserve so as to be available for inspection under regulation 16 for a period of two years after the account was closed or ceased to be a tax-exempt special savings account—

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- (a) every application made under regulation 6;
- (b) every document of the description prescribed by regulation 7B(2);
- (c) every certified copy of such a document or print-out or other copy of the record constituting such a document received in connection with the transfer of the account from another society or institution;
- (d) a record of amounts deposited in or subscribed in connection with or withdrawn from the account.”

S C T Matheson
G H Bush

21st July 1995

Two of the Commissioners of Inland Revenue

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations contain amendments to the Tax-exempt Special Savings Account Regulations (S.I.1990/2361) (“the principal Regulations”) made under powers inserted in section 326C of the Income and Corporation Taxes Act 1988 by section 62 of the Finance Act 1995. They provide that the amount deposited in a follow-up account may not exceed £3,000 in the first year for which the account is held, unless the building society or institution with which it is held has a certificate from the society or institution with which the matured account was held showing the amount deposited at the date of maturity or, if it is the same society or institution, maintains computer or paper records evidencing that amount. The amendments also require the society or institution with which the matured account was held to provide such a certificate at the request of the account-holder.

Regulation 1 provides for citation and commencement.

Regulation 2 contains definitions.

Regulations 3 to 10 contain the amendments to the principal Regulations. Regulation 3 adds two further definitions and regulation 4 refers to the two additional respects in which the powers to make regulations are being exercised. Regulations 5 and 6 make consequential amendments to the rules about applications for and transfers of accounts. Regulation 7 inserts regulations 7A and 7B in the principal Regulations containing the provisions about matured accounts and follow-up accounts referred to above. Regulations 8, 9 and 10 also make consequential amendments.