

## CTF to JISA Transfers – HMRC JISA Guidance Consultation Response from AFM/BBA/BSA/TISA

### Summary

This response represents the consolidated views of AFM/BBA/BSA/TISA and their members (referred to as industry).

Industry fully supports the greater flexibility offered to investors and ability to transfer into the trusted ISA brand for CTF holders.

The draft guidance produced by HMRC provides a clear structure for enabling this new ability with minor points of clarification or further guidance identified by industry.

To align with standard practice, an industry working group has produced CTF to JISA transfer guidelines and model forms which are also included within this response.

### Consultation Response

A marked up copy of the draft guidance is included to show specific areas where industry would appreciate further clarification or minor changes to be made.

In addition to those specific areas, comments have also been received in respect of the following potential issues:

#### Child's URN

- Some JISA/ISA managers may have system limitations prohibiting the use of a space as the final character in the NINO field (which would be used to report the URN). A request has been made that HMRC advise of any substitute character that may be used in such cases or confirm that the exact URN must be reported and systems developed to facilitate this.
- Industry would like confirmation of whether the URN is expected to become the child's NINO or whether a new NINO will be created. Related issues below:
  - There is some confusion about the reporting of a URN once the child turns 16 and a NINO is provided (if this will differ to the URN). It is assumed that the NINO should replace the URN for reporting purposes.
  - Industry would like clarification of whether it will be responsibility of the JISA manager to actively contact the child to obtain a NINO once they reach 16 or whether the responsibility for this lies with the child or registered contact.

*It is understood that following production of this draft guidance, it has been confirmed that the URN will become the child's NINO, if so industry would like this included in the guidance.*

#### Provision of Child's URN

- Industry feel the URN is not a required field for the transfer form as in many cases the registered contact may not have this information. It would be practical if alternative identifying information, such as an account number, may be provided to identify the CTF (and where this is not provided, manager dialogue could identify the relevant account).

#### CTF to JISA transfers for children aged 16 or over

- Industry would like confirmation within the guidance that the child may not instruct a transfer of a CTF to a JISA and that it must be completed by the registered contact but that the child may assume responsibility following the transfer.

#### Registered Contact

- Industry would like confirmation that where the CTF transfer request is rejected due to a difference in registered contact from the transfer form that any JISA opened on a provisional basis should be voided and a new transfer application requested.

#### JISA subscriptions after CTF transfer

- Industry would like confirmation of when the first date of subscription should be reported when a subscription is made to a JISA following transfer from a CTF. It is assumed that the date of first subscription in the first year of the account being opened would be reported however there would not always be a subscription in the first year of transfer.

#### **Attached For Reference**

- CTF to JISA transfer guidelines and template transfer forms as produced by industry working group.
- Draft CTF to JISA transfer guidance with comments and suggested amendments.



## CTF to JISA Transfer Guidelines

We recommend that CTF/JISA providers adopt the procedures below, devised by representatives of the industry. They are recommendations only and not prescriptive.

The process below is based on the assumption that the CTF registered contact approaches the new JISA provider to effect the transfer. On the rare occasion that the CTF registered contact first approaches his/her existing CTF provider, s/he should be asked to go direct to the new JISA provider.

This guideline is effective for CTF to JISA transfers initiated on or after 6 April 2015, until such time that this guideline is updated.

**Note: the term ‘days’ refers to working days<sup>1</sup>. If any instruction is received after normal working hours then it is treated as having been received at the following day.**

### Process

Step	Action	Timescale	Max. no. of days
1	<p>New JISA provider asks the CTF registered contact to confirm the request to transfer by completing a CTF to JISA Transfer Authority Form with a wet signature, unless an alternative agreement is in place between CTF/JISA providers.</p> <p>The CTF registered contact must also complete a transfer application/instruction, where required, which is validated by the new JISA provider.</p> <p>New JISA provider forwards the original CTF Transfer Authority Form to the existing CTF provider and confirms in writing the basis on which he/she is willing to accept</p>	<p>The process starts on the day the new JISA provider receives the CTF Transfer Authority Form from the customer, wherever this is received in the organisation and following any cooling off or cancellation period.</p> <p>The new JISA provider has 5 working days to process the CTF registered contact’s instruction and send on to the existing CTF provider.</p> <p>First class post or equivalent should be used.</p>	5 <sup>2</sup>

<sup>1</sup> Weekends and national bank holidays are excluded and the calendar which applies for bank holidays should be the calendar in operation where the operations centre is based

<sup>2</sup> Whilst 5 working days is allocated to this step not all of this period will count towards the 30 calendar day timeline for CTF to JISA transfers. This is because the timeline commences on whatever date the providers agree to be the ‘date of transfer’. The date of transfer will typically be the day the Cash JISA provider sends the Transfer Authority Form (TAF) to the CTF Provider and as stated in the Transfer acceptance section of the TAF.

	the transfer (See Transfer Acceptance section on Model Form below)		
1a	In the post		1
2	<p>The existing CTF provider checks the form has been completed by the CTF registered contact and, if so, proceeds with the transfer request following the relevant guidance depending on how the transfer is to be made:</p> <p>2i) In cash (only cash held) 2ii) In cash (investments to be sold) 2iii) In specie (plus cash balance)</p>	<p>Any difference in the CTF registered contact details must be rectified before the transfer can take place.</p> <p>If the transfer authority form has not been completed by the CTF registered contact, or the details differ from those held by the CTF manager, the transfer request should be rejected by the CTF manager to the JISA manager.</p>	
2i	<p><u>Cash (only cash held)</u> The existing CTF provider sends a CTF Transfer History Form<sup>3</sup> to the new JISA provider accompanied by a cheque for the transfer proceeds.</p> <p>Transfer payments will be made by cheque unless otherwise agreed by providers on a bilateral basis.</p>	<p>The maximum timeframe for actioning Step 2i should be 5 business days, where day 1 is the first day the request is received in the organisation.</p> <p>First class post or equivalent should be used.</p>	5
2ii	<p><u>Cash (investments to be sold)</u> The existing CTF provider places redemption instructions through their normal dealing process for non-cash holdings.</p> <p>The existing CTF provider sends a CTF Transfer History Form<sup>4</sup> to the new JISA provider (if not provided at this stage this may be provided with the final payment).</p> <p>Transfer payments will be made by cheque unless otherwise agreed by providers on a bilateral basis.</p> <p>Multiple payments of sale proceeds may be made dependant on the settlement cycle of the underlying assets.</p> <p>The existing CTF provider must ensure that each payment is</p>	<p>The maximum timeframe for actioning Step 2ii should be 16 working days, where day 1 is the first day the request is received in the organisation; days 2-15 sees portfolio sale instructions initiated and settlement completed; and payment is initiated on day 16 at latest.</p> <p>One payment - The CTF provider should initiate payment no later than the end of the business day following the settlement of all assets being liquidated when one payment is made for the full proceeds of the transfer</p> <p>Multiple payments – The CTF provider should not unduly delay payments once settlement proceeds have been received for</p>	16

<sup>3</sup> This is the Transfer Form (or its equivalent) as covered in HMRC Guidance

<sup>4</sup> This is the Transfer Form (or its equivalent) as covered in HMRC Guidance

	<p>accompanied by sufficient information to identify the payer; the customer; the specific transfer to which the payment relates and the date the payment is sent.</p> <p>The final payment for any individual transfer must be accompanied by a notification which identifies the payment as the final instalment. If not already provided, the existing CTF provider sends a CTF Transfer History Form<sup>5</sup> to the new JISA provider with the final payment.</p>	<p>individual liquidations and where payments are made piecemeal to the JISA provider. Each payment should be sent within the same maximum timescale applying to one payment, unless there is a legitimate reason to defer sending a payment.</p> <p>First class post or equivalent should be used.</p> <p>As soon as the CTF provider recognises that a delay beyond 16 working days is likely to occur, (pending cases excepted<sup>6</sup>) it is their responsibility to notify the new JISA provider and the CTF registered contact of the reasons for the delay and a likely timetable for resolution.</p>	
2iii	<p><u>In specie (plus cash balance)</u></p> <p>The existing CTF provider sends a full list of the investments held in the CTF accompanied by a CTF Transfer History Form<sup>7</sup> to the new JISA provider (if the CTF Transfer History Form is not provided at this stage this may be provided with the final payment). - .</p> <p>The new JISA provider should review the list of assets held in the CTF to confirm that all investments can be accepted as an in specie transfer.</p> <p>The new JISA provider should contact the CTF provider to arrange the transfer of investments in specie.</p> <p>Transfer payments will be made by cheque unless otherwise agreed by</p>	<p>The maximum timeframe for actioning Step 2iii should be 16 working days, where day 1 is the first day the request is received in the organisation; days 2-16 sees in specie transfers completed; and payment for any existing<sup>9</sup> cash balance is initiated on day 5 at latest.</p> <p>Any investments that cannot be accepted by the new JISA provider as an in specie transfer should be identified and the CTF provider instructed to sell those investments to transfer in cash, with payment initiated on day 16 at latest.</p> <p>Where the CTF provider is unable to sell those investments, the new JISA manager may have to state they are unable to accept the</p>	16

<sup>5</sup> This is the Transfer Form (or its equivalent) as covered in HMRC Guidance

<sup>6</sup> See below for the circumstances in which cases can be pending

<sup>7</sup> This is the Transfer Form (or its equivalent) as covered in HMRC Guidance

<sup>9</sup> This is cash already held within the CTF at the time the transfer is requested and does not relate to the cash proceeds of any investment sales required to facilitate the transfer which can be transferred later.

	<p>providers on a bilateral basis.</p> <p>Multiple payments of any sale proceeds may be made dependant on the settlement cycle of the underlying assets.</p> <p>The existing CTF provider must ensure that each payment is accompanied by sufficient information to identify the payer; the customer; the specific transfer to which the payment relates and the date the payment is sent.</p> <p>The final payment for any individual transfer must be accompanied by a notification which identifies the payment as the final instalment. If not already provided, the existing CTF provider sends a CTF Transfer History Form<sup>8</sup> to the new JISA provider with the final payment.</p>	<p>transfer.</p> <p>As a child cannot hold both a CTF and a JISA, any investments remaining in the CTF which cannot be transferred or sold within 60 days of transfer would require the CTF to remain open and invalidate the JISA which would then have to be closed.</p> <p>One payment - The CTF provider should initiate payment no later than the end of the business day following the settlement of all investments being liquidated (or transferred) when one payment is made for the full proceeds of the transfer</p> <p>Multiple payments – The CTF provider should not unduly delay payments once settlement proceeds have been received for individual liquidations and where payments are made piecemeal to the JISA provider. Each payment should be sent within the same maximum timescale applying to one payment, unless there is a legitimate reason to defer sending a payment.</p> <p>First class post or equivalent should be used.</p> <p>As soon as the CTF provider recognises that a delay beyond 16 working days is likely to occur, (pended cases excepted<sup>10</sup>) it is their responsibility to notify the new JISA provider and the CTF registered contact of the reasons for the delay and a likely timetable for resolution.</p>	
2a	<p>Any residual income payments must be accompanied by sufficient information to identify the payer; the CTF registered contact; the specific transfer to which the payment relates and the date the</p>		

<sup>8</sup> This is the Transfer Form (or its equivalent) as covered in HMRC Guidance

<sup>10</sup> See below for the circumstances in which cases can be pended

	<p>payment is sent. The ceding CTF provider is to check the new JISA provider's terms for receiving residual income payments prior to initiating the payment and should be aware that the payment may be rejected if they fail to do so.</p> <p>The transfer of funds must not be made by electronic means or bulk payment by cheque unless agreement has been reached between providers.</p> <p>With the exception of the CTF registered contact details, where information supplied by the new JISA provider and information held by the existing CTF provider differ, the transfer should go ahead subject to the existing CTF provider being confident of the child's identity (this is to ensure customer protection) having matched the data to a sufficient degree to identify the correct customer and is satisfied which CTF account is to be transferred.</p>		
2b	In the post		1
3	Once a Transfer has been received by the new JISA provider, it should not be rejected without first contacting the existing CTF provider using the contact details on the TISA database.	The new JISA provider should apply the transferred funds to the customer's account within 3 business days of receipt or per client money rules as applicable.	3 <sup>11</sup>
	<b><u>TOTAL DAYS – IN CASH</u></b> <b>(cash only held)</b>		<b><u>15</u></b>
	<b><u>TOTAL DAYS – IN CASH</u></b> <b>(investments to be sold)</b>		<b><u>26</u></b>
	<b><u>TOTAL DAYS – IN SPECIE</u></b> <b>(plus cash balance)</b>		<b><u>26</u></b>

<sup>11</sup> Unless PSR/FSA rules dictate that the money is applied earlier.

### **Chase-up Process between steps 1 & 2 if required**

If the new JISA provider has not heard anything from the existing CTF provider within 10 working days after sending the CTF Transfer Authority Form, it is the responsibility of the new JISA provider to check the progress.

Providers should use the most appropriate medium of communication in the prevailing circumstances.

### **Pending Cases**

Cases should be pended where:

- the customer has expressly requested the transfer to take place at some future date, or
- a customer's account has a restriction on it (i.e. notice account / fixed term / maturity / redemption date) where to transfer immediately would cause the customer to incur a financial charge unless the customer has indicated that they are willing to pay the charge. or
- the terms & conditions restrict access and therefore do not permit the transfer to another provider [prior to] [until] a future date.

Transfers cannot be pended due to errors/omissions on the transfer form or where additional information is required from customers or the other provider involved in the transfer.

The day a pended case is actioned (pended) by the existing CTF provider does not count in the timescales for either provider.

The first day the money becomes "free to move" does count towards the timescales for both providers.

The existing CTF provider **MUST** inform the new JISA provider of pending a case in an agreed format. This is assumed to be letter in the absence of any other agreement. This communication must include, **the date on which the case was pended** (which is not counted by either provider) and **the first date the account is free to move**.

Where a customer's account is free to move within just a few days of the transfer request being received by the existing CTF provider, the provider has discretion not to pend the case but to simply process the case when it is free to move, so long as they still complete the transfer out within the 16 working days requirement (with no days permitted as pended). This is to remove the need for costly and time-consuming communication between organisations for cases that can be completed within 16 working days, even though the funds may not be free to move for a day or so.

It is at the individual provider's discretion as to whether they notify customers that their transfer has been pended. However, it is recommended that the existing CTF provider informs the customer, except where the customer has specifically stated that they do not want the transfer to take place before a certain date or event.

### **Data Security**

Providers should liaise with one another to establish secure transfer channels in accordance with their obligations under the Data Protection Act.



## Resolution

TISA maintains two secure databases containing the contact details of CTF/JISA providers. These databases are for access only by other CTF/JISA providers for the purpose of resolving and escalating protracted transfer issues. All CTF/JISA providers should keep their contact details up to date **at all times** on both databases to support the correct direction of transfers and other communications between providers. Contact details should include telephone, e-mail and address and office working hours, for telephone contact in particular.

The TISA databases should also be populated with contact details of where to refer Transfer Out / Transfer In correspondence – as this can distinguish between where providers want the initial request correspondence to be directed (e.g. central address or branch) and any ongoing correspondence.

Providers should inform TISA of a change in contact details at least 2 working days prior to this change becoming effective via the following e-mail address - [isatransfers@tisa.uk.com](mailto:isatransfers@tisa.uk.com)

## Transfers that cannot be accepted

Where the new JISA provider is only willing to accept a transfer by a given date and funds are received after this date the new provider may choose to make contact with the customer to consider possible alternatives to returning the funds. The new provider would retain the right to repatriate the funds if no alternative solution can be agreed.

If the new JISA provider is unable to accommodate the transfer then the existing CTF provider should use one of the following remedies:

- reinstate the original CTF subject to market price movements and product restrictions, or
- offer another CTF product to the customer and effect an internal transfer, or
- allow the customer to transfer to another CTF or JISA provider.

## Case Abandonment

A case can only be abandoned where the customer is the primary cause for the delay. Cases where the existing Stocks and Shares provider is the primary cause for delay would not be abandoned and the new Cash ISA provider would continue to pursue the case through the cross-industry chaser and resolution procedures.

A case can be abandoned 2 months post the expiry of the initial 26 working day transfer timescale.

On abandoning a case the new provider must inform the customer that they have abandoned the case citing a reason.

Providers should review what action to take where funds are received post case abandonment, they can either accept, decline or contact the customer to arrange a new account for the funds to be put in (if for example the previous product is no longer available).



If the transfer from the CTF is not successful, any JISA that has been opened on a provisional basis to accept the transfer will be invalid, and any subscriptions to the provisional JISA will be returned. The CTF status will remain intact.

#### Information about how the CTF should be transferred

Please tick one of the following options to indicate how you wish to transfer this CTF:

1. In cash

(Existing investments will be sold and transferred in cash)

OR

2. In cash and investments

(Where possible the existing investments will be transferred however please note depending on terms and conditions some investments may need to be sold and transferred in cash)

*Please check your transfer request is permitted under the terms and conditions of your existing CTF provider prior to submitting the form. Please note that you may be contacted by your existing ISA provider to agree how the transfer of investments will be undertaken.*

#### Transfer declaration and authority – to be completed by the CTF Registered Contact

I declare that I am the registered contact for the CTF and I have parental responsibility for the child

I authorise my existing CTF provider as specified above to transfer the CTF (unique reference number above) to [new JISA provider].

I authorise my existing CTF provider to provide [new JISA provider] with any information, written or non-written, concerning the CTF and to accept any instruction from them relating to the CTF being transferred.

Where I must give notice to close or transfer part of the existing CTF, or the existing CTF contains an investment which is designed and intended to be held for full term and has yet to reach redemption, I instruct my existing CTF provider to either: (tick the appropriate box)

1. wait for the full notice period to end, or wait until redemption (whichever is relevant) before going ahead with this transfer;

OR

2. depending on the terms and conditions, carry out the transfer as soon as possible – I accept any consequential loss of income, capital or charges that may be applied.

I authorise [new JISA provider]:

- to hold the child's subscriptions, investments, interest, dividends and any other rights or proceeds in respect of those investments and cash, and
- to make on behalf of the child any claims to relief from tax in respect of JISA investments.

I agree to the JISA terms and conditions.

Signed: ..... Date: .....

**Transfer acceptance (your new JISA provider fills this part in)**

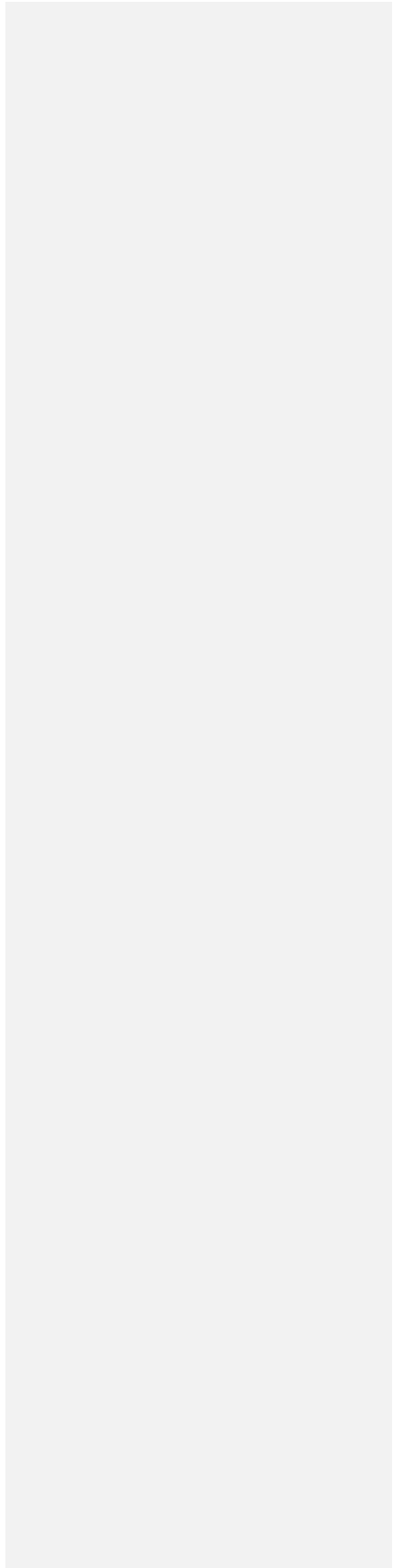
We [new JISA provider] are willing to accept this CTF to JISA transfer in line with the Registered Contact's instructions above, as long as the following conditions are met:

We must receive all the transfer proceeds no later than   .

For the purposes of the transfer of the CTF under the CTF/JISA regulations, the date shown below will be the transfer date.

Date:

Name of new JISA provider:



## Draft Guidance Detailed Comments

### 25A.1 Transfer of a CTF to a JISA

25.1.1 Subject to the CTF and JISA terms and conditions, a CTF may be transferred to a JISA in a variety of ways

- by transferring investments
- in cash, or
- in a combination of investments and cash

Transfers may be made between CTF providers and JISA managers, or investments in a CTF may be transferred from a CTF to a JISA (cash or stocks and shares) with the same institution.

A CTF may be transferred even if – at the time that the transfer is made – the child would not be eligible for a JISA, for example because they are no longer resident in the UK, or dependant of a crown servant.

25A.1.2 The transfer should be carried out as soon as requested by the CTF registered contact, subject to

- any reasonable business period required to carry out the transfer (not exceeding 30 days), and
- expiry of any withdrawal period offered by the - JISA manager (see paragraph 11.33)

25A.1.3 CTFs must be transferred in full and the CTF closed once the investments/cash have been passed to the JISA manager.

Part transfers of CTF investments cannot be made.

Where the CTF has a nil balance, the transfer process must still be followed in order to allow the CTF provider to formally close their records.

### 25A.2 Internal transfer

25A.2.1 A CTF registered contact can transfer a CTF by requesting a transfer to a JISA offered by the same manager.

25A.2.2 To carry out an internal transfer the CTF registered contact must give the appropriate transfer instructions required by the provider. There is no requirement under the CTF or JISA rules for the transfer instructions to be in writing – this is a matter for the terms and conditions applying to the JISA.

### 25A.3 External transfer

Claire Cornell Johnson 10/2/2015 16:12

**Comment [1]:** Standard wording from HMRC would be useful to explain this further to investors that it is the eligibility that is being transferred in such cases

25A.3.1 JISA managers are not required to accept the transfer in of CTFs.

A child cannot have a CTF and a JISA so if a CTF is transferred the whole account must be transferred and the CTF provider must close the account. The CTF can be transferred to either a cash JISA or a stocks and shares JISA.

Claire Cornell Johnson 10/2/2015 16:12

**Comment [2]:** This may be better placed in a new section within 25A.1

25A.3.2 To effect a transfer the CTF registered contact must complete a transfer application with the JISA manager. The transfer application form is slightly different from that used to open the JISA. An example written external transfer application is at paragraph 25A.10, and a telephone external transfer application at paragraph 25A.11.

It is recommend that managers include a line in the application form to advise that, if for any reason the transfer from the CTF is not successful, any JISA that has been opened on a provisional basis to accept the transfer will be void, and any subscriptions to the provisional JISA will be returned per paragraph 26.5.5. The CTF will remain intact. See sample form at paragraph 25A.10.

It is recommended that managers also include the following statement in the JISA application: 'If the child holds a CTF, it must be transferred as part of this application.' See paragraph 20.14.

25A.3.3 After completion of the form, and after expiry of any withdrawal period (see paragraph 11.33), the JISA manager must contact the CTF provider and request the transfer of the CTF. The JISA manager must not request the transfer until after expiration of any withdrawal period applying to the application for transfer. The JISA manager must give the name of the person who requested the transfer, as well as details of the account, to the CTF provider.

The CTF provider must check the person requesting the transfer is the registered contact for the CTF. If not, the transfer cannot continue. The CTF provider should tell the JISA manager the applicant is not the CTF registered contact, but should not disclose their details.

If the registered contact for the CTF, or the JISA applicant, changes, the transfer form can be re-sent to the CTF provider. Where there is no registered contact for the CTF, the person requesting the transfer must take up the role with the CTF provider before the transfer can go ahead.

If the JISA provider has opened an account on a provisional basis pending the CTF transfer, they can allow a period of 60 days from provisional account opening for the registered contact to be changed and the transfer to go ahead, otherwise the provisional JISA must be closed and any subscriptions removed per paragraph 24.3.

If the transfer request is made by telephone a signature is not needed unless the CTF provider's terms and conditions state they will not transfer the CTF unless they have received a written request with a signature.

25A.3.4 The transfer will be treated as a previous year subscription and subject to the terms and conditions of the two accounts, the transfer may be made in a variety of ways

- investments may be transferred in-specie in the JISA manager's, or his nominee's name
- in cash, or
- in a combination of investments and cash

25A.3.5 The CTF provider must transfer investments and/or cash direct to the JISA manager, and must keep a record of the transfer notice for three years after the date of transfer. Any original CTF application form should not be sent to the new provider, but must be retained by the CTF provider. There are no circumstances in which an original CTF application form should be transferred to the new JISA manager.

25A.3.6 The transfer should be carried out by the CTF provider as soon as requested by the JISA manager, subject to any reasonable business period required to carry out the transfer (not exceeding 30 calendar days). The transfer should not be delayed awaiting re-registration of investments, or receipt of dividends or other income from investments. Any sums received after transfer should be forwarded to the JISA manager together with details of the CTF in respect of which the sums have been received.

#### **25A.4 External transfer history forms**

25A.4.1 CTF providers should produce their own external transfer history forms. The form should be sent to the JISA manager within 30 days of the date of the transfer. A model for an external transfer form is at section 25A.12. All external transfer forms must contain the same details as the model. The form should be completed by the CTF provider as follows:

##### 25A.4.2 Full name of child

Providers should enter the child's full name (see paragraph 20.3.1), as held on their records.

##### 25A.4.3 Date of birth

This should be reported in the format DDMMCCYY. For example: The date of birth of a child born on 3 June 2008 should be reported as 03062008.

##### 25A.4.4 Unique Reference Number (URN) of the child.

##### 25A.4.5 Date of transfer

This should normally be the date of which the JISA manager agrees to accept the transfer (see Appendix B). It should be reported in the format DDMMCCYY.

#### 25A.4.6 Follow on dividends

Enter details of the amount (if known) of any dividends which are payable on account investments but which have not been received by the date of transfer which will be forwarded to the JISA manager. The JISA manager should accept all payments forwarded to them.

25A.4.7 The JISA manager may accept any information or declaration offered in a transfer application at face value, but should not open an account if they believe that any of the information given by the applicant is untrue.

#### 25A.5 **Cancellation of a transfer**

25A.5.1 Internal and external transfers cannot be carried out until after the expiry of any withdrawal or cancellation period offered by the JISA manager (see paragraph 11.33), so where a registered contact exercises the right to withdraw the transfer request within such a period the CTF remains as it was before the transfer request.

25A.5.2 Seeking to exercise withdrawal rights after the expiry of any withdrawal period has no effect, and cannot prevent the transfer of the CTF that is underway.

#### 25A.6 **Refusal to accept an external transfer**

25A.6.1 JISA managers are not required to accept any application for the transfer of a CTF. In addition, credit unions cannot accept a transfer to them of a CTF where the child does not fulfil the membership requirement.

Claire Cornell Johnson 10/2/2015 16:12

**Comment [3]:** Is this a repeat of 25A.3.1?

#### 25A.7 **Subscriptions following a CTF to JISA transfer**

25A.7.1 The annual subscription limits for a CTF are based on the child's birth year while JISA subscriptions are based on tax years. Where a CTF is transferred to a JISA, the CTF provider does not need to pass any subscription details to the JISA manager. Once the transfer has been made, the child can access the full JISA subscription limit for the tax year of transfer regardless of any subscriptions made to the CTF.

**For example**, the child's birthday is 1 October so his CTF subscription year runs from 1 October to the following 30 September. The subscription limits for both a CTF and a JISA are £4080 and the CTF is transferred to a JISA on 1 December 2015. Subscriptions of up to £4080 could be made to the CTF between 1 October 2015 and 30 November 2015. Once the account has been transferred to a JISA, subscriptions of up to £4080 can be made between 1 December 2015 and 5 April 2016. The JISA manager only has to report subscriptions he has received (after 1 December 2015).

#### 25A.8 **Reporting following a CTF to JISA transfer**

25A.8.1 JISAs opened following a JISA transfer should be reported in the normal way – see Chapter 28. The child's CTF Unique Reference Number should be reported in the NINO field (see paragraph 28.1.1)

Claire Cornell Johnson 10/2/2015 16:12

**Comment [4]:** Can we confirm there will be no change to CTF reporting requirements?



## **25A.9 Subsequent JISA transfers**

25A.9.1 In any subsequent transfers from the JISA, the child's URN must be passed to the new JISA manager.

Once the former CTF is transferred to a JISA, the JISA can then be transferred to another JISA in the normal way. Transfers may be made between account providers, or investments in a JISA may be transferred (in whole or in part) from one type of JISA (cash or stocks and shares) to another.

**25A.10 Example of written transfer application**

*This transfer application **must** be completed by the registered contact for the CTF account*  
The following stakeholder CTF features may not be included in a Junior ISA

- Lifestyling from age 15
- Minimum subscriptions of £10 allowed
- Annual charge cap of 1.5%

If you are applying to transfer a stakeholder CTF, tick this box to confirm that you understand this and wish to proceed.

If the transfer from the CTF is not successful, any JISA that has been opened on a provisional basis to accept the transfer will be invalid, and any subscriptions to the provisional JISA will be returned. The CTF will remain intact.

Applicant's title (if any) .....

Full name .....

Applicant's address .....

.....

.....

Post Code .....

I apply to transfer a CTF for

Child's title (if any) .....

Full name .....

Child's address .....

.....

Post Code.....

Child's date of birth .....

Child's Unique CTF Reference Number .....

(format AB123456C)

CTF provider .....

I declare that I am the registered contact for the CTF

I authorise [Junior ISA manager's name]

- to hold the child's subscriptions, investments, interest, dividends and any other rights or proceeds in respect of those investments and cash, and
- to make on behalf of the child any claims to relief from tax in respect of JISA investments.

Signed ..... Date .....

Claire Cornell Johnson 10/2/2015 16:12

**Comment [5]:** It may add confusion to refer to an applicant and a registered contact rather than just a registered contact

## 25A.11 Transfer telephone applications

The following stakeholder CTF features may not be included in a Junior ISA

- Lifestyling from age 15
- Minimum subscriptions of £10 allowed
- Annual charge cap of 1.5%

If you are applying to transfer a stakeholder CTF do you wish to proceed?

If the transfer from the CTF is not successful, any JISA that has been opened on a provisional basis to accept the transfer will be invalid, and any subscriptions to the provisional JISA will be returned. The CTF will remain intact.

What is your name?

(Forename, middle initials, and surname)

What is your address?

(including postcode)

What is the child's name?

(Forename, middle initials, and surname)

What is the child's address?

(including postcode)

What is the child's date of birth?

(Day/Month/Year)

What is the child's Unique CTF Reference Number (format AB123456C)?

Details of your CTF provider?

Do you declare that

You are aged 16 years or older?

You have parental responsibility for the child/are the child?

You are the registered contact for the CTF?

By applying to open a JISA you authorise us to carry out certain functions on your and the child's behalf, and to make a written copy of your application. Details of this will be sent to you, with the terms and conditions of this JISA.

I will now read back the application and declaration to you – if you agree that they are correct I can transfer the CTF from your current provider (after any withdrawal period).



25A.13 **Bulk Transfers**

25A.13. Every transfer from CTF to JISA must be made following an application by the registered contact for the CTF therefore there cannot be a bulk transfer of CTFs to JISAs.  
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