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STATUTORY INSTRUMENTS

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**2016 No. 364**

**The Individual Savings Account  
(Amendment No. 2) Regulations 2016**

**Amendment of the Individual Savings Account Regulations 1998**

5. In regulation 4 (general conditions for accounts and subscriptions to accounts)—
- (a) in paragraph (1), for “and in respect of which—” substitute “which is an innovative finance account or in respect of which—”;
  - (b) after paragraph (1), insert—
    - “(1ZA) An innovative finance account is an account in respect of which—
      - (a) the conditions in paragraphs (1A)(a) and (ca); (1B)(ba) to (e); (5); (6)(a), (e) and (g) are fulfilled;
      - (b) in relation to cash held in an account, the conditions in paragraphs (6)(f) and (fa) and (7) are fulfilled; and
      - (c) the application to open the account is made in accordance with regulation 12.”;
  - (c) in paragraph (1A)—
    - (i) in sub-paragraph (a), for “or a cash account” substitute “, a cash account or an innovative finance account”;
    - (ii) after sub-paragraph (c), insert—
      - “(ca) an innovative finance account is made up of a single innovative finance component only;”;
  - (d) in paragraph (1B), after sub-paragraph (b), insert—
    - “(ba) except for a subscription made in accordance with regulation 5D(2)(a)(iv), a qualifying individual who is 18 or over may only subscribe to a single innovative finance account in a particular year;”;
  - (e) in paragraph (6)(b), after “regulation 8(2)(a),(b) or (e)” insert “and qualifying investments for an innovative finance component”.