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  

(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  

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  

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.