STATUTORY INSTRUMENTS

2015 No. 1370

INCOME TAX

CAPITAL GAINS TAX

The Individual Savings Account (Amendment No. 4) Regulations 2015

Made - - - -	*10th June 2015*
Laid before the House of Commons	*10th June 2015*
Coming into force - -	*1st July 2015*

The Treasury, in exercise of the powers conferred by sections 694, 695, 695A, 696 and 701(1) and (5) of the Income Tax (Trading and Other Income) Act 2005(**a**) and section 151(1) and (2) 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. 4) Regulations 2015 and come into force on 1st July 2015.

Amendment of the Individual Savings Account Regulations 1998

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

3. In regulation 2(1)(a) (interpretation)—

(a) in the definition of "company"—

(i) at the end of paragraph (i) insert "or";

(ii) for the comma at the end of paragraph (ii), substitute a semicolon;

(iii) omit sub-paragraphs (iii) and (iv);

(b) omit the definition of "industrial and provident society".

4. In regulation 7 (qualifying investment for stocks and shares component)—

(a) in paragraph (2)—

(i) at the end of sub-paragraph (b)(i) insert "and";

(**a**) 2005 c.5; sections 694 and 701 were amended, and section 695A was inserted, by section 40 of the Finance Act 2011 (c.11), sections 695 and 696 were amended by paragraphs 131 and 132 of Schedule 4 to the Commissioners for Revenue and Customs Act 2005 (c.11), section 701(5) 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 (Trading and Other Income) Act 2005 and section 40(7) of the Finance Act 2011.

(**c**) S.I.1998/1870,relevant amending instruments are S.I.1998/1374, S.I.2000/3112,S.I.2001/3629, S.I.2004/996, S.I.2005/2561, S.I.2008/704, S.I. 2009/1994, S.I.2012/1871, S.I.2014/654 and S.I.2014/1450.

(ii) at the end of sub-paragraph (b)(ii) for "and" substitute a full stop;

(iii) omit sub-paragraph (b)(iii);

(iv) in sub-paragraph (d) omit ", in circumstances where the trust satisfies the conditions specified in paragraph (8)";

(v) omit paragraph (8).

(b) in paragraph (5) at the end of sub-paragraph (c) for the full stop substitute a semicolon and, after that sub-paragraph, insert—

"(d) that the shares in the company issuing the securities are admitted to trading on a recognised stock exchange in the European Economic Area;

(e) that the securities are so admitted to trading;

(f) that the company issuing the securities is a 75% subsidiary of a company whose shares are so admitted to trading."

5. In regulation 31(4)(a) (returns of information by account manager)—

(a) at the end of sub-paragraph (ii) insert "listed on the official list of a recognised stock exchange";

(b) after sub-paragraph (ii) insert—

"(iiaa) qualifying securities admitted to trading on a recognised stock exchange in an EEA State,".

David Evennett
Alun Cairns

10th June 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. 1998/1870) ("the principal Regulations").

Regulations 3 and 4 amend provisions concerned with investments which are qualifying investments for the purposes of a stocks and shares ISA to provide that securities issued by registered societies and securities admitted to trading on a recognised stock exchange in the European Economic Area are qualifying investments for the purposes of a stocks and shares ISA. Regulation 4 removes the requirement at Regulation 7(2)(b)(iii) of the principal Regulations that not more than 50% in value of the investments in an investment trust can be securities which do not qualify as ISA investments.

Regulation 5 requires an account manager to provide separate information to HMRC concerning securities listed on the official list of a recognised stock exchange and securities admitted to trading on a recognised stock exchange in the EEA.

A Tax Information and Impact Note covering this instrument will be published on the website at https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins.

© Crown copyright 2015

Printed and published in the UK by The Stationery Office Limited under the authority and superintendence of Carol Tullo, Controller of Her Majesty's Stationery Office and Queen's Printer of Acts of Parliament.

£4.25

UK201506105 06/2015 19585

http://www.legislation.gov.uk/id/uksi/2015/1370

ISBN 978-0-11-113666-9

9 780111 136669