
STATUTORY INSTRUMENTS

1998 No. 3174

**The Individual Savings Account
(Amendment) Regulations 1998**

Amendments to the principal Regulations

3.—(1) Regulation 2 shall be amended as follows.

(2) In paragraph (1)(a)–

(a) after the definition of “deposit-taker” there shall be inserted–

““the Director of Savings” has the same meaning as in the National Debt Act 1972”⁽¹⁾;

(b) in the definition of “gilt-edged securities” for “paragraph 1” there shall be substituted “paragraphs 1 and 1A”;

(c) in the definition of “notice”, for the words “regulation 9(3) and (7)” there shall be substituted the words “regulations 9 and 36”;

(d) in the definition of “security”, for “8(2)(e)” there shall be substituted “7(2)(c) to (cb) and (8)(b), 8(2)(e) and (f)”.

(3) In paragraph (1)(b)–

(a) after the definition of “authorised unit trust” there shall be inserted–

““the first condition”, and references to the terms of a scheme complying with that condition, mean that the terms of the scheme do not permit any of the investments subject to the trusts of the scheme to consist of units in authorised unit trusts or parts of umbrella schemes which are not securities funds or warrant funds, or of shares in open-ended investment companies or parts of umbrella companies which are not securities companies or warrant companies;

“the second condition”, and references to the terms of a scheme complying with that condition, mean that the terms of the scheme only permit any of the investments subject to the trusts of the scheme to consist of units or shares in–

(i) a collective investment scheme which is a “recognised scheme” by virtue of section 87 or 88 of the Financial Services Act 1986⁽²⁾, or

(ii) a part of a scheme mentioned in paragraph (i) which would be a part of an umbrella company, or a part of an umbrella scheme, if the definitions of “umbrella company”, “umbrella scheme” and a part thereof in either case applied to a scheme mentioned in paragraph (i),

where the terms of the scheme mentioned in paragraph (i) identify that scheme, or the part thereof, as the case may be, as a scheme or part that would belong to one of the categories of securities fund, warrant fund, securities company or warrant company, if that scheme or part, as the case may be, were independently an authorised unit trust

(1) 1972 c. 65.

(2) 1986 c. 60.

- or an open-ended investment company in respect of which an authorisation order made by the Financial Services Authority was in force;”;
- (b) in the definition of “fund of funds”, for the words from “do not permit” to the end there shall be substituted the words “comply with the first condition and the second condition.”;
- (c) for the definition of “relevant UCITS” there shall be substituted—
- “a “relevant UCITS” means—
- (i) a UCITS, situated in a member state other than the United Kingdom, which has been authorised by the competent authorities of the member state in which it is situated, and which is a “recognised scheme” by virtue of section 86 of the Financial Services Act 1986⁽³⁾, and
- (ii) a part of a UCITS mentioned in paragraph (i), which would be a part of an umbrella company, or a part of an umbrella scheme, if the definitions of “umbrella company”, “umbrella scheme” and a part thereof in either case applied to a relevant UCITS,

where the terms of the UCITS mentioned in paragraph (i) identify that UCITS, or the part thereof, as the case may be, as a scheme or part that would belong to one of the categories of securities fund, warrant fund, securities company or warrant company, if that UCITS or part, as the case may be, were independently an authorised unit trust or an open-ended investment company in respect of which an authorisation order made by the Financial Services Authority was in force;”.

(3) Section 86 was amended by section 206(1) of, and paragraph 8 of Part I of Schedule 23 to, the Companies Act 1989 (c. 40).