
STATUTORY INSTRUMENTS

2004 No. 1450

The Child Trust Funds Regulations 2004

PART 2

Other requirements to be satisfied in relation to accounts

General requirements for accounts

8. —An account must satisfy the requirements that—

- (a) it is the account for a single child (“the named child”);
- (b) the named child is or has been an eligible child;
- (c) no child may hold more than one account;

^{F1}(d)

- (e) the account must at all times be managed in accordance with these Regulations by an account provider and, subject to regulation 6(2), under terms agreed and recorded in a management agreement made between the account provider and the registered contact (on behalf of the named child where appropriate); and
- (f) the management agreement must include instructions to the provider as to the manner in which Inland Revenue contributions and any subscriptions made are to be invested under the account.

(2) Apart from other requirements of these Regulations the terms so agreed shall include the conditions that—

- (a) the account investments shall be in the beneficial ownership of the named child;
- (b) the title to all account investments, except those falling within regulation 12(2)(k), (l) or (m), shall be vested in the account provider or his nominee, subject to sub-paragraph (f);
- (c) where a share certificate or other document evidencing title to an account investment is issued, it shall be held by the account provider or as he may direct, subject to sub-paragraph (f);
- (d) in relation to qualifying investments falling within regulation 12(2)(a), (b) and (f) to (j), the account provider shall, if the registered contact so elects (and subject to any charge for the arrangement), arrange for the registered contact to receive a copy of the annual report and accounts issued to investors by every company, unit trust, open-ended investment company or other entity in which account investments are held;
- (e) in relation to qualifying investments falling within regulation 12(2)(a), (b) and (f) to (j), the account provider shall, if the registered contact so elects (subject to any charge for the arrangement, and to any provisions made under any enactment), be under an obligation to arrange for the registered contact to be able—
 - (i) to attend any meetings of investors in companies, unit trusts, open-ended investment companies and other entities in which account investments are held,
 - (ii) to vote, and

- (iii) to receive, in addition to the documents referred to in sub-paragraph (d), any other information issued to investors in such companies, unit trusts, open-ended investment companies and other entities;
- (f) if and so long as a person falling within regulation 14(2)(d)(iv) acts as account provider of an account, and the account investments include a policy of life insurance—
- (i) the title to all such policies shall be vested in the registered contact, and
 - (ii) where a policy document or other document evidencing title to such policies of life insurance is issued, it shall be held by the registered contact;
- (g) the account provider shall satisfy himself that any person to whom he delegates any of his functions or responsibilities under the management agreement is competent to carry out those functions or responsibilities;
- (h) on the instructions of the registered contact (“the transfer instructions”) and within such time as is stipulated by the registered contact in the transfer instructions, the whole of an account, with all rights and obligations of the parties to it, shall be transferred free of expense (except any incidental expenses) to another account provider subject to and in accordance with regulation 21;
- [^{F2}(ha) where the account is or has been transferred to the account provider by a transfer under regulation 21, that no charges or expenses are due in respect of that transfer, except in accordance with sub-paragraph (h);]
- [^{F3}(hb) any transfer under regulation 20A shall be free of expense (except any incidental expenses);]
- (i) where the account provider offers accounts of another description or type, on the instructions of the registered contact (“the internal transfer instructions”) and within such time as is stipulated by the registered contact in the internal transfer instructions, the account shall become (free of expense, except any incidental expenses) an account of that other description or type (any necessary change in the investments being made accordingly); and
 - (j) the account provider shall notify the registered contact if by reason of any failure to satisfy the provisions of these Regulations an account is or will become no longer exempt from tax by virtue of regulation 24.
- (3) Where the transfer instructions or internal transfer instructions, or any new management agreement entered into by the registered contact with the account provider (or a new account provider) under regulation 8(1)(e), is a distance contract, the transfer or internal transfer shall only take effect once those contracts satisfy Condition 4 in regulation 5(1).
- (4) The time stipulated in transfer instructions or internal transfer instructions shall be subject to any reasonable business period (not exceeding 30 days) of the account provider required for the practical implementation of the instructions.
- (5) In this regulation, “incidental expenses” means stamp duty and other dealing costs of disposing of or acquiring investments.

Textual Amendments

- F1** Reg. 8(1)(d) omitted (1.7.2015) by virtue of [The Child Trust Funds \(Amendment No. 3\) Regulations 2015 \(S.I. 2015/1371\)](#), regs. 1, 5
- F2** Reg. 8(2)(ha) inserted (6.4.2005) by [The Child Trust Funds \(Amendment\) Regulations 2004 \(S.I. 2004/2676\)](#), regs. 1, 6
- F3** Reg. 8(2)(hb) inserted (6.4.2015) by [The Child Trust Funds \(Amendment No. 2\) Regulations 2015 \(S.I. 2015/876\)](#), regs. 1, 4

Annual limit on subscriptions

9.—(1) Any person (including the child) may make subscriptions to a child’s account, subject to paragraphs (2) and (3).

(2) Subscriptions to an account made during any subscription year, that is—

- (a) the period beginning with the day on which the account is opened (or if opened before the appointed day, opened for the purpose of accepting subscriptions under regulation 5(2)(b)), and ending immediately before the child’s next birthday, and
- (b) any succeeding period of twelve months,

shall not in aggregate exceed the sum of [^{F4}£9,000].

(3) Where the aggregate of subscriptions in any year falls short of [^{F5}£9,000] or is nil, there shall be no addition to the amount for any succeeding year.

Textual Amendments

- F4** Sum in reg. 9(2) substituted (6.4.2020) by [The Child Trust Funds \(Amendment No. 2\) Regulations 2020 \(S.I. 2020/269\)](#), regs. 1, 3
- F5** Sum in reg. 9(3) substituted (6.4.2020) by [The Child Trust Funds \(Amendment No. 2\) Regulations 2020 \(S.I. 2020/269\)](#), regs. 1, 3

Statements for an account

[^{F6}10.—(1) The account provider must produce a statement for the account—

- (a) subject to paragraphs (6) and (7), annually (“an annual statement”), and
- (b) where an account is transferred ^{F7}... under regulation [^{F8}20A or] 21, as at the transfer date (“a transfer statement”).

(2) References in paragraphs (2A)(b), (3), (4), (5), (6) and (8) to a statement (without more) shall be construed as references to any statement required to be produced in accordance with this regulation.

(2A) The account provider must produce an annual statement at a date (a “relevant date”) not later than 12 months from the latest of—

- (a) the date of the opening of the account;
- (b) the date at which the most recent statement was produced; and
- (c) the last date at which, but for paragraph (6), a previous annual statement would have had to have been produced.]

(3) [^{F9}A statement required to be produced in accordance with this regulation] shall be sent—

- (a) where the named child is the registered contact, to the child,
- (b) where a responsible person is the registered contact, to the named child care of the registered contact,

[^{F10}(c) where a person has been appointed by the Treasury or the Secretary of State by virtue of section 3(10) of the Act, to that person on behalf of the child, and]

- (d) in any other case, to the named child,

within 30 days of the [^{F11}date specified in paragraph (3A)].

[^{F12}(3A) The date specified in this paragraph is—

- (a) in relation to an annual statement, the relevant date;

- (b) in relation to a transfer statement, the transfer date; or
 - (c) where paragraph (7) applies, the later of the relevant date in relation to the annual statement requested and the date that the request is received by the account provider.]
- (4) Statements shall include the following information—
- (a) the full name of the child;
 - ^{F13}(b)
 - ^{F14}(c)
 - (d) his unique reference number;
 - (e) the description of the account (see regulation 4);
 - (f) the name of the registered contact (if any);
 - (g) the [^{F15}relevant date];
 - ^{F16}(h) the total market value of the investments under the account at the date at which the most recent statement was produced (if any);
 - (i) the amount of any Government contributions [^{F17}(see regulation 7) received by the account provider], during the period between—
 - ^{F18}(i) the date at which the most recent statement was produced, or the opening of the account (whichever is the later), and]
 - (ii) the [^{F19}relevant date];
 - (j) the aggregate amount of subscriptions (if any) received during the period in sub-paragraph (i);
 - (k) the total amount of deductions (including management charges) made during the period in sub-paragraph (i);
 - (l) the total market value of the investments under the account at the [^{F20}relevant date];
 - (m) the number or amount, description and market value of each of the investments under the account at the [^{F21}relevant date];
 - (n) the basis used in calculating the market value of each investment under the account (together with a statement of any change from a basis used in the previous statement); and
 - (o) the exchange rate used where any investment is, or is denominated in, a currency other than sterling.
- ^{F22}(5) As an alternative to the information in paragraph (4)(k), the statement may include, in relation to any management charges or other incidental expenses deducted from the account during the period in paragraph (4)(i)—
- (a) the rate, expressed as an annual percentage rate, at which, and the period in relation to which, such deductions were made, or
 - (b) where such deductions were made in relation to different periods at different rates—
 - (i) each rate, expressed as an annual percentage rate, at which those deductions were made; and
 - (ii) the period in relation to which they were made at that rate.]
- ^{F23}(6) Where, in relation to an annual statement, at a relevant date—
- (a) the aggregate market value of the account investments held under the account is less than £300, or
 - (b) no subscriptions under regulation 9 have been made to the account during the relevant period,

then, subject to paragraph (7), the account provider need only produce the annual statement if it would be the first statement to be produced following the child's fourth, tenth [^{F24}, fifteenth or seventeenth] birthday.

(7) Paragraph (6) shall not apply where any potential recipient of an annual statement (see paragraph (3)) requests such a statement.

(8) "The relevant period" means the period—

(a) beginning on the latest of—

(i) the date of the opening of the account;

(ii) the date at which the most recent statement was produced; and

(iii) the last date as at which, but for paragraph (6), an annual statement would have had to have been produced; and

(b) ending on the relevant date.]

Textual Amendments

- F6** Reg. 10(1)-(2A) substituted for reg. 10(1)(2) (20.4.2011) by [The Child Trust Funds \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/992\)](#), regs. 1, **2(2)**
- F7** Words in reg. 10(1)(b) omitted (6.4.2015) by virtue of [The Child Trust Funds \(Amendment No. 2\) Regulations 2015 \(S.I. 2015/876\)](#), regs. 1, **5(a)**
- F8** Words in reg. 10(1)(b) inserted (6.4.2015) by [The Child Trust Funds \(Amendment No. 2\) Regulations 2015 \(S.I. 2015/876\)](#), regs. 1, **5(b)**
- F9** Words in reg. 10(3) substituted (20.4.2011) by [The Child Trust Funds \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/992\)](#), regs. 1, **2(3)(a)**
- F10** Reg. 10(3)(c) substituted (1.10.2017) by [The Child Trust Funds \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/748\)](#), regs. 1, **3**
- F11** Words in reg. 10(3) substituted (20.4.2011) by [The Child Trust Funds \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/992\)](#), regs. 1, **2(3)(b)**
- F12** Reg. 10(3A) inserted (20.4.2011) by [The Child Trust Funds \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/992\)](#), regs. 1, **2(4)**
- F13** Reg. 10(4)(b) omitted (6.4.2023) by virtue of [The Child Trust Funds \(Amendment\) Regulations 2023 \(S.I. 2023/269\)](#), regs. 1, **4**
- F14** Reg. 10(4)(c) omitted (6.4.2023) by virtue of [The Child Trust Funds \(Amendment\) Regulations 2023 \(S.I. 2023/269\)](#), regs. 1, **4**
- F15** Words in reg. 10(4)(g) substituted (20.4.2011) by [The Child Trust Funds \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/992\)](#), regs. 1, **2(5)**
- F16** Reg. 10(4)(h) substituted (20.4.2011) by [The Child Trust Funds \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/992\)](#), regs. 1, **2(6)**
- F17** Words in reg. 10(4)(i) substituted (6.4.2005) by [The Child Trust Funds \(Amendment\) Regulations 2004 \(S.I. 2004/2676\)](#), regs. 1, **7(b)**
- F18** Reg. 10(4)(i)(i) substituted (20.4.2011) by [The Child Trust Funds \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/992\)](#), regs. 1, **2(7)**
- F19** Words in reg. 10(4)(i)(ii) substituted (20.4.2011) by [The Child Trust Funds \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/992\)](#), regs. 1, **2(5)**
- F20** Words in reg. 10(4)(l) substituted (20.4.2011) by [The Child Trust Funds \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/992\)](#), regs. 1, **2(5)**
- F21** Words in reg. 10(4)(m) substituted (20.4.2011) by [The Child Trust Funds \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/992\)](#), regs. 1, **2(5)**
- F22** Reg. 10(5) added (6.4.2005) by [The Child Trust Funds \(Amendment\) Regulations 2004 \(S.I. 2004/2676\)](#), regs. 1, **7(c)**

- F23** Reg. 10(6)-(8) added (20.4.2011) by [The Child Trust Funds \(Amendment No. 2\) Regulations 2011 \(S.I. 2011/992\)](#), regs. 1, **2(8)**
- F24** Words in reg. 10(6) substituted (6.4.2020) by [The Child Trust Funds \(Amendment\) Regulations 2020 \(S.I. 2020/29\)](#), regs. 1(1), **4**

General investment rules

11.—(1) All transactions by way of purchase by an account provider of investments under an account shall be made—

- (a) in the case of an authorised fund which is a dual priced unit trust, at the [^{F25}maximum sale price of a unit of the relevant class at the relevant valuation point] within the meaning of, and complying with the requirements of, [^{F26}[^{F27}paragraphs] 6.3.5 and 6.3.5B] of the [^{F28}COLL];
- (b) in the case of an authorised fund which is a single priced unit trust or an open-ended investment company, at the price of a unit [^{F29}of the relevant class at the relevant valuation point] within the meaning of, and complying with the requirements of, [^{F30}[^{F31}paragraphs] 6.3.5 and 6.3.5A] of the [^{F32}COLL]; and
- (c) in the case of all other account investments, at the price for which those investments might reasonably be expected to be purchased in the open market.

(2) In paragraph (1)—

“a dual priced unit trust” means an authorised unit trust in respect of which the manager gives different prices for buying and selling units at the same time;

“a single priced unit trust” means an authorised unit trust in respect of which the manager gives the same price for buying and selling units at the same time.

(3) All other transactions by way of sale or otherwise by an account provider in investments under an account shall be made at the price for which those investments might reasonably be expected to be sold or otherwise transacted, as the case may be, in the open market.

(4) Investments, or rights in respect of investments, may not at any time—

(a) be purchased or made otherwise than out of cash which an account provider holds under an account at that time; or

(b) be purchased from—

(i) the named child, or

(ii) the spouse [^{F33}or civil partner] of the named child,

so as to become account investments under the account.

(5) Subject to paragraph (6), contributions, subscriptions and any other cash held by an account provider under an account shall be held only in sterling and be deposited in an account with a deposit-taker [^{F34}(including for this purpose a credit union)], or a deposit account or a share account with a building society, which is designated as a CTF account for the purposes of these Regulations only.

(6) An account provider who is a European institution, a relevant authorised person or an assurance undertaking may hold an account investor’s cash subscription and other cash held under an account in the currency of the EEA State in which he has his principal place of business and may deposit such cash in an account, which is designated as mentioned in paragraph (5), with any person authorised under the law of that State to accept deposits.

Textual Amendments

- F25** Words in reg. 11(1)(a) substituted (6.4.2010) by [The Child Trust Funds \(Amendment\) Regulations 2010 \(S.I. 2010/582\)](#), regs. 1, **4(a)(i)**
- F26** Words in reg. 11(1)(a) substituted (6.4.2010) by [The Child Trust Funds \(Amendment\) Regulations 2010 \(S.I. 2010/582\)](#), regs. 1, **4(a)(ii)**
- F27** Word in reg. 11(1)(a) 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(c)(i)(aa)**
- F28** Word in reg. 11(1)(a) 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(c)(i)(bb)**
- F29** Words in reg. 11(1)(b) substituted (6.4.2010) by [The Child Trust Funds \(Amendment\) Regulations 2010 \(S.I. 2010/582\)](#), regs. 1, **4(b)(i)**
- F30** Words in reg. 11(1)(b) substituted (6.4.2010) by [The Child Trust Funds \(Amendment\) Regulations 2010 \(S.I. 2010/582\)](#), regs. 1, **4(b)(ii)**
- F31** Word in reg. 11(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(c)(ii)(aa)**
- F32** Word in reg. 11(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(c)(ii)(bb)**
- F33** Words in reg. 11(4)(b)(ii) inserted (5.12.2005) by [The Civil Partnership Act 2004 \(Tax Credits, etc.\) \(Consequential Amendments\) Order 2005 \(S.I. 2005/2919\)](#), arts. 1, **15(2)**
- F34** Words in reg. 11(5) inserted (6.4.2005) by [The Child Trust Funds \(Amendment No. 2\) Regulations 2005 \(S.I. 2005/909\)](#), regs. 1, **4**

Qualifying investments for an account

12.—(1) This regulation specifies the kind of investments (“qualifying investments for an account”) which may be purchased, made or held under an account.

- (2) Qualifying investments for an account to which paragraph (1) refers are—
 - (a) shares, not being shares in an investment trust, issued by a company wherever incorporated and [^{F35}either officially listed on a recognised stock exchange or, in [^{F36}the United Kingdom, Gibraltar or] the European Economic Area, admitted to trading on a recognised stock exchange (see paragraph (3))];
 - (b) securities—
 - (i) issued by a company wherever incorporated, [^{F37}and]
 - (ii) which satisfy at least one of the conditions specified in paragraph (5), ^{F38}...
 - ^{F38}(iii)
 - (c) gilt-edged securities;
 - (d) any securities issued by or on behalf of [^{F39}the government of the United Kingdom or] a government of any EEA State;
 - (e) any securities which, in relation to a security mentioned in sub-paragraph (d), would be a strip of that security if “strip” had the same meaning as in section 47 of the Finance Act 1942 ^{M1}, with the omission of the words “issued under the National Loans Act 1968”;
 - (f) shares in an investment trust [^{F40}listed or admitted to trading on a recognised stock exchange in circumstances where the trust satisfies the condition specified in paragraph (3)]^{F41}... ^{F42}...
 - ^{F43}(g)

- ^{F43}(h)
- ^{F44}(i) units in, or shares of, a UK UCITS or recognised UCITS;]
- (j) a depositary interest;
- (k) cash deposited in a deposit account with a building society, or a person falling within ^{F45}section 991 of ITA 2007 (including for this purpose a credit union)], subject to paragraph (8);
- (l) cash deposited in a share account with a building society, subject to paragraph (8);
- (m) policies of life insurance which satisfy the conditions specified in paragraphs (9) and (10);
- (n) any securities issued under the National Loans Act 1968 ^{M2}—
- (i) for the purpose of or in connection with raising money under the auspices of the Director of Savings within the meaning of section 11(1)(a) of the National Debt Act 1972 ^{M3}, and
- (ii) other than national savings certificates, premium savings bonds, national savings stamps and national savings gift tokens,
- which, according to the terms and conditions subject to which they are issued and purchased, are expressly permitted to be held under an account;
- ^{F46}(o) arrangements falling within section 47 of the Finance Act 2005 (alternative finance arrangements) under which the person referred to in that section as Y is a financial institution;
- (p) arrangements falling within section 49 of that Act;
- (q) qualifying units in or shares of a non-UCITS retail scheme^{F47};]
- ^{F48}(r) core capital deferred shares within the meaning of regulation 2 of the Building Societies (Core Capital Deferred Shares) Regulations 2013, provided that such shares are listed on the official list of a recognised stock exchange.]
- ^{F49}(2A) Notwithstanding any provision of paragraph (2), investments which—
- (a) are held under an account on the coming into force of this paragraph; and
- (b) immediately beforehand fell within paragraph (2)(i) by virtue of being units in, or shares of, a recognised UCITS,
- are to be treated, for as long as they are so held, as qualifying investments for an account.]
- (3) ^{F50}An investment in shares fulfils the conditions as to official listing and admission to trading in paragraph (2)(a)]^{F51}or (f)], if—
- (a) in pursuance of a public offer, the account provider applies for the allotment or allocation to him of shares in a company ^{F52}or investment trust^{F53} ... which are due to be admitted to such listing ^{F54}or admitted to such trading] within 30 days of the allocation or allotment, and which, when admitted to such listing ^{F54}or trading], would be qualifying investments for an account, and
- (b) the shares are not allotted or allocated to the account provider in the circumstances specified in paragraph (4).
- (4) The circumstances specified in this paragraph are where—
- (a) the allotment or allocation of the shares was connected with the allotment or allocation of—
- (i) shares in the company or investment trust of a different class, or
- (ii) rights to shares in the company or investment trust of a different class, or

- (iii) shares or rights to shares in another company or investment trust, or
 - (iv) units in or shares in, or rights to units in or shares in, an authorised fund or a part of an umbrella scheme, or
 - (v) securities or rights to securities of the company or investment trust, or of another company or investment trust,
- to the account provider, the registered contact or any other person; and
- (b) the terms on which the first-mentioned shares in this paragraph were offered were significantly more favourable to the account provider or the named child than they would have been if their allotment or allocation had not been connected as described in subparagraph (a).
- (5) The conditions specified in this paragraph are—
- (a) that the shares in the company issuing the securities are listed on the official list of a recognised stock exchange;
 - (b) that the securities are so listed;
 - (c) that the company issuing the securities is a 75 per cent. subsidiary of a company whose shares are so listed^[F55,]
 - ^[F56](d) that the shares in the company issuing the securities are admitted to trading on a recognised stock exchange in ^[F57]the United Kingdom, Gibraltar or] the European Economic Area;
 - (e) that the securities are so admitted to trading;
 - (f) that the company issuing the securities is a 75 per cent. subsidiary of a company whose shares are so admitted to trading.]
- ^{F58}(6)
- (7) In paragraph (4)(a), “company” means any body corporate having a share capital.
- ^[F59](8) A deposit account or share account which is a qualifying investment for an account falling within paragraph (2)(k) or (l) must not be connected with any other investment, held by the named child or any other person.
- (8A) For the purposes of paragraph (8), a deposit account or share account described in that paragraph, is connected with another investment if—
- (a) either was opened or acquired with reference to the other, or with a view to enabling the other to be opened or acquired on particular terms, or with a view to facilitating the opening or acquisition of the other on particular terms,
 - (b) the terms on which the deposit account or share account was opened would have been significantly less favourable to the holder if the other investment had not been held, and
 - (c) the other investment is not a tax exempt investment.
- (8B) The following are tax exempt investments for the purposes of paragraph (8A)—
- (a) an account investment held under a child trust fund;
 - (b) an account investment within the meaning given in the Individual Savings Account Regulations 1998 held under an account opened (or treated as opened) in accordance with regulation 12 or 12A of those regulations.]
- (9) The conditions specified in this paragraph are that—
- (a) the insurance is on the life of the named child only;
 - (b) the terms and conditions of the policy provide—
 - (i) that the policy may only be owned or held as a qualifying investment for an account which satisfies the provisions of these Regulations;

- (ii) that the policy shall automatically terminate if it comes to the notice of the account provider, in any manner, that the event specified in paragraph (11) has occurred in relation to the policy;
 - (iii) for an express prohibition of any payment of the proceeds from the termination of the policy or a partial surrender of the rights conferred by the policy, to the named child (while he is still a child) [^{F60}except in accordance with regulation 18A (terminal illness)]; and
 - (iv) that the policy, the rights conferred by the policy and any share or interest in the policy or rights respectively, shall not be capable of assignment or (in Scotland) assignation, other than that they may be vested in the named child's personal representatives, and that the title to the policy may be transferred to a new account provider subject to and in accordance with regulations 8(2)(f) and 21;
- (c) the policy evidences or secures a contract of insurance which—
- (i) falls within paragraph 1 or 3 of Part 2 of Schedule 1 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 ^{M4}, or
 - (ii) would fall within either of those paragraphs if the insurer were a company with permission under Part 4 of the Financial Services and Markets Act 2000 ^{M5} to effect or carry out contracts of insurance;
- (d) the policy is not—
- (i) a contract to pay an annuity on human life,
 - (ii) a personal portfolio bond within the meaning given by [^{F61}section 516 of ITTOIA 2005], or
 - (iii) a contract, the effecting and carrying out of which constitutes “pension business” within the meaning given by section 431B(1) of the Taxes Act ^{M6}; and
- (e) after the first payment in respect of a premium in relation to the policy has been made, there is no contractual obligation on any person to make any other such payment.
- (10) The condition specified in this paragraph is that no sum may at any time, at or after the making of the insurance, be lent to or at the direction of the named child or registered contact by or by arrangement with the insurer for the time being responsible for the obligations under the policy.
- (11) The event specified in this paragraph is that—
- (a) there has been a breach of any of the conditions in paragraph (9) or (10), or any of those conditions was not satisfied at the date on which the insurance was made; and
 - (b) the breach or non-compliance cannot be remedied in accordance with regulation 23, or (in any other case), has not been remedied within a reasonable time.
- (12) Where the event specified in paragraph (11) occurs in relation to a policy, the policy shall nevertheless be treated, for the purposes of these Regulations, excepting paragraphs (9)(b)(ii) and (11), and regulations 37(6) and 38, as if it had satisfied the conditions in paragraphs (9) and (10) during the period—
- (a) commencing at the time when that specified event occurred, and
 - (b) ending immediately before—
 - [^{F62}(i) the end of the final insurance year in relation to the policy, within the meaning given by section 499 of ITTOIA 2005,] or
 - (ii) the time at which that specified event came to the notice of the account provider, whichever first occurs (the “termination event”).

Textual Amendments

- F35** Words in reg. 12(2)(a) substituted (5.8.2013) by [The Child Trust Funds \(Amendment No. 2\) Regulations 2013 \(S.I. 2013/1744\)](#), regs. 1, **5(a)**
- F36** Words in reg. 12(2)(a) inserted (31.12.2020) by [The Tax Credits and Child Trust Funds \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/713\)](#), regs. 1(2)(c), **12(a)**; 2020 c. 1, Sch. 5 para. 1(1)
- F37** Word in reg. 12(2)(b)(i) added (6.4.2010) by [The Child Trust Funds \(Amendment\) Regulations 2010 \(S.I. 2010/582\)](#), regs. 1, **5(a)(i)**
- F38** Reg. 12(2)(b)(iii) and preceding word omitted (6.4.2010) by virtue of [The Child Trust Funds \(Amendment\) Regulations 2010 \(S.I. 2010/582\)](#), regs. 1, **5(a)(ii)**
- F39** Words in reg. 12(2)(d) inserted (31.12.2020) by [The Tax Credits and Child Trust Funds \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/713\)](#), regs. 1(2)(c), **12(b)**; 2020 c. 1, Sch. 5 para. 1(1)
- F40** Words in reg. 12(2)(f) inserted (6.4.2023) by [The Child Trust Funds \(Amendment\) Regulations 2023 \(S.I. 2023/269\)](#), regs. 1, **5(1)**
- F41** Words in reg. 12(2)(f) omitted (6.4.2014) by virtue of [The Child Trust Funds \(Amendment\) Regulations 2014 \(S.I. 2014/649\)](#), regs. 1, **5(a)**
- F42** Words in reg. 12(2)(f) omitted (6.4.2010) by virtue of [The Child Trust Funds \(Amendment\) Regulations 2010 \(S.I. 2010/582\)](#), regs. 1, **5(b)**
- F43** Reg. 12(2)(g)(h) omitted (6.4.2010) by virtue of [The Child Trust Funds \(Amendment\) Regulations 2010 \(S.I. 2010/582\)](#), regs. 1, **5(c)**
- F44** Reg. 12(2)(i) substituted (6.4.2010) by [The Child Trust Funds \(Amendment\) Regulations 2010 \(S.I. 2010/582\)](#), regs. 1, **5(d)**
- F45** Words in reg. 12(2)(k) substituted (6.4.2010) by [The Child Trust Funds \(Amendment\) Regulations 2010 \(S.I. 2010/582\)](#), regs. 1, **5(e)**
- F46** Reg. 12(2)(o)-(q) added (27.12.2005) by [The Child Trust Funds \(Amendment No. 3\) Regulations 2005 \(S.I. 2005/3349\)](#), regs. 1, **5**
- F47** Punctuation in reg. 12(2)(q) substituted (1.7.2014) by [The Child Trust Funds \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1453\)](#), regs. 1, **4(a)**
- F48** Reg. 12(2)(r) inserted (1.7.2014) by [The Child Trust Funds \(Amendment No. 2\) Regulations 2014 \(S.I. 2014/1453\)](#), regs. 1, **4(b)**
- F49** Reg. 12(2A) inserted (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), **5**
- F50** Words in reg. 12(3) substituted (6.4.2014) by [The Child Trust Funds \(Amendment\) Regulations 2014 \(S.I. 2014/649\)](#), regs. 1, **5(b)**
- F51** Words in reg. 12(3) inserted (6.4.2023) by [The Child Trust Funds \(Amendment\) Regulations 2023 \(S.I. 2023/269\)](#), regs. 1, **5(2)(a)**
- F52** Words in reg. 12(3)(a) inserted (6.4.2023) by [The Child Trust Funds \(Amendment\) Regulations 2023 \(S.I. 2023/269\)](#), regs. 1, **5(2)(b)**
- F53** Words in reg. 12(3)(a) omitted (6.4.2014) by virtue of [The Child Trust Funds \(Amendment\) Regulations 2014 \(S.I. 2014/649\)](#), regs. 1, **5(c)**
- F54** Words in reg. 12(3)(a) inserted (5.8.2013) by [The Child Trust Funds \(Amendment No. 2\) Regulations 2013 \(S.I. 2013/1744\)](#), regs. 1, **5(c)**
- F55** Punctuation in reg. 12(5)(c) substituted (1.7.2015) by [The Child Trust Funds \(Amendment No. 3\) Regulations 2015 \(S.I. 2015/1371\)](#), regs. 1, **6**
- F56** Reg. 12(5)(d)-(f) inserted (1.7.2015) by [The Child Trust Funds \(Amendment No. 3\) Regulations 2015 \(S.I. 2015/1371\)](#), regs. 1, **6**
- F57** Words in reg. 12(5)(d) inserted (31.12.2020) by [The Tax Credits and Child Trust Funds \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/713\)](#), regs. 1(2)(c), **12(a)**; 2020 c. 1, Sch. 5 para. 1(1)
- F58** Reg. 12(6) omitted (6.4.2010) by virtue of [The Child Trust Funds \(Amendment\) Regulations 2010 \(S.I. 2010/582\)](#), regs. 1, **5(f)**
- F59** Reg. 12(8)-(8B) substituted for reg. 12(8) (8.8.2012) by [The Child Trust Funds \(Amendment\) Regulations 2012 \(S.I. 2012/1870\)](#), regs. 1, **2**

- F60** Words in reg. 12(9)(b)(iii) added (6.4.2005) by [The Child Trust Funds \(Amendment\) Regulations 2004 \(S.I. 2004/2676\)](#), regs. 1, **8**
- F61** Words in reg. 12(9)(d)(ii) substituted (6.4.2010) by [The Child Trust Funds \(Amendment\) Regulations 2010 \(S.I. 2010/582\)](#), regs. 1, **5(g)**
- F62** Reg. 12(12)(b)(i) substituted (6.4.2010) by [The Child Trust Funds \(Amendment\) Regulations 2010 \(S.I. 2010/582\)](#), regs. 1, **5(h)**

Marginal Citations

- M1** 1942 c. 21; the relevant amendment to section 47 was made by section 202(2) of the [Finance Act 1996](#) (c. 8).
- M2** 1968 c. 13.
- M3** 1972 c. 65.
- M4** [S.I. 2001/544](#).
- M5** 2000 c. 8.
- M6** 1988 c. 1; section 431B was inserted by paragraphs 2 and 57 of schedule 8 to the [Finance Act 1995](#) (c. 4).

Conditions for application by responsible person or the child to open an account (and changes to an account)

13.—(1) An application by a responsible person in relation to a child or the child if 16 or over, as the case may be, (“the applicant”) to open an account for the child with an account provider must be made to the account provider in a statement which must satisfy the conditions specified in paragraphs (2) to (6).

(2) An application must specify the description of account applied for.

(3) An application must incorporate a declaration by the applicant that he—

- (a) is aged 16 years of age or over,
- (b) is—

- (i) (where the child is under 16) a responsible person in relation to the named child (that is, that he has parental responsibility [^{F63}or, in Scotland, parental responsibilities] in relation to the child), or

- (ii) the child if 16 or over, and

- (c) is to be the registered contact for the account;

and where the application is not in writing, must authorise the account provider to record the terms of the declaration in a written declaration made on behalf of the applicant.

(4) The applicant must authorise the account provider (on behalf of the named child where appropriate)—

- (a) to hold the child’s Inland Revenue contributions, subscriptions, account investments, interest, dividends and any other rights or proceeds in respect of those investments and cash, and

- (b) to make on his behalf any claims to relief from tax in respect of account investments,

and the authority must continue until a further application and declaration is made in accordance with paragraph (10).

(5) An application must contain—

- (a) the applicant’s full name,
- (b) his address, including postcode,
- (c) the named child’s full name [^{F64}and date of birth],

- (d) his address, including postcode, and
 - (e) the child's unique reference number on the voucher.
- (6) There may be only one declaration and authorisation under paragraphs (3) to (5) in force for an account at any time.

(7) Except in the case—

- (a) of the death or incapacity of the registered contact,
- (b) where the registered contact cannot be contacted,
- (c) of the bringing to an end of a Court order, under which he is a responsible person for the named child,
- (d) of the named child attaining the age of 16 years,
- [^{F65}(da) where the new registered contact has been appointed to be a guardian or special guardian of the named child,
- (db) where the new registered contact is the adopter of the named child under an adoption order,]
- [^{F66}(e) where a person is appointed by the Treasury or the Secretary of State by virtue of section 3(10) of the Act, or]
- (f) where a Court so orders,

any change in the identity of the registered contact shall require confirmation by the current registered contact that his declaration and authorisation under paragraphs (3)(c) and (4) is cancelled[^{F67}, and in the cases in sub-paragraphs (a) to (f) it shall be treated as automatically cancelled].

(8) An account provider must decline to accept an application if he has reason to believe that—

- (a) the voucher has expired, or is not or might not be genuine, or
- (b) the applicant has given untrue information in his application.

(9) Where the application is not in writing, the account provider shall make the written declaration referred to in paragraph (3), and notify the applicant of its contents, and such declaration shall take effect from the date on which the applicant agrees the contents (subject to any corrections), and if he neither agrees or disagrees with the contents within 30 days, he shall be treated as having agreed them.

(10) Where—

- (a) there is a change in the identity of the registered contact, the new registered contact, or
- (b) an account has been opened by the Inland Revenue under regulation 6 (Revenue allocated accounts) [^{F68}and—
 - (i) a responsible person in relation to the child subsequently applies to the account provider to be the registered contact for the account, or
 - (ii) the child, if the child is 16 or over and has elected to manage the account, subsequently applies to the account provider to be the registered contact for the account,

that individual must make the application or declaration required by paragraphs (3) to (5) but as if for regulation 13(3)(b) there were substituted—

“(b) is—

- (i) a responsible person in relation to the named child (that is, that he has parental responsibility or, in Scotland, parental responsibilities in relation to the child), or
- (ii) the child, where the child is 16 or over and has elected to manage the account.”]

[^{F69}(11) Where the new registered contact is [^{F70}the person appointed by the Treasury or the Secretary of State by virtue of section 3(10) of the Act, that person] shall make the declaration and authorisation required by paragraphs (3)(c) and (4) [^{F71}and shall be treated as a party to the existing management agreement for the account in question].]

Textual Amendments

- F63** Words in reg. 13(3)(b)(i) inserted (6.4.2005) by [The Child Trust Funds \(Amendment\) Regulations 2004 \(S.I. 2004/2676\)](#), regs. 1, **9(a)**
- F64** Words in reg. 13(5)(c) added (6.4.2005) by [The Child Trust Funds \(Amendment\) Regulations 2004 \(S.I. 2004/2676\)](#), regs. 1, **9(b)**
- F65** Reg. 13(7)(da)(db) inserted (6.4.2010) by [The Child Trust Funds \(Amendment\) Regulations 2010 \(S.I. 2010/582\)](#), regs. 1, **6(a)**
- F66** Reg. 13(7)(e) substituted (1.10.2017) by [The Child Trust Funds \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/748\)](#), regs. 1, **4(a)**
- F67** Words in reg. 13(7) added (6.4.2010) by [The Child Trust Funds \(Amendment\) Regulations 2010 \(S.I. 2010/582\)](#), regs. 1, **6(b)**
- F68** Words in reg. 13(10)(b) substituted (1.7.2015) by [The Child Trust Funds \(Amendment No. 3\) Regulations 2015 \(S.I. 2015/1371\)](#), regs. 1, **7**
- F69** Reg. 13(11) added (6.4.2005) by [The Child Trust Funds \(Amendment\) Regulations 2004 \(S.I. 2004/2676\)](#), regs. 1, **9(c)**
- F70** Words in reg. 13(11) substituted (1.10.2017) by [The Child Trust Funds \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/748\)](#), regs. 1, **4(b)**
- F71** Words in reg. 13(11) added (6.4.2005) by [The Child Trust Funds \(Amendment No. 2\) Regulations 2004 \(S.I. 2004/3382\)](#), regs. 1, **3**

[^{F72}Maturity of child trust fund - instructions

13A.—(1) Instructions of a holder of a child trust fund to the account provider as to what is to be done with the investments under—

- (a) the child trust fund on its maturity or,
- (b) where regulation 13B(2)(a) applies, the matured CTF account,

are to be in accordance with paragraph (2).

(2) Those instructions may be—

- (a) where the investments are held otherwise than in cash, to transfer them in specie or to realise them and to transfer the proceeds, or
- (b) where they are held in cash, to transfer the cash amount.

Textual Amendments

- F72** [Regs. 13A-13C](#) inserted (6.4.2020) by [The Child Trust Funds \(Amendment\) Regulations 2020 \(S.I. 2020/29\)](#), regs. 1(1), **6**

Maturity of child trust fund - no instructions

13B.—(1) On the 18th birthday of the holder of a child trust fund, where no instructions have been given under regulation 13A, all the investments under the child trust fund held immediately before that birthday are to be transferred by the account provider to a protected account held with the account provider.

- (2) The protected account may be, at the option of the account provider, either—
- (a) an account (“matured CTF account”) which is to be treated as a continuing account of the person who held the child trust fund (“account holder”) to be held subject to these regulations and otherwise on the same terms and conditions which applied immediately before the account holder’s 18th birthday as if the investments had remained in the account for the child trust fund; or
 - (b) an account, within the meaning of regulation 4 of the Individual Savings Account Regulations 1998, which is a cash account, in respect of investments which are held in cash, or a stocks and shares account, in respect of investments which are held as stocks or shares, to be held subject to those regulations and otherwise on the same terms and conditions which applied immediately before the account holder’s 18th birthday as if the investments had remained in the account for the child trust fund.
- (3) Investments which are held otherwise than in cash are to be transferred in specie.
- (4) In the terms and conditions mentioned in paragraph (2) and in these regulations references to the following howsoever described—
- (a) “account” and “child trust fund” are to be read as including the protected account,
 - (b) “named child”, “eligible child” or “child” are to be read as the account holder of the protected account, and
 - (c) “registered contact” and “responsible person” are to be read as the account holder of the protected account where instructions, notifications, assessments, actions or decisions need to be made in relation to it.

Textual Amendments

F72 Regs. 13A-13C inserted (6.4.2020) by [The Child Trust Funds \(Amendment\) Regulations 2020 \(S.I. 2020/29\)](#), regs. 1(1), 6

Matured CTF Account

13C.—(1) Where regulation 13B(2)(a) applies, then notwithstanding any other provision of these regulations, paragraphs (2) to (8) are to apply.

- (2) No subscription is to be made to the matured CTF account.
- (3) Amounts in respect of investments on the matured CTF account are to be credited to it.
- (4) No transfer is to be made of any part of the matured CTF account otherwise than, in circumstances where the account provider intends to cease to act as an account provider, when regulation 19 (account provider’s intention to make a bulk transfer of accounts or to cease to act as an account provider) or 21 (transfer of accounts) applies.
- (5) In regulation 10 (statements for an account)—
 - (a) in paragraph (1)(a), the phrase “subject to paragraphs (6) and (7)” is to be treated as omitted,
 - (b) the words in paragraph (2A) are to be treated as replaced with—
“The account provider must produce a statement not later than 12 months beginning with the date the funds entered the matured account and annually thereafter”, and
 - (c) paragraphs (4)^{F73}... (e), (f) and (m) to (o) are to be treated as omitted.
- (6) Regulations 14(2)(b)(vi) (relating to publication of statements), 18A (permitted withdrawals from an account where the child is terminally ill) and 20A (transfers to other accounts for children) are to be treated as omitted.

(7) In regulation 32 (returns of information by account provider), paragraphs (2)(b)(i), (ii) and (iv) are to be treated as omitted.

(8) An account provider must, when all the investments have been transferred out of the matured CTF account in accordance with instructions under regulation 13A, close the account.]

Textual Amendments

F72 Regs. 13A-13C inserted (6.4.2020) by [The Child Trust Funds \(Amendment\) Regulations 2020 \(S.I. 2020/29\)](#), regs. 1(1), **6**

F73 Words in [reg. 13C\(5\)\(c\)](#) omitted (6.4.2023) by virtue of [The Child Trust Funds \(Amendment\) Regulations 2023 \(S.I. 2023/269\)](#), regs. 1, **6**

Account provider—qualifications and Board’s approval

14.—(1) This regulation specifies the circumstances (“qualifying circumstances”) in which a person may be approved by the Board as an account provider.

(2) The qualifying circumstances are the following—

(a) the person must make an application to the Board for approval in a form specified by the Board;

(b) the person must undertake with the Board—

(i) to either offer stakeholder accounts to the general public (whether or not accounts of another description are offered), or to fulfil the requirements in paragraph (3),

(ii) to accept vouchers from any responsible person or the child if 16 or over (subject to ^[F74]paragraph (ia) and] regulation 13(8)),

^[F75](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)),]

(iii) where the person accepts Revenue allocated accounts, to allow instructions for their management to be made or given by post (whether or not other methods are allowed),

(iv) to publicise (and up-date where appropriate) statements of the minimum amount which may be subscribed to an account on a single occasion, and the permitted means of payment of subscriptions,

(v) to inform persons proposing to make subscriptions to an account (other than the named child) that the subscription is a gift to the child,

(vi) to publicise (and up-date where appropriate) statements of the extent to which social, environmental or ethical decisions are taken into account in selecting, retaining or realising investments,

(vii) that a child’s unique reference number shall only be used for the purposes of the child’s account (and of fulfilling the requirements of these Regulations with regard to that account), and

(viii) that whether there is an initial contribution or special contribution to an account, whether there is a supplementary contribution to the account, and whether the account is a Revenue allocated account is information held for the purposes mentioned in paragraph (vii) only, and shall not be used for other purposes (including marketing other products);

^{F76}(c)

- (d) an account provider must be—
 - (i) an authorised person within the meaning of [F77FISMA 2000], who has permission to carry on one or more of the activities specified in Articles 14, 21, 25, 37, 40, 45, [F7851ZA, 51ZC, 51ZE], 53 and (in so far as it applies to any of those activities) 64 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001^{M7}, but excluding any person falling within paragraph (iv) below;
 - [F79][F80(iiia)] in the case of a credit union, an authorised person within the meaning of [F81FISMA 2000], 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;]
 - (ii) a European institution which carries on one or more of those activities;
 - (iii) a building society, [F82or a person falling within section 991 of ITA 2007 (including for this purpose a credit union)]; or
 - (iv) an insurance company within the meaning given by section 431(2) of the Taxes Act, an incorporated friendly society or a registered friendly society, or any other assurance undertaking;
 - [F83(e) an account provider must not be prevented from acting as such by any requirement imposed under Part 4A of FISMA 2000, or by any prohibition or prohibition order in or made under that Act; and]
 - (f) an account provider who—
 - F84(i)
 - (ii) falls within the expression “any other assurance undertaking” in sub-paragraph (d) (iv),must fulfil one of the three requirements specified in regulation 15.
- (3) The requirements in this paragraph are that the person provides to any potential applicant for a child trust fund ([F85before commencement of completion of] any application under regulation 13)—
- (a) a statement that a stakeholder account is available from a named alternative account provider who offers it on the terms in paragraph (2)(b)(i) (omitting the words from “, or to” to the end);
 - (b) a detailed description of that stakeholder account; and
 - (c) sufficient information (according to the method of communication used, and including documentation where appropriate) to put the potential applicant in the position to make an application to that alternative account provider, complying with regulation 13.
- (4) The terms of the Board’s approval may include conditions designed to ensure that the provisions of these Regulations are satisfied.

Textual Amendments

F74 Words in reg. 14(2)(b)(ii) inserted (6.4.2005) by [The Child Trust Funds \(Amendment No. 2\) Regulations 2005 \(S.I. 2005/909\)](#), regs. 1, 6

F75 Reg. 14(2)(b)(iia) inserted (6.4.2005) by [The Child Trust Funds \(Amendment No. 2\) Regulations 2005 \(S.I. 2005/909\)](#), regs. 1, 7

F76 Reg. 14(2)(c) 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)(c)**

F77 Words in reg. 14(2)(d)(i) 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(d)(i)**

- F78** Words in reg. 14(2)(d)(i) substituted (6.4.2017) by [The Child Trust Funds \(Amendment\) Regulations 2017 \(S.I. 2017/185\)](#), regs. 1, **5**
- F79** Reg. 14(2)(d)(ia) inserted (6.4.2005) by [The Child Trust Funds \(Amendment No. 2\) Regulations 2005 \(S.I. 2005/909\)](#), regs. 1, **8**
- F80** Reg. 14(2)(d)(ia) renumbered as reg. 14(2)(d)(iia) (27.12.2005) by [The Child Trust Funds \(Amendment No. 3\) Regulations 2005 \(S.I. 2005/3349\)](#), regs. 1, **6**
- F81** Words in reg. 14(2)(d)(iia) substituted (1.9.2013) by [The Financial Services Act 2012 \(Consequential Amendments and Transitional Provisions\) \(No. 3\) Order 2013 \(S.I. 2013/1765\)](#), arts. 1, **8**
- F82** Words in reg. 14(2)(d)(iii) substituted (6.4.2010) by [The Child Trust Funds \(Amendment\) Regulations 2010 \(S.I. 2010/582\)](#), regs. 1, **7(a)**
- F83** Reg. 14(2)(e) 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(d)(ii)**
- F84** Reg. 14(2)(f)(i) omitted (6.4.2024) by virtue of [The Child Trust Funds \(Amendment\) Regulations 2024 \(S.I. 2024/349\)](#), regs. 1, **2(3)**
- F85** Words in reg. 14(3) substituted (6.4.2005) by [The Child Trust Funds \(Amendment\) Regulations 2004 \(S.I. 2004/2676\)](#), regs. 1, **10**

Marginal Citations

M7 [S.I. 2001/544](#).

Account provider—appointment of tax representative

- 15.**—(1) This regulation specifies the requirements mentioned in regulation 14(2)(f).
- (2) The first requirement specified in this regulation is that—
- (a) a person who falls within [^{F86}section 698(2)(b) of ITTOIA 2005] is for the time being appointed by the account provider to be responsible for securing the discharge of the duties prescribed by paragraph (5) which fall to be discharged by the account provider, and
 - (b) his identity and the fact of his appointment have been notified to the Board by the account provider.
- (3) The second requirement specified in this regulation is that there are for the time being other arrangements with the Board for a person other than the account provider to secure the discharge of such duties.
- (4) The third requirement specified in this regulation is that there are for the time being other arrangements with the Board designed to secure the discharge of such duties.
- (5) The duties prescribed by this paragraph are those that fall to be discharged by an account provider under these Regulations.
- (6) The appointment of a person in pursuance of the first requirement shall be treated as terminated in circumstances where—
- (a) the Board have reason to believe that the person concerned—
 - (i) has failed to secure the discharge of any of the duties prescribed by paragraph (5), or
 - (ii) does not have adequate resources to discharge those duties, and
 - (b) the Board have notified the account provider and that person that they propose to treat his appointment as having terminated with effect from the date specified in the notice.
- (7) Where, in accordance with the first requirement, a person is at any time responsible for securing the discharge of duties, the person concerned—
- (a) shall be entitled to act on the account provider’s behalf for any of the purposes of the provisions relating to the duties;

- (b) shall secure (where appropriate by acting on the account provider's behalf) the account provider's compliance with and discharge of the duties; and
- (c) shall be personally liable in respect of any failure of the account provider to comply with or discharge any such duty as if the duties imposed on the account provider were imposed jointly and severally on the account provider and the person concerned.

Textual Amendments

F86 Words in reg. 15(2)(a) substituted (6.4.2010) by [The Child Trust Funds \(Amendment\) Regulations 2010 \(S.I. 2010/582\)](#), regs. 1, 8

Account provider—withdrawal by Board of approval

16.—(1) This regulation specifies the circumstances (“the disqualifying circumstances”) in which the Board may by notice withdraw their approval of a person as an account provider in relation to an account.

(2) The disqualifying circumstances are that the Board have reason to believe—

- (a) that any provision of the Act or these Regulations, or any term of an undertaking given in accordance with regulation 14(2)(b) or condition under regulation 14(4), is not or at any time has not been satisfied, either in respect of an account managed by the account provider or otherwise; or
- (b) that a person to whom they have given approval to act as an account provider is not qualified so to act.

[^{F87}(2A) Where paragraph (2B) applies, a term of an undertaking given in accordance with regulation 14(2)(b) shall not be taken as not satisfied only by reason that the person to whom the Board's approval as an account provider has been given does not accept vouchers.

(2B) This paragraph applies where—

- (a) a person does not accept any voucher after a day specified by that person; and
- (b) no less than 30 days before the specified day, notice in writing is given to the Board of the person's intention not to accept vouchers after that day.]

[^{F88}(3) The notice to which paragraph (1) refers must specify—

- (a) the disqualifying circumstances;
- (b) that the withdrawal shall only be effective from the date on which the last of the accounts has been transferred to another provider; and
- (c) that from the date of the notice, the account provider must not accept subscriptions or open any new accounts.]

[^{F89}(4) On receiving the notice referred to in paragraph (1), subject to any appeal under section 22(1)(b) of the Act, the account provider shall notify the registered contact (or, if there is no registered contact, the named child) of the right to transfer the account under regulation 21, and of his or her rights under regulation 20(3).]

[^{F90}(5) From the date of the notice, the account provider must not accept subscriptions or open new accounts.]

Textual Amendments

F87 Reg. 16(2A)(2B) inserted (16.11.2010) by [The Child Trust Funds \(Amendment No. 4\) Regulations 2010 \(S.I. 2010/2599\)](#), regs. 1, 3

- F88** Reg. 16(3) substituted (6.4.2023) by [The Child Trust Funds \(Amendment\) Regulations 2023 \(S.I. 2023/269\)](#), regs. 1, **7(1)**
- F89** Reg. 16(4) added (6.4.2010) by [The Child Trust Funds \(Amendment\) Regulations 2010 \(S.I. 2010/582\)](#), regs. 1, **9**
- F90** Reg. 16(5) inserted (6.4.2023) by [The Child Trust Funds \(Amendment\) Regulations 2023 \(S.I. 2023/269\)](#), regs. 1, **7(2)**

Account provider—appeal against non-approval or withdrawal of Board’s approval

17. A person who has been notified of a decision by the Board not to approve that person as an account provider, or an account provider to whom notice of withdrawal of approval has been given under regulation 16, may appeal against the decision by notice given to the Board within 30 days after the date of the notification or notice.

Permitted withdrawals from an account

18. Withdrawals from an account before the date on which the named child attains the age of 18 years may only be made—

- (a) by the account provider, to settle any management charges and other incidental expenses, which are due by or under the management agreement, or
- ^[F91](ab) in accordance with regulation 18A, or]
- (b) where the account provider is satisfied that the named child has died under that age.

Textual Amendments

- F91** Reg. 18(ab) inserted (6.4.2005) by [The Child Trust Funds \(Amendment\) Regulations 2004 \(S.I. 2004/2676\)](#), regs. 1, **11**

^[F92]Permitted withdrawals from an account where the child is terminally ill

18A.—(1) A person with parental responsibility (or, in Scotland, parental responsibilities) for the named child (including a local authority, but excluding a person under 16), or the named child if 16 or over, may make a claim to the Board, for withdrawals from an account to be permitted in accordance with this regulation.

(2) The claim shall be—

- (a) made in a manner prescribed by the Board, which shall include the giving of any consent necessary for the verification or consideration of the claim, and
- (b) accepted in either of the following cases:

^[F93]Case 1

The child:

- ((i)) in England and Wales ^{F94}... falls within either section 72(5) of the Social Security Contributions and Benefits Act 1992 (special rules for terminally ill person’s entitlement to care component of disability living allowance) or section 82(4) of the Welfare Reform Act 2012 (terminal illness); ^{F95}...
- ((ii)) in Northern Ireland, falls within section 72(5) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (the care component)] ^{F96}and, for this purpose, section 66(2)(a) of that Act (attendance

allowance for the “terminally ill”) is deemed to apply as if for “6 months” there were substituted “12 months.”]]^{F97}; or

((iii)) in Scotland, falls within either of the provisions mentioned in paragraph (i), or is to be regarded as having a terminal illness, in accordance with regulations for disability assistance for children and young people [^{F98}, or regulations for disability assistance for working age people,] made under section 31 of the Social Security (Scotland) Act 2018.]

Case 2

Evidence that the named child is terminally ill has been supplied to the satisfaction of the Board.

(3) The Board shall issue a letter to the claimant authorising withdrawals from the account under this regulation ^{F99}....

(4) Once a claim has been accepted, withdrawals may be made by the registered contact (on behalf of the named child, where he is not the child) at any time—

- (a) provided that, immediately following any withdrawal, a balance sufficient to keep the account open is maintained in the account, and
- (b) excepting any transfer of a policy of life insurance (as opposed to the proceeds from such a policy).

(5) Where account investments are withdrawn in a form other than sterling currency, regulation 36(1)(b) shall apply (with any necessary modifications) to any such investment immediately before it is withdrawn.

(6) In this regulation, “terminally ill” has the meaning

[for [^{F101}England and Wales],] in section 66(2)(a) of the Social Security Contributions ^{F100}(a) and Benefits Act 1992 [^{F102}or in section 82(4) of the Welfare Reform Act 2012 (terminal illness); ^{F103}...

- (b) for Northern Ireland, in section 72(5) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (the care component)]]^{F104}and, for this purpose, section 66(2) (a) of that Act (attendance allowance for the “terminally ill”) is deemed to apply as if for “6 months” there were substituted “12 months.”]]^{F105}; or
- (c) for Scotland, as set out in regulations [^{F106}for disability assistance for children and young people, or regulations for disability assistance for working age people,] made under section 31 of the Social Security (Scotland) Act 2018.]

Textual Amendments

- F92** Reg. 18A inserted (6.4.2005) by [The Child Trust Funds \(Amendment\) Regulations 2004 \(S.I. 2004/2676\)](#), regs. 1, **12**
- F93** Words in reg. 18A(2)(b) substituted (6.4.2014) by [The Child Trust Funds \(Amendment\) Regulations 2014 \(S.I. 2014/649\)](#), regs. 1, **6(1)**
- F94** Words in reg. 18A(2)(b) omitted (26.7.2021) by virtue of [The Social Security \(Scotland\) Act 2018 \(Disability Assistance, Young Carer Grants, Short-term Assistance and Winter Heating Assistance\) \(Consequential Provision and Modifications\) Order 2021 \(S.I. 2021/886\)](#), arts. 1(2), **5(2)(a)(i)**
- F95** Word in reg. 18A(2)(b) omitted (26.7.2021) by virtue of [The Social Security \(Scotland\) Act 2018 \(Disability Assistance, Young Carer Grants, Short-term Assistance and Winter Heating Assistance\) \(Consequential Provision and Modifications\) Order 2021 \(S.I. 2021/886\)](#), arts. 1(2), **5(2)(a)(ii)**
- F96** Words in reg. 18A(2)(b)(ii) inserted (6.4.2023) by [The Child Trust Funds \(Amendment\) Regulations 2023 \(S.I. 2023/269\)](#), regs. 1, **8**

- F97** Words in reg. 18A(2)(b) inserted (26.7.2021) by The Social Security (Scotland) Act 2018 (Disability Assistance, Young Carer Grants, Short-term Assistance and Winter Heating Assistance) (Consequential Provision and Modifications) Order 2021 (S.I. 2021/886), arts. 1(2), **5(2)(a)(iii)**
- F98** Words in reg. 18A(2)(b) inserted (21.3.2022) by The Social Security (Scotland) Act 2018 (Disability Assistance and Information-Sharing) (Consequential Provision and Modifications) Order 2022 (S.I. 2022/332), arts. 1(2), **3(2)(a)**
- F99** Words in reg. 18A(3) omitted (6.4.2014) by virtue of The Child Trust Funds (Amendment) Regulations 2014 (S.I. 2014/649), regs. 1, **6(2)**
- F100** Words in reg. 18A(6) inserted (6.4.2014) by The Child Trust Funds (Amendment) Regulations 2014 (S.I. 2014/649), regs. 1, **6(3)(a)**
- F101** Words in reg. 18A(6)(a) substituted (26.7.2021) by The Social Security (Scotland) Act 2018 (Disability Assistance, Young Carer Grants, Short-term Assistance and Winter Heating Assistance) (Consequential Provision and Modifications) Order 2021 (S.I. 2021/886), arts. 1(2), **5(2)(b)(i)**
- F102** Words in reg. 18A(6) inserted (6.4.2014) by The Child Trust Funds (Amendment) Regulations 2014 (S.I. 2014/649), regs. 1, **6(3)(b)**
- F103** Word in reg. 18A(6)(a) omitted (26.7.2021) by virtue of The Social Security (Scotland) Act 2018 (Disability Assistance, Young Carer Grants, Short-term Assistance and Winter Heating Assistance) (Consequential Provision and Modifications) Order 2021 (S.I. 2021/886), arts. 1(2), **5(2)(b)(ii)**
- F104** Words in reg. 18A(6)(b) inserted (6.4.2023) by The Child Trust Funds (Amendment) Regulations 2023 (S.I. 2023/269), regs. 1, **8**
- F105** Reg. 18A(6)(c) and word inserted (26.7.2021) by The Social Security (Scotland) Act 2018 (Disability Assistance, Young Carer Grants, Short-term Assistance and Winter Heating Assistance) (Consequential Provision and Modifications) Order 2021 (S.I. 2021/886), arts. 1(2), **5(2)(b)(iii)**
- F106** Words in reg. 18A(6)(c) inserted (21.3.2022) by The Social Security (Scotland) Act 2018 (Disability Assistance and Information-Sharing) (Consequential Provision and Modifications) Order 2022 (S.I. 2022/332), arts. 1(2), **3(2)(b)**

[^{F107} Account provider’s intention to make a bulk transfer of accounts or to cease to act as an account provider

- 19.—(1)** An account provider must give notice to the Board if the account provider—
- (a) intends to cease to act as an account provider; or
 - (b) intends to make a bulk transfer of accounts.
- (2) An account provider must give notice to the person who is the registered contact (or, if there is no registered contact, the named child) if the account provider—
- (a) intends to cease to act as an account provider; or
 - (b) intends that the account will be one of the accounts transferred in a bulk transfer of accounts.
- (3) The notices described in paragraphs (1) and (2) must—
- (a) specify whether the account provider—
 - (i) intends to cease to act as an account provider; or
 - (ii) intends to make a bulk transfer of accounts;
 - (b) where the notice specifies an intention to cease to act as an account provider—
 - (i) specify the day on or after which the account provider intends to cease to act as an account provider; and
 - (ii) be given no less than 30 days before that day;
 - (c) where the notice specifies an intention to make a bulk transfer of accounts—

- (i) specify the day on or after which the account provider intends to make the first transfer in the bulk transfer of accounts;
 - (ii) be given no less than 30 days before that day; and
 - (iii) advise the name and address of the person to whom the account provider intends to transfer accounts.
- (4) The notice described in paragraph (2) must also—
- (a) identify the account to which it relates;
 - (b) in the case of a notice under paragraph (2)(a), advise the registered contact of the right to transfer the account under regulation 21 and of his rights under regulation 20(3);
 - (c) in the case of a notice under paragraph (2)(b)—
 - (i) advise the registered contact that the account may be transferred otherwise than in a bulk transfer of accounts, such that regulation 21 applies, if sufficient instructions are provided to enable the account provider to do so; and
 - (ii) advise the day by which the account provider must receive sufficient instructions for the account to be transferred otherwise than in a bulk transfer of accounts.
- (5) Where an account provider intends to make a bulk transfer of accounts in consequence of an intention to cease to act as an account provider, such intention may be specified in a single notice to the Board or to a registered contact (or, if there is no registered contact, the named child) (as appropriate, respectively) provided the requirements of paragraphs (3), (4)(a) and (c) are met.
- [^{F108}(6) An account provider must not cease to act in relation to an account until that account has been transferred to another provider.]

Textual Amendments

F107 Regs. 19, 19A substituted for reg. 19 (5.8.2013) by [The Child Trust Funds \(Amendment No. 2\) Regulations 2013 \(S.I. 2013/1744\)](#), regs. 1, 6

F108 Reg. 19(6) inserted (6.4.2023) by [The Child Trust Funds \(Amendment\) Regulations 2023 \(S.I. 2023/269\)](#), regs. 1, 9

Account provider ceasing to accept Revenue allocated accounts

19A. A person shall give notice to the Board of his intention to cease to accept further Revenue allocated accounts under regulation 6, not less than 30 days before he so ceases.]

Textual Amendments

F107 Regs. 19, 19A substituted for reg. 19 (5.8.2013) by [The Child Trust Funds \(Amendment No. 2\) Regulations 2013 \(S.I. 2013/1744\)](#), regs. 1, 6

Account provider ceasing to qualify

20.—(1) A person shall cease to qualify as an account provider and shall notify the Board within 30 days of the relevant event in sub-paragraphs (a) to (f), of that relevant event, where—

- (a) the person no longer fulfils the conditions of regulation 14;
- [^{F109}(b) there is an insolvency event in relation to the account provider;
- [^{F110}(ba) a debt relief order is made in respect of the person (under Part 7A of the Insolvency Act 1986);]

- (c) an application has been made for a bank insolvency order or a bank administration order;]
- (e) in the case of a building society, a person falling within [F111]section 991 of ITA 2007 or a credit union]—
- (i) it ceases to be a building society or to fall within [F112]section 991 of ITA 2007 or to be a credit union], as the case may be;
- (ii) its directors have made a proposal under Part 1 of the Insolvency Act 1986 ^{M8} for a composition in satisfaction of its debts or a scheme of arrangement of its affairs; or
- (iii) a receiver or manager of its property has been appointed; or
- (f) in the case of a European institution, a relevant authorised person or an assurance undertaking which falls within regulation 14(2)(d)(iv), action corresponding to any described in sub-paragraph (b) to (e) has been taken by or in relation to the institution, person or undertaking under the law of an EEA State.

(2) On giving the notice referred to in paragraph (1), the person shall also notify the registered contact (or, if there is no registered contact, the named child) of the right to transfer the account under regulation 21, and the notice shall inform the recipient of the rights under paragraph (3).

(3) Where a registered contact—

- (a) receives a notice under paragraph (2), or regulation [F113]16(4) or][F114]19(2)(a)], and
- (b) within 30 days of the sending of the notice, transfers the account to another account provider pursuant to regulation 21,

the period between the transferor ceasing to act or qualify as an account provider, and the transfer to the transferee, shall be ignored in determining whether the account has at all times been managed by an account provider.

[F115](4) An account provider must not cease to act in relation to an account until that account has been transferred to another account provider in accordance with these Regulations.]

Textual Amendments

- F109** Reg. 20(1)(b)(c) substituted for reg. 20(1)(b)-(d) (6.4.2010) by [The Child Trust Funds \(Amendment\) Regulations 2010 \(S.I. 2010/582\)](#), regs. 1, **10(a)**
- F110** Reg. 20(1)(ba) inserted (1.10.2012) by [The Tribunals, Courts and Enforcement Act 2007 \(Consequential Amendments\) Order 2012 \(S.I. 2012/2404\)](#), art. 1, **Sch. 3 para. 34** (with art. 7)
- F111** Words in reg. 20(1)(e) substituted (6.4.2010) by [The Child Trust Funds \(Amendment\) Regulations 2010 \(S.I. 2010/582\)](#), regs. 1, **10(b)**
- F112** Words in reg. 20(1)(e)(i) substituted (6.4.2010) by [The Child Trust Funds \(Amendment\) Regulations 2010 \(S.I. 2010/582\)](#), regs. 1, **10(c)**
- F113** Words in reg. 20(3)(a) inserted (6.4.2010) by [The Child Trust Funds \(Amendment\) Regulations 2010 \(S.I. 2010/582\)](#), regs. 1, **10(d)**
- F114** Word in reg. 20(3)(a) substituted (5.8.2013) by [The Child Trust Funds \(Amendment No. 2\) Regulations 2013 \(S.I. 2013/1744\)](#), regs. 1, 7
- F115** Reg. 20(4) inserted (6.4.2023) by [The Child Trust Funds \(Amendment\) Regulations 2023 \(S.I. 2023/269\)](#), regs. 1, **10**

Marginal Citations

- M8** 1986 c. 45.

[F116]Transfers to other accounts for children

20A.—(1) An account provider must at the request of the registered contact—

- (a) transfer all the investments under the child trust fund, or an amount representing their value in cash, to a protected child account that is provided by a person chosen by the registered contact, and
- (b) when all the investments have been transferred, close the child trust fund.

(2) An account is only a protected child account for the purposes of section 7A(2) of the Act if it satisfies the condition of being a junior ISA account within regulation 2B of the Individual Savings Account Regulations 1998.]

Textual Amendments

F116 Reg. 20A inserted (6.4.2015) by [The Child Trust Funds \(Amendment No. 2\) Regulations 2015 \(S.I. 2015/876\)](#), regs. 1, 6

Transfer of accounts ^{F117}

21.—(1) Where—

- (a) arrangements are made by a registered contact to transfer the whole of the investments under an account from one account provider (“the transferor”) to another account provider (“the transferee”),^{F118} ...
- (b) the whole of the investments under an account are so transferred in consequence of an account provider (“the transferor”) ceasing to act or to qualify as an account provider,^{F119} ...

[^{F120}(ba) there is a transfer under regulation 20A to a protected child account, or]

[^{F121}(c) an account is transferred in a bulk transfer of accounts ^{F122} ...,]

the transfer shall be treated as a transfer of the account.

(2) The account and its description under regulation 4 shall not be affected for the purposes of these Regulations by reason of the transfer [^{F123}in paragraph (1)(a), (b) or (c)], save that, where the registered contact specifies in accordance with paragraph (3)(a) an account of a different description, the account shall, on the transfer, become an account of that other description.

(3) The registered contact shall make—

- (a) the application required by regulation 13(2) (modified as if the words “applied for” were replaced with “[^{F124}following the transfer]”), and
- (b) the application and declaration required by regulation 13(3) to (5),

to the transferee [^{F125}but (in the case mentioned in sub- paragraph (b)) as if for regulation 13(3)(b) there were substituted—

“(b) is—

- (i) a responsible person in relation to the named child (that is, that he has parental responsibility or, in Scotland, parental responsibilities in relation to the child, or
- (ii) the child, where the child is 16 or over and has elected to manage the account.”]

[^{F126}(3A) Paragraph (3) does not apply where an account is transferred [^{F127}under regulation 20A or] in a bulk transfer of accounts.

- ^{F128}(3B)
- ^{F128}(3C)
- ^{F128}(3D)
- ^{F128}(3E)

^{F128}(3F)

(3G) An account transferred in accordance with this regulation in a bulk transfer of accounts is an account opened pursuant to an application in accordance with regulation 13 for the purposes of these Regulations ^{F129}]

^{F130}^{F131}(3H)] Where a registered contact applies in accordance with paragraph (3) to a potential transferee for a transfer under this regulation, specifying a stakeholder account offered by the transferee, the transferee shall not decline to accept that application (or the transfer in consequence of it) except where—

- (a) the transferee has reason to believe that the registered contact has given untrue information in his application;
- (b) the transferee demonstrates to the satisfaction of the Board that acceptance of transfers, or a class of transfers, during a particular period would jeopardise his ability to prevent any of the matters mentioned in regulation 16(2)(a); or
- (c) the transferor does not give the transferee the notice in accordance with paragraph (4).]

(4) The transferor shall on the date of the transfer give the transferee a notice containing the information specified in paragraph (5) ^{F132}....

^{F133}(4A) In relation to paragraph (1)(ba), the account provider shall on the date of the transfer give the person providing the protected child account a notice containing the information specified in paragraph (5)(a) and (b)(i), (ii) and (iv) ^{F134}....]

(5) The information specified in this paragraph is—

- (a) as regards the named child—
 - (i) his full name,
 - (ii) his date of birth,
 - (iii) his unique reference number;
- (b) as regards the account—
 - (i) the description of the account,
 - (ii) the date of the transfer,
 - (iii) the total amount subscribed to the account during the period from the beginning of the subscription year in which the transfer takes place to the date of the transfer,
 - (iv) any amount which has been claimed from the Board under regulations ^{F135}26 or 27] and which has not been paid at the date of the transfer^{F136}, and
- (v) the total amount subscribed to the account during the previous subscription year, where that subscription year ended later than the 5th April preceding the date of the transfer];
- (c) the full name and address, including postcode, of the registered contact who has made the transfer arrangements.

^{F137}(6)

Textual Amendments

F117 Words in reg. 21 heading omitted (6.4.2015) by virtue of [The Child Trust Funds \(Amendment No. 2\) Regulations 2015 \(S.I. 2015/876\)](#), regs. 1, 7

F118 Word in reg. 21(1)(a) omitted (5.8.2013) by virtue of [The Child Trust Funds \(Amendment No. 2\) Regulations 2013 \(S.I. 2013/1744\)](#), regs. 1, **8(a)**

- F119** Word in reg. 21(1) omitted (6.4.2015) by virtue of The Child Trust Funds (Amendment No. 2) Regulations 2015 (S.I. 2015/876), regs. 1, **8(1)**
- F120** Reg. 21(1)(ba) inserted (6.4.2015) by The Child Trust Funds (Amendment No. 2) Regulations 2015 (S.I. 2015/876), regs. 1, **8(1)**
- F121** Reg. 21(1)(c) inserted (5.8.2013) by The Child Trust Funds (Amendment No. 2) Regulations 2013 (S.I. 2013/1744), regs. 1, **8(c)**
- F122** Words in reg. 21(1)(c) omitted (6.4.2015) by virtue of The Child Trust Funds (Amendment No. 2) Regulations 2015 (S.I. 2015/876), regs. 1, **8(2)**
- F123** Words in reg. 21(2) inserted (6.4.2015) by The Child Trust Funds (Amendment No. 2) Regulations 2015 (S.I. 2015/876), regs. 1, **8(3)**
- F124** Words in reg. 21(3)(a) substituted (6.4.2005) by The Child Trust Funds (Amendment) Regulations 2004 (S.I. 2004/2676), regs. 1, **13(a)**
- F125** Words in reg. 21(3) added (1.7.2015) by The Child Trust Funds (Amendment No. 3) Regulations 2015 (S.I. 2015/1371), regs. 1, **8**
- F126** Reg. 21(3A)-(3G) inserted (5.8.2013) by The Child Trust Funds (Amendment No. 2) Regulations 2013 (S.I. 2013/1744), regs. 1, **8(d)(ii)**
- F127** Words in reg. 21(3A) inserted (6.4.2015) by The Child Trust Funds (Amendment No. 2) Regulations 2015 (S.I. 2015/876), regs. 1, **8(4)**
- F128** Reg. 21(3B)-(3F) omitted (6.4.2015) by virtue of The Child Trust Funds (Amendment No. 2) Regulations 2015 (S.I. 2015/876), regs. 1, **8(5)**
- F129** Words in reg. 21(3G) omitted (6.4.2015) by virtue of The Child Trust Funds (Amendment No. 2) Regulations 2015 (S.I. 2015/876), regs. 1, **8(6)**
- F130** Reg. 21(3A) inserted (6.4.2005) by The Child Trust Funds (Amendment) Regulations 2004 (S.I. 2004/2676), regs. 1, **13(b)**
- F131** Reg. 21(3A) renumbered as reg. 21(3H) (5.8.2013) by The Child Trust Funds (Amendment No. 2) Regulations 2013 (S.I. 2013/1744), regs. 1, **8(d)(i)**
- F132** Words in reg. 21(4) omitted (6.4.2017) by virtue of The Child Trust Funds (Amendment) Regulations 2017 (S.I. 2017/185), regs. 1, **6(a)**
- F133** Reg. 21(4A) inserted (6.4.2015) by The Child Trust Funds (Amendment No. 2) Regulations 2015 (S.I. 2015/876), regs. 1, **8(7)**
- F134** Words in reg. 21(4A) omitted (6.4.2017) by virtue of The Child Trust Funds (Amendment) Regulations 2017 (S.I. 2017/185), regs. 1, **6(b)**
- F135** Words in reg. 21(5)(b)(iv) substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by The Child Trust Funds (Amendment) Regulations 2013 (S.I. 2013/263), **reg. 2(4)(d)**
- F136** Reg. 21(5)(b)(v) and preceding word added (6.4.2010) by The Child Trust Funds (Amendment) Regulations 2010 (S.I. 2010/582), regs. 1, **11**
- F137** Reg. 21(6) omitted (6.4.2017) by virtue of The Child Trust Funds (Amendment) Regulations 2017 (S.I. 2017/185), regs. 1, **6(c)**

Recoupment of Inland Revenue contributions to void accounts (and other accounts)

22.—(1) Where—

- (a) the named child has never been an eligible child (see regulation 8(1)(b)), or
- (b) there is a breach of regulation 8(1)(c) in relation to an account,

the account is void, and the persons mentioned in paragraph (3) shall account to the Inland Revenue for Inland Revenue contributions paid in respect of the account, together with income and gains which have arisen in consequence of the crediting of any of those payments to the account.

(2) Where—

- (a) the condition in section 9(5) of the Act [^{F138}or regulation 7(10B) or 7A(4)] was satisfied in relation to a child, but the determination under sections 18 to 21 of the Tax Credits Act 2002 ^{M9} has been overturned, or
- (b) the condition in section 9(8) of the Act was satisfied in relation to a child, but it has subsequently been determined that payment of the relevant benefit or tax credit mentioned in that subsection should not have been made, or that the applicable amount or tax credit should not have included an amount or credit in respect of the child,^{F139}or
- (c) the requirements of regulation 7(10) were^{F140}, or the condition in regulation 7(10C)^{F141}, 7A(5) or 7B(1)] was,] satisfied in relation to a child, but it has subsequently been determined that payment of the relevant benefit mentioned in ^{F142}the relevant provision] should not have been made, or that the applicable amount should not have included an amount in respect of that child,]

the persons mentioned in paragraph (3) shall account to the Inland Revenue for any supplementary contribution^{F143}, or further contribution, as the case may be,] paid in respect of the account, together with income and gains which have arisen in consequence of the crediting of any such payment to the account.

- (3) The persons mentioned in paragraphs (1) and (2) are—
 - (a) the account provider (to the extent that he has assets in his possession or control),
 - (b) the registered contact,
 - (c) the named child, and
 - (d) any person in whom the Inland Revenue contributions, income or gains, or any property directly or indirectly representing any of them, is vested (whether beneficially or otherwise)

and they shall be jointly and severally liable.

(4) Where a person accountable under this regulation is notified by the Inland Revenue that an amount is due from him under it, that amount shall be treated for the purposes of Part 6 of the Management Act ^{M10} (collection and recovery) as if it were tax charged in an assessment on that person, and due and payable.

Textual Amendments

F138 Words in reg. 22(2)(a) inserted (6.4.2009) by [The Child Trust Funds \(Amendment\) Regulations 2009 \(S.I. 2009/475\)](#), regs. 1(1), **6(a)**

F139 Reg. 22(2)(c) and preceding word inserted (6.4.2005) by [The Child Trust Funds \(Amendment\) Regulations 2005 \(S.I. 2005/383\)](#), regs. 1, **4(a)**

F140 Words in reg. 22(2)(c) inserted (6.4.2009) by [The Child Trust Funds \(Amendment\) Regulations 2009 \(S.I. 2009/475\)](#), regs. 1(1), **6(b)(i)**

F141 Words in reg. 22(2)(c) substituted (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), **4**

F142 Words in reg. 22(2)(c) substituted (6.4.2009) by [The Child Trust Funds \(Amendment\) Regulations 2009 \(S.I. 2009/475\)](#), regs. 1(1), **6(b)(ii)**

F143 Words in reg. 22(2) inserted (6.4.2005) by [The Child Trust Funds \(Amendment\) Regulations 2005 \(S.I. 2005/383\)](#), regs. 1, **4(b)**

Marginal Citations

M9 2002 c. 21.

M10 1970 c. 9.

“Repair” of invalid accounts

23.—(1) Except in the case of a breach of regulation 8(1)(b) or (c) (where no repair of an account is possible), it is an overriding requirement to be satisfied in relation to an account that the account provider and registered contact, as the case may be, take any steps necessary to remedy any breach of these Regulations.

(2) Where a breach is remedied as mentioned in paragraph (1), the account shall, to the extent of that breach, be treated as having been a valid account at all times, except for determining whether there has been a breach of these Regulations for the purposes of section 20 of the Act (penalties).

Changes to legislation:

There are currently no known outstanding effects for the The Child Trust Funds Regulations 2004, PART 2.