

2008 No. [XXXX]

INCOME TAX

**The Individual Savings Account (Amendment No. 2)
Regulations 2008**

<i>Made</i> - - - -	2008
<i>Laid before the House of Commons</i>	2008
<i>Coming into force</i> - -	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 Tax Act 1992(b).

Citation and commencement

1. These Regulations may be cited as the Individual Savings Account (Amendment No. 2) Regulations 2008 and shall come into force on [day/month] 2008.

Amendment of the Individual Savings Account Regulations 1998 (S.I. 1998/1870)

2. In the Individual Savings Account Regulations 1998(c) insert the following regulation after regulation 5—

“Treatment of certain sums held in accounts managed by Northern Rock plc

5A.—(1) This regulation applies if—

- (a) at the beginning of 13th September 2007, an account investor had an investment in an account for which Northern Rock was the account manager;
- (b) during the period beginning on 13th September 2007 and ending on 19th September 2007, the account investor withdrew an amount (the “earlier amount”) from the account;
- (c) during the period beginning on 13th September 2007 and ending on 5th April 2008, the account investor subscribed an amount (the “later amount”) to an account (whether the account manager for the account to which the later amount was subscribed was Northern Rock or some other person (the “new account manager”)).

(a) 2005 c. 5. Sections 695, 696, 698, 699 and 700 were amended by paragraph 132 of Schedule 4 to the Commissioners for Revenue and Customs Act 2005 (c. 11) to replace references to the Commissioners of Inland Revenue with references to the Commissioners for Her Majesty’s Revenue and Customs; and section 701 was amended by section [x] of the Finance Act 2008 (c. [y]).

(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) and paragraph 436 of Schedule 1 to the Income Tax (Trading and Other Income) Act 2005 (c. 5).

(c) S.I. 1998/1870, to which there are amendments not relevant to these Regulations.

(2) If the account manager for the account mentioned in paragraph (1)(c) was the new account manager, the account investor must also give the certificate specified in paragraph (3) to the new account manager.

(3) The certificate is a certificate, given by Northern Rock, containing the following information—

- (a) the account holder's full name;
- (b) the account holder's date of birth;
- (c) the account holder's permanent address (including postcode);
- (d) the account holder's national insurance number (if the account holder has one);
- (e) the earlier amount;
- (f) the date (or dates) within the period specified in paragraph (1)(b) on which the earlier amount was withdrawn.

(4) If this regulation applies, the later amount does not count towards the subscription limits for the year 2007-08.

(5) If a subscription was made to the account mentioned in paragraph (1)(a) before 13th September in the year 2007-08 and the earlier amount exceeds the later amount, the excess does not count towards the subscription limits for the year 2007-08.

(6) The new account manager must—

- (a) treat the later amount in the same way as an account transferred from another account manager to the new account manager during the year 2007-08, and
- (b) retain either the certificate mentioned in paragraph (3) or a copy of that certificate.

(7) In this regulation—

“Northern Rock” means Northern Rock plc, company registered number 3273685;

the “subscription limits” means the subscription limits in paragraphs (2) and (3)(a) of regulation 4.”.

Date [abc]
[def]
Two of the Lords Commissioners of Her Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

[To follow.]