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STATUTORY INSTRUMENTS

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**2017 No. 466**

**The Individual Savings Account  
(Amendment No. 2) Regulations 2017**

**Regulation 4**

**6.—(1)** Amend regulation 4 (general conditions for accounts and subscriptions to accounts)<sup>(1)</sup> as follows.

(2) In paragraph (1) after “innovative finance account” insert “or a Lifetime ISA”.

(3) In paragraph (1ZA) for “(1B)(ba) to (e)” substitute “(1B)(ba) and (c), d(i) and (e)”.

(4) After paragraph (1ZA) insert—

“(1ZB) A Lifetime ISA is an account in respect of which—

(a) the conditions in paragraphs (1A)(a) and (cb), (1B)(bb), (c), (d)(ii), (e) and (f) and (5) to (10) are fulfilled; and

(b) the application to open the account is made in accordance with regulation 12B.”

(5) In paragraph (1A)—

(a) in sub-paragraph (a) for “or an innovative finance account” substitute “, an innovative finance account or a Lifetime ISA”, and

(b) after sub-paragraph (ca) insert—

“(cb) a Lifetime ISA is made up of a single Lifetime ISA component only;”.

(6) In paragraph (1B)—

(a) after sub-paragraph (ba) insert—

“(bb) a Lifetime ISA qualifying individual may only make a qualifying addition to a single Lifetime ISA in a particular year;”.

(b) at the end of sub-paragraph (c) insert—

“or, in the case of a Lifetime ISA, to which only one Lifetime ISA qualifying individual makes a qualifying addition”.

(c) for sub-paragraph (d) substitute—

“(d) subject to regulations 5DDA(2)(e)<sup>(2)</sup> and 7(2)(h), it is—

(i) an account that is not a Lifetime ISA account to which the qualifying individual subscribes only by payment to the account manager of a sum or sums of the individual’s cash, or

(ii) a Lifetime ISA to which the Lifetime ISA qualifying individual makes qualifying additions only by—

(aa) payment to the account manager of a sum or sums of the individual’s cash; or

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(1) Regulation 4 was amended by [S.I. 2002/1974](#), [2011/1780](#), [2014/1450](#), [2015/869](#), [2016/364](#) and [2016/977](#).

(2) Regulation 5DDA was inserted by [S.I. 2015/869](#).

- (bb) a transfer of qualifying investments for a Lifetime ISA component from another account of the account investor;”, and
- (d) after sub-paragraph (e) insert—
- “; and
- (f) in the case of a Lifetime ISA the current year payments made by a Lifetime ISA qualifying individual do not in aggregate in any year exceed the Lifetime ISA payment limit in regulation 4ZA(1A)(3).”.
- (7) In paragraph (6)—
- (a) in sub-paragraphs (c) and (d) after “qualifying investments for an innovative finance component,” insert “; a Lifetime ISA component”, and
- (b) in sub-paragraph (fa) after “any cash shall be transferred or paid to him” insert “or, where paragraph 6(12) of the Schedule applies, an eligible conveyancer”.
- (8) At the end of paragraph (7) insert—
- “Where the account is a Lifetime ISA and an amount is being withdrawn for the purpose of a first-time residential purchase by the account investor under paragraph 6 of the Schedule, the period of 30 days referred to in sub-paragraph (a) runs from the date on which the account manager receives the information from the account investor’s conveyancer in accordance with paragraph 8(2) and (3) of the Schedule.”.
- (9) After paragraph (8) insert—
- “(9) A Lifetime ISA opened in accordance with regulation 12B is to be treated as such an account notwithstanding that the account investor reaches 50 years of age or over and that no further qualifying addition can be made to the account.
- (10) A Lifetime ISA in relation to which an account manager has received notification of closure within 30 days after the latest applicable cancellation period start date for the purposes of the Conduct of Business Sourcebook (published by the Financial Conduct Authority under FISMA 2000(4)) is to be treated for all purposes of these Regulations as never having been such an account.
- (11) Where a Lifetime ISA is opened (“the new account”) on a transfer from another such account (“the original account”) of the account investor, the latest applicable cancellation period start date for the original account is to be treated for the purposes of paragraph (10) as the latest applicable cancellation start date for the new account.
- (12) If during the year 2017-18 after the opening of a Lifetime ISA a withdrawal is made other than in any of the circumstances specified in paragraph (13) or described in paragraph 11 of the Schedule the account is to be treated for all purposes of these Regulations as never having been such an account.
- (13) The circumstances specified in this paragraph are where—
- (a) the withdrawal is by way of a transfer to another Lifetime ISA in accordance with regulation 21;
- (b) the account investor is suffering from a terminal illness (within the meaning of paragraph 4(2) of the Schedule); or
- (c) the withdrawal is made at a time after the account investor’s death.”.

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(3) Regulation 4ZA(1A) is inserted by these Regulations.

(4) The Conduct of Business Sourcebook published by the Financial Conduct Authority can be obtained from <https://www.handbook.fca.org.uk/handbook/COBS/15/?view=chapter> and from the Financial Conduct Authority, 25 The North Colonnade, London E14 5HS.

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**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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