

CHILD TRUST FUNDS ACT 2004

EXPLANATORY NOTES

COMMENTARY

Section 6: Opening by Inland Revenue

33. *Subsection (1)* provides that for children to whom this section applies (defined at subsection (4)) the Inland Revenue has a duty to request a provider to open a CTF account selected in accordance with the regulations. The account opened under this subsection will be the stakeholder CTF account (see paragraph 21).
34. *Subsection (3)* ensures that the provider cannot refuse the application made under subsection (1). Providers will not be obliged to offer accounts under this arrangement. However, where providers decide to offer these accounts, they will not be entitled to refuse the request to open an account.
35. *Subsection (4)* sets out the two groups of children to whom this section applies. The first group consists of children who are entitled to a CTF account because of an award of child benefit where an application has not been made to open a CTF account within the prescribed period (see subsection (5) of this section). The second group of children are those who are entitled to a CTF account by virtue of being looked after by a local authority.
36. *Subsection (5)* sets out the circumstances in which the Inland Revenue will request providers to open accounts although a voucher has been issued: either an application has not been made within the period set in regulations made under section 5(3); or the child is under 16 and the Inland Revenue is satisfied that there is no “responsible person” able to open an account for the child. This will usually be where the parents are under the age of 16 and not entitled to administer a CTF account.
37. *Subsection (6)* provides that the Inland Revenue will not be liable as a result of the selection of account provider or type of account under this section. Account providers will be selected in rotation from a list of those willing to offer these accounts. The account opened at the request of the Inland Revenue will always be the stakeholder CTF account (see paragraph 21). Parents will have the option (under section 7) to change the type of account or the provider at any time.