
STATUTORY INSTRUMENTS

2020 No. 29

The Child Trust Funds (Amendment) Regulations 2020

Amendment of the Child Trust Funds Regulations 2004

6. After regulation 13 (conditions for application by responsible person or the child to open an account (and changes to an account)) insert—

“Maturity of child trust fund - instructions

13A.—(1) Instructions of a holder of a child trust fund to the account provider as to what is to be done with the investments under—

- (a) the child trust fund on its maturity or,
- (b) where regulation 13B(2)(a) applies, the matured CTF account,

are to be in accordance with paragraph (2).

(2) Those instructions may be—

- (a) where the investments are held otherwise than in cash, to transfer them in specie or to realise them and to transfer the proceeds, or
- (b) where they are held in cash, to transfer the cash amount.

Maturity of child trust fund - no instructions

13B.—(1) On the 18th birthday of the holder of a child trust fund, where no instructions have been given under regulation 13A, all the investments under the child trust fund held immediately before that birthday are to be transferred by the account provider to a protected account held with the account provider.

(2) The protected account may be, at the option of the account provider, either—

- (a) an account (“matured CTF account”) which is to be treated as a continuing account of the person who held the child trust fund (“account holder”) to be held subject to these regulations and otherwise on the same terms and conditions which applied immediately before the account holder’s 18th birthday as if the investments had remained in the account for the child trust fund; or
- (b) an account, within the meaning of regulation 4 of the Individual Savings Account Regulations 1998⁽¹⁾, which is a cash account, in respect of investments which are held in cash, or a stocks and shares account, in respect of investments which are held as stocks or shares, to be held subject to those regulations and otherwise on the same terms and conditions which applied immediately before the account holder’s 18th birthday as if the investments had remained in the account for the child trust fund.

(3) Investments which are held otherwise than in cash are to be transferred in specie.

(4) In the terms and conditions mentioned in paragraph (2) and in these regulations references to the following howsoever described—

- (a) “account” and “child trust fund” are to be read as including the protected account,
- (b) “named child”, “eligible child” or “child” are to be read as the account holder of the protected account, and
- (c) “registered contact” and “responsible person” are to be read as the account holder of the protected account where instructions, notifications, assessments, actions or decisions need to be made in relation to it.

Matured CTF Account

13C.—(1) Where regulation 13B(2)(a) applies, then notwithstanding any other provision of these regulations, paragraphs (2) to (8) are to apply.

(2) No subscription is to be made to the matured CTF account.

(3) Amounts in respect of investments on the matured CTF account are to be credited to it.

(4) No transfer is to be made of any part of the matured CTF account otherwise than, in circumstances where the account provider intends to cease to act as an account provider, when regulation 19 (account provider’s intention to make a bulk transfer of accounts or to cease to act as an account provider) or 21 (transfer of accounts) applies.

(5) In regulation 10(2) (statements for an account)—

(a) in paragraph (1)(a), the phrase “subject to paragraphs (6) and (7)” is to be treated as omitted,

(b) the words in paragraph (2A) are to be treated as replaced with—
“The account provider must produce a statement not later than 12 months beginning with the date the funds entered the matured account and annually thereafter”, and

(c) paragraphs (4)(b), (c), (e), (f) and (m) to (o) are to be treated as omitted.

(6) Regulations 14(2)(b)(vi) (relating to publication of statements), 18A (permitted withdrawals from an account where the child is terminally ill)(3) and 20A (transfers to other accounts for children)(4) are to be treated as omitted.

(7) In regulation 32 (returns of information by account provider), paragraphs (2)(b)(i), (ii) and (iv) are to be treated as omitted.

(8) An account provider must, when all the investments have been transferred out of the matured CTF account in accordance with instructions under regulation 13A, close the account.”.

(2) Relevant amendments made by [S.I. 2011/992](#).

(3) Inserted by [S.I. 2004/2676](#).

(4) Inserted by [S.I. 2015/876](#).