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STATUTORY INSTRUMENTS

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**2008 No. 704**

**The Individual Savings Account  
(Amendment) Regulations 2008**

**Amendment of regulation 22 (exemption from tax of account income and gains)**

**12.**—(1) Amend regulation 22(1) as follows.

(2) In paragraph (1)(a)(ii) for “by section 714(2) of the Taxes Act” substitute “under Part 12 of ITA 2007 (accrued income profits)”.

(3) In paragraph (1)(a) for paragraph (iv) substitute—

“(iv) on a profit on the disposal of a deeply discounted security within the meaning given by section 430 of ITTOIA 2005(2),”.

(4) In paragraph (1)(a)(v) for “by section 541 of the Taxes Act” substitute “under Chapter 9 of Part 4 of ITTOIA 2005”.

(5) For paragraph (1)(c) substitute—

“(c) a deficiency arising in a tax year and falling within section 539(1) of ITTOIA 2005(3), so far as it relates to an account investment, shall not be allowable as a deduction from the total income of the account investor;”.

(6) In paragraph (1)(e) for “section 660B of the Taxes Act” substitute “section 629 of ITTOIA 2005”.

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(1) Regulation 22 was relevantly amended by [S.I. 2001/908](#) and [2004/2996](#).

(2) Section 430 was amended by paragraph 25(2) of Schedule 7 to the [Finance \(No. 2\) Act 2005 \(c. 22\)](#).

(3) Section 539 was substituted by paragraph 539 of Schedule 1 to the [Income Tax Act 2007 \(c. 3\)](#).