

ALLEN & OVERY

For your DC trustee agenda: current legal issues

For February 2018 meetings

Welcome to our monthly update on current legal issues for trustees of DC pension schemes, designed to help you stay up-to-date with key developments between meetings, and to support the legal update item on your next trustee agenda.

Anti-money laundering duties

Trustees of occupational pension schemes have additional compliance duties under new anti-money laundering regulations.

The most immediate duties relate to record-keeping and to provision of information when entering into a transaction/business relationship with parties (such as banks/some advisers) that are required to carry out money laundering checks.

There is also a requirement to provide HMRC with information, normally by 31 January following a tax year in which specified tax charges have been triggered (first deadline: 31 January 2018 but HMRC will not impose penalties if schemes comply by 5 March 2018). Schemes must register with the Trusts Registration Service to provide this information. [Read more](#)

ACTION: Note the new duties and consider how to obtain missing data. Put in place an annual check to ascertain whether a relevant tax charge has been triggered.

MiFID II actions

Revised rules for fund managers have introduced changes that may affect pension schemes. The PLSA has published a short action list for schemes to consider including, for example, the need to obtain a Legal Entity Identifier (if one is not already in place); and taking the opportunity to review investment management agreements. [Read more](#)

ACTION: Review the action list and plan to address any items that apply to your scheme.

TPR guidance on Chair's statement

The Pensions Regulator has published guidance clarifying its expectations as to the content of the DC Chair's statement, and highlighting where more detailed information about scheme processes and evaluation methods is expected. [Read more](#)

Our [guide to preparing for the Chair's statement](#) will help you identify the processes you need to have in place to meet the legal requirements of the statement.

ACTION: Review the guidance and assess whether your scheme's processes require updating to meet the Regulator's expectations for the Chair's statement.

Watch this space

- The government is proposing changes to require schemes providing DC benefits (not including the AVC element of DB schemes) to publish investment charges information annually and more detailed disclosure on costs and charges in the Chair's statement. The changes are expected to take effect from 6 April 2018. [Read more](#)
- The government proposes changes to statutory transfer rights from late 2018, to help combat pension scams. [Read more](#)
- New standards for professional trustees are under consultation and could be introduced as soon as next April. These could particularly affect trustees who fall within the Regulator's professional trustee description without being part of a wider professional trustee organisation. [Read more](#)

Need help with a pensions dispute? Visit allenovery.com/pensionsindispute for practical help with pensions problems, including our case tracker.

Looking for resources on a range of DC-related issues? Visit allenovery.com/DCHQ

Contact us at pensions.team@allenovery.com for more information or to be added to our mailing list.

Allen & Overy means Allen & Overy LLP and/or its affiliated undertakings. The term **partner** is used to refer to a member of Allen & Overy LLP or an employee or consultant with equivalent standing and qualifications or an individual with equivalent status in one of Allen & Overy LLP's affiliated undertakings. This document is for general guidance only and does not constitute definitive advice. | CO:31609107.2