



Child Trust Funds Act 2004

2004 CHAPTER 6

Opening and transfers

5 Opening by responsible person or child

- (1) In the case of each child who is first an eligible child by virtue of section 2(1)(a) the Inland Revenue must issue, in a manner prescribed by regulations, a voucher in such form as is so prescribed.
- (2) The voucher must be issued to the person who is entitled to child benefit in respect of the child (or, in the case of a child who is such an eligible child because of section 2(3), to a responsible person).
- (3) An application may be made—
 - (a) if the child is 16 or over, by the child, or
 - (b) otherwise, by a responsible person,to open for the child with an account provider a child trust fund of any description provided by the account provider.
- (4) The application is to be made—
 - (a) within such period beginning with the day on which the voucher is issued as is prescribed by regulations, and
 - (b) in accordance with regulations.
- (5) When the application has been made the account provider must—
 - (a) open, in accordance with regulations, a child trust fund of that description for the child, and
 - (b) inform the Inland Revenue in accordance with regulations.

Commencement Information

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| I1 | S. 5 in force at 6.4.2005 in so far as not already in force by S.I. 2004/3369 , art. 2(1)(2)(4) |
| I2 | S. 5(1)(2) in force at 1.1.2005 for specified purposes by S.I. 2004/2422 , art. 2 |
| I3 | S. 5(3)-(5) in force at 1.1.2005 for specified purposes by S.I. 2004/2422 , art. 2 |

Changes to legislation: There are currently no known outstanding effects for the Child Trust Funds Act 2004, Cross Heading: Opening and transfers. (See end of Document for details)

6 Opening by Inland Revenue

- (1) In the case of each child to whom this section applies, the Inland Revenue must apply to open for the child with an account provider selected in accordance with regulations a child trust fund of a description so selected.
- (2) The application is to be made in accordance with regulations.
- (3) The account provider must—
 - (a) open, in accordance with regulations, a child trust fund of that description for the child, and
 - (b) inform the Inland Revenue in accordance with regulations.
- (4) This section applies—
 - (a) to a child in respect of whom a voucher is issued under section 5(1) but in whose case subsection (5) is satisfied, and
 - (b) to a child who is first an eligible child by virtue of section 2(1)(b).
- (5) This subsection is satisfied in the case of a child if—
 - (a) the period prescribed under section 5(4) expires without a child trust fund having been opened for the child, or
 - (b) the child is under 16 and it appears to the Inland Revenue that there is no-one who is a responsible person in relation to the child.
- (6) No liability is to arise in respect of the selection of an account provider, or a description of child trust fund, in accordance with regulations under this section.

Commencement Information

I4 S. 6 in force at 6.4.2005 by [S.I. 2004/3369](#), [art. 2\(1\)](#)

7 Transfers

Regulations may make provision about the circumstances in which—

- (a) a child trust fund which is an account of one of the descriptions prescribed by regulations may become an account of another of those descriptions, and
- (b) a child trust fund held with one account provider may be transferred to another.

Commencement Information

I5 S. 7 in force at 6.4.2005 by [S.I. 2004/3369](#), [art. 2\(1\)](#)

[^{F1}7A] Transfers to other accounts for children

- (1) Regulations may make provision requiring an account provider, at the request of a person who has the authority to manage a child trust fund, to—
 - (a) transfer all the investments under the fund, or an amount representing their value in cash, to a protected child account that is provided by a person chosen by the person making the request, and
 - (b) when all the investments have been transferred, close the child trust fund.

Changes to legislation: There are currently no known outstanding effects for the Child Trust Funds Act 2004, Cross Heading: Opening and transfers. (See end of Document for details)

- (2) An account is a protected child account if—
- (a) there is relief from income tax and capital gains tax in respect of investments under it,
 - (b) it may be held only by a child, and
 - (c) it satisfies any other conditions prescribed in regulations under this section.]

Textual Amendments

- F1** S. 7A inserted (26.3.2015 for specified purposes) by [Deregulation Act 2015 \(c. 20\)](#), **ss. 62(2)**, 115(2)
(d)

[^{F2}7B Transfers on child reaching 18

- (1) Regulations may make provision requiring an account provider to transfer all the investments under a child trust fund held by a person immediately before his or her 18th birthday to a protected account of a description prescribed in the regulations.
- (2) Regulations under subsection (1) must include provision that the requirement does not apply if the person gives instructions, in accordance with the regulations, to the account provider as to what is to be done with the investments.
- (3) An account is a protected account if—
- (a) there is relief from income tax and capital gains tax in respect of investments under it, and
 - (b) it satisfies any other conditions prescribed in regulations under this section.]

Textual Amendments

- F2** S. 7B inserted (26.3.2015 for specified purposes) by [Deregulation Act 2015 \(c. 20\)](#), **ss. 62(3)**, 115(2)
(d)

Changes to legislation:

There are currently no known outstanding effects for the Child Trust Funds Act 2004, Cross
Heading: Opening and transfers.