

DEREGULATION ACT 2015

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Section 60: Management of child trust funds: looked after children

281. This section amends the Child Trust Funds Act 2004 (“CTFA”) to allow regulations to be made which will enable a wider range of organisations to be authorised to manage the Child Trust Fund accounts (“CTFs”) held by certain looked after children (that is, to give instructions to an account provider in relation to the account). This section also provides for payment of the organisation appointed to manage such CTFs, and for the transfer of relevant information.
282. A CTF is a tax advantaged savings account held by an eligible child into which money up to a specified amount can be invested each year. Until the account holder reaches 16 years old, CTFs are managed on their behalf by a ‘registered contact’, for example a person with parental responsibility for the account holder. Special arrangements are set out in legislation for the management of CTFs held by certain looked after children.
283. Section 3(10) of the CTFA provides that HM Treasury may, by regulations, authorise the Official Solicitors of England and Wales or Northern Ireland, or the Accountant of Court in Scotland, to manage the CTFs of children. Under the [Child Trust Funds Regulations \(S.I. 2004/1450\)](#) (“CTF Regulations”), these bodies are authorised to manage the CTFs of certain children who are looked after by local authorities. Section 16 of the CTFA enables regulations to be made which require a local authority to provide (or otherwise make available) to HM Revenue and Customs (“HMRC”) information relating to a child, where that child is, or has been, in, the care of a local authority.
284. *Subsection (2)* amends section 3(10) of the CTFA to provide that, in circumstances specified in regulations, HM Treasury or the Secretary of State may appoint a person other than the Official Solicitors (in England and Wales or Northern Ireland) or the Accountant of Court (in Scotland) to manage CTFs. This amendment will make it possible for a wider range of organisations to be authorised to manage the CTFs of certain looked after children.
285. *Subsection (3)* amends section 3 of the CTFA to insert new subsection (11A) and (11B). These provide that regulations may place a requirement on a specified government department to pay the person appointed to manage CTFs, where the terms on which that person is appointed include provision for payment; and allow for regulations to be made so that information can be passed by a person ceasing to be authorised to manage a CTF account, to a person that is authorised in their place.
286. *Subsection (4)* amends section 16 of the CTFA to provide HM Treasury with a power to make regulations which require a local authority to make documents available, or to provide information directly, to the person appointed under section 3(10) of the CTFA.
287. The section forms part of the law of England and Wales, Scotland and Northern Ireland.

*These notes refer to the Deregulation Act 2015 (c.20)
which received Royal Assent on 26 March 2015*

288. The section comes into force at the end of the period of 2 months beginning with the day on which the Act is passed.