STATUTORY INSTRUMENTS

2011 No. 782

INCOME TAX
CAPITAL GAINS TAX

The Individual Savings Account (Amendment) Regulations 2011

Made - - - -	*15th March 2011*
Laid before the House of Commons - - - -	*16th March 2011*
Coming into force - -	*6th April 2011*

The Treasury make the following Regulations in exercise of the powers conferred by section 694 of the Income Tax (Trading and Other Income) Act 2005(**1**) and section 151 of the Taxation of Chargeable Gains Act 1992(**2**):

Citation, commencement and effect

1. These Regulations may be cited as the Individual Savings Account (Amendment) Regulations 2011 and shall come into force on 6th April 2011.

2. These Regulations have effect for the tax year 2011-2012 and all subsequent tax years.

Amendments to the Individual Savings Account Regulations 1998

3. The Individual Savings Account Regulations 1998(**3**) are amended as follows.

4. For regulations 4(2) and (3) (general conditions for accounts and subscriptions to accounts) substitute—

"(2) The overall subscription limit for any qualifying individual for any year (that is the aggregate of the qualifying individual's subscriptions to all accounts in that year) is—

(a) where the qualifying individual is 16 years of age or over but less than 18 years of age at the end of the year, £5,340; and

(b) in all other cases, £10,680, but subject to paragraph (3).

(**1**) 2005 c. 5.
(**2**) 1992 c.12; section 151(2) was substituted by paragraph 436 of Schedule 1 to the Income Tax (Trading and Other Income) Act 2005 (c. 5) and section 151(4) was inserted by section 85 of the Finance Act 1993 (c. 34).
(**3**) S.I. 1998/1870; relevant amending instruments are S.I. 2007/2119 and S.I. 2009/1550.

(3) Where the qualifying individual is 18 years of age or over at the end of the year, the qualifying individual may only invest up to 50 per cent of the overall subscription limit specified in paragraph (2)(b) in any year to a cash account.”.

5. Omit regulation 4(4) (general conditions for accounts and subscriptions to accounts).

Angela Watkinson
Brooks Newmark
Two of the Lords Commissioners for Her Majesty’s Treasury

15th March 2011

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Individual Savings Account Regulations 1998 (S.I. 1998/1870) ("the ISA Regulations") in relation to the overall limits to subscriptions which individuals can make to individual savings accounts ("ISAs") which they hold in any tax year. The main effect of these Regulations is to increase the ISA subscription limits for the tax year 2011-12 and subsequent tax years. For individuals aged 18 or over at the end of the tax year the annual overall limit is increased to £10,680, of which 50% (£5,340) can be invested in a cash ISA. For individuals aged between 16 and 18, who may only invest in cash ISAs, the overall annual ISA subscription limit is increased to £5,340.

Regulation 2 provides that these Regulations take effect for the tax year 2011-12 and all subsequent tax years.

Regulation 4 substitutes new regulations 4(2) and (3) into the ISA Regulations so as to increase the ISA subscription limits for individuals and Regulation 5 omits regulation 4(4) from the ISA Regulations, which is an illustrative provision only.

An Impact Assessment has not been produced for this instrument as it has a negligible impact on business, charities or voluntary bodies.