

2011 No. 992

CHILD TRUST FUNDS

The Child Trust Funds (Amendment No. 2) Regulations 2011

Made - - - - *29th March 2011*

Laid before Parliament *30th March 2011*

Coming into force - - *20th April 2011*

The Treasury make the following Regulations in exercise of the powers conferred by sections 3(5) and 28(1) to (3) of the Child Trust Funds Act 2004(a).

Citation and commencement

1. These Regulations may be cited as the Child Trust Funds (Amendment No. 2) Regulations 2011 and shall come into force on 20th April 2011.

Amendments to the Child Trust Funds Regulations 2004

2.—(1) Regulation 10 (statements for an account) of the Child Trust Funds Regulations 2004(b) is amended as follows.

(2) For paragraphs (1) and (2) substitute—

“(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 to another account provider under regulation 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) In paragraph (3)—

- (a) at the beginning, for “The statement” substitute “A statement required to be produced in accordance with this regulation”;
- (b) at the end, for “statement date” substitute “date specified in paragraph (3A)”.

(a) 2004 c. 6.

(b) S.I. 2004/1450; amended by S.I. 2004/2676; there are other amending instruments but none is relevant.

- (4) After paragraph (3), insert—
- “(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.”.
- (5) In sub-paragraphs (4)(g), (4)(i)(ii), (4)(l) and (4)(m) for “statement date” substitute “relevant date”.
- (6) For paragraph (4)(h) substitute—
- “(h) the total market value of the investments under the account at the date at which the most recent statement was produced (if any);”.
- (7) For paragraph (4)(i)(i) substitute—
- “(i) the date at which the most recent statement was produced, or the opening of the account (whichever is the later), and”.
- (8) At the end add—
- “(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 or fifteenth 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.”.

*Michael Fabricant
Brooks Newmark*

29th March 2011

Two of the Lords Commissioners of Her Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend regulation 10 of the Child Trust Funds Regulations 2004 (S.I. 2004/1450) (“the CTF Regulations”). Regulation 10 of the CTF Regulations imposes an obligation on account providers to issue annual statements in relation to child trust funds (“CTFs”) as well as statements when a CTF is transferred to another provider.

Regulation 2 amends the annual statement requirement imposed on providers of CTFs, so that where, at a relevant date, the aggregate value of the account investments under a CTF is less than £300, or no subscriptions have been made since either the last statement was produced (or would had to have been produced but for the relaxation of the obligation to produce an annual statement by the application of these regulations), or, where appropriate, the date that the account was opened, the account provider need only produce an annual statement if it would be the first statement to be produced following the child’s fourth, tenth or fifteenth birthday, unless the provider receives a request for an annual statement.

A full Impact Assessment of the effect this instrument will have on the costs of business and the voluntary sector is available from the HMRC website at <http://www.hmrc.gsi.gov.uk/better-regulation/ia.htm>.

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STATUTORY INSTRUMENTS

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£4.00