

2015 No. 941

INCOME TAX

CAPITAL GAINS TAX

**The Individual Savings Account (Amendment No. 3)
Regulations 2015**

<i>Made</i>	- - - -	<i>26th March 2015</i>
<i>Laid before the House of Commons</i>		<i>27th March 2015</i>
<i>Coming into force</i>	- -	<i>6th April 2015</i>

The Treasury, in exercise of the powers conferred by sections 694 to 699 and 701 of the Income Tax (Trading and Other Income) Act 2005(a) and section 151 of the Taxation of Chargeable Gains Act 1992(b) make the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Individual Savings Account (Amendment No. 3) Regulations 2015 and come into force on 6th April 2015.

Amendment of the Individual Savings Account Regulations 1998

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

3. After regulation 5D(2), insert—

“(3) A subscription to an account held by an account investor is made in accordance with this regulation if it comprises a transfer provided for by regulation 20A of the Child Trust Funds Regulations 2004(d).”.

4.—(1) In regulation 12A(1), after the fourth use of “account”, insert “or by the holder of a junior ISA account arising from a transfer provided for by regulation 20A of the Child Trust Funds Regulations 2004, or if the application is preliminary to such a transfer”.

(2) In regulation 12A(2), for “An eligible”, substitute “A”.

(3) After regulation 12A(3), insert—

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- (a) 2005 c. 5; sections 694, 699 and 701 were amended by section 40 of the Finance Act 2011 (c. 11), sections 695 and 698 were amended by paragraphs 131 and 132 of Schedule 4 to the Commissioners of Revenue and Customs Act 2005 (c. 11), section 695A was inserted by section 40 of the Finance Act 2008 (c. 9).
- (b) 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), paragraph 436 of Schedule 1 to the Income Tax (Taxation of Other Income) Act 2005 and section 40(7) of the Finance Act 2011.
- (c) S.I. 1998/1870; relevant amending instruments are S.I. 2007/2119, 2011/1780, 2012/1871, 2013/605, 2013/1743, 2014/1450.
- (d) S.I. 2004/1450, amended by S.I. 2015/876; there are other amending instruments but none is relevant.

“(3A) Except in the case of an account that will be held by an eligible child as mentioned in paragraph (1), the word “eligible” in paragraphs (4), (6), (7)(g), (h) and (i) and (8) must be disregarded.”

(4) In regulation 12A(7)(c), after “2004” insert “(but this is not required if the person who will hold the account is already the holder of a junior ISA account arising from a transfer mentioned in paragraph (1), or if the application is preliminary to such a transfer)”.

(5) In regulation 12A(7)(d)(i), after “Kingdom” insert “(but this is not required if the application is preliminary to a transfer mentioned in paragraph (1))”.

5. In regulation 21(4B), omit “including regulation 31(1)(c)”.

6.—(1) After regulation 21B(2), insert—

“(2A) Anything transferred to the account as part of the transfer mentioned in regulation 12A(1) is treated as previous years’ subscriptions for the purposes of this regulation.”.

(2) Omit regulation 21B(8B) to (8G).

(3) In regulation 21B(8H), omit “as described in paragraph (8B)(a)”.

7. In regulation 21B(11)(a)(iv), after “(if any)” and in regulation 31(3)(a)(iv), after “number”, insert “(otherwise, any unique reference number he may have had as mentioned in the Child Trust Funds Regulations 2004)”.

David Evennett

Gavin Barwell

26th March 2015

Two of the Lords Commissioners of Her Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Individual Savings Account Regulations 1998 (S.I. 1998/1450) to make them compatible with the transfer of child trust funds to junior ISAs under regulation 20A of the Child Trust Funds Regulations 2004 (S.I. 2004/1450)(a).

A Tax Information and Impact Note covering this instrument has been published at: <https://www.gov.uk/government/publications/child-trust-funds-and-junior-individual-savings-account-account-transfers-management-of-accounts-and-lifestyling-of-stakeholder-ctfs>.

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(a) Regulation 4(2) and (3) simplifies the process of bulk transfers of junior ISAs.

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