

**2023 No. 269**

**CHILD TRUST FUNDS**

**The Child Trust Funds (Amendment) Regulations 2023**

<i>Made</i> - - - -	<i>6th March 2023</i>
<i>Laid before Parliament</i>	<i>7th March 2023</i>
<i>Coming into force</i> - -	<i>6th April 2023</i>

The Treasury make these Regulations in exercise of the powers conferred by sections 3(1) to (3), 3(5), 7, 7C, and 28(2) and (3) of the Child Trust Funds Act 2004(a).

**Citation and commencement**

1. These Regulations may be cited as the Child Trust Funds (Amendment) Regulations 2023 and come into force on 6th April 2023.

**Amendment of the Child Trust Funds Regulations 2004**

2. The Child Trust Funds Regulations 2004(b) are amended in accordance with these Regulations.

**Amendment of regulation 2**

3. In regulation 2(1)(c) (interpretation)(c), in the definition of “recognised UCITS”, at the end of paragraph (b) insert—

“; or

(c) a recognised scheme in accordance with section 271A of the Financial Services and Markets Act 2000(d);”.

**Amendment of regulation 10**

4. In regulation 10(4) (statements for an account), omit sub-paragraphs (b) and (c).

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(a) 2004 c. 6. Section 3 was amended by sections 60 to 62 of the Deregulation Act 2015 (c. 20). Section 7C was added by section 63 of that Act.

(b) S.I. 2004/1450.

(c) The definition of “recognised UCITS” was inserted by S.I. 2010/582 and substituted by S.I. 2019/713 and 2020/29.

(d) 2000 c. 8. Section 271A was added by paragraph 1 of Schedule 9 to the Financial Services Act 2021 (c. 22).

### **Amendment of regulation 12**

5.—(1) In regulation 12(2)(f) (qualifying investments for an account)(a), after “shares in an investment trust” insert “listed or admitted to trading on a recognised stock exchange in circumstances where the trust satisfies the condition specified in paragraph (3)”.

(2) In regulation 12(3)—

- (a) in the opening words, after “paragraph (2)(a)” insert “or (f)”; and
- (b) in sub-paragraph (a), after “shares in a company” insert “or investment trust”.

### **Amendment of regulation 13C**

6. In regulation 13C(5)(c) (matured CTF account)(b), omit “(b), (c),”.

### **Amendment of regulation 16**

7.—(1) For regulation 16(3) (account provider – withdrawal by Board of approval)(c), substitute—

“(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.”.

(2) After regulation 16(4), insert—

“(5) From the date of the notice, the account provider must not accept subscriptions or open new accounts.”.

### **Amendment of regulation 18A**

8. In regulation 18A (permitted withdrawals from an account where the child is terminally ill)(d), in paragraph (2)(b)(ii) and (6)(b) after “section 72(5) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (the care component)”, insert “and, for this purpose, section 66(2)(a)(e) of that Act (attendance allowance for the “terminally ill”) is deemed to apply as if for “6 months” there were substituted “12 months.””.

### **Amendment of regulation 19**

9. After regulation 19(5) (account provider’s intention to make a bulk transfer of accounts or to cease to act as an account provider)(f), insert—

“(6) An account provider must not cease to act in relation to an account until that account has been transferred to another provider.”.

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- (a) Regulation 12(2)(f) was amended by S.I. 2010/582 and S.I. 2014/649. Regulation 12(3) was amended by S.I. 2013/1744 and 2014/649.
  - (b) Regulation 13C was added by S.I. 2020/29.
  - (c) Regulation 16 was amended by S.I. 2010/582 and S.I. 2010/2599.
  - (d) Regulation 18A was added by S.I. 2004/2676. Paragraphs (2) and (6) were amended by section 67(2) of the Welfare Reform and Pensions Act 1999 (c. 30), section 52 of the Welfare Reform Act 2007 (c. 5), S.R. 1999/494, S.I. 1999/3147, 2014/649, 2021/886 and 2022/332.
  - (e) 1992 c. 7. Section 66(2)(a) was amended for certain purposes (but not for the purposes of regulation 18A of S.I. 2004/1450) by the Social Security (Terminal Illness) Act (Northern Ireland) 2022 (c. 7).
  - (f) Regulation 19 was substituted by S.I. 2013/1744.

## Amendment of regulation 20

10. After regulation 20(3) (account provider ceasing to qualify)(a), insert—

“(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.”.

*Steve Double*

*Andrew Stephenson*

6th March 2023

Two of the Lords Commissioners of His Majesty’s Treasury

### EXPLANATORY NOTE

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

These Regulations amend the Child Trust Funds Regulations 2004 (S.I. 2004/1450) (“the principal Regulations”).

Regulation 3 amends regulation 2 of the principal Regulations to provide that schemes authorised in accordance with section 271A of the Financial Services and Markets Act 2000 are recognised UCITS.

Regulation 4 amends regulation 10 of the principal Regulations so that the child’s address and date of birth are not required to be included in statements for child trust fund accounts.

Regulation 5 amends regulation 12 of the principal Regulations to provide that shares in an investment trust will, if the specified conditions are met, be qualifying investments for a child trust fund account.

Regulation 6 amends regulation 13C of the principal Regulations in consequence of the amendments made by regulation 4 to regulation 10.

Regulation 7 amends regulation 16 of the principal Regulations to provide that withdrawal of the Board’s approval of a person as an account provider only takes effect once all the accounts provided by that person have been transferred to another account provider, and that the account provider must not accept subscriptions or open any new accounts from the date of the notice of withdrawal of approval.

Regulation 8 amends regulation 18A of the principal Regulations to update the definition of terminal illness as it applies to a child in Northern Ireland. As the amendments to the definition of terminal illness made to section 66(2) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 by section 1 of the Social Security (Terminal Illness) Act (Northern Ireland) Act 2022 do not apply for the purposes of the principal Regulations, regulation 18A is amended to take account of those changes.

Regulation 9 amends regulation 19 of the principal Regulations to provide that an account provider must not cease to act until the account has been transferred to another provider.

Regulation 10 amends regulation 20 of the principal Regulations to provide that where an account provider ceases to qualify, and has notified the Board accordingly, that person must not cease to act until the account has been transferred to another provider.

A Tax Information and Impact Note will be published on the HM Government website at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>.

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(a) Regulation 20 was amended by S.I. 2010/582, S.I. 2012/2404, and S.I. 2013/1744.

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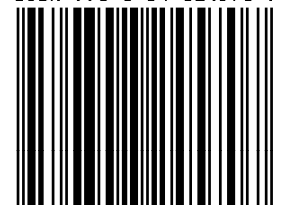
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