STATUTORY RULES OF NORTHERN IRELAND

2003 No. 256

SOCIAL SECURITY PENSIONS

The Social Security and Pensions (Financial Services and Markets Act 2000) (Consequential Amendments) Regulations (Northern Ireland) 2003

Made - - - -	*25th April 2003*
Coming into operation	*2nd June 2003*

The Department for Social Development, in exercise of the powers conferred by the provisions set out in the Schedule, and now vested in it(**1**), and of all other powers enabling it in that behalf, and after agreement by the Social Security Advisory Committee that proposals to make regulation 3 should not be referred to it(**2**) and after consultation with such persons as it considers appropriate(**3**), hereby makes the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Social Security and Pensions (Financial Services and Markets Act 2000) (Consequential Amendments) Regulations (Northern Ireland) 2003 and shall come into operation on 2nd June 2003.

(2) The Interpretation Act (Northern Ireland) 1954(**4**) shall apply to these Regulations as it applies to an Act of the Assembly.

Amendment of the Personal Pension Schemes (Disclosure of Information) Regulations

2.—(1) The Personal Pension Schemes (Disclosure of Information) Regulations (Northern Ireland) 1987(**5**) shall be amended in accordance with paragraphs (2) to (5).

(2) In regulation 1(2) (interpretation) after the definition of "the Act"(**6**) there shall be inserted the following definition –

(**1**) *See* Article 8(b) of S.R. 1999 No. 481
(**2**) *See* section 150(1)(b) of the Social Security Administration (Northern Ireland) Act 1992 (c. 8)
(**3**) *See* Article 117(1) of the Pensions (Northern Ireland) Order 1995 (S.I.1995/3213 (N.I. 22))
(**4**) 1954 c. 33 (N.I.)
(**5**) S.R. 1987 No. 288; relevant amending regulations are S.R. 1992 No. 304 and S.R. 1994 No. 300
(**6**) Definition of "the Act" was inserted by paragraph 13(2)(a) of Schedule 2 to S.R. 1994 No. 300

""the 2000 Act" means the Financial Services and Markets Act 2000(**7**);".

(3) In regulation 6(5)(**8**) (availability of other information) for the words from "Part 10 (reports)" to the end there shall be substituted "Chapter 10 (reports and accounts) of the Collective Investment Schemes Sourcebook(**9**) made by the Financial Services Authority under Part X of the 2000 Act (rules and guidance).".

(4) In Schedule 1 (basic information about the scheme) –

(a) for paragraph 9(**10**) there shall be substituted the following paragraph –

"**9.** Illustrative estimates of the cash equivalents which would be paid on the transfer of protected rights to another scheme at the end of the first 5 years of membership, which –

(a) are clearly labelled as illustrative estimates, and state the period for which they will be honoured by the scheme, the assumptions made, and whether the same basis of calculation has been used for all members of the scheme; or

(b) are prepared in accordance with rules made under Part X of the 2000 Act, if the scheme is established by an authorised person within the meaning of section 31(2) of that Act.";

(b) in paragraph 10 for the words from "so however that," to the end there shall be substituted "so however that, where a scheme is established by an authorised person within the meaning of section 31(2) of the 2000 Act the information required by this paragraph may be specified in accordance with rules made under Part X of that Act.".

(5) In Schedule 3 (other information) in paragraph 4(**11**) for the words from "regulation 2(1)(b)" to "Securities and Investments Board" there shall be substituted "regulation 2(2)(b) of the Personal Pension Schemes (Appropriate Schemes) Regulations (Northern Ireland) 1997(**12**) (forms of schemes which may be appropriate schemes) the information required to be specified in the annual and half-yearly reports by section 10.3 of the Collective Investment Schemes Sourcebook made by the Financial Services Authority under Part X of the 2000 Act (rules and guidance)".

Amendment of the Social Security (Payments on account, Overpayments and Recovery) Regulations

3. In regulation 10 of the Social Security (Payments on account, Overpayments and Recovery) Regulations (Northern Ireland) 1988(**13**) (conversion of payments made in a foreign currency) –

(a) the words from "Where a payment" to "has been deducted." shall be numbered as paragraph (1) of that regulation;

(b) in that paragraph for "any institution which is authorised under the Banking Act 1987" there shall be substituted "any authorised deposit-taker";

(c) after that paragraph there shall be added the following paragraphs –

"(2) In this regulation "authorised deposit-taker" means –

(a) a person who has permission under Part IV of the Financial Services and Markets Act 2000 to accept deposits; or

(b) an EEA firm of the kind mentioned in paragraph 5(b) of Schedule 3 to that Act (EEA passport rights) which has permission under paragraph 15 of that

(**7**) 2000 c. 8
(**8**) Paragraph (5) was added by regulation 21(d) of S.R. 1992 No. 304
(**9**) Copies may be purchased from The Stationery Office, FSA Customer Services, PO Box 3004, Norwich NR3 1WT
(**10**) Paragraph 9 was amended by regulation 22(a) of S.R. 1992 No. 304
(**11**) Paragraph 4 was added by regulation 24 of S.R. 1992 No. 304
(**12**) S.R. 1997 No. 139; regulation 2(2) is amended by regulation 12(3) of these regulations
(**13**) S.R. 1988 No. 142, to which there are amendments not relevant to these regulations

Schedule (as a result of qualifying for authorisation under paragraph 12(1) of that Schedule) to accept deposits.

(3) Paragraph (2) shall be read with –

(a) section 22 of the Financial Services and Markets Act 2000 (regulated activities);

(b) any relevant order under that section; and

(c) Schedule 2 to that Act.".

Amendment of the Personal Pension Schemes (Compensation) Regulations

4.—(1) The Personal Pension Schemes (Compensation) Regulations (Northern Ireland) 1988(**14**) shall be amended in accordance with paragraphs (2) to (4).

(2) In regulation 1 (interpretation) for paragraph (2)(**15**) there shall be substituted the following paragraphs –

"(2) In these Regulations –

"the Act" means the Pension Schemes (Northern Ireland) Act 1993(**16**);

"the 2000 Act" means the Financial Services and Markets Act 2000;

"the Appropriate Schemes Regulations" means the Personal Pension Schemes (Appropriate Schemes) Regulations (Northern Ireland) 1997;

"authorised deposit-taker" means –

(a) a person who has permission under Part IV of the 2000 Act to accept deposits, or

(b) an EEA firm of the kind mentioned in paragraph 5(b) of Schedule 3 to that Act (EEA passport rights) which has permission under paragraph 15 of that Schedule (as a result of qualifying for authorisation under paragraph 12(1) of that Schedule) to accept deposits;

"authorised insurer" means –

(a) a person who has permission under Part IV of the 2000 Act to effect or carry out contracts of insurance, or

(b) an EEA firm of the kind mentioned in paragraph 5(d) of Schedule 3 to that Act which has permission under paragraph 15 of that Schedule (as a result of qualifying for authorisation under paragraph 12 of that Schedule) to effect or carry out contracts of insurance in the United Kingdom;

"the Financial Services Compensation Scheme" has the same meaning as in section 213(2) of the 2000 Act;

"liable scheme" has the meaning assigned by regulation 2;

"scheme" means a personal pension scheme.

(3) In paragraph (2) the definitions of "authorised deposit-taker" and "authorised insurer" shall be read with –

(a) section 22 of the 2000 Act (regulated activities);

(b) any relevant order under that section, and

(c) Schedule 2 to that Act.".

(3) In regulation 2 (application of regulations) –

(**14**) S.R. 1988 No. 449, amended by S.R. 1994 No. 300
(**15**) Paragraph (2) was amended by paragraph 20(2) of Schedule 2 to S.R. 1994 No. 300
(**16**) 1993 c. 49

(a) for paragraph (a) there shall be substituted the following paragraph –

"(a) mentioned in regulation 2(2)(a) of the Appropriate Schemes Regulations (insurance policies and annuity contracts), being a scheme established by an authorised insurer who is subject to the provisions of, or participates in, the Financial Services Compensation Scheme;";

(b) paragraph (b) shall be omitted;

(c) for paragraphs (c) and (d) there shall be substituted the following paragraphs –

"(c) mentioned in regulation 2(2)(b) of the Appropriate Schemes Regulations (unit trust schemes), being a scheme of which the trustee and operator are both subject to the provisions of the Financial Services Compensation Scheme, and

(d) mentioned in regulation 2(2)(c) of the Appropriate Schemes Regulations (interest-bearing accounts etc. with banks and building societies), being a scheme which is established by an authorised deposit-taker who is subject to the provisions of, or participates in, the Financial Services Compensation Scheme,".

(4) In regulation 3 (requirements to be complied with by liable schemes in the event of insolvency) –

(a) for paragraph (1)(**17**) there shall be substituted the following paragraph –

"(1) For the purposes of section 26(1)(b) of the Act(**18**) (securing of liability for protected rights) the prescribed circumstances are that if the scheme is a liable scheme which takes the form mentioned in any of sub-paragraphs (a), (b) and (c) of regulation 2(2) of the Appropriate Schemes Regulations, and if the provisions of the Financial Services Compensation Scheme applied, those provisions would become operative.";

(b) for paragraph (3) there shall be substituted the following paragraph –

"(3) The extent to which the liability specified in paragraph (2) must be met from some other source is, if the scheme takes the form mentioned in any of sub-paragraphs (a), (b) and (c) of regulation 2(2) of the Appropriate Schemes Regulations, the extent to which it would be met under the Financial Services Compensation Scheme if the rules of that Scheme applied.".

Amendment of the Occupational Pension Schemes (Discharge of Protected Rights on Winding Up) Regulations

5. For regulation 3 of the Occupational Pension Schemes (Discharge of Protected Rights on Winding Up) Regulations (Northern Ireland) 1996(**19**) (requirements applying to insurance companies) there shall be substituted the following regulation –

"**Requirements applying to insurers**

3.—(1) The requirements referred to in section 28A(2)(a)(ii) of the Act(**20**) (policy of insurance appropriate if the insurer satisfies prescribed requirements) are that the insurer is –

(a) a person who has permission under Part IV of the Financial Services and Markets Act 2000 to effect or carry out contracts of long-term insurance, or

(**17**) Paragraph (1) was amended by paragraph 20(3) of Schedule 2 to S.R. 1994 No. 300

(**18**) Section 26(1) was amended by paragraph 14(a) of Schedule 3 to the Pensions (Northern Ireland) Order 1995 and paragraph 45 of Schedule 1 to the Social Security Contributions (Transfer of Functions, etc.) (Northern Ireland) Order 1999 (S.I. 1999/671)

(**19**) S.R. 1996 No. 94

(**20**) Section 28A was inserted by Article 143(1) of the Pensions (Northern Ireland) Order 1995 and subsection (2) was amended by article 19(2) of S.I. 2002/1555

(b) an EEA firm of the kind mentioned in paragraph 5(d) of Schedule 3 to that Act (EEA passport rights) which has permission under paragraph 15 of that Schedule (as a result of qualifying for authorisation under paragraph 12 of that Schedule) to effect or carry out contracts of long-term insurance in the United Kingdom.

(2) In paragraph (1) the expression "contracts of long-term insurance" shall be read with –

(a) section 22 of the Financial Services and Markets Act 2000 (regulated activities);

(b) any relevant order under that section, and

(c) Schedule 2 to that Act.".

Amendment of the Occupational Pension Schemes (Member-nominated Trustees and Directors) Regulations

6. In regulation 2 of the Occupational Pension Schemes (Member-nominated Trustees and Directors) Regulations (Northern Ireland) 1996(**21**) (interpretation) –

(a) in paragraph (1) –

(i) after the definition of "independently selected" there shall be inserted the following definition –

""insurer" means –

(a) a person who has permission under Part IV of the Financial Services and Markets Act 2000 to effect or carry out contracts of long-term insurance, or

(b) an EEA firm of the kind mentioned in paragraph 5(d) of Schedule 3 to that Act (EEA passport rights) which has permission under paragraph 15 of that Schedule (as a result of qualifying for authorisation under paragraph 12 of that Schedule) to effect or carry out contracts of long-term insurance;";

(ii) in the definition of "relevant wholly insured scheme"(**22**) for "an insurance company (as defined in section 96(1) of the Insurance Companies Act 1982)" there shall be substituted "an insurer";

(b) after paragraph (1) there shall be inserted the following paragraph –

"(1A) In paragraph (1) the definition of "insurer" shall be read with –

(a) section 22 of the Financial Services and Markets Act 2000 (regulated activities);

(b) any relevant order under that section, and

(c) Schedule 2 to that Act.".

Amendment of the Occupational Pension Schemes (Minimum Funding Requirement and Actuarial Valuations) Regulations

7.—(1) The Occupational Pension Schemes (Minimum Funding Requirement and Actuarial Valuations) Regulations (Northern Ireland) 1996(**23**) shall be amended in accordance with paragraphs (2) and (3).

(2) In regulation 2 (interpretation) –

(**21**) S.R. 1996 No. 431; relevant amending regulations are S.R. 1997 No. 160
(**22**) Definition of "relevant wholly insured scheme" was inserted by paragraph 4(2)(d) of the Schedule to S.R. 1997 No. 160
(**23**) S.R. 1996 No. 570, to which there are amendments not relevant to these regulations