

2008 No. 3025

INCOME TAX

**The Individual Savings Account (Amendment No. 3)
Regulations 2008**

Made - - - - - *24th November 2008*
Laid before the House of Commons *24th November 2008*
Coming into force - - - *16th December 2008*

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(a) and section 151 of the Taxation of Chargeable Gains Act 1992(b):

Citation and commencement

1. These Regulations may be cited as the Individual Savings Account (Amendment No. 3) Regulations 2008 and shall come into force on 16th December 2008.

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) in the definition of “security”—

- (a) for “(cb) and (8)(b), 8(2)(e) and (f), 31(4)(b)” substitute “(cc) and (8)(b), 8(2)(f)”;
- (b) at the end add “, and in regulation 7(2)(cc) has the same meaning but with the omission of the words “of a company””.

4. In regulation 7(2) (qualifying investments for a stocks and shares component) after subparagraph (cb) insert—

“(cc) securities issued by a multilateral institution, contributions to which may be reported as official development assistance, listed in Part I of Annex 2 to the DAC Statistical Reporting Directive(d) (approved by the Development Assistance Committee of the Organisation for Economic Co-operation and Development), where the securities satisfy the conditions in paragraphs (5)(b) and (6);”.

Steve McCabe
Frank Roy

24th November 2008

Two of the Lords Commissioners of Her Majesty’s Treasury

(a) 2005 c. 5; there are no relevant amendments.
(b) 1992 c. 12.
(c) S.I. 1998/1870.
(d) DCD/DAC(2007)34.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Individual Savings Account Regulations (S.I. 1998/1870) to extend the list of qualifying investments for stocks and shares ISAs to include bonds issued by multilateral institutions (as defined by the Organisation for Economic Co-operation and Development). Multilateral institutions are those, contributions to which may be reported as official development assistance by governments and other official agencies. Some multilateral institutions, which receive grants from national governments, have issued securities on the capital markets, in order to raise funds for their development goals. These Regulations allow retail investors who purchase those securities to do so through their ISAs.

Regulation 1 provides for citation and commencement.

Regulation 3 makes necessary changes to the ISA definition of “securities.”

Regulation 4 adds the securities to the list of qualifying investments for stocks and shares ISAs.

A full and final Impact Assessment has not been produced for this instrument as a negligible impact on the private or voluntary sectors is foreseen.