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## EXPLANATORY NOTE

*(This note is not part of the Regulations.)*

These Regulations replace, with amendments, and revoke the Occupational Pension Schemes (Investment) Regulations (Northern Ireland) 1996. The Regulations supplement changes made to the Pensions (Northern Ireland) Order 1995 (“the 1995 Order”) by the Pensions (Northern Ireland) Order 2005. They include provisions to implement certain requirements of the Directive [2003/41/EC](#) of the European Parliament and of the Council on the activities and supervision of institutions for occupational retirement provision (O.J. No. L235, 23.9.2003, p.10) (“the Directive”), in particular of Articles 12 and 18.

The Regulations impose requirements on trustees of occupational pension schemes in relation to the statement of investment principles required under Article 35 of the 1995 Order and in relation to the choosing of investments. They impose restrictions on borrowing and the giving of guarantees by trustees and in respect of employer-related investments.

Regulation 1 makes provision for citation, commencement and interpretation.

Regulation 2 sets out requirements in respect of the statement of investment principles required under Article 35 of the 1995 Order.

Regulation 3 sets out modified requirements in respect of such statements for schemes in relation to which there is more than one employer.

Regulation 4 sets out requirements in respect of choosing investments.

Regulation 5 sets out restrictions in respect of borrowing and guarantees.

Regulations 6 to 9 disapply Article 35 of the 1995 Order and disapply or modify certain requirements of regulations 2 to 5, in respect of certain schemes.

Regulation 10 defines the expressions “connected persons” and “associated persons” as they apply in these Regulations.

Regulations 11 to 16 prescribe certain investments as employer-related investments in addition to those specified in Article 40(2) of the 1995 Order and set out the restrictions on employer-related investments. They also prescribe investments to which the restrictions do not apply. Special provision is made as regards the application of the restrictions to schemes in relation to which there is more than one employer.

Regulation 17 makes special provision in the case of a scheme undertaking cross-border activities.

Regulation 18 makes consequential revocations.

As these Regulations make in relation to Northern Ireland only provision corresponding to provision contained in regulations made by the Secretary of State for Work and Pensions in relation to Great Britain, the requirement for consultation under Article 117(1) of the 1995 Order does not apply by virtue of paragraph (2)(e) of that Article.

The transposition of Articles 12 and 18 of the Directive is detailed in the Transposition Note, a copy of which has been laid in the Business Office and the Library of the Northern Ireland Assembly. Copies of the Note are available from the Department for Social Development, Social Security Policy and Legislation Division, Level 1, James House, 2-4 Cromac Avenue, Gasworks Business Park, Ormeau Road, Belfast BT7 2JA.