
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision for accounts (Child Trust Funds) under the Child Trust Funds Act 2004 (c. 6).

Regulation 1 provides for citation and commencement, and regulation 2 for interpretation.

Regulation 3 provides for the contents of vouchers issued under section 5(1) of the Act.

Regulation 4 provides that accounts may be either stakeholder accounts or non-stakeholder accounts.

Regulation 5 provides for the opening of accounts by a responsible person for the child (if the child is under 16) or the child (if 16 or over).

Regulation 6 provides for the opening of accounts by the Inland Revenue.

Regulation 7 provides for the amounts of government contributions to accounts.

Regulation 8 sets out general requirements accounts have to satisfy.

Regulation 9 provides the annual limits on subscriptions to accounts.

Regulation 10 provides for the rules for statements for an account.

Regulation 11 provides general rules for investment under an account.

Regulation 12 sets out the investments which may be made under an account.

Regulation 13 provides the necessary conditions for applications to open an account by a responsible person for the child (or the child if 16 or over) and conditions for changes to the registered contact.

Regulations 14 to 17 provide for qualifications for and Board approval of account providers, withdrawal of Board approval, appeals against such decisions and the appointment of a tax representative by certain account providers.

Regulation 18 makes provision for the circumstances where withdrawals can be made from an account before the named child reaches 18.

Regulation 19 makes provision for account providers ceasing to act or to accept Revenue allocated accounts, and regulation 20 provision for where a provider ceases to fulfil the qualifications for providers.

Regulation 21 makes provision for transfers of accounts from one account provider to another.

Regulation 22 makes provision for the recoupment of Government contributions where accounts are void, or contributions should not have been paid.

Regulation 23 makes provision for the remedying of non-fundamental breaches to the Regulations.

Regulations 24 to 29 make provision for tax relief for accounts, tax representation, tax repayment claims, and tax assessments.

Regulation 30 makes provision for account providers to submit (except in the transitional period January to March 2005) a fortnightly claim and financial return by electronic means to the Inland Revenue.

Regulation 31 makes provision about account provider records, and regulation 32 for annual information returns to the Inland Revenue.

Regulation 33 makes provision for Local Authorities to make monthly returns to the Inland Revenue of certain looked after children.

Regulation 34 makes provision about Inland Revenue information requirements, and regulation 35 for inspection of records.

Regulation 36 contains adaptations for accounts of Capital Gains Tax rules, and 37 and 38 general tax provisions for accounts, and tax rules for policies of life insurance held under an account.

The Schedule contains a description of stakeholder accounts, including the necessary characteristics and conditions for such accounts, investment rules, minimum subscriptions and charge-capping.

Changes to legislation:

There are currently no known outstanding effects for the The Child Trust Funds Regulations 2004.