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DRAFT STATUTORY INSTRUMENTS

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**2022 No.**

**The Occupational Pension Schemes (Collective Money Purchase Schemes) Regulations 2022**

**PART 6**

Triggering events and continuity options

**Administration charges during a triggering event period**

**34.**—(1) Section 45(1) and (2) of the Act (prohibition on increasing charges etc during triggering event period) do not apply in relation to the following administration charges—

- (a) costs incurred as a result of the buying, selling, lending or borrowing of investments;
- (b) where a court order provides for the recovery by the trustees of costs incurred in complying with the order, the amount of those costs;
- (c) charges permitted by regulations made under section 24 (charges by pension arrangements in relation to earmarking orders) or 41 (charges in respect of pension sharing costs) of the Welfare Reform and Pensions Act 1999<sup>(1)</sup>;
- (d) costs solely associated with the provision of death benefits;
- (e) costs solely attributable to holding physical assets.

(2) Section 45(2) of the Act does not apply, in respect of a receiving scheme that is a Master Trust scheme, in relation to any administration charges imposed on or in respect of a member of the scheme in relation to a member's flexi-access drawdown fund.

(3) For the purposes of section 45(6) of the Act, section 45 of the Act, with the exception of subsection (1), applies to a relevant alternative receiving scheme in the same way as it applies to a receiving scheme that is a Master Trust scheme.

(4) For the purposes of paragraph (3), a relevant alternative receiving scheme is a receiving scheme that—

- (a) has the characteristics mentioned in paragraph 2(1)(a) of Schedule 6; and
- (b) is not a collective money purchase scheme or a Master Trust scheme.

(5) For the purposes of paragraph (1)(e), the costs solely attributable to holding a physical asset include—

- (a) the costs of managing and maintaining the asset;
- (b) fees for valuing the asset;
- (c) the cost of insuring the asset;
- (d) ground rent, charges, rates, taxes and utilities bills incurred in relation to the asset.

(6) In this regulation—

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(1) 1999 c. 30; section 24 was amended by paragraph 43A of Schedule 8 to the Family Law Act 1996 (c. 27) and paragraph 158 of Schedule 27 to and Schedule 30 to the Civil Partnership Act 2004 (c. 33).

“commodity” means any goods of a fungible nature that are capable of being delivered, including metals and their ores and alloys, agricultural products and energy such as electricity, but not including cash or financial instruments (within the meaning of article 3 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001<sup>(2)</sup>);

“member’s flexi-access drawdown fund” has the meaning given in paragraph 1(1) of Schedule 6;

“physical asset” means an asset whose value depends on its physical form, including—

- (a) land,
- (b) buildings and other structures on land or sea,
- (c) vehicles, ships, aircraft or rolling stock, and
- (d) commodities;

“receiving scheme” has the meaning given in section 45(8) of the Act.

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(2) [S.I. 2001/544](#). The definition of financial instrument was inserted by [S.I. 2006/3384](#), and was amended by [S.I. 2017/488](#) and [2019/632](#). There are other amendments to this article which are not relevant to this instrument.