

*Draft Regulations laid before the House of Commons under section 28(5) of the Saving Gateway
Accounts Act 2009, for approval by resolution of the House of Commons.*

DRAFT STATUTORY INSTRUMENTS

2009 No.

INCOME TAX

The Saving Gateway Accounts (No. 2) Regulations 2009

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

A draft of this instrument has been laid before the House of Commons in accordance with section 28(5) of the Saving Gateway Accounts Act 2009(1) and approved by a resolution of that House.

Accordingly, the Treasury make the following Regulations in exercise of the powers conferred by sections 14, 24(4) and 28(1) and (2) of the Saving Gateway Accounts Act 2009:

Citation and commencement

1. These Regulations may be cited as the Saving Gateway Accounts (No. 2) Regulations 2009 and shall come into force on the appointed day.

Interpretation

2. In these Regulations—

“account”, except in regulations 5(1)(d) and (e) and 6, means a Saving Gateway account;

“the Act” means the Saving Gateway Accounts Act 2009;

“the appointed day” means the day appointed under section 31 of the Act, for the purposes of section 8 of the Act;

“building society bonus” excludes any bonus, distribution of funds or the conferring of rights in relation to shares—

(i) in connection with an amalgamation, transfer of engagements or transfer of business of a building society, and

(ii) mentioned in section 96 or 100 of the Building Societies Act 1986(2),

and “payment under a building society bonus scheme” shall be construed accordingly;

(1) 2009 c. 8.
(2) 1986 c. 33.

“interest” in regulation 3, where paid by a building society or credit union, includes a dividend paid by, and in respect of a share account held with, the society or credit union (and “dividend” includes any distribution, whether or not described as a dividend);

“the principal Regulations” means the Saving Gateway Accounts Regulations 2009(3);

other expressions defined in the principal Regulations have the same meanings as they have in those definitions.

Exemption from tax of account income, maturity payments and death payments

3. Subject to compliance with the principal Regulations (and in particular with regulation 11 of those Regulations)—

- (a) no tax shall be chargeable on the account provider or his nominee, or on the account holder, in respect of—
 - (i) interest paid or credited in respect of an account;
 - (ii) profit share return from arrangements falling within section 49 of the Finance Act 2005(4), paid or credited by a financial institution (within the meanings in Chapter 5 of Part 2 of that Act), in respect of an account;
 - (iii) a payment under a building society bonus scheme, so far as the bonus is calculated by reference to an account (and if paid directly by the society into the account, the payment shall not count towards the payment limits in regulation 11 of the principal Regulations);
- (b) any gain or loss accruing on and attributable to a maturity payment or death payment shall not be a chargeable gain or allowable loss for capital gains tax purposes; and
- (c) income arising from an account shall not be regarded as income for any income tax purposes (including section 629 of ITTOIA 2005(5)).

Tax liabilities and reliefs – account provider to act on behalf of account holder

4. An account provider may under these Regulations make tax claims, conduct appeals and agree on behalf of the account holder liabilities for and reliefs from tax in respect of an account.

Tax liabilities and reliefs – supplementary provisions

5.—(1) Where—

- (a) any relief or exemption from tax given in respect of income or gains under an account is found not to be due or to be excessive;
- (b) the account holder was not an eligible person at the relevant date;
- (c) a person was—
 - (i) entitled to a benefit under the terms of section 3(1)(a) of the Act, or
 - (ii) an eligible person by reason of entitlement to working tax credit or child tax credit under the terms of regulation 3 of the principal Regulations,

but such entitlement has been overturned, or it has subsequently been determined that payment of the relevant benefit or tax credit should not have been made, or should have been made at a different rate;

(3) S.I. 2009/

(4) 2005 c. 7.

(5) 2005 c. 5.