
STATUTORY INSTRUMENTS

2018 No. 988

**The Pension Protection Fund (Pensionable Service)
and Occupational Pension Schemes (Investment and
Disclosure) (Amendment and Modification) Regulations 2018**

Amendments to the Occupational Pension Schemes (Investment) Regulations 2005

4.—(1) The Occupational Pension Schemes (Investment) Regulations 2005^{M1} are amended as follows.

(2) In regulation 2 (statement of investment principles)—

(a) in paragraph (3)—

(i) at the end of sub-paragraph (b)(v) omit “and”;

(ii) for sub-paragraph (b)(vi) substitute—

“(vi) financially material considerations over the appropriate time horizon of the investments, including how those considerations are taken into account in the selection, retention and realisation of investments; and”;

(iii) after sub-paragraph (b)(vi) insert—

“(vii) the extent (if at all) to which non-financial matters are taken into account in the selection, retention and realisation of investments; ^{F1}...”; and

(iv) for sub-paragraph (c) substitute—

“(c) their policy in relation to—

(i) the exercise of the rights (including voting rights) attaching to the investments; and

(ii) undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, trustees would monitor and engage with relevant persons about relevant matters) [^{F2}and”]; and

(b) after paragraph (3) insert—

“(4) For the purposes of this regulation—

“appropriate time horizon” means the length of time that the trustees of a trust scheme consider is needed for the funding of future benefits by the investments of the scheme;

“beneficiaries” means a person, other than a member of the trust scheme, who is entitled to the payment of benefits under the scheme;

“financially material considerations” includes (but is not limited to) environmental, social and governance considerations (including but not limited to climate change), which the trustees of the trust scheme consider financially material;

“non-financial matters” means the views of the members and beneficiaries including (but not limited to) their ethical views and their views in relation to social and

environmental impact and present and future quality of life of the members and beneficiaries of the trust scheme;

“relevant matters” includes (but is not limited to) matters concerning an issuer of debt or equity, including their performance, strategy, [^{F3}capital structure, management of actual or potential conflicts of interest,] risks, social and environmental impact and corporate governance; and

“relevant persons” includes (but is not limited to) an issuer of debt or equity, an investment manager[^{F4}, another stakeholder] or another holder of debt or equity.”.

[^{F5}(3) In regulation 2A(1)(b) (additional requirements in relation to default arrangement), after “regulation 2(3)(b)” insert “and, if that scheme has 100 or more members, regulation 2(3)(c) and (d)”.]

Textual Amendments

- F1** Word in reg. 4(2)(a)(iii) omitted (30.9.2019) by virtue of [The Occupational Pension Schemes \(Investment and Disclosure\) \(Amendment\) Regulations 2019 \(S.I. 2019/982\)](#), regs. 1(2), [4\(2\)\(a\)\(i\)\(aa\)](#) (with reg. 5)
- F2** Word in reg. 4(2)(a)(iv) inserted (30.9.2019) by [The Occupational Pension Schemes \(Investment and Disclosure\) \(Amendment\) Regulations 2019 \(S.I. 2019/982\)](#), regs. 1(2), [4\(2\)\(a\)\(i\)\(bb\)](#) (with reg. 5)
- F3** Words in reg. 4(2)(b) inserted (30.9.2019) by [The Occupational Pension Schemes \(Investment and Disclosure\) \(Amendment\) Regulations 2019 \(S.I. 2019/982\)](#), regs. 1(2), [4\(2\)\(a\)\(ii\)\(aa\)](#) (with reg. 5)
- F4** Words in reg. 4(2)(b) inserted (30.9.2019) by [The Occupational Pension Schemes \(Investment and Disclosure\) \(Amendment\) Regulations 2019 \(S.I. 2019/982\)](#), regs. 1(2), [4\(2\)\(a\)\(ii\)\(bb\)](#) (with reg. 5)
- F5** Reg. 4(3) substituted (30.9.2019) by [The Occupational Pension Schemes \(Investment and Disclosure\) \(Amendment\) Regulations 2019 \(S.I. 2019/982\)](#), regs. 1(2), [4\(2\)\(b\)](#) (with reg. 5)

Marginal Citations

- M1** [S.I. 2005/3378](#).

Changes to legislation:

There are currently no known outstanding effects for the The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018, Section 4.