
STATUTORY INSTRUMENTS

2005 No. 909

CHILD TRUST FUNDS

The Child Trust Funds (Amendment No. 2) Regulations 2005

Made - - - - 23rd March 2005
Laid before Parliament 24th March 2005
Coming into force - - 6th April 2005

The Treasury, in exercise of the powers conferred upon them by sections 3(1) and (5), 15 and 28(1) to (4) of the Child Trust Funds Act 2004⁽¹⁾, make the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Child Trust Funds (Amendment No. 2) Regulations 2005 and shall come into force on 6th April 2005.

Amendments to the Child Trust Funds Regulations 2004

2. The Child Trust Funds Regulations 2004⁽²⁾ are amended as follows.
3. In regulation 2(1)(b)⁽³⁾ insert the following definition at the appropriate place—
““credit union” means a society registered as a credit union under the Industrial and Provident Societies Act 1965⁽⁴⁾ or the Credit Unions (Northern Ireland) Order 1985⁽⁵⁾”.
4. In regulation 11(5) after “deposit-taker” insert “(including for this purpose a credit union)”.
5. In regulation 12(2)(k) after “Taxes Act” insert “(including for this purpose a credit union)”.
6. In regulation 14(2)(b)(ii) after “subject to” insert “paragraph (ia) and”.
7. After regulation 14(2)(b)(ii) insert—
“(ia) in the case of a credit union, to accept vouchers from any responsible person or the child if 16 or over, if the child to which the voucher relates is a member, or fulfils or is treated as fulfilling a qualification for admission to membership, of the credit union (subject to regulation 13(8))”.

(1) 2004 c. 6.
(2) S.I. 2004/1450; relevantly amended by S.I. 2004/2676.
(3) Regulation 2(1)(b) was amended by regulation 3 of S.I. 2004/2676.
(4) 1965 c. 12.
(5) S.I. 1985/1205 (N.I. 12).

Status: This is the original version (as it was originally made).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

8. After regulation 14(2)(d)(i) insert—

“(ia) in the case of a credit union, an authorised person within the meaning of section 31(1)(a) of the Financial Services and Markets Act 2000⁽⁶⁾, who has permission to carry on one or more of the activities specified in Article 5 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001⁽⁷⁾”.

9. Omit regulation 32(2)(a)(i) and (ii).

*Nick Ainger
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Two of the Lords Commissioners of Her
Majesty’s Treasury

23rd March 2005

⁽⁶⁾ 2000 c. 8.
⁽⁷⁾ S.I. 2001/544.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Child Trust Funds Regulations 2004 (S.I.2004/1450). The principal effect of the amendments is to allow Credit Unions to act as a provider of child trust funds provided they are authorised persons under the Financial Services and Markets Act 2000. There is a small supplementary reduction in the information requirements placed on CTF providers.

Regulation 1 provides for citation and commencement.

Regulation 4 provides that Credit Unions may be deposit-takers for the purposes of Child Trust Funds and regulation 5 makes a corresponding extension to the qualifying investments for CTFs .

Regulations 6 and 7 provide that Credit Unions applying to be providers of Child Trust Funds must accept CTF vouchers from a responsible person or child who is 16, only where the child is a member or is treated as fulfilling the qualifications for admission to membership of the Credit Union.

Regulation 8 allows Credit Unions to act as a provider of child trust funds provided they are authorised persons under the Financial Services and Markets Act 2000.

Regulation 9 makes a simplifying amendment to the items of information required in the annual information return which CTF providers have to submit within 60 days of the end of each tax year (the first such return will be due after 6th April 2006).

A full Regulatory Impact Assessment was prepared for the introduction to Parliament of the Child Trust Funds Bill (which became the Child Trust Funds Act 2004) in November 2003.