

1999 No. 1611

SAVINGS BANKS

**The National Savings Bank (Amendment) (No. 2)
Regulations 1999**

<i>Made - - - -</i>	<i>9th June 1999</i>
<i>Laid before Parliament</i>	<i>9th June 1999</i>
<i>Coming into force</i>	<i>26th July 1999</i>

The Treasury, in exercise of the powers conferred on them by section 2 of the National Savings Bank Act 1971(a) as extended by sections 3(2), 6(1), 7(2) and 8(1)(a), (b), (e), (g), (h), (l) and (n) of that Act and of all other powers enabling them in that behalf, hereby make the following Regulations:—

1. These Regulations may be cited as the National Savings Bank (Amendment) (No. 2) Regulations 1999 and shall come into force on 26th July 1999.
2. The National Savings Bank Regulations 1972(b) shall be amended in accordance with the following provisions of these Regulations.
3. Regulation 2(1) shall be amended—
 - (a) by inserting after the definition of “mentally disordered person” the following—

“mini-account” has the same meaning as in regulation 4(1)(d) of the Individual Savings Account Regulations 1998(c);
 - (b) by inserting after the definition of “savings certificate” the following—

“TESSA only account” has the same meaning as in regulation 4(1)(e) of the Individual Savings Account Regulations 1998.
4. Regulation 29L(5) shall be amended by inserting after the word “account”, the words “in any financial year unless he is opening a TESSA only account, in which case one TESSA only account and one mini-account may be opened in the same financial year”.
5. Regulation 42 paragraph (2) shall be amended by inserting after the words “31st December in every year”, “and in both cases shall be added to and become part of the principal”.

Jim Dowd
Jane Kennedy
Two of the Lords Commissioners
Of Her Majesty’s Treasury

9th June 1999

(a) 1971 c. 29: section 2 was amended by the Finance Act 1989 (c. 26), section 184(1): sections 3(2), 6(1), 7(2) and 8(1)(b) were amended by the Finance Act 1982 (c. 39). Schedule 20, paragraphs 2, 5(1), 6 and 7 respectively.
(b) S.I. 1972/764: relevant amending instruments are S.I. 1996/1724 and S.I. 1999/588.
(c) S.I. 1998/1870.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These regulations amend the National Savings Bank Regulations 1972 so as to introduce a new category of individual savings account ("ISA") known as a TESSA only account. Provision for the introduction of ISAs was made by the Individual Savings Account Regulations 1998 and the National Savings Bank introduced its own ISA on 6th April 1999 pursuant to the National Savings Bank (Amendment) Regulations 1999 which amended the National Savings Bank Regulations 1972. References to particular regulations in the rest of this note are to the 1972 Regulations as amended by these Regulations.

Regulation 29L(5) is amended to provide that as an exception an investor may in one financial year open both a TESSA only account and a mini-account. A mini-account being another category of ISA.

Wording in Regulation 42 is reinstated to make it clear that interest which is calculated to 31st December is added to and becomes part of the principal.

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