

2013 No. 8

SAVINGS BANKS

The National Savings Bank (Amendment) Regulations 2013

Made - - - - *9th January 2013*

Laid before Parliament *10th January 2013*

Coming into force in accordance with regulation 1

The Treasury make the following Regulations in exercise of the powers conferred by sections 2(1), 3(2), 4(1), (2)(a) and (f) and (4), 7(2) and 8(3)(d) and (f) of the National Savings Bank Act 1971(a):

Citation and commencement

1.—(1) These Regulations may be cited as the National Savings Bank (Amendment) Regulations 2013.

(2) Subject to paragraph (3), these Regulations come into force on 22nd February 2013.

(3) Regulations 2(b) and 3 come into force on 6th April 2013.

Amendment to the National Savings Bank Regulations 1972

2. The National Savings Bank Regulations 1972(b) are amended as follows—

(a) after regulation 2E (investment accounts not to be opened) insert—

“Closure of certain individual savings accounts

2F.—(1) No deposit may be made in a relevant ISA after 24th May 2013.

(2) On or after 25th May 2013, the Director of Savings may transfer the whole amount standing to the credit of a depositor in a relevant ISA to a Direct ISA opened in the name of that depositor.

(3) For the purposes of paragraph (2), the “whole amount standing to the credit of a depositor in a relevant ISA” shall include any interest that has accrued in respect of the relevant ISA before the date of transfer.

(4) In this regulation—

“Direct ISA” means an individual savings account for which terms and conditions have been set pursuant to section 9A(1) of the National Savings Bank Act 1971(c);

(a) 1971, c.29; section 3(2) was amended by the Finance Act 1982 (c.39), Schedule 20, paragraph 2; section 4 was amended by the Finance Act 1982, Schedule 20, paragraph 3 and by the Finance Act 2000 (c.17), section 152(1); section 7(2) was substituted by the Finance Act 1982, Schedule 20, paragraph 6; section 8 was amended by the Finance Act 2003 (c.14), section 208(10).

(b) S.I. 1972/764; relevant amending instruments are S.I. 1999/588, 2001/858, 2008/3098, 2011/783 and 2011/2288.

(c) 1971, c.29; section 9A was inserted by the Finance Act 2003 (c. 14), section 208(11).

“relevant ISA” means an individual savings account other than a Direct ISA.”;

- (b) in regulation 29L (deposits to individual savings accounts), in paragraph 2(a), omit “and ordinarily resident”; and
- (c) in regulation 29P (payment on withdrawals from individual savings accounts), after paragraph (1), insert—

“(1A) The Director of Savings may not give effect to a request for payment to be made in cash if the request is received by the Director of Savings after 22nd February 2013.”.

Amendment to the National Savings Bank (Investment Deposits) (Limits) Order 1977

3. In the National Savings Bank (Investment Deposits) (Limits) Order 1977(a), in article 3B, for “£5,640”, substitute “£5,760”.

Mark Lancaster
Robert Goodwill

9th January 2013

Two of the Lords Commissioners of Her Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the National Savings Bank Regulations 1972 (S.I. 1972/764) and the National Savings Bank (Investment Deposits) (Limits) Order 1977 (S.I. 1977/1210).

Regulation 2(a) prevents deposits being made after 24th May 2013 in an individual savings account for which terms and conditions have not been set pursuant to section 9A(1) of the National Savings Bank Act 1971 (c. 29). Regulation 2(a) also provides for the amount standing to the credit of such an account to be transferred to an individual savings account for which terms and conditions have been set pursuant to section 9A(1).

Regulation 2(b) removes the requirement that a person must be ordinarily resident in the United Kingdom in order to open an individual savings account at the National Savings Bank.

Regulation 2(c) prevents the Director of Savings from making payments in respect of individual savings accounts in cash.

Regulation 3 increases the maximum amount that may be deposited annually in an individual savings account at the National Savings Bank from £5,640 to £5,760.

A full impact assessment has not been produced for this instrument as no impact on the costs of business or the voluntary sector is foreseen.

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(a) S.I. 1977/1210; relevant amending instruments are S.I. 1999/1056, 2008/734 and 2012/795.

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