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STATUTORY RULES OF NORTHERN IRELAND

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**2005 No. 381**

**The Occupational Pension Schemes (Fraud  
Compensation Payments and Miscellaneous  
Amendments) Regulations (Northern Ireland) 2005**

**Amount of fraud compensation**

7.—(1) For the purpose of Article 168(4) (determination of amount of fraud compensation payment) the amount of any fraud compensation payments shall be calculated in accordance with this regulation and, subject to Article 168(3) (maximum payments) and Article 169 (interim payments), must not exceed this amount.

(2) Subject to paragraphs (3) and (5), the amount of the fraud compensation payments shall be calculated in accordance with the formula  $P - Q$  where—

(a)  $P$  is—

(i) the value of the assets—

(aa) as stated in the audited scheme accounts, or as the case may be the PPF valuation, which immediately precede the loss, and

(bb) adjusted by the relevant person to take account of any alterations in their value between the date which immediately precedes the loss and the application date;

(ii) if there are no such audited accounts, or PPF valuation, the value of the assets—

(aa) on such date as immediately precedes the loss;

(bb) as reported by an accountant, and

(cc) adjusted by an accountant so as to take account of any alterations in their value between the date which immediately precedes the loss and the application date, and

(b)  $Q$  is the value of the assets immediately before the application date, as reported by an accountant.

(3) In the case of an ear-marked scheme, the amount of the fraud compensation payments shall be calculated in accordance with the formula  $P + R - Q$  where—

(a)  $P$  is the value of the assets—

(i) on such date as immediately precedes the loss;

(ii) as certified by the relevant insurer, and

(iii) adjusted by the relevant insurer to take account of any alterations in their value between the date which immediately precedes the loss and the application date;

(b)  $R$  is the value of the assets—

(i) constituting the loss;

(ii) on such date as immediately precedes the loss;

(iii) as certified by the relevant insurer, and

- (iv) adjusted by the relevant insurer to take account of any alterations in their value between the date which immediately precedes the loss and the application date, and
  - (c) Q is the value of the assets immediately before the application date, as certified by the relevant insurer.
- (4) For the purpose of paragraphs (2) and (3)—
  - (a) any adjustments made to take account of alterations in the value of the assets shall—
    - (i) include alterations resulting from—
      - (aa) investments, gains and losses;
      - (bb) payments made and received by the scheme, in accordance with the rules of the scheme, and
    - (ii) not include alterations resulting from the loss;
  - (b) a relevant person means—
    - (i) an accountant, or
    - (ii) in the case of a PPF valuation, a person prescribed by regulations made under Article 127(11)(a)(ii) (valuation of assets and liabilities).
- (5) In the case of—
  - (a) a section of a segregated scheme or a segregated part, paragraphs (2) and (3) shall apply to the assets of the section or part to which the application for fraud compensation related;
  - (b) an unsecured part of a partially guaranteed scheme, paragraphs (2) and (3) shall apply to the assets of the unsecured part to which the application for fraud compensation related.