

CHILD TRUST FUNDS (AMENDMENT) INSTRUMENT 2011

Powers exercised

- A. The Financial Services Authority makes this instrument in the exercise of:
- (1) the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
 - (a) section 138 (General rule-making power); and
 - (b) section 156 (General supplementary powers); and
 - (2) the other powers and related provisions listed in Schedule 4 (Powers exercised) to the General Provisions of the Handbook.
- B. The rule-making powers referred to above are specified for the purpose of section 153(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 6 April 2011.

Amendments to the Handbook

- D. The Glossary of definitions is amended in accordance with Annex A to this instrument.
- E. The Conduct of Business sourcebook (COBS) is amended in accordance with Annex B to this instrument.

Citation

- F. This instrument may be cited as the Child Trust Funds (Amendment) Instrument 2011.

By order of the Board
24 March 2011

Annex A

Amendments to the Glossary of definitions

In this Annex, underlining indicates new text and striking through indicates deleted text.

- private customer* (for the purposes only of *COBS* TP 1 (Transitional Provisions in relation to Client Categorisation)):
- (1) (except in *COB* 3, *COB* 4.2 and *COB* 6.4) subject to (h), a *client* who is not a market counterparty or an *intermediate customer*, including:
- ...
- (f) (in *COB* 6.1 to 6.5) where the *regulated activity* (except for a personal recommendation relating to a contribution to a *CTF*) relates to a *CTF* and there is no *registered contact*, the *person* to whom the ~~annual~~ statement must be sent in accordance with Regulation 10 of the *CTF Regulations*;
- (g) (in *COB* 6.7) where the *regulated activity* (except for a personal recommendation relating to a contribution to a *CTF*) relates to a *CTF* and there is no *registered contact*, the *child*, via the *person* to whom the ~~annual~~ statement must be sent in accordance with Regulation 10 of the *CTF Regulations*;
- ...
- ...

Annex B

Amendments to the Conduct of Business sourcebook (COBS)

In this Annex, underlining indicates new text and striking through indicates deleted text.

Who is the client?

3.2.3 R ...

(5) If a *firm* provides services relating to a contribution to or interest in a *CTF* (except for a *personal recommendation* relating to a contribution to a *CTF* or in relation to the *communication* or *approval* of a *financial promotion*), the *firm's* only client is:

- (a) the *registered contact*, if there is one;
- (b) otherwise, the *person* to whom the ~~annual~~ statement must be sent in accordance with Regulation 10 of the *CTF Regulations*.

...

Special cases

16.2.6 R In relation to business that is not *MiFID* or *equivalent third country business*, a *firm* need not despatch a confirmation if:

- (1) the *firm* has agreed with the *client* (in the case of a *retail client*, in writing and with the *client's* informed consent) that confirmations need not be supplied, either generally or in specified circumstances; or
- (2) the *designated investment* is a *life policy*, *stakeholder pension scheme* or a *personal pension scheme* (other than a *SIPP*); or
- (3) the *designated investment* is held within a *CTF* and the ~~annual~~ statement provided under the *CTF Regulations* includes the information that would have been contained in a confirmation under this section (other than information that has since become irrelevant).

...

Periodic reporting: special situations

16.3.10 R In relation to business that is not *MiFID* or *equivalent third country business*, a *firm* need not provide a *periodic statement*:

- (1) to a *client* habitually resident outside the *United Kingdom* if the *client* concerned has so requested or the *firm* has taken reasonable

steps to establish that he does not wish to receive it;

- (2) in respect of a *CTF*, if the ~~annual~~ statement provided under the *CTF Regulations* contains the *periodic information*.

...

- 16.4.1 R (1) A *firm* that holds *client designated investments* or *client money* for a *client* must send that *client* at least once a year a statement in a *durable medium* of those *designated investments* or that *client money* unless such a statement has been provided in a *periodic statement*.
- (2) A *credit institution* need not send a statement in respect of *deposits* held by it.
- (3) This *rule* does not apply in relation to a *firm* holding *client designated investments* or *client money* under a *personal pension scheme* or a *stakeholder pension scheme* where doing so is not *MiFID* or *equivalent third country business*.
- (4) A *CTF* account provider holding *client designated investments* or *client money* under a *CTF* where doing so is not *MiFID* or *equivalent third country business* must provide a statement but need not do so more frequently than required by Regulation 10 of the *CTF Regulations*.