



Child Trust Funds Act 2004

2004 CHAPTER 6

Introductory

3 Requirements to be satisfied

- (1) A child trust fund may be held only with a person (referred to in this Act as an “account provider”) who has been approved by the Inland Revenue in accordance with regulations.
- (2) An account is not a child trust fund unless it is an account of one of the descriptions prescribed by regulations.
- (3) The provision which may be made by regulations under subsection (1) includes making approval of an account provider dependent on the person undertaking to provide accounts of such of the descriptions for which provision is made by regulations under subsection (2) as is prescribed by the regulations.
- (4) The terms of a child trust fund must—
 - (a) secure that it is held in the name of a child,
 - (b) secure that the child is beneficially entitled to the investments under it,
 - (c) secure that all income and gains arising on investments under it constitute investments under it,
 - (d) prevent withdrawals from it except as permitted by regulations, and
 - (e) provide that instructions may be given to the account provider with respect to its management only by the person who has the authority to manage it.
- (5) Regulations may impose other requirements which must be satisfied in relation to child trust funds.
- (6) The person who has the authority to manage a child trust fund held by a child—
 - (a) if the child is 16 or over, is the child, and
 - (b) if the child is under 16, is the person who has that authority by virtue of subsection (7) (but subject to subsection (10)).

Status: Point in time view as at 06/04/2005. This version of this provision has been superseded.

Changes to legislation: There are currently no known outstanding effects for the Child Trust Funds Act 2004, Section 3. (See end of Document for details)

- (7) If there is one person who is a responsible person in relation to the child, that person has that authority; and if there is more than one person who is such a person, which of them has that authority is to be determined in accordance with regulations.
- (8) For the purposes of this Act a person is a responsible person in relation to a child under 16 if the person has parental responsibility in relation to the child and is not—
- (a) a local authority or, in Northern Ireland, an authority within the meaning of the Children (Northern Ireland) Order 1995 (S.I. 1995/755 (N.I. 2)), or
 - (b) a person under 16.
- (9) “Parental responsibility” means—
- (a) parental responsibility within the meaning of the Children Act 1989 (c. 41) or the Children (Northern Ireland) Order 1995, or
 - (b) parental responsibilities within the meaning of the Children (Scotland) Act 1995 (c. 36).
- (10) Regulations may provide that, in circumstances prescribed by the regulations, the person who has the authority to manage a child trust fund held by a child under 16 is to be the Official Solicitor (in England and Wales or Northern Ireland) or the Accountant of Court (in Scotland).
- (11) A person who has the authority to manage a child trust fund by virtue of subsection (10) is entitled to give any instructions to the account provider with respect to its management which appear to the person who has that authority to be for the benefit of the child.
- (12) Where a contract is entered into by or on behalf of a child who is 16 or over in connection with a child trust fund—
- (a) held by the child, or
 - (b) held by another child in relation to whom the child has parental responsibility, the contract has effect as if the child had been 18 or over when it was entered into.

Commencement Information

- I1** S. 3(1)(3) in force at 1.1.2005 for specified purposes by S.I. 2004/2422, **art. 2**
- I2** S. 3(1)-(9)(12) in force at 6.4.2005 in so far as not already in force by S.I. 2004/3369, **art. 2(1)(2)(4)**
- I3** S. 3(2)s. 3(4)-(9)(12) in force at 1.1.2005 for specified purposes by S.I. 2004/2422, **art. 2**
- I4** S. 3(10)(11) in force at 6.4.2005 by S.I. 2004/3369, **art. 2(1)**

Status:

Point in time view as at 06/04/2005. This version of this provision has been superseded.

Changes to legislation:

There are currently no known outstanding effects for the Child Trust Funds Act 2004, Section 3.