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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend the Child Trust Fund Regulations 2004 ([S.I. 2004/1450](#)) (“the Regulations”).

The definitions of “EEA Agreement” and “EEA State” in the Regulations are being updated by regulation 3(a) in light of changes to the membership of the EEA and in order to ensure consistency with definitions in other enactments.

Regulation 3(b) amends the definition of “recognised stock exchange” in the Regulations to update this in line with changes made to the definition by section 1005 of the Income Tax Act 2007.

Regulation 4 inserts a definition of ‘bulk transfer of accounts’ and ‘group transfer of accounts’ in the Regulations.

Regulation 5 amends regulation 12 of the Regulations to include shares in a company which are admitted to trading on a recognised stock exchange in the European Economic Area as qualifying investments.

Regulation 6 substitutes regulation 19 of the Regulations making provision in respect of the timing and content of the notices given where an account provider intends to cease to be an account provider for the purposes of the Regulations or to make a bulk transfer of accounts. It also re-numbers regulation 19(2) (in respect of the giving of notice to the Board in cases where an account provider intends to cease to accept further Revenue allocated accounts) as regulation 19A.

Regulation 7 makes a consequential change to regulation 20(3) as a result of amendments to regulation 19.

Regulation 8 amends regulation 21(1) to provide that an account transferred in a bulk transfer of accounts is to be treated as having been transferred under the Regulations. Regulation 8 amends regulation 21 of the Regulations by inserting new regulations 21(3A)-(3G) so that a further regulation 13 application is unnecessary where a child trust fund account is transferred in a bulk transfer of accounts but will be required subsequently in some cases to permit further subscriptions to it. The existing paragraph (3A) is renumbered as paragraph (3H).

Regulation 9 amends regulation 31 of the Regulations so that an account manager’s obligation to retain records under that regulation may also be fulfilled if, following a bulk transfer of accounts between two companies in the same group of companies, the records are retained by the company making the transfer for so long as both companies remain in the same group of companies and can be made available at the request of the transferee company.

Regulation 10 amends the Schedule to make changes for stakeholder accounts consistent with the modification to regulation 12.

A full and final Impact Assessment has not been produced for this instrument as a negligible impact on the private or voluntary sector is foreseen.