



Deregulation Act 2015

2015 CHAPTER 20

Regulation of child trust funds

60 Management of child trust funds: looked after children

- (1) The Child Trust Funds Act 2004 is amended as follows.
- (2) In section 3 (requirements to be satisfied in relation to child trust funds), in subsection (10) (which provides for the making of regulations authorising the Official Solicitor or, in Scotland, the Accountant of Court to manage child trust funds) for the words from “is to be” to the end of the subsection substitute “is to be a person appointed by the Treasury or by the Secretary of State.”
- (3) In that section, after subsection (11) insert—
 - “(11A) Regulations under subsection (10) may provide that, where the terms on which a person is appointed by the Treasury or by the Secretary of State include provision for payment to the person, the payment must be made by a government department specified in the regulations (instead of by the person making the appointment).
 - (11B) Regulations may provide that, where a person authorised to manage a child trust fund by virtue of subsection (10) ceases to be so authorised, the person must provide any information held by that person in connection with the management of the fund to the person (if any) who becomes authorised by virtue of that subsection to manage the trust fund instead.”
- (4) In section 16 (information about children in care of authority), in subsection (1)—
 - (a) at the end of paragraph (a) (before “, or”), insert “or by a person appointed under regulations under section 3(10)”;
 - (b) in paragraph (b), before “any information” insert “or to such a person”;
 - (c) in the words following paragraph (b), before “may require” insert “or (as the case may be) the person”.

61 Management of child trust funds: children 16 or over

- (1) Section 3 of the Child Trust Funds Act 2004 (requirements to be satisfied) is amended as follows.
- (2) In subsection (6), for paragraphs (a) and (b) substitute—
 - “(a) if the child is 16 or over and has elected to manage the child trust fund, is the child;
 - (b) in any other case, is the person who has that authority by virtue of subsection (7) (but subject to subsection (10)).”
- (3) In subsection (8), omit “under 16” (where it first occurs).
- (4) In subsection (10), omit “under 16”.

62 Child trust funds: transfers

- (1) The Child Trust Funds Act 2004 is amended as follows.
- (2) After section 7 insert—

“7A Transfers to other accounts for children

- (1) Regulations may make provision requiring an account provider, at the request of a person who has the authority to manage a child trust fund, to—
 - (a) transfer all the investments under the fund, or an amount representing their value in cash, to a protected child account that is provided by a person chosen by the person making the request, and
 - (b) when all the investments have been transferred, close the child trust fund.
- (2) An account is a protected child account if—
 - (a) there is relief from income tax and capital gains tax in respect of investments under it,
 - (b) it may be held only by a child, and
 - (c) it satisfies any other conditions prescribed in regulations under this section.”
- (3) After section 7A (as inserted by subsection (2)) insert—

“7B Transfers on child reaching 18

- (1) Regulations may make provision requiring an account provider to transfer all the investments under a child trust fund held by a person immediately before his or her 18th birthday to a protected account of a description prescribed in the regulations.
- (2) Regulations under subsection (1) must include provision that the requirement does not apply if the person gives instructions, in accordance with the regulations, to the account provider as to what is to be done with the investments.
- (3) An account is a protected account if—

- (a) there is relief from income tax and capital gains tax in respect of investments under it, and
 - (b) it satisfies any other conditions prescribed in regulations under this section.”
- (4) In section 3 (requirements to be satisfied), in subsection (4)(d), after “regulations” insert “under this section or any other provision of this Act”.
- (5) In section 20 (penalties), in subsection (7)(b), after “7” insert “, 7A, 7B”.

63 Child trust funds: safeguards for children’s interests

After section 7B of the Child Trust Funds Act 2004 (as inserted by section 62) insert—

“Powers to safeguard interests of children

7C Powers to safeguard interests of children

- (1) The Treasury may make regulations under this section if the Treasury think it appropriate to do so for the purpose of safeguarding the financial interests of children, or any group of children, who hold child trust funds.
- (2) The regulations may authorise the Treasury to permit withdrawals from—
 - (a) any child trust funds;
 - (b) any child trust funds held with an account provider that is prescribed, or of a description prescribed, in the regulations.
- (3) The regulations may authorise the Treasury to require any account provider or any account provider that is prescribed, or of a description prescribed, in the regulations to take one or more of the following steps in relation to every child trust fund held with it—
 - (a) to seek to transfer the fund to another account provider;
 - (b) to seek to transfer all the investments under the fund to a protected child account that can be used for investments of that kind and is provided by a person chosen by the account provider;
 - (c) to seek to transfer an amount in cash representing the value of all the investments under the fund (whether consisting of cash or stocks and shares) to a protected child account that can be used for investments in cash and is provided by a person chosen by the account provider;
 - (d) to transfer an amount in cash representing the value of all the investments under the fund (whether consisting of cash or stocks and shares) to a protected child account that can be used for investments in cash and is provided by a person specified by the Treasury.
- (4) The regulations may provide—
 - (a) that child trust funds held with an account provider that is prescribed, or of a description prescribed, in the regulations are to be treated for all purposes as if they were protected child accounts of a description so prescribed;
 - (b) that, where child trust funds are (under the regulations) to be treated as protected child accounts of a particular description, the account provider is to be treated, for such purposes as may be prescribed in the

Status: This is the original version (as it was originally enacted).

regulations, as a person who lawfully provides protected child accounts of that description.

- (5) If the regulations authorise the Treasury to require that one or more of the steps mentioned in subsection (3)(b) to (d) be taken, the regulations may also authorise the Treasury to require an account provider who, in pursuance of such a requirement, transfers all the investments under a child trust fund, or an amount representing the value of all the investments, to close the child trust fund.
- (6) If the regulations authorise the Treasury to require an account provider to take more than one of the steps mentioned in subsection (3), the regulations must also—
- (a) authorise the Treasury to specify the order in which the steps are to be taken, and
 - (b) provide that if (as a result of complying with a requirement to take a particular step) an account holder no longer holds investments under any child trust fund, any requirement imposed on that provider to take another step lapses.
- (7) The Treasury is not liable in respect of—
- (a) the selection by an account provider of a person to whom to make a transfer in response to a requirement of a kind mentioned in subsection (3)(a) to (c), or
 - (b) a decision made by it as to the person to be specified in a requirement of a kind mentioned in subsection (3)(d).
- (8) In this section, “protected child account” means an account which is a protected child account for the purposes of section 7A.”