STATUTORY INSTRUMENTS

2025 No. 733

INCOME TAX

CAPITAL GAINS TAX

The Individual Savings Account (Amendment) Regulations 2025

Made - - - -	*23rd June 2025*
Laid before the House of Commons	*24th June 2025*
Coming into force in accordance with regulation 1(2) and (3)	

The Treasury make these Regulations in exercise of the powers conferred by section 151(1) of the Taxation of Chargeable Gains Act 1992(**a**) and sections 694(3) and (5), 695, 695A, 696, 699(2) and 701 of the Income Tax (Trading and Other Income) Act 2005(**b**).

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Individual Savings Account (Amendment) Regulations 2025.

(2) Regulation 4 comes into force on 6th April 2027 and has effect in relation to the tax year 2027-28 and subsequent tax years.

(3) The rest of these Regulations come into force on 15th July 2025.

Amendment of the Individual Savings Account Regulations 1998

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

Amendment of regulation 2

3. In paragraph (1)(b) of regulation 2 (interpretation)(**d**), at the appropriate place insert—

""long-term asset fund" means a scheme to which chapter 15 of COLL applies;".

(**a**) 1992 c. 12.

(**b**) 2005 c. 5. In these footnotes, "FA" followed by a year is a reference to a Finance Act of that year. Section 694 was amended by section 40(2) of FA 2011 (c. 11). Section 695 was amended by paragraph 132 of Schedule 4 to the Commissioners for Revenue and Customs Act 2005 (c. 11) ("the 2005 Act"). Section 695A was inserted by section 40(3) of FA 2011. Section 699(2) was amended by paragraph 132 of Schedule 4 to the 2005 Act.

(**c**) S.I. 1998/1870. References in these footnotes to provisions in "the principal Regulations" are references to provisions in S.I. 1998/1870.

(**d**) Regulation 2(1)(b) of the principal Regulations defines "COLL" as the Collective Investment Schemes Sourcebook made by the Financial Conduct Authority under FISMA 2000 (definition inserted by S.I. 2013/472) and "FISMA" as the Financial Services and Markets Act 2000 (definition inserted by S.I. 2009/1994); there are other amending instruments but none is relevant.

Amendment of regulation 4ZA

4. After paragraph (1A) of regulation 4ZA (subscriptions to an account other than a junior ISA account)(**a**) insert—

"(1B) A qualifying individual(**b**) may only subscribe to an account that is not a junior ISA account if the account manager(**c**) of that account—

(a) has been provided with the qualifying individual's national insurance information specified in paragraph (4), and

(b) has no reason to believe that the qualifying individual does not meet the requirement of regulation 12(3)(f)(**d**).".

Amendment of regulation 5DDB

5.—(1) For paragraph (3) of regulation 5DDB (flexible account)(**e**) substitute—

"(3) Any replacement of a previous years' subscription(**f**) may be made only to the account from which the withdrawal of a cash amount it is replacing was made.

(3A) Any replacement subscription(**g**) that is not deemed to be a replacement of a previous years' subscription is to be treated as a subscription to an account as specified in regulation 4ZA (subscriptions to an account other than a junior ISA account).".

(2) In paragraph (4) of regulation 5DDB, before "Any withdrawal" insert "Subject to paragraph (4A),".

(3) After paragraph (4) of regulation 5DDB insert—

"(4A) No withdrawal under paragraph (1) may reduce the current year's subscription(**h**) amount to less than nil.".

Amendment of regulation 7

6. After paragraph (2C) of regulation 7 (qualifying investments for a stocks and shares component)(**i**) insert—

"(2D) Notwithstanding any provision of paragraph (1), investments which—

(a) immediately before 1st October 2024 fell within paragraph (2)(f) by virtue of being units in, or shares of, a recognised UCITS(**j**), or

(b) qualify under paragraph (2)(f) by virtue of being part of an umbrella scheme that immediately before 1st October 2024 fell within that paragraph by virtue of being units in, or shares of, a recognised UCITS,

are to be treated, until the end of 31st December 2026, as qualifying investments for the stocks and shares component.

(**a**) Regulation 4ZA was inserted by S.I. 2011/1780 and was amended by S.I. 2014/1450, 2017/186, 2017/466, 2024/350 and 2024/1022.
(**b**) "Qualifying individual" is defined in regulation 10 of the principal Regulations.
(**c**) "Account manager" is defined in regulation 2(1)(a) of the principal Regulations.
(**d**) Paragraph (3)(f) of regulation 12 was substituted by S.I. 2001/908 and was amended by S.I. 2005/3230, 2008/704, 2011/1780, 2013/605, 2016/16, 2020/30 and 2024/350.
(**e**) Regulation 5DDB was inserted by S.I. 2016/16. Paragraph (3) was amended by S.I. 2024/350.
(**f**) "Previous years' subscription" is defined in regulation 5DDB(8) of the principal Regulations.
(**g**) "Replacement subscription" is defined in regulation 5DDB(1) of the principal Regulations.
(**h**) "Current year's subscription" is defined in regulation 5DDB(8) of the principal Regulations.
(**i**) Paragraph (2A) was inserted by S.I. 2020/30. Paragraph (2C) was inserted by S.I. 2024/1022.
(**j**) "Recognised UCITS" and "umbrella scheme" are defined in regulation 2(1)(b) of the principal Regulations.

(2E) Paragraph (2A) ceases to have effect at the end of 31st December 2026.".

Amendment of regulation 8A

7. In paragraph (2) of regulation 8A (qualifying investments for an innovative finance component)(**a**), after sub-paragraph (cb) insert—

"(cc) investments in a long-term asset fund;".

Jeff Smith
Anna Turley
23rd June 2025 Two of the Lords Commissioners of His Majesty's Treasury

(**a**) Regulation 8A was inserted by S.I. 2016/364. Paragraph (2) was amended by S.I. 2016/977, 2023/264 and by 2024/350.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Individual Savings Accounts Regulations 1998 ("the principal Regulations").

Regulation 3 amends regulation 2 of the principal Regulations to provide the definition of "long-term asset fund".

Regulation 4 amends regulation 4ZA of the principal Regulations to provide that an individual may not subscribe to an account which is not a junior ISA account unless national insurance information has been provided in relation to that individual and the account manager has no reason to believe that the conditions in regulation 12(3)(f) of the principal Regulations are not met.

Regulation 5 amends regulation 5DDB of the principal Regulations to provide that any replacement of a previous years' subscription may only be made to the account from which the cash withdrawal was made. It also amends regulation 5DDB to provide that no withdrawal under paragraph (1) of that regulation may reduce the current year's subscription amount to less than nil.

Regulation 6 amends regulation 7 of the principal Regulations. It inserts a new paragraph (2D) in regulation 7 to provide that investments which immediately before 1st October 2024 were units in or shares of a recognised UCITS, or which were units in or shares of a recognised UCITS within an umbrella scheme immediately before 1st October 2024, are qualifying investments until 31st December 2026. New paragraph (2E) of regulation 7 provides that paragraph (2A) of regulation 7 ceases to have effect at the end of 31st December 2026.

Regulation 7 amends regulation 8A of the principal Regulations to include long-term asset funds among the qualifying investments for an innovative finance component of an account.

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

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