

STATUTORY INSTRUMENTS

2004 No. 1450

The Child Trust Funds Regulations 2004

PART 1 **U.K.**

Introductory

Citation and commencement **U.K.**

1. These Regulations may be cited as the Child Trust Funds Regulations 2004 and shall come into force for the purposes of—

- (a) issuing vouchers (see regulation 3),
- (b) completing account-opening formalities (see regulation 5),
- (c) applications under regulation 13 to open an account with effect from the appointed day,
- (d) applications under regulation 14 to be approved as an account provider to manage accounts from the appointed day,
- (e) regulation 17, so far as it relates to applications referred to in paragraph (d),^{F1}...

^{F1}(f)

on 1st January 2005, and for all other purposes on the appointed day.

Textual Amendments

F1 [Reg. 1\(f\)](#) and word omitted (with effect in accordance with reg. 1(2) of the amending S.I.) by virtue of [The Child Trust Funds \(Amendment\) Regulations 2013 \(S.I. 2013/263\)](#), [reg. 2\(4\)\(a\)](#)

Interpretation **U.K.**

2.—(1) In these Regulations—

- (a) the following expressions have the meanings given in the Child Trust Funds Act 2004 (“the Act”)—

“child”

“child trust fund”

“eligible child”

[^{F2}“the income threshold” (see section 9(6) of the Act)]

“Inland Revenue”

“Inland Revenue contributions” (see section 11(2) of the Act),

“parental responsibility” (see section 3(9) of the Act);

[^{F2}“the relevant income” (see section 9(6) of the Act)]

“relevant person” (see section 15(2) of the Act),

[^{F2}“relevant social security benefit” (see section 9(6) of the Act)]

“responsible person” ^{F3}... (see section 3(8) of the Act),

[^{F2}“tax year” (see section 9(6) of the Act)]

“the person entitled to child benefit in respect of the child” (see section 2(1)(a), (4) and (6) of the Act);

(b) except where the context otherwise requires—

“account” means a scheme of investment which (except in regulation 22(1)) qualifies as a child trust fund, other than in the cases of—

- (i) an account with a deposit-taker,
- (ii) a share or deposit account with a building society, or
- (iii) a deposit account with a person falling within [^{F4}section 991(2) of the Income Tax Act 2007], or a [^{F5}credit union];

an “account investment” is an investment under the account which is a qualifying investment for an account within the meaning of regulation 12;

an “account provider” is a person who fulfils the conditions of these Regulations and is approved by the Board for the purpose of these Regulations as an account provider;

[^{F6}“adoption order” has the meaning in section 46(1) of the Adoption and Children Act 2002 or section 28 of the Adoption and Children (Scotland) Act 2007 or of “Adoption Order” in Article 2(2) of the Adoption (Northern Ireland) Order 1987, as the case may be, and includes any corresponding order under the Adoption (Scotland) Act 1978, and any order of a court in the Isle of Man or any of the Channel Islands which, under section 108 of the Adoption and Children Act 2002, is declared to correspond to an adoption order made under that Act;]

“appointed day” means the day appointed, under section 27 of the Act, for the purposes of sections 8 and 9 of the Act;

“assurance undertaking” [^{F7}means a direct life insurance undertaking within the meaning of Article 2 of Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II)];

[^{F8}“Bank of England base rate” means the rate announced from time to time by the Monetary Policy Committee of the Bank of England as the official dealing rate, being the rate at which the Bank is willing to enter into transactions for providing short-term liquidity in the money markets;]

[^{F9}“the Board” means the Commissioners for Her Majesty’s Revenue and Customs;]

“building society” means a building society within the meaning of the Building Societies Act 1986 ^{M1}, or the Irish Building Societies Act 1989 ^{M2};

[^{F10}“building society bonus”, except in regulation 24(a)(i), excludes any bonus, distribution of funds or the conferring of rights in relation to shares—

- (a) in connection with an amalgamation, transfer of engagements or transfer of business of a building society, and
 - (b) mentioned in section 96 or 100 of the Building Societies Act 1986,
- and “payment under a building society bonus scheme” shall be construed accordingly;]

“company”, except in regulation 12(4)(a), means any body corporate having a share capital other than—

- (i) an open-ended investment company, within the meaning given by section 236 of the Financial Services and Markets Act 2000^{M3}, [^{F11}or]
- (ii) a UCITS [^{F12};
- (iii) ^{F13}
- (iv) ^{F13}

[^{F14}“credit union” means a society registered as a credit union under the Industrial and Provident Societies Act 1965 or the Credit Unions (Northern Ireland) Order 1985;]

“deposit-taker” has the meaning given by [^{F15}section 853 (as extended under section 854) of ITA 2007];

“the Director of Savings” has the same meaning as in the National Debt Act 1972^{M4};

“the Distance Marketing Directive” means Directive 2002/65/EC of the European Parliament and of the Council of 23rd September 2002^{M5}, and includes any provisions by which an EEA State or the United Kingdom has transposed the Directive or has corresponding obligations in its domestic law, and “distance contract” has the meaning in that Directive;

“electronic communications” includes any communications by means of a telecommunication system (within the meaning in the Telecommunications Act 1984^{M6});

^{F16} ...

^{F16} ...

[^{F17}“European institution” means—

- (a) a person who is treated as having permission to carry on a regulated activity in the United Kingdom under Part 4A of the Financial Services and Markets Act 2000 by regulation 8, 11, 28 or 34 of the EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018; or
- (b) an EEA firm (within the meaning of Article 2(3G) of the Financial Services and Markets Act 2000 (Gibraltar) Order 2001 of the kind mentioned in paragraph 5(a) to (d), (f) and (h) of Schedule 3 to the Financial Services and Markets Act 2000 which is an authorised person for the purposes of that Act as a result of qualifying for authorisation under paragraph 12(1) to (4) and (7) of that Schedule.]

“51 per cent. subsidiary” and “75 per cent. subsidiary” have the meanings given by section 838 of the Taxes Act;

[^{F6}“FISMA 2000” means the Financial Services and Markets Act 2000;]

“gains”, except in regulations 22(1) to (3), 24(a)(ii), (iii) and (v), 37(5) and 38, means “chargeable gains” within the meaning in the 1992 Act;

“gilt-edged securities” has the meaning given by paragraphs 1 and 1A of Schedule 9 to the 1992 Act^{M7};

[^{F6}“guardian” means a guardian of a child within the meaning in section 5 of the Children Act 1989, section 7 of the Children (Scotland) Act 1995 or Article 2(2) of the Children (Northern Ireland) Order 1995, as the case may be;]

“incorporated friendly society” means a society incorporated under the Friendly Societies Act 1992^{M8};

F18

“investments under the account” has the same meaning as investments under a child trust fund in the Act;

[^{F19}“investment trust” means an investment trust within the meaning of section 1158 of the Corporation Tax Act 2010;]

[^{F6}“ITA 2007” means the Income Tax Act 2007;]

[^{F6}“ITTOIA 2005” means the Income Tax (Trading and Other Income) Act 2005;]

“the Management Act” means the Taxes Management Act 1970^{M9};

“market value” shall be construed in accordance with section 272 of the 1992 Act;

[^{F20}“matured CTF account” has the meaning given by regulation 13B(2)(a);]

“the 1992 Act” means the Taxation of Chargeable Gains Act 1992;

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[^{F22}“non-UCITS retail scheme”—

- (a) has the meaning in COLL (that is, a scheme to which, or to whose authorised fund manager and depositary, sections 5.1, 5.4 and 5.6 of COLL apply),
- (b) includes a “recognised scheme” by virtue of section [^{F23}271A or]^{F24} ... 272 of FISMA 2000, which would fall within paragraph (a) of this definition if it were an authorised fund, and
- (c) includes a sub-fund of an umbrella which the terms of the scheme identify as a sub-fund which would fall within paragraph (a) or (b) of this definition if it were itself an authorised fund or a recognised scheme.

In this definition, expressions defined in the Glossary of the Financial Conduct Authority Handbook have those defined meanings;]

“notice”, except in regulations 12(12) and 37(6)(a), means notice in writing;

[^{F25}“qualifying units in or shares of a non-UCITS retail scheme” means that—

- (a) the instrument constituting the scheme secures that redemption of the units or shares in question shall take place no less frequently than bi-monthly (see [^{F26}section] 6.2.16(6) of the ^{F27} ... [^{F28}COLL] omitting the words “Except where (7) applies, and”, read with [^{F26}section] 6.3.4(1), whether or not those [^{F26}sections] apply to the scheme), and
- (b) a provision for suspension of dealings in exceptional conditions in accordance with [^{F26}section] 7.2 of [^{F29}the COLL] (or any foreign procedure which is a direct foreign equivalent of that [^{F26}section]) shall not be treated as a provision contrary to paragraph (a) of this definition;]

“recognised stock exchange” has the same meaning as in [^{F30}section 1005 of ITA 2007];

[^{F31}“registered contact” means the person who has the authority to manage the child trust fund by virtue of section 3(6) of the Act;]

“registered friendly society” has the meaning given by the Friendly Societies Act 1992 and includes any society that by virtue of section 96(2) of that Act is to be treated as a registered friendly society;

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[^{F33}“relevant authorised person” means a firm mentioned in section 697(2)(b) of ITTOIA 2005];

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“security” means any loan stock or similar security of a company whether secured or unsecured;

[^{F6}“special guardian” has the meaning in section 14A of the Children Act 1989;]

“subscriptions” has the meaning in section 12(1) of the Act (but excluding Inland Revenue contributions and income or gains arising from investments under the account);

“tax” where neither income tax nor capital gains tax is specified means either of those taxes;

“the Taxes Act” means the Income and Corporation Taxes Act 1988;

“year” except in the expression “subscription year” in regulations 9, 21(5)(b) and 32(2)(b)(iv), means a year of assessment (within the meaning in section 832(1) of the Taxes Act, or section 288(1) of the 1992 Act, as the case may be);

(c) “authorised fund” means—

- (i) an authorised unit trust, or
- (ii) an open-ended investment company ^{F34}... in the case of which an authorisation order made ^{F35}... under regulation 14 of the Open-Ended Investment Companies Regulations 2001 ^{M10} is in force;

“authorised unit trust” means a unit trust scheme in the case of which an authorisation order ^{F36}... under section 243 of the Financial Services and Markets Act 2000 is in force;

[^{F37}“COLL” means the Collective Investment Schemes Sourcebook made by the Financial Conduct Authority under FISMA 2000;]

“depository interest” means the rights of the person mentioned in paragraph (ii), under a certificate or other record (whether or not in the form of a document) acknowledging—

- (i) that a person holds relevant investments or evidence of the right to them, and
- (ii) that another person is entitled to rights in or in relation to those or identical relevant investments, including the right to receive such investments, or evidence of the right to them or the proceeds from such investments, from the person mentioned in paragraph (i),

where “relevant investments” means investments which are exclusively qualifying investments for an account falling within regulation 12(2)(a) to (i), and the rights mentioned in paragraph (ii) are exclusively rights in or in relation to relevant investments;

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[^{F39}“insolvency event” means the procedures listed in the definition of “insolvency event” in [^{F40}regulation 23(18) of the Payment Services Regulations 2017];]

F38

“open-ended investment company” [^{F41}means a company to which section 236 of FISMA 2000 applies], and “shares” in relation to an open-ended investment company, includes shares of any class and of any denomination of a given class and, in relation to a part of an umbrella company, means shares in the company which confer for the time being rights in that part;

[^{F42}“recognised UCITS” means—

- (a) ^{F43}...
- (b) an undertaking established in Gibraltar which is a UCITS under the law of Gibraltar which implemented Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ; [^{F44}or
- (c) [^{F45} recognised scheme by virtue of section 271A or 272 of FISMA 2000 that is a UCITS within the meaning given by section 236A of that Act;]]

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[^{F39}“UK UCITS” means—

- (a) a collective investment scheme [^{F47}with Part 4A permission under FISMA 2000], which complies with the requirements to be a “UCITS scheme” for the purposes of the [^{F48}COLL], or
- (b) a part of a UK UCITS mentioned in paragraph (a) of this definition which would be a sub-fund of an umbrella scheme which is a UK UCITS;]

“umbrella scheme” means an authorised fund which according to the terms of the scheme is an umbrella scheme belonging to the category under that name established by the [^{F49}Financial Conduct Authority], and

- (i) in the case of an authorised fund which is an authorised unit trust, references to a part of an umbrella scheme shall be construed in accordance with subsection (8) of section 468 of the Taxes Act, [^{F50}and paragraphs (6) and (7) of regulation 7 of the Authorised Investment Funds (Tax) Regulations 2006 shall apply for the purposes of these Regulations as they apply for the purposes of those Regulations]; and
- (ii) in the case of an authorised fund which is an open-ended investment company, references to a part of an umbrella scheme shall be construed in accordance with [^{F51}subsection (4) of section 468A of the Taxes Act, and paragraphs (2) and (3) of regulation 7 of the Authorised Investment Funds (Tax) Regulations 2006 shall apply for the purposes of these Regulations as they apply for the purposes of those Regulations];

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“units”, in relation to an authorised unit trust, means the rights or interests (however described) of the unit holders in that unit trust and, in relation to a part of an umbrella scheme, means the rights or interests for the time being of the unit holders in that part;

[^{F39}“units in, or shares of, a UK UCITS or recognised UCITS” means the rights (however described) of the holders of the units or shares in that UK UCITS or recognised UCITS;]

^{F38}

[^{F52}(1A) In these Regulations—

(a) a “bulk transfer of accounts” occurs where two or more accounts are transferred, without a break in the management of the accounts, by an account provider (“the transferor”) direct to another account provider (“the transferee”)—

(i) pursuant to an agreement made between the transferor and the transferee where the transfers are not made pursuant to requests made by the person who is the registered contact in relation to the accounts transferred; or

(ii) pursuant to an insurance business transfer scheme or a banking business transfer scheme under Part 7 (Control of Business Transfers) of FISMA 2000;

^{F53}(b)

^{F53}(c)]

(2) The table below indexes other definitions in these Regulations—

<i>Term defined</i>	<i>Regulation</i>
“the applicant”	5
“the commencement date”	7(8)
“description” of an account	4
“the disqualifying circumstances”	16
^{F54}	^{F54}
...	...
^{F54}	^{F54}
...	...
“initial contribution”	7(1)
“interim tax claim”	26(2)
“local authority”	[^{F55} 33A(6)]
“looked after child”	[^{F55} 33A(6)]
“management agreement”	5
“the named child”	5 and 8(1)
“qualifying circumstances”	14
“qualifying investments for an account”	12
^{F56}	^{F56}
...	...
^{F54}	^{F54}
...	...
“special contribution”	7(1)

“subscription year”	9(2)
“supplementary contribution”	7(5)
“the termination event”	12(12)
“the transfer instructions”	8(2)(h)
“the internal transfer instructions”	8(2)(i)

Textual Amendments

- F2** Words in reg. 2(1)(a) added (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Child Trust Funds \(Amendment\) Regulations 2009 \(S.I. 2009/475\)](#), regs. 1(1), **3**
- F3** Words in reg. 2(1)(a) omitted (1.7.2015) by virtue of [The Child Trust Funds \(Amendment No. 3\) Regulations 2015 \(S.I. 2015/1371\)](#), regs. 1, **3**
- F4** Words in reg. 2(1)(b) substituted (6.4.2014) by [The Child Trust Funds \(Amendment\) Regulations 2014 \(S.I. 2014/649\)](#), regs. 1, **3(a)**
- F5** Words in reg. 2(1)(b) substituted (6.4.2010) by [The Child Trust Funds \(Amendment\) Regulations 2010 \(S.I. 2010/582\)](#), regs. 1, **3(1)(a)**
- F6** Words in reg. 2(1)(b) inserted (6.4.2010) by [The Child Trust Funds \(Amendment\) Regulations 2010 \(S.I. 2010/582\)](#), regs. 1, **3(1)(g)**
- F7** Words in reg. 2(1)(b) substituted (1.1.2016) by [The Solvency 2 Regulations 2015 \(S.I. 2015/575\)](#), reg. 1(2), **Sch. 2 para. 18(2)**
- F8** Words in reg. 2(1)(b) inserted (6.4.2005) by [The Child Trust Funds \(Amendment\) Regulations 2004 \(S.I. 2004/2676\)](#), regs. 1, **3**
- F9** Words in reg. 2(1)(b) substituted (27.12.2005) by [The Child Trust Funds \(Amendment No. 3\) Regulations 2005 \(S.I. 2005/3349\)](#), regs. 1, **3(a)**
- F10** Words in reg. 2(1)(b) inserted (1.1.2007) by [The Child Trust Funds \(Amendment No. 3\) Regulations 2006 \(S.I. 2006/3195\)](#), regs. 1, **3**
- F11** Word in reg. 2(1)(b) inserted (1.7.2015) by [The Child Trust Funds \(Amendment No. 3\) Regulations 2015 \(S.I. 2015/1371\)](#), regs. 1, **4(1)(a)(i)**
- F12** Punctuation in reg. 2(1)(b) substituted (1.7.2015) by [The Child Trust Funds \(Amendment No. 3\) Regulations 2015 \(S.I. 2015/1371\)](#), regs. 1, **4(1)(a)(ii)**
- F13** Words in reg. 2(1)(b) omitted (1.7.2015) by virtue of [The Child Trust Funds \(Amendment No. 3\) Regulations 2015 \(S.I. 2015/1371\)](#), regs. 1, **4(1)(a)(iii)**
- F14** Words in reg. 2(1)(b) inserted (6.4.2005) by [The Child Trust Funds \(Amendment No. 2\) Regulations 2005 \(S.I. 2005/909\)](#), regs. 1, **3**
- F15** Words in reg. 2(1)(b) substituted (6.4.2010) by [The Child Trust Funds \(Amendment\) Regulations 2010 \(S.I. 2010/582\)](#), regs. 1, **3(1)(b)**
- F16** Words in reg. 2(1) omitted (31.12.2020) by virtue of [The Tax Credits and Child Trust Funds \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/713\)](#), regs. 1(2)(c), **11(a)**; 2020 c. 1, Sch. 5 para. 1(1)
- F17** Words in reg. 2(1) substituted (31.12.2020) by [The Tax Credits and Child Trust Funds \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/713\)](#), regs. 1(2)(c), **11(b)**; 2020 c. 1, Sch. 5 para. 1(1)
- F18** Words in reg. 2(1)(b) omitted (1.8.2014) by virtue of [The Co-operative and Community Benefit Societies and Credit Unions Act 2010 \(Consequential Amendments\) Regulations 2014 \(S.I. 2014/1815\)](#), reg. 1(2), **Sch. para. 13(b)**
- F19** Words in reg. 2(1)(b) substituted (6.4.2017) by [The Child Trust Funds \(Amendment\) Regulations 2017 \(S.I. 2017/185\)](#), regs. 1, **3(a)**
- F20** Words in reg. 2(1)(b) inserted (6.4.2020) by [The Child Trust Funds \(Amendment\) Regulations 2020 \(S.I. 2020/29\)](#), regs. 1(1), **3(a)**
- F21** Words in reg. 2(1)(b) omitted (6.4.2010) by virtue of [The Child Trust Funds \(Amendment\) Regulations 2010 \(S.I. 2010/582\)](#), regs. 1, **3(1)(d)**

- F22** Words in reg. 2(1)(b) substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 93(a)(i)**
- F23** Words in reg. 2(1)(b) inserted (6.4.2024) by The Child Trust Funds (Amendment) Regulations 2024 (S.I. 2024/349), regs. 1, **2(2)(a)**
- F24** Words in reg. 2(1)(b) omitted (22.7.2013) by virtue of The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 2 para. 18**
- F25** Words in reg. 2(1)(b) inserted (27.12.2005) by The Child Trust Funds (Amendment No. 3) Regulations 2005 (S.I. 2005/3349), regs. 1, **3(b)**
- F26** Words in reg. 2(1)(b) substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 93(a)(ii)(cc)**
- F27** Word in reg. 2(1)(b) omitted (6.4.2010) by virtue of The Child Trust Funds (Amendment) Regulations 2010 (S.I. 2010/582), regs. 1, **3(1)(e)**
- F28** Word in reg. 2(1)(b) substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 93(a)(ii)(aa)**
- F29** Words in reg. 2(1)(b) substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 93(a)(ii)(bb)**
- F30** Words in reg. 2(1)(b) substituted (5.8.2013) by The Child Trust Funds (Amendment No. 2) Regulations 2013 (S.I. 2013/1744), regs. 1, **3(b)**
- F31** Words in reg. 2(1)(b) inserted (1.7.2015) by The Child Trust Funds (Amendment No. 3) Regulations 2015 (S.I. 2015/1371), regs. 1, **4(1)(b)**
- F32** Words in reg. 2(1)(b) omitted (1.7.2015) by virtue of The Child Trust Funds (Amendment No. 3) Regulations 2015 (S.I. 2015/1371), regs. 1, **4(1)(c)**
- F33** Words in reg. 2(1)(b) substituted (6.4.2010) by The Child Trust Funds (Amendment) Regulations 2010 (S.I. 2010/582), regs. 1, **3(1)(f)**
- F34** Words in reg. 2(1)(c) omitted (6.4.2010) by virtue of The Child Trust Funds (Amendment) Regulations 2010 (S.I. 2010/582), regs. 1, **3(2)(a)**
- F35** Words in reg. 2(1)(c) omitted (1.4.2013) by virtue of The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 93(b)(i)**
- F36** Words in reg. 2(1)(c) omitted (1.4.2013) by virtue of The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 93(b)(ii)**
- F37** Words in reg. 2(1)(c) substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 93(b)(iii)**
- F38** Words in reg. 2(1)(c) omitted (6.4.2010) by virtue of The Child Trust Funds (Amendment) Regulations 2010 (S.I. 2010/582), regs. 1, **3(2)(b)**
- F39** Words in reg. 2(1)(c) inserted (6.4.2010) by The Child Trust Funds (Amendment) Regulations 2010 (S.I. 2010/582), regs. 1, **3(2)(f)**
- F40** Words in reg. 2(1)(c) substituted (13.1.2018) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(6), **Sch. 8 para. 9** (with reg. 3)
- F41** Words in reg. 2(1)(c) substituted (6.4.2010) by The Child Trust Funds (Amendment) Regulations 2010 (S.I. 2010/582), regs. 1, **3(2)(c)**
- F42** Words in reg. 2(1)(c) substituted (31.12.2020 immediately after S.I. 2019/713, regs. 10-13 come into force) by The Child Trust Funds (Amendment) Regulations 2020 (S.I. 2020/29), regs. 1(2), **3(b)**
- F43** Words in reg. 2(1)(c) omitted (6.4.2024) by virtue of The Child Trust Funds (Amendment) Regulations 2024 (S.I. 2024/349), regs. 1, **2(2)(b)(i)**
- F44** Words in reg. 2(1)(c) inserted (6.4.2023) by The Child Trust Funds (Amendment) Regulations 2023 (S.I. 2023/269), regs. 1, **3**
- F45** Words in reg. 2(1)(c) substituted (6.4.2024) by The Child Trust Funds (Amendment) Regulations 2024 (S.I. 2024/349), regs. 1, **2(2)(b)(ii)**
- F46** Words in reg. 2(1)(c) omitted (6.4.2010) by virtue of The Child Trust Funds (Amendment) Regulations 2010 (S.I. 2010/582), regs. 1, **3(2)(d)**
- F47** Words in reg. 2(1)(c) substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 93(b)(v)(aa)**

- F48** Word in reg. 2(1)(c) substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 93(b)(v)(bb)**
- F49** Words in reg. 2(1)(c) substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 93(b)(vi)**
- F50** Words in reg. 2(1)(c) substituted (6.4.2010) by The Child Trust Funds (Amendment) Regulations 2010 (S.I. 2010/582), regs. 1, **3(2)(e)(i)**
- F51** Words in reg. 2(1)(c) substituted (6.4.2010) by The Child Trust Funds (Amendment) Regulations 2010 (S.I. 2010/582), regs. 1, **3(2)(e)(ii)**
- F52** Reg. 2(1A) inserted (5.8.2013) by The Child Trust Funds (Amendment No. 2) Regulations 2013 (S.I. 2013/1744), regs. 1, **4**
- F53** Reg. 2(1A)(b)(c) omitted (6.4.2015) by virtue of The Child Trust Funds (Amendment No. 2) Regulations 2015 (S.I. 2015/876), regs. 1, **3**
- F54** Words in reg. 2(2) Table omitted (with effect in accordance with reg. 1(2) of the amending S.I.) by virtue of The Child Trust Funds (Amendment) Regulations 2013 (S.I. 2013/263), **reg. 2(4)(b)**
- F55** Word in reg. 2(2) substituted (6.4.2017) by The Child Trust Funds (Amendment) Regulations 2017 (S.I. 2017/185), regs. 1, **3(b)**
- F56** Words in reg. 2(2) Table omitted (1.7.2015) by virtue of The Child Trust Funds (Amendment No. 3) Regulations 2015 (S.I. 2015/1371), regs. 1, **4(2)**

Marginal Citations

- M1** 1986 c. 53.
- M2** Number 17 of 1989.
- M3** 2000 c. 8.
- M4** 1972 c. 65.
- M5** O.J. L271, 9.10.2002, p. 16.
- M6** 1984 c. 12.
- M7** 1992 c. 12.
- M8** 1992 c. 40.
- M9** 1970 c. 9.
- M10** S.I. 2001/1228.

Vouchers **U.K.**

3.—(1) The voucher to be issued under section 5(1) of the Act shall contain the following particulars—

- (a) the full name of the child,
- (b) his date of birth,
- (c) his unique reference number,
- (d) the [^{F57}short expiry date] of the voucher, and
- (e) the amount of the initial contribution (see regulation 7(1)),

and a statement that the voucher cannot be exchanged for money.

(2) The voucher shall be sent to the person who is entitled to child benefit in respect of the child (or, in the case of a child who is an eligible child because of section 2(3) of the Act, to a responsible person in relation to the child) by post.

(3) The expiry date ^{F58}... shall be whichever is the earlier of—

- (a) the date 12 months from the date of issue of the voucher, or
- (b) where the child is over 17 years of age, the date on which he will attain the age of 18 years.

[^{F59}(4) But for references in these Regulations to the short expiry date of the voucher paragraph (3) applies with “60 days” instead of “12 months”.]

Textual Amendments

- F57** Words in reg. 3(1)(d) substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by The Child Trust Funds (Amendment No. 3) Regulations 2011 (S.I. 2011/2447), regs. 1(1), 3(a)
- F58** Words in reg. 3(3) omitted (7.2.2006) by virtue of The Child Trust Funds (Amendment) Regulations 2006 (S.I. 2006/199), regs. 1, 3
- F59** Reg. 3(4) inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by The Child Trust Funds (Amendment No. 3) Regulations 2011 (S.I. 2011/2447), regs. 1(1), 3(b)

Descriptions of accounts **U.K.**

4.—(1) An account may be of either of the following descriptions—

Stakeholder account

Where the account meets the characteristics and conditions in the Schedule to these Regulations.

Non-stakeholder account

Where any of those characteristics or conditions is not met.

(2) Accounts opened by the Inland Revenue (see regulation 6) must be stakeholder accounts.

Opening of account by responsible person or the child **U.K.**

5.—(1) For the purposes of these Regulations, subject to [^{F60}paragraphs (1A) and (2)], an account is opened for a child (“the named child”) with an account provider on the date the last of the following conditions is satisfied (in any order) where “the applicant” means—

- (a) if the named child is 16 or over, the child; and
- (b) in any other case, a responsible person in relation to the named child:

Condition 1

The applicant gives the voucher relating to the named child to the account provider [^{F61}not later than 7 days after its [^{F62}short expiry date]] [^{F63}or, where the account provider has chosen to open accounts without sight of the relevant voucher, the applicant gives the following information to the account provider:

- (a) the [^{F62}short expiry date] of the voucher,
- (b) the amount of the initial contribution as specified on the voucher, and
- (c) where the date of birth shown on the voucher differs from the actual date of birth of the child (see regulation 13(5)(c)), the date of birth shown on the voucher].

Condition 2

The applicant enters into an agreement with the account provider (the “management agreement”) for the management of the account (see regulation 8(1) and (2)), which includes the application and declaration required by regulation 13.

Condition 3

Where that application is not in writing the applicant has agreed, or is treated as having agreed, the contents of the copy of the declaration required by regulation 13(3).

Condition 4

- (a) (a) In any case where the management agreement is a distance contract, the agreement must be an initial service agreement for the purposes of the Distance Marketing Directive ^{M11}, and contain the instructions required by regulation 8(1)(f), and
- (b) in every case where there is any right to cancel (or automatic cancellation of) the management agreement, the period during which it may be exercised or occur has expired without that right being exercised or cancellation occurring.

[^{F64}(1A) The application to open the account must be made, and Condition 2 satisfied, not later than the [^{F65}short expiry date] of the voucher.]

- (2) An account must satisfy the requirements that—
- (a) no subscription to the account is accepted by the account provider until the account has been opened in accordance with paragraph (1); and
- (b) where the account is so opened before the appointed day, it shall not be treated as open for the purpose of accepting subscriptions until the appointed day.

Textual Amendments

- F60** Words in reg. 5(1) substituted (7.2.2006) by [The Child Trust Funds \(Amendment\) Regulations 2006 \(S.I. 2006/199\)](#), regs. 1, **4(a)(i)**
- F61** Words in reg. 5(1) added (7.2.2006) by [The Child Trust Funds \(Amendment\) Regulations 2006 \(S.I. 2006/199\)](#), regs. 1, **4(a)(ii)**
- F62** Words in reg. 5(1) substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Child Trust Funds \(Amendment No. 3\) Regulations 2011 \(S.I. 2011/2447\)](#), regs. 1(1), **4**
- F63** Words in reg. 5(1) added (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Child Trust Funds \(Amendment No. 2\) Regulations 2009 \(S.I. 2009/694\)](#), regs. 1(1), **3**
- F64** Reg. 5(1A) inserted (7.2.2006) by [The Child Trust Funds \(Amendment\) Regulations 2006 \(S.I. 2006/199\)](#), regs. 1, **4(b)**
- F65** Words in reg. 5(1A) substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Child Trust Funds \(Amendment No. 3\) Regulations 2011 \(S.I. 2011/2447\)](#), regs. 1(1), **4**

Marginal Citations

- M11** O.J. L271, 9.10.2002, p. 16.

Opening of account by Inland Revenue—(Revenue allocated accounts) **U.K.**

6.—(1) The Board shall apply to open an account for a child to whom section 6 of the Act applies, by forwarding to an account provider the particulars which would be required for a voucher (see regulation 3), but omitting paragraph (1)(d) of that regulation.

(2) The account provider shall immediately open a stakeholder account in the name of the child, which shall have the same effect as if a responsible person for the child (or the child if aged 16 or over) had entered into the account provider's standard management agreement for the stakeholder account in question, including the terms mentioned in Condition 2 of regulation 5(1) (but treating the reference to the application and declaration required by regulation 13 as a reference to the authorisation required by regulation 13(4)) and regulation 8(1)(f).

(3) The Inland Revenue shall maintain (and update from time to time) a list of account providers who have agreed to accept Revenue allocated accounts under this regulation, in the order of the date of their agreement, and the account provider shall be selected in rotation from the current list.

(4) Where the account provider offers two or more types of stakeholder account

- [^{F66}(a) the account provider shall select the type or types to be used for the purposes of this regulation (subject to sub-paragraph (b)),
- (b) any type selected must be offered to the general public at the time of opening a Revenue allocated account of that type, and
- (c) if more than one type has been selected, the account to be opened shall be chosen by the account provider in rotation between the selected types of accounts.]

[^{F67}(5) The Inland Revenue shall write to the person who is entitled to child benefit in respect of the child (or, in the case of a child who is an eligible child because of section 2(3) of the Act, to a responsible person in relation to the child) to inform them of the opening of the account and particulars of it.]

Textual Amendments

- F66** Words in reg. 6(4) substituted (27.12.2005) by [The Child Trust Funds \(Amendment No. 3\) Regulations 2005 \(S.I. 2005/3349\)](#), regs. 1, 4
- F67** Reg. 6(5) added (6.4.2005) by [The Child Trust Funds \(Amendment\) Regulations 2004 \(S.I. 2004/2676\)](#), regs. 1, 4

Government contributions **U.K.**

7.—(1) The amounts of the contribution for the purposes of section 8(1) of the Act are set out in paragraphs (2) to [^{F68}(4B)], (the amounts set out in paragraphs [^{F69}(2), (4)(a) and (4A)] to be known as the “initial contribution”, and the amounts set out in paragraphs [^{F70}(3), (4)(b) and (4B)] as the “special contribution”).

(2) Where the child is an eligible child on the appointed day by virtue of section 2(1)(a) of the Act (by reason of a child benefit award), and—

- (i) was born after 31st August 2002 but before 6th April 2003, the amount is £277,
- (ii) was born between 6th April 2003 and 5th April 2004, the amount is £268, and
- (iii) was born between 6th April 2004 and the day preceding the appointed day, the amount is £256.

(3) Where the child is an eligible child on the appointed day by virtue of section 2(1)(b) of the Act (by reason of being a child in the care of a local authority at that date) and—

- (i) was born after 31st August 2002 but before 6th April 2003, the amount is £554,
- (ii) was born between 6th April 2003 and 5th April 2004, the amount is £536, and
- (iii) was born between 6th April 2004 and the day preceding the appointed day, the amount is £512.

(4) [^{F71}Subject to paragraphs (4A) and (4B), where] the child [^{F72}becomes an eligible child] on or after the appointed day and—

- (a) is first an eligible child by virtue of section 2(1)(a) of the Act, the amount is £250, and
- (b) is first an eligible child by virtue of section 2(1)(b) of the Act, the amount is £500.

[^{F73}(4A) Where a child—

- (a) is first an eligible child by virtue of section 2(1)(a) of the Act, and
- (b) the commencement date for the child (see paragraph (8)) is after the relevant 2010 date (see paragraph (10E)),

the amount is £50.

(4B) Where a child—

- (a) is first an eligible child by virtue of section 2(1)(b) of the Act, and

(b) either—

- (i) is born on or after the relevant 2010 date, or
- (ii) is first in the United Kingdom (other than temporarily) on or after the relevant 2010 date, or
- (iii) becomes an eligible child on or after 3 months (less one day) after the relevant 2010 date,

the amount is £100.]

(5) The amounts of the supplementary contribution for the purposes of section 9(2) of the Act (to be known as the “supplementary contribution”) are set out in paragraphs (6) and (7).

(6) Where the child is an eligible child on the appointed day (and is a child to whom section 9 of the Act applies), the amount—

- (a) if the commencement date was after 31st August 2002 but before 6th April 2003, is £266,
- (b) if the commencement date was between 6th April 2003 and 5th April 2004, is £258,
- (c) if the commencement date was between 6th April 2004 and the appointed day, is £250.

(7) [^{F74}Subject to paragraph (7A), where] the child becomes an eligible child after the appointed day (and is a child to whom section 9 of the Act applies), the amount is £250.

[^{F75}(7A) Where the child is one to whom section 9 of the Act applies, and the commencement date for the child is after the relevant 2010 date, the amount is £50.]

(8) The “commencement date”, in relation to a child, means the first day for which child benefit was paid (under a decision mentioned in section 2(6) of the Act) in respect of the child, except that—

- (a) where entitlement to child benefit is wholly excluded by a directly applicable Community provision, it means the date on which that exclusion took effect, ^{F76}...

^{F76}(b)

[^{F77}(9) The Inland Revenue shall, following final determination of entitlement to child tax credit, write to the person who is entitled to child benefit in respect of the child (or, in the case of a child who is an eligible child because of section 2(3) of the Act, to a responsible person in relation to the child) to inform them that the supplementary contribution is being paid into the child’s account.]

[^{F78}(10) A further contribution under section 10 of the Act of [^{F79}£50] is due for any child where—

- (a) the commencement date (for child benefit: see paragraph (8)) in relation to that child is after 5th April 2005, and
- (b) income support or income-based jobseeker’s allowance was paid for that commencement date to a person whose applicable amount included an amount in respect of the child.

[^{F80}(10A) A further contribution under section 10 of the Act of [^{F81}£50] is due for any child if—

- (a) an account is held by the child,
- (b) the child was first an eligible child by virtue of section 2(1)(a) of the Act,
- (c) section 9 of the Act does not apply to the child,
- (d) a contribution is not, and has not been, due for the child under paragraph (10),
- (e) the child is an eligible child on the day identified under the provisions of paragraph (10B) or (10C) as the case may be, and
- (f) the condition in paragraph (10B) or (10C) is satisfied in relation to the child.

(10B) The condition in this paragraph is that it has been determined in accordance with the provision made by and by virtue of sections 18 to 21 of the Tax Credits Act 2002—

- (a) that a person was, or persons were, entitled to child tax credit in respect of the child for any day falling—
 - (i) after the commencement date, but
 - (ii) not later than three months immediately preceding the expiry date of the voucher for the child (see regulation 3), and
- (b) that either the relevant income of the person or persons for the tax year in which that day fell does not exceed the income threshold or the person, or either of those persons, was entitled to a relevant social security benefit for that day,

and that determination has not been overturned.

(10C) The condition in this paragraph is that income support, or income-based jobseeker's allowance, was paid for any day falling—

- (a) after the commencement date, but
- (b) not later than one month immediately preceding the expiry date of the voucher for the child (see regulation 3),

to a person whose applicable amount included an amount in respect of the child.]

[
^{F82}(10D) Her Majesty's Revenue and Customs must inform the account provider holding the child's account where an amount is payable to the account under paragraph (10) or (10A).

(10E) In this regulation, "the relevant 2010 date" means—

- (a) 2nd August 2010; or
- (b) if later, the day on which regulation 3 of the Child Trust Funds (Amendment No. 3) Regulations 2010 came into force.]

(11) On receipt of the further contribution [^{F83}mentioned in paragraph (10) or (10A)] from the Inland Revenue the account provider must credit the account held by the child with the amount of the payment.]

Textual Amendments

- F68** Word in reg. 7(1) substituted (2.8.2010) by [The Child Trust Funds \(Amendment No. 3\) Regulations 2010 \(S.I. 2010/1894\)](#), regs. 1(3)(a), **3(2)(a)**
- F69** Words in reg. 7(1) substituted (2.8.2010) by [The Child Trust Funds \(Amendment No. 3\) Regulations 2010 \(S.I. 2010/1894\)](#), regs. 1(3)(a), **3(2)(b)**
- F70** Words in reg. 7(1) substituted (2.8.2010) by [The Child Trust Funds \(Amendment No. 3\) Regulations 2010 \(S.I. 2010/1894\)](#), regs. 1(3)(a), **3(2)(c)**
- F71** Words in reg. 7(4) substituted (2.8.2010) by [The Child Trust Funds \(Amendment No. 3\) Regulations 2010 \(S.I. 2010/1894\)](#), regs. 1(3)(a), **3(3)**
- F72** Words in reg. 7(4) substituted (6.4.2005) by [The Child Trust Funds \(Amendment\) Regulations 2004 \(S.I. 2004/2676\)](#), regs. 1, **5(a)**
- F73** Reg. 7(4A)(4B) inserted (2.8.2010) by [The Child Trust Funds \(Amendment No. 3\) Regulations 2010 \(S.I. 2010/1894\)](#), regs. 1(3)(a), **3(4)**
- F74** Words in reg. 7(7) substituted (2.8.2010) by [The Child Trust Funds \(Amendment No. 3\) Regulations 2010 \(S.I. 2010/1894\)](#), regs. 1(3)(a), **3(5)**
- F75** Reg. 7(7A) inserted (2.8.2010) by [The Child Trust Funds \(Amendment No. 3\) Regulations 2010 \(S.I. 2010/1894\)](#), regs. 1(3)(a), **3(6)**
- F76** Reg. 7(8)(b) and preceding word omitted (2.8.2010) by virtue of [The Child Trust Funds \(Amendment No. 3\) Regulations 2010 \(S.I. 2010/1894\)](#), regs. 1(3)(a), **3(7)**
- F77** Reg. 7(9) added (6.4.2005) by [The Child Trust Funds \(Amendment\) Regulations 2004 \(S.I. 2004/2676\)](#), regs. 1, **5(b)**

- F78** Reg. 7(10)(11) added (6.4.2005) by [The Child Trust Funds \(Amendment\) Regulations 2005 \(S.I. 2005/383\)](#), regs. 1, **3**
- F79** Sum in reg. 7(10) substituted (with effect in accordance with reg. 1(4) of the amending S.I.) by [The Child Trust Funds \(Amendment No. 3\) Regulations 2010 \(S.I. 2010/1894\)](#), regs. 1(3)(a), **3(8)**
- F80** Reg. 7(10A)-(10C) inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Child Trust Funds \(Amendment\) Regulations 2009 \(S.I. 2009/475\)](#), regs. 1(1), **4(a)**
- F81** Sum in reg. 7(10A) substituted (with effect in accordance with reg. 1(4) of the amending S.I.) by [The Child Trust Funds \(Amendment No. 3\) Regulations 2010 \(S.I. 2010/1894\)](#), regs. 1(3)(a), **3(8)**
- F82** Reg. 7(10D)(10E) inserted (2.8.2010) by [The Child Trust Funds \(Amendment No. 3\) Regulations 2010 \(S.I. 2010/1894\)](#), regs. 1(3)(a), **3(9)**
- F83** Words in reg. 7(11) inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Child Trust Funds \(Amendment\) Regulations 2009 \(S.I. 2009/475\)](#), regs. 1(1), **4(b)**

Age 7 payments U.K.

^{F84}7A.

Textual Amendments

- F84** Reg. 7A omitted (1.8.2010) by virtue of [The Child Trust Funds \(Amendment No. 3\) Regulations 2010 \(S.I. 2010/1894\)](#), regs. 1(2)(a), **4**

[^{F85}Yearly disability payments U.K.

7B.—(1) A further contribution under section 10 of the Act is due for any eligible child who is entitled in [^{F86}the year 2009/10 or 2010/11] to a disability living allowance, in accordance with paragraphs (2) to (4).

(2) Where it has been determined that the child is entitled to the care component of a disability living allowance at the highest weekly rate (see section 72(4)(a) of either the Social Security Contributions and Benefits Act 1992 or the Social Security Contributions and Benefits (Northern Ireland) Act 1992), at any time in the year (whether it is paid or not), the contribution payable for the year shall be £200.

(3) In any other case where it has been determined that the child is entitled to a disability living allowance at any time in the year (whether it is paid or not), the contribution payable for the year shall be £100.

^{F87}(4)

(5) Her Majesty’s Revenue and Customs must inform the account provider holding the child’s account where an amount is payable to that account under this regulation.

(6) On receipt of each further contribution from Her Majesty’s Revenue and Customs, the account provider must credit the child’s account with the amount of the payment.]

Textual Amendments

- F85** Reg. 7B inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Child Trust Funds \(Amendment No. 2\) Regulations 2010 \(S.I. 2010/836\)](#), regs. 1(1), **3**
- F86** Words in reg. 7B(1) substituted (1.8.2010) by [The Child Trust Funds \(Amendment No. 3\) Regulations 2010 \(S.I. 2010/1894\)](#), regs. 1(2)(a), **5(2)**
- F87** Reg. 7B(4) omitted (1.8.2010) by virtue of [The Child Trust Funds \(Amendment No. 3\) Regulations 2010 \(S.I. 2010/1894\)](#), regs. 1(2)(a), **5(3)**

Changes to legislation:

There are currently no known outstanding effects for the The Child Trust Funds Regulations 2004, PART 1.