

**2012 No. 1870**

**CHILD TRUST FUNDS**

**The Child Trust Funds (Amendment) Regulations 2012**

*Made* - - - - *16th July 2012*

*Laid before Parliament* *17th July 2012*

*Coming into force* - - *8th August 2012*

The Treasury make the following Regulations in exercise of the powers conferred by sections 3(2) and 28(1) to (4) of the Child Trust Funds Act 2004(a):

**Citation and commencement**

1. These Regulations may be cited as the Child Trust Funds (Amendment) Regulations 2012 and come into force on 8th August 2012.

**Amendment of the Child Trust Funds Regulations 2004**

2. For paragraph (8) of regulation 12 (qualifying investments for an account) of the Child Trust Funds Regulations 2004(b), substitute—

“(8) A deposit account or share account which is a qualifying investment for an account falling within paragraph (2)(k) or (l) must not be connected with any other investment, held by the named child or any other person.

(8A) For the purposes of paragraph (8), a deposit account or share account described in that paragraph, is connected with another investment if—

- (a) either was opened or acquired with reference to the other, or with a view to enabling the other to be opened or acquired on particular terms, or with a view to facilitating the opening or acquisition of the other on particular terms,
- (b) the terms on which the deposit account or share account was opened would have been significantly less favourable to the holder if the other investment had not been held, and
- (c) the other investment is not a tax exempt investment.

(8B) The following are tax exempt investments for the purposes of paragraph (8A)—

- (a) an account investment held under a child trust fund;
- (b) an account investment within the meaning given in the Individual Savings Account Regulations 1998(c) held under an account opened (or treated as opened) in accordance with regulation 12 or 12A of those regulations.”.

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(a) 2004 c. 6.

(b) S.I. 2004/1450; regulation 12 was amended by S.I. 2010/582.

(c) S.I. 1998/1870; regulation 12 was amended by S.I. 2001/908, S.I. 2002/1974, S.I. 2002/3158, S.I. 2003/2155, S.I. 2005/3230, S.I. 2005/2078, S.I. 2007/2119, S.I. 2008/704, S.I. 2009/1994 and regulation 12A was inserted by S.I. 2011/1780.

*Jeremy Wright  
Angela Watkinson*

16th July 2012

Two of the Lords Commissioners of Her Majesty's Treasury

**EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

These Regulations amend regulation 12 of the Child Trust Funds Regulations (S.I. 2004/1450) (“the CTF Regulations”). They come into force on 8th August 2012.

Regulation 2 of these regulations amends paragraph (8) of regulation 12 of the CTF Regulations (qualifying investments for an account), so that a deposit account or share account which is a qualifying investment will not be connected with another investment for the purposes of regulation 12(8) of the CTF Regulations where both are held in an ISA account, junior ISA account or a child trust fund.

A Tax Information and Impact Note covering this instrument will be published on the HMRC website at <http://www.hmrc.gov.uk/thelibrary/tiins.htm>.

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