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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations make detailed provision for Saving Gateway Accounts (“SG accounts”), under the [Saving Gateway Accounts Act 2009 \(c. 8: “the Act”\)](#).

Regulation 1 provides for citation and commencement, and regulation 2 for interpretation.

Regulation 3 sets out the conditions which a person has to satisfy (in addition to the residence requirement: see commentary on regulation 4) in order to be eligible for a SG account via Working Tax Credit or Child Tax Credit. The main conditions are that the person has a final Tax Credit award, for a year in which either (a) their “relevant income” for Tax Credit purposes did not exceed the Child Tax Credit threshold (currently £16,040) or (b) they were automatically passported into one of those Tax Credits under section 7(2) of the Tax Credits Act 2002.

Regulation 4 sets out the residence requirement for eligibility, which is that the person is (or in certain cases, is deemed to be) ordinarily resident in the United Kingdom.

Regulation 5 sets out the information to be included in notices of eligibility, and the way in which notices are to be issued.

Regulation 6 sets out the requirements for opening an SG account.

Regulation 7 specifies the maturity period for an SG account (usually the remainder of the calendar month in which it is opened plus 23 complete calendar months).

Regulation 8 specifies when an account ceases to be an SG account (although it may be rolled over into another financial product).

Regulation 9 specifies the rate of government contribution to an SG account, which is 50 pence for every whole pound in the highest balance of the account during the maturity period (excluding any amounts paid in excess of the monthly limit in regulation 11, and any interest or other sums paid by the account provider).

Regulation 10 states the most important legislative requirements (in addition to those in the Act) which an account has to satisfy in order to be an SG account.

Regulation 11 limits the total amount which may be paid into an SG account by the account holder in any month to £25.

Regulation 12 makes provision for statements (or passbooks) for an SG account.

Regulation 13 sets out the conditions for applications to open an SG account.

Regulation 14 specifies the conditions a financial institution has to satisfy to be an approved account provider.

Regulation 15 states additional requirements an account provider established abroad has to satisfy if it does not intend to carry out all its functions as an account provider in the U.K.

Regulation 16 states the circumstances in which HMRC can withdraw approval of an account provider.

Regulation 17 provides for an account provider who intends to cease to act as approved provider of an SG account, or accounts.

Regulation 18 makes provision for cases where an approved account provider has ceased to qualify as such.

**Draft Legislation:** This is a draft item of legislation. This draft has since been made as a UK Statutory Instrument: The Saving Gateway Accounts Regulations 2009 No. 2997

Regulation 19 makes provision for transfers of SG accounts. These are allowed in cases (a) where regulation 16,17 or 18 applies (b) where both transferring and transferee account providers have agreed to the transfer, or (c) of agreed bulk transfers.

Regulation 20 makes provision for recoupment by HMRC of maturity payments, death payments or overpayments wrongly made.

Regulation 21 provides for less important breaches of statutory requirements for SG accounts to be rectified (“repaired”) by administrative action.

Regulation 22 provides for a monthly return and financial claim to be delivered by account providers to HMRC (which inter alia is the means by which providers will claim maturity payments and death payments from the government)

Regulations 23 to 25 deal with record keeping by providers, HMRC information notices and inspection of SG records.

A full Regulatory Impact Assessment for the Saving Gateway was published on 4 December 2008, the date of the introduction of the Saving Gateway Accounts Bill.