

**EXPLANATORY MEMORANDUM TO**  
**THE OCCUPATIONAL AND PERSONAL PENSION SCHEMES**  
**(PRESCRIBED BODIES) REGULATIONS 2007**

**2007 No. 60**

1. This explanatory memorandum has been prepared by the Department for Work and Pensions and is laid before Parliament by Command of Her Majesty.
2. **Description**
  - 2.1 These regulations change the body responsible for actuarial guidance on occupational and personal pension schemes matters to the Financial Reporting Council's Board for Actuarial Standards.
3. **Matters of special interest to the Joint Committee on Statutory Instruments**
  - 3.1 None
4. **Legislative Background**
  - 4.1 Provisions in the Pensions Schemes Act 1993 (c.48), Pensions Act 1995 (c.26), Welfare Reform and Pensions Act 1999 (c.30) and Pensions Act 2004 (c.35) provide for regulations to prescribe that guidance prepared by a prescribed body shall be used in calculations included in those regulations.
  - 4.2 The amendments change the body responsible for the prescribed guidance to the Board for Actuarial Standards in seventeen sets of regulations.
  - 4.3 These regulations will come into force on 6 April 2007.
5. **Extent**
  - 5.1 This instrument applies to England, Wales and Scotland.
6. **European Convention on Human Rights**

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.
7. **Policy background**
  - 7.1 Historically the professional bodies for actuaries - the Institute of Actuaries in England and Wales, and the Faculty of Actuaries in

Scotland (the Faculty and Institute of Actuaries) have combined the role of regulator with that of professional body. The Faculty and Institute produced Actuarial Guidance on pensions and are the prescribed bodies for this guidance in legislation.

- 7.2 In March 2004, the Government asked Sir Derek Morris to conduct a wide-ranging independent review of the UK actuarial profession. The Morris Review recommended that the Financial Reporting Council (FRC) should establish a new regime to set actuarial standards and to oversee the regulation of the Profession. The FRC is the UK's independent regulator for corporate reporting and governance. The Government accepted this recommendation and the FRC has now set up the Board for Actuarial Standards to promote confidence in corporate reporting and governance by setting high quality actuarial standards. The Faculty and Institute of Actuaries continue to act as the professional bodies for the profession in their respective jurisdictions.
- 7.3 With effect from the commencement date of the regulations, the Board for Actuarial Standards will become the prescribed body for actuarial guidance on pensions matters.
- 7.4 No public consultation has been carried out on these regulations, but extensive consultation has been carried out with the Faculty and Institute of Actuaries and the Board for Actuarial Standards (the only two bodies affected by the instrument).
- 7.5 There are no plans to consolidate any of the principal regulations amended by these regulations.

## **8. Impact**

- 8.1 A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies.
- 8.2 There is no impact on the public sector.

## **9. Contact**

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