



CTF Bulletin 49

9 September 2010

This Bulletin tells you about

- Proposed Changes to CTF Regulations

Enquiries about this bulletin should be addressed to [Savings Audit](#).

Please ensure the appropriate people in your organisation read this bulletin.

The HM Revenue & Customs website address is www.hmrc.gov.uk and there are pages for [CTF providers](#).

Proposed changes to CTF Regulations

Part of this bulletin is a draft Regulation that the Government proposes to make in October 2010. If made the Regulation would:

- Allow providers not to issue annual statements in respect of accounts that have not received any subscriptions in the preceding year.
- Allow providers not to issue annual statements in respect of accounts valued at less than £300 at the statement date.
- Allow providers to choose not to accept any new vouchers in the future, while keeping their existing book of CTF accounts. Providers taking this option would have to stop taking all vouchers – both for £250 and £50.

These changes are being proposed following feedback from providers and representative bodies after the announcement in May 2010 that government contributions to Child Trust Funds would reduce and then stop. While they allow providers to make the changes set out above, this would be optional – they do not require providers to do anything different.

Please let us have any comments on the proposed regulation by 24 September.

STATUTORY INSTRUMENTS

2010 No.

CHILD TRUST FUNDS

The Child Trust Funds (Amendment No. 4) Regulations 2010

<i>Made</i>	- - - -	2010
<i>Laid before Parliament</i>		2010
<i>Coming into force</i>	- -	2010

The Treasury make the following Regulations in exercise of the powers conferred by sections 3 and 28(1) to (3) of the Child Trust Funds Act 2004⁽¹⁾:

(1)

Citation, commencement and effect

1. These Regulations may be cited as the Child Trust Funds (Amendment No. 4) Regulations 2010 and shall come into force on [2010].

Amendments to the Child Trust Funds Regulations 2004

2. The Child Trust Funds Regulations 2004(2) are amended as follows.

3.—(1) Regulation 10(3) (statements for an account) is amended as follows.

(2) In paragraph (2) for “in the case of an annual statement” substitute “, except in a case mentioned in paragraph (1)(b),”.

(3) At the end add—

“(6) For any account where, at a statement date—

(a) the aggregate market value of the account investments held under the account is less than £300; or

(b) no subscriptions under regulation 9 have been made to the account, between the previous statement date for the account (whether or not a statement was then issued) and the current statement date;]

the requirement in paragraphs (1) and (2)(b) to issue a statement annually shall be modified by substituting a requirement to issue a statement in relation to the child’s fourth, tenth and sixteenth birthdays, unless any potential recipient of the statement (see paragraph (3)) requests an annual statement.”

4.—(1) Regulation 14 (account provider – qualifications and Board’s approval) is amended as follows.

(2) At the end add—

“(5) Where an undertaking has been given under paragraph (2)(b)(ii) or (ia), the account provider may give the Board 30 days’ notice of its intention to replace that undertaking with one under which the account provider agrees not to accept vouchers, or open accounts, from the date the notice expires.”

Name

[date]

Name
Two of the Lords Commissioners of Her Majesty’s Treasury