
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations are made under powers contained in the Finance Act 2004 (c.12) and make amendments to: the Pension Schemes (Categories of Country and Requirements for Overseas Pension Schemes and Recognised Overseas Pension Schemes) Regulations 2006 (S.I. 2006/206) (“overseas pension scheme regulations”); and the Pension Schemes (Information Requirements - Qualifying Overseas Pension Schemes, Qualifying Recognised Overseas Pensions Schemes and Corresponding Relief) Regulations 2006 (S.I. 2006/208) (“information regulations”).

Regulations 2 and 3 amend the overseas pension scheme regulations by adding a condition that must be met by a scheme before it becomes a recognised overseas pension scheme. Benefits must be payable to the member no earlier than if pension rule 1 in section 165 applied i.e. no earlier than the age of 55.

Regulations 4 and 5 amend the information regulations so that qualifying recognised overseas pension schemes (“QROPS”), former QROPS or their members must provide information where a member obtains access to their pension rights by means of the provision for flexible access introduced by the Taxation of Pensions Act 2014 (c.30). A QROPS or former QROPS must also provide specified information to the member and to a QROPS in relation to specified payments to or in respect of the member from the scheme.

The prescribed information is required for the purposes of determining the annual allowance charge and any member payment charges in relation to the individual where the individual flexibly accesses their pension or where there are payments of funds in connection with the member. Information must be provided within 91 days of the trigger events mentioned in the new provisions. The new information requirements are contained in new regulations 3AA to 3AD.

New regulation 3AA requires the scheme manager of a QROPS or former QROPS to provide information to the member in relation to circumstances where the member flexibly accesses pension rights. New regulation 3AB requires the member to pass that information on to other relevant schemes where rights accrue in connection with the member in relation to the annual allowance charge.

New regulation 3AC concerns the information to be provided by the scheme manager of a QROPS or former QROPS when it transfers sums or assets to a QROPS or to a registered pension scheme, where those transferred sums or assets have benefitted from UK tax relief. The information is to be provided to the recipient scheme and concerns whether the member has flexibly accessed their pension savings.

New regulation 3AD requires the scheme manager of a QROPS or former QROPS to provide information when it transfers funds to a QROPS. The information is to be provided to the recipient QROPS and is about the nature and amount of the transferred funds including the date, if known, of any previous recognised transfer from which the funds are derived (regardless of whether there were any intermediate relevant transfers).

Regulation 6 makes amendments to the information regulations so that the penalty provisions in Part 7 of Schedule 36 to the Finance Act 2008 (c.9) apply to the failure by a former QROPS to provide the information required by new regulations 3AA, 3AC and 3AD.

An updated Tax Information and Impact Note was published on 10th December 2014 alongside the Taxation of Pensions Act 2014 and is available on the government website at <https://www.gov.uk/>

Status: *This is the original version (as it was originally made). This item of legislation is currently only available in its original format.*

[government/publications/pension-flexibility-2015](#) . It remains an accurate summary of the impacts that apply to this instrument.