

EXECUTIVE NOTE

THE DIVORCE ETC. (PENSIONS) (SCOTLAND) AMENDMENT REGULATIONS 2007 - SSI/2007/122

The above instrument is made in exercise of the powers conferred by section 10(8) and (8A) of the Family Law (Scotland) Act 1985. This instrument is subject to negative resolution procedure.

Policy Objective

The purpose of the instrument is to update the reference to the Institute of Actuaries and the Faculty of Actuaries in regulation 3(8)(b) of the Divorce etc. (Pensions) (Scotland) Regulations 2000 in consequence of the transfer of the function of preparing and revising actuarial guidance on pensions matters from those bodies to the Board for Actuarial Standards.

The Department for Work and Pensions is implementing similar changes to legislation through regulations which will come into force on 6 April 2007. Historically, the professional bodies for actuaries – the Institute of Actuaries in England and Wales and the Faculty of Actuaries in Scotland (the Faculty and the Institute of Actuaries) have combined the role of regulator with that of professional body. The Faculty and the Institute produced Actuarial Guidance on pensions and are the prescribed bodies for the guidance in legislation.

In 2004, Sir Derek Morris conducted 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 the Institute of Actuaries continue to act as the professional bodies for the profession in their respective jurisdictions.

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.

Financial Effects

This instrument has no financial effects on the Scottish Executive, local government or on business.

Scottish Executive, Justice Department
February 2007