

ISA ROUNDUP

TISA'S ISA NEWSLETTER

Welcome to the fourth edition of ISA Roundup. We hope you find it useful, please do give us your feedback and let us know if you have colleagues who would benefit from receiving a copy.

Help to Buy: ISA – Key Dates

Just a reminder for those ISA managers that currently offer Help to Buy: ISAs that, under the current legislation, the latest date a new Help to Buy: ISA can be opened is 30 November 2019. This wouldn't prevent the transfer of Help to Buy: ISAs after this date if they were already open on 30 November 2019. Current legislation also confirms that the latest date an ISA subscription can be made to a Help to Buy: ISA is 1 December 2030.

Implications of changes to financial services passporting for ISA managers

In the event the UK leaves the European Union (EU) without agreement there will be changes for Individual Savings Account (ISA) managers based in the European Economic Area (EEA). The Government has previously announced that, if necessary, it would introduce a temporary permissions regime for inbound passporting EEA firms and funds.

This will enable relevant firms and funds which passport into the UK to continue operating in the UK if the passporting regime ends when the UK leaves the EU.

For ISA managers, based in the EEA, you need to know the following:

1. ISA managers who enter the temporary permissions regime will be able to continue to act as ISA managers.
2. EEA based ISA managers who do not enter the temporary permissions regime will need to make arrangements for the transfer of their ISA book to another manager in accordance with the ISA regulations.
3. A temporary permissions regime will also be created for EEA based investment funds which are currently marketed to UK investors under the passporting regime. EEA UCITS funds which enter the temporary permissions regime will remain qualifying investments for stocks and shares ISA. This means that investors will be able to continue to hold existing investments, as well as making new ones.

The Financial Conduct Authority has published [guidance](#) for how financial services firms should prepare for such a scenario – which includes information about the temporary permissions regime.

If you are an EEA based ISA manager and you would like more information about this please contact us to discuss further, by emailing: savings.audit@hmrc.gsi.gov.uk

TISA is currently awaiting further clarity from HMRC on the practical implications of these changes for authorised ISA managers.

Annual Returns of Information – Continuing Accounts

There has been some confusion as to the impact of continuing accounts for deceased ISA investors on the ISA annual return of information for the 2018/19 tax year. It was originally proposed that this return would need to include details of the deceased's estate representatives but HMRC responded to industry pressure and removed this requirement. The draft ISA Guidance that included these details has been amended to reflect that it is just details of the deceased ISA investor. The current ISA Guidance now states that for each 'continuing account of a deceased investor' for the period ending 5 April 2019 managers must report the:

- name and address of the deceased investor
- date of birth of the deceased investor
- National Insurance number of the deceased investor

This guidance still implies that there will be a specific section on the 2018/19 annual return of information that requires information on continuing accounts of deceased investors. Having checked this with the Centre for National Information (CNI), who are responsible for the ISA annual return of information, we can confirm that this is not the case and there will be no changes to the 2018/19 annual return of information. The information on the deceased

ISA investor, specified above, is information that has always been required on this return as deceased ISAs should be reported as ISAs that have been closed during the tax year.

ISA Statistical Returns (ISA25 and ISA14a)

All ISA managers are required to make an annual market value and an annual subscription return of statistical information to HMRC within 60 days of either the 5th April each year or the date that they cease to qualify as an authorised ISA manager. The annual subscription return (ISA25 and ISA14a), which includes details for all ISAs to which subscriptions have been made during the year, will include an additional field for the 2018/19 tax year. Managers will be required to report the number of 'continuing accounts of a deceased ISA investor' they hold on 5 April 2019.

These changes have not yet been made and TISA will notify member firms once we become aware that the returns have been updated.

Lifetime ISA Survey from HMRC

TISA recently issued a technical bulletin (1008) to confirm that HMRC are looking to gain feedback to gain a better understanding of knowledge relating to Lifetime ISA and why potential Lifetime ISA (LISA) providers have not opted to offer it as part of their product range.

Since the introduction of the Lifetime ISA (LISA) in April 2017, only a relatively small percentage of HMRC authorised ISA managers have so far opted to offer a Lifetime ISA.

Non-Lifetime ISA managers are invited to complete the attached HMRC survey as feedback is hugely appreciated and helps HMRC gain in-depth understanding around user behaviour. TISA is aware that some ISA manager's systems seem unable to allow access to this survey. If any ISA manager would like to provide feedback and is unable to access the survey link below, TISA can provide details of the HMRC contact who is monitoring the survey.

https://docs.google.com/forms/d/e/1FAIpQLSfuPleNTPxGr8wQsmX99LAHaogHeCLetkXzBFh0J-hY6ntRaQ/viewform?usp=sf_link

The use of E-Money Wallets for holding ISA Subscriptions

HMRC are aware that some ISA managers have arrangements in place with e-money and e-wallet providers to receive and hold investor subscriptions pending investment.

ISA regulation 6(4) states that cash subscriptions and other cash held by an ISA account manager must be deposited in an account with a deposit taker as defined in S.853 Income Tax Act 2007. The account with a deposit taker must be designated as an ISA account for the purposes of the ISA regulations.

HMRC does not consider subscriptions held in e-money wallets to meet these requirements. ISA managers must ensure that cash subscriptions and other investor funds are held in accordance with the ISA regulations. ISA managers who hold ISA funds with any e-money providers should contact savings.audit@hmrc.gsi.gov.uk

Upcoming ISA Training Dates

- 14 March—ISA APS—London
- 19 March – ISA Key Facts – London
- 28 March – ISA Transfers – Edinburgh
- 25 April – Flexible ISAs – London
- 2 May – Innovative Finance ISA Key Facts – London
- 9 May – ISA APS – Edinburgh
- 16 May – ISA Qualifying Investments – London
- 23 May – Junior ISA Key Facts – London
- 30 May – ISA Key Facts – Edinburgh
- 6 June – ISA Key Facts – London
- 13 June – Lifetime ISA – London
- 20 June – ISA Qualifying Investments – Edinburgh
- 27 June – ISA APS – London
- 4 July – ISA Repairs/Voids – London
- 9 July – ISA Transfers - London

Further details can be found on the TISA website [here](#).