

**2025 No.**

**INCOME TAX**

**CAPITAL GAINS TAX**

**The Individual Savings Account (Amendment) Regulations 2025**

*Made* - - - - *\*\*\**  
*Laid before the House of Commons* 30th May 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) Regulations 4, 5, 8, 9 and 10 come into force on 6th April 2027 and have effect in relation to the tax year 2027-28 and subsequent tax years.

(3) The rest of these Regulations come into force on [date].

**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 places insert—

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

““reporting period” means any period beginning with the 6th day of a month and ending with the 5th day of the month immediately following”;

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(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) 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 amendments to regulation 2 not relevant to these Regulations.

#### **Amendment of regulation 4ZA**

4. Before paragraph (3) of regulation 4ZA (subscriptions to an account other than a junior ISA account)(a) insert—

“(A3) 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 4A**

5. For paragraph (5) of regulation 4A (repair of certain incompatible account and excess subscriptions - accounts other than junior ISA accounts)(e) substitute—

“(5) The account manager must comply with any directions in the notice of discovery which—

- (a) make the apportionment under paragraph (4)(b) and identify the account and component from which excess subscriptions or allocations (if any) are to be removed,
- (b) direct the removal of subscriptions and proceeds representing them from an account; or
- (c) direct the removal of subscriptions and proceeds representing them from a component.

(5A) The account manager must comply with directions of a type mentioned in paragraph (5) within the period of 30 days beginning with the day after the day on which the reporting period in which the notice of discovery was received.”.

#### **Amendment of regulation 5DDB**

6.—(1) For paragraph (3) of regulation 5DDB (flexible account)(f) substitute—

“(3) Any replacement of a previous years’ subscription(g) may be made only to the account from which the withdrawal of a cash amount it is replacing was made.

(3A) Any replacement subscription(h) 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—

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- (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 4A was inserted by S.I. 2002/3158.
  - (f) Regulation 5DDB was inserted by S.I. 2016/16. Paragraph (3) was amended by S.I. 2024/350.
  - (g) “Previous years’ subscription” is defined in regulation 5DDB(8) of the principal Regulations.
  - (h) “Replacement subscription” is defined in regulation 5DDB(1) of the principal Regulations.

“(4A) No withdrawal under paragraph (1) may reduce the current year’s subscription(a) amount to less than nil.”.

#### **Amendment of regulation 7**

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

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

- (a) were held by an account investor under a stocks and shares component on 1st October 2024, and
- (b) immediately before that date fell within paragraph (2)(f) 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 share component for so long as they are so held.

(2E) Paragraph (2A) will cease to have effect at the end of 31st December 2026.”.

#### **Amendment of regulation 8A**

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

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

#### **Amendment of regulation 31**

9.—(1) In paragraph (1) of regulation 31 (returns of information by account manager)(d), omit “, signed by the account manager(e) or on his behalf”.

(2) In paragraph (3) of regulation 31—

- (a) omit “other than accounts transferred to another account manager under regulation 21(2) in that year or part of a year,”;
- (b) in sub-paragraph (a)—
  - (i) after paragraph (iii) omit “and”, and
  - (ii) after paragraph (iv) insert—
    - “(v) if the account investor(f) is not eligible for a national insurance number, confirmation of the account investor’s non-eligibility, and
    - (vi) confirmation of whether, to the best of the account manager’s knowledge, the account investor is deceased;”;
- (c) in sub-paragraph (b)—
  - (i) omit “and” after paragraph (i), and
  - (ii) after paragraph (ii) insert—

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(a) “Current year’s subscription” is defined in regulation 5DDB(8) of the principal Regulations.  
(b) Paragraph (2A) was inserted by S.I. 2020/30. Paragraph (2C) was inserted by S.I. 2024/1022.  
(c) Regulation 8A was inserted by S.I. 2016/364. Paragraph (2) was amended by S.I. 2016/977, 2023/264 and by 2024/350.  
(d) Paragraph (1) of regulation 31 was amended by S.I. 2011/1780 and 2017/1089. Sub-paragraphs (a) and (b) of paragraph (3) of regulation 31 were amended by S.I. 2007/2119, 2014/654, 2015/941 and by 2016/364.  
(e) “Account manager” is defined in regulation 2(1)(a) of the principal Regulations.  
(f) “Account investor” is defined in regulation 2A of the principal Regulations. Regulation 2A was inserted by S.I. 2011/1780 and was amended by S.I. 2012/1871 and 2017/466.

- “(iii) the date on which the last subscription event<sup>(a)</sup> was made to the account, in the year or the part of the year for which the return is made, and”,
- (d) In paragraph (iia) of sub-paragraph (c) omit “(except for a replacement subscription)”.

### **Insertion of regulations 31A and 31B**

**10.**—(1) After regulation 31, insert—

#### **“Requirement to report subscription events**

**31A**—(1) An account manager must provide the Board<sup>(b)</sup> with a report (“the report”), in such a manner as the Board may direct, of all subscription events which occur in a reporting period<sup>(c)</sup> in respect of accounts of which the account manager acts as an account manager.

(2) The particulars which must be reported are prescribed in regulation 31B.

(3) But the following do not need to be reported—

- (a) a subscription event which does not result in a change to the current year’s subscription to an account;
- (b) any subscriptions to an account for which the account investor is not eligible for a national insurance number.

(4) The account manager must provide the report within the period of 14 days beginning with the day after the day on which the reporting period ended.

(5) For the purposes of this regulation, the following matters are subscription events—

- (a) a subscription to an account of the type referred to in regulation 4ZA (subscriptions to an account other than a junior ISA account);
- (b) a withdrawal of current year’s subscription in the case of a flexible account<sup>(d)</sup> if, in the reporting period for which the report is made (and disregarding a subscription made in accordance with regulation 5D (subscriptions disregarded for the purposes of the subscription limits in regulations 4ZA(1) and 4ZB)) the amount of any cash withdrawn from the account exceeds the total amount subscribed to it, the amount to be reported is nil;
- (c) a repair under regulation 4A (repair of certain incompatible account and excess subscription accounts other than junior ISA accounts) or 4AA (application of repair provisions to Lifetime ISAs) which alters the current year’s subscription balance of the account;
- (d) an action under regulation 4A, 4AA or 21C which alters, in relation to an account, the amount specified in regulation 31(3)(c)(ii)(e);
- (e) a transfer of current year subscriptions between account managers in accordance with regulation 21 (transfers relating to accounts other than junior ISA accounts) or 21A (further requirements relating to transfers between cash accounts);
- (f) any action taken by the account manager to amend, in relation to an account, a previously-reported amount specified in regulation 31(3)(c)(ii).

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(a) “Subscription event” is defined in regulation 31A.

(b) “The Board” is defined in regulation 2(1)(a) of the principal Regulations as “the Commissioners for His Majesty’s Revenue and Customs”. The definition was substituted by S.I. 2005/2561.

(c) “Reporting period” is defined in regulation 2(1)(b) of the principal Regulations.

(d) “Flexible account” has the meaning given in regulation 5DDB of the principal Regulations.

(e) Regulation 31(3)(c)(ii) was substituted by S.I. 2007/2119 and was amended by S.I. 2011/1780, 2012/1871 and 2016/16.

### Particulars of subscription event reports

**31B.**—(1) An account manager must deliver a report to the Board which contains the information specified in paragraph (2) and must be accompanied by a certificate as to the contents of the report, in the form prescribed by the B.

(2) The information specified in this paragraph is information relating to each account, in respect of which he acted as account manager, in the period in which the return is made in that [period/year or part of a year]), as regards—

- (a) the account investor—
  - (i) his full name;
  - (ii) his date of birth; and
  - (iii) his national insurance number (if he is eligible for one);
- (b) each such account—
  - (i) the number allocated to the account by the account manager;
  - (ii) whether the account is a cash account(a), a stocks and shares account(b) or an innovative finance account(c);
  - (iii) whether the account is a flexible account;
  - (iv) the total amount, disregarding a subscription made in accordance with regulation 5D, subscribed to the account, [in the period for which the report is made];
  - (v) in relation to a cash account or stocks and shares account, the market value of the account investments held under the component of the account, the value of each account investment being determined either as at the day on which the reporting period ended or the last available valuation date in that year, not falling earlier than 5 April;
  - (vi) in relation to an innovative finance account comprising investments of the kind specified in regulation 8A(2)(a), (ca) or (cb), the aggregate of the amounts set out at paragraphs (aa) to (cc)—
    - (aa) for investments of the kind specified in regulation 8A(2)(a) or (ca), the outstanding principal balance as at the day on which the reporting period ended, or the date on which the account manager ceases to act or qualify as an account manager, under those qualifying investments for an innovative finance component in respect of which payments are due to be made;
    - (bb) for investments of the kind specified in regulation 8A(2)(cb), their market value determined either as at the day on which the reporting period ended, or any other valuation date in that year, not falling earlier than 5th April; and
    - (cc) the amount of cash held in the account as at the day on which the reporting period ended, or the date on which an account manager ceases to act or qualify as an account manager.
  - (vii) in the case of a flexible account if (disregarding a subscription made in accordance with regulation 5D) that amount of any cash withdrawn from

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(a) “Cash account” has the meaning given in regulation 4(1A)(a) and (c) of the principal Regulations.

(b) “Stocks and shares account” has the meaning given in regulation 4(1A)(a) and (b) of the principal Regulations.

(c) “Innovative finance account” has the meaning given in regulation 4(1ZA) of the principal Regulations.

the account exceeds the total amount subscribed to it, the amount to be reported is nil; and

(viii) the date on which the last subscription event occurred in relation to the account in the period for which the report is made.”.

Date

*Two of the Lords Commissioners of His Majesty's Treasury*

## 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 definitions of “long-term asset fund” and “reporting period”.

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) are not met.

Regulation 5 amends regulation 4A of the principal Regulations to require repair of accounts which are not junior ISA accounts to take place within 30 days of the end of the reporting period in which the notice of discovery relating to such repairs is received.

Regulation 6 amends regulation 5DDB of the principal Regulations to provide that replacement of a previous year’s subscriptions 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 (4) of that regulation may reduce the current year’s subscription amount to less than nil.

Regulation 7 amends regulation 7 of the principal Regulations. It inserts a new paragraph (2D) in regulation 7 to provide that investments held under a stocks and shares component which are units in or shares of a recognised UCITS, provided that they were so held on 1st October 2024 and for as long as they continue to be so held, are qualifying investments until 31st December 2026. New paragraph (2E) provides that paragraph (2A) of regulation 7 will cease to have effect on 31st December 2026.

Regulation 8 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.

Regulation 9 amends regulation 31 of the principal Regulations to make changes to the requirements relating to the returns of information provided to the Commissioners of His Majesty’s Revenue and Customs (“the Commissioners”).

Regulation 10 inserts new regulations 31A and 31B into the principal Regulations, which make provision as to subscription events and impose a requirement on account managers to report such events to the Commissioners.

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