
STATUTORY INSTRUMENTS

2010 No. 835

INCOME TAX

**The Individual Savings Account
(Amendment) Regulations 2010**

<i>Made</i>	- - - -	<i>17th March 2010</i>
<i>Laid before the House of Commons</i>	- - - -	<i>18th March 2010</i>
<i>Coming into force</i>	- -	<i>9th April 2010</i>

The Treasury make the following Regulations in exercise of the powers conferred by sections 694 to 701 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.—(1) These Regulations may be cited as the Individual Savings Account (Amendment) Regulations 2010 and shall come into force on 9th April 2010.

(2) These Regulations have effect from 30th December 2009.

Amendment to the Individual Savings Account Regulations 1998

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

3. After Regulation 5A(4) insert—

“Treatment of certain sums held in accounts managed by Keydata Investment Services Limited

5B.—(1) This regulation applies if—

(a) at 8th June 2009, an account investor had an account holding SLS Capital S.A. Secure Income Bonds, issue 1, 2 or 3 (“the Bonds”), for which the account

(1) 2005 c. 5; section 701(4) and (5) were inserted by section 40 of the Finance Act 2008 (c. 9).
(2) 1992 c. 12; section 151 was amended by section 85 of the Finance Act 1993 (c. 34), section 64(2) of the Finance Act 1995 (c. 4) and paragraph 436 of Schedule 1 to the Income Tax (Trading and other Income) Act 2005.
(3) S.I. 1998/1870; relevantly amended by S.I. 2009/1994.
(4) Regulation 5A was inserted by S.I. 2007/2119 and substituted by regulation 5 of S.I. 2009/1994.

- manager was Keydata Investment Services Limited (“Keydata”) which went into administration on that date;
- (b) the investor has received from the Administrators of Keydata a certificate containing the following information—
- (i) the investor’s full name and permanent residential address, including postcode;
 - (ii) the investor’s Keydata client reference number;
 - (iii) the date of investment in the Bonds;
 - (iv) the amount (if any) subscribed in cash;
 - (v) the amount (if any) subscribed by an ISA transfer;
 - (vi) the total amount subscribed (for investment in the Bonds); and
 - (vii) the maximum amount that can be reinvested using the certificate.
- (2) Where this regulation applies, the account investor may make a single subscription to a stocks and shares account held by him or her with another account manager—
- (a) not exceeding the maximum stated in the certificate under paragraph (1)(b)(vii);
 - (b) not later than 5th April 2011; and
 - (c) giving the certificate to the new account manager.
- (3) The subscription made under this regulation shall not count towards the subscription limits in regulation 4(2).
- (4) The new account manager must—
- (a) treat the subscription made under this regulation in the same way as an account transferred from another account manager to him; and
 - (b) retain either the certificate mentioned in paragraph (1)(b), or a copy of it.”

Tony Cunningham
Steve McCabe
Two of the Lords Commissioners of Her
Majesty’s Treasury

17th March 2010

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Individual Savings Account Regulations 1998 ([S.I. 1998/1870](#)). The effect of these Regulations is to allow individuals who had ISAs managed by Keydata Investment Services Limited (“Keydata,” which went into administration on 8th June 2009), holding investments in a Luxembourg company, SLS Capital S.A. Secure Income Bonds, issues 1, 2 or 3 (“the Bonds”), who have lost their capital, to reinvest up to the amount subscribed for investment in the Bonds in another stocks and shares ISA, by means of a single subscription, before 6th April 2011. These Regulations have effect from 30th December 2009, and make provision which does not impose or increase any liability to tax. In these circumstances, authority to make retrospective provision is conferred by section 701(4) of the Income Tax (Trading and other Income) Act 2005.

The relevant individuals will have received a certificate from the Administrators of Keydata, showing (inter alia) the maximum amount which can be so invested. The certificate must be handed to the new ISA account manager, who will treat the subscription in the same way as an ISA transfer. Such reinvestments have already taken place under the terms of ISA Bulletins 16 and 17.

Regulation 1 provides for citation, commencement and effect, and regulation 2 for amendment of the principal Regulations. Regulation 3 makes the provision for reinvestment of amounts subscribed for investment in the Bonds.

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