Draft Regulations laid before Parliament under section 28(4) and (7) of the Saving Gateway Accounts Act 2009, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2009 No.

SAVING GATEWAY ACCOUNTS

The Saving Gateway Accounts Regulations 2009

Made - - - -	***
	in accordance with
Coming into force - -	*regulation 1*

A draft of this instrument has been laid before Parliament in accordance with section 28(4) and (7) of the Saving Gateway Accounts Act 2009(**1**) and approved by a resolution of each House of Parliament.

Accordingly, the Treasury make the following Regulations in exercise of the powers conferred by sections 2(2) and (3), 3(1)(b), (5) and (6), 4 to 7, 8(1) and (4), 9 to 12, 16, 17, 24(4) and 28(1) and (2) of the Saving Gateway Accounts Act 2009:

PART 1

Introductory and Eligibility

Citation and commencement

1. These Regulations may be cited as the Saving Gateway Accounts Regulations 2009 and shall come into force on the appointed day.

Interpretation

2.—(1) In these Regulations—

(a) the following expressions have the meanings given in the Saving Gateway Accounts Act 2009 ("the Act")—

"approved account provider" (see section 4(1));

"the Commissioners" (see section 1(2));

a "death payment" (see section 4(2)(b));

(**1**) 2009 c. 8.

"eligible person" (see section 3(1) as supplemented by regulations 3 and 4);

the "first month of the account's operation" (see section 4(5)), and references to the sixth or any other month of the account's operation, and cognate expressions, have corresponding meanings;

"maturity payment" (see section 4(2)(a));

"maturity period" (see section 4(2)(a));

"month" (see section 4(5)), except in the expression "the first month of the account's operation;

"notice of eligibility" (see section 2);

the "qualifying balance" of a Saving Gateway account (see section 8(2));

"the relevant date" (see section 1(3));

"relevant person" (see section 17(2));

"Saving Gateway account" (see section 1(1));

"tax appeal" (see section 24(3));

(b) except where the context otherwise requires—

"accepting deposits", in regulation 14, has the meaning in section 22 of FISMA 2000, taken with Schedule 2 of that Act and any order made under section 22;

"account", except in regulations 8, 10(2)(k), 20(1) and (2) and 21, means a Saving Gateway account;

"appointed day" means the day appointed under section 31 of the Act for the purposes of section 8 of the Act;

"credit union" means a society registered as a credit union under the Industrial and Provident Societies Act 1965(**2**), or the Credit Unions (Northern Ireland) Order 1985(**3**);

"EEA State" means a State, other than the United Kingdom, which is a Contracting Party to the EEA agreement;

"electronic communications" includes any communications by an electronic communications network (within the meaning in the Communications Act 2003(**4**));

"electronic signature" has the meaning given by section 7(2) of the Electronic Communications Act 2000(**5**);

"FISMA 2000" means the Financial Services and Markets Act 2000(**6**);

"full name" includes shortened details sufficient to identify the individual;

"ITA 2007" means the Income Tax Act 2007(**7**);

"ITTOIA 2005" means the Income Tax (Trading and Other Income) Act 2005(**8**);

"insolvency event" means the procedures listed in the definition of "insolvency event" in regulation 19(15) of the Payment Services Regulations 2009(**9**)

(**2**) 1965 c. 12.
(**3**) S.I. 1985/1205 (N.I. 12).
(**4**) 2003 c. 21.
(**5**) 2000 c. 7.
(**6**) 2000 c. 8.
(**7**) 2007 c. 3.
(**8**) 2005 c. 5.
(**9**) S.I. 2009/209.

"the Management Act" means the Taxes Management Act 1970(**10**);

"notice" means notice in writing; and "notify" shall be construed accordingly;

"reference number", except in regulation 5(1), means an eligible person's reference number as stated on his or her notice of eligibility;

"tax year" means a period beginning with 6th April in one year and ending with 5th April in the next, and "the tax year 2009-10" means the tax year beginning with 6th April 2009;

"UK institution" means an institution which is incorporated in, or formed under the law of any part of, the United Kingdom.

(2) The table below indexes other definitions in these Regulations:

Term defined	***Regulation***
"account holder"	10(1)(a)
"agreed terms"	10(1)(h)
"the disqualifying circumstances"	16
"the eligibility window"	3(3)
"qualifying circumstances"	14(1)

Eligible persons – entitlement to working tax credit or child tax credit

3.—(1) A person is an eligible person by reason of entitlement (alone or with another person) to working tax credit or child tax credit, within the meaning in section 3(5) of the Act, only if he or she satisfies the following conditions.

(2) Those conditions are—

Condition 1

There is a decision under sections 18 to 21 of the 2002 Act, other than on the basis of estimated income (a "final award"), that the person was entitled (alone or with another person) to working tax credit or child tax credit (not being at a nil rate) for the tax year 2009-10, or a subsequent tax year.

Condition 2

(a) The relevant income for that tax year ("the relevant tax year") did not exceed £16,040, or

(b) the person's entitlement to working tax credit or child tax credit for the relevant tax year arose by virtue of section 7(2) of the 2002 Act (automatic entitlement where the claimant or one of the claimants is entitled to a prescribed social security benefit).

Where a higher amount is determined for the purposes of section 7(1)(a) of the 2002 Act in relation to child tax credit (income threshold for child tax credit) in relation to the relevant tax year, that higher amount shall be substituted for the figure of £16,040 in paragraph (a).

Condition 3

The final award for the relevant tax year (and calculation of the relevant income on which it is based) has not been overturned.

Condition 4

If—

(**10**) 1970 c. 9.

(a) the Commissioners have given the person a final notice under section 17 of the 2002 Act, relating to the relevant tax year, and

(b) the notice contained a requirement to make a declaration or statement under section 17(2)(a), (4)(a) or (6)(a) of the 2002 Act (annual declaration form),

the person has made the declarations or statements required by the time at which eligibility is being determined.

Condition 5

The eligibility window for that final award has not ended.

(3) In this regulation—

the "eligibility window", in relation to a final award, means the period—

(a) beginning when that final award was made, and

(b) ending 12 months after the date of that final award;

"estimated income" means estimated current year income, declared or stated as mentioned in section 17(8)(a) or (b) of the 2002 Act, unless the estimate has been treated as confirmed in the amount estimated, in accordance with section 17(8) of the 2002 Act;

"relevant income", in relation to a person or persons and a tax year, means the relevant income determined in accordance with section 7 of the 2002 Act, and with regulations made under that section, in relation to a claim by the person or persons for working tax credit or child tax credit for the tax year;

"the 2002 Act" means the Tax Credits Act 2002(**11**).

Eligible persons – connection with the U.K.

4.—(1) The connection with the United Kingdom mentioned in section 3(1)(b) of the Act is that the person is ordinarily resident in the United Kingdom.

(2) A Crown servant posted overseas or his or her partner shall be treated as ordinarily resident in the United Kingdom.

(3) A person shall be treated as ordinarily resident in the United Kingdom if he or she is exercising in the United Kingdom his or her rights as a worker pursuant to Council Regulation (EEC) No. 1612/68(**12**).

(4) A person who is in the United Kingdom as a result of his or her deportation, expulsion or other removal by compulsion of law from another country to the United Kingdom shall be treated as being ordinarily resident in the United Kingdom.

(5) In paragraph (2)—

"Crown servant posted overseas" has the meaning in regulation 5(2) of the Tax Credits (Residence) Regulations 2003(**13**);

the "partner" of a Crown servant posted overseas means a person falling within the description in regulation 6(1) (read with regulation 2(1)) of those Regulations.

Notices of eligibility

5.—(1) The notice of eligibility to be issued under section 2(1) of the Act shall contain (in addition to the expiry date) the following particulars—

(**11**) 2002 c. 21.
(**12**) [1968] J.O. L257/2; O.J. 1968, 475.
(**13**) S.I. 2003/654.

(a) the full name of the eligible person; and

(b) his or her Saving Gateway reference number.

(2) The notice shall be issued by being sent to the eligible person by post, except in a case where there is a person acting under regulation 13(8), in which case it may be sent to that person.

(3) The expiry date (when the notice shall cease to be valid) shall be the date 3 months (with the addition of a period for delivery of the notice) from the date of issue of the notice.

(4) A further notice of eligibility may be issued to an eligible person at the discretion of the Commissioners, where the expiry date of a previous notice has passed, and the person has not opened a Saving Gateway account.

Opening of account by a person who has received a notice of eligibility

6.—(1) For the purposes of these Regulations, an account is opened with an approved account provider on the date when all the following conditions are satisfied (but no later than the expiry date specified in the notice of eligibility):

Condition 1

The applicant produces his or her notice of eligibility to the approved account provider or, where the approved account provider's business systems provide for the opening of accounts without production of the relevant notice of eligibility, the applicant makes a true declaration to the approved account provider of the following information:

(a) the expiry date of the notice, and

(b) the applicant's reference number (as stated on the notice).

Condition 2

The applicant enters into agreed terms with the approved account provider (see regulation 10(1)(h)) which include the application and declaration required by regulation 13.

Condition 3

Where that application is not in writing the applicant has agreed, or is treated as having agreed, the contents of the copy of the declaration required by regulation 13(2).

(2) Where—

(a) an account is opened in accordance with paragraph (1), and

(b) there is a right to cancel (or automatic cancellation of) the agreed terms, and the period during which it may be exercised or occur has not expired,

the account shall not be treated as open for the purposes of regulation 22 (monthly return and financial claim) and regulation 5(4) until the period during which that right may be exercised or cancellation occur has expired without the right being exercised or cancellation occurring.

Maturity period (and payment of maturity payments or death payments)

7.—(1) Subject to paragraph (3), the maturity period for an account is the period—

(a) beginning simultaneously with the first month of the account's operation (see section 4(5) of the Act), and

(b) ending with the last day of the twenty fourth month of the account's operation.

(2) The approved account provider must credit the account with the amount of the maturity payment, or otherwise pay the maturity payment to the account holder, within 21 days from the end of the maturity period for the account.