



Bank of England and Financial Services Act 2016

2016 CHAPTER 14

PART 2

FINANCIAL SERVICES

Pensions

33 Advice about transferring or otherwise dealing with annuity payments

- (1) The Financial Services and Markets Act 2000 is amended as follows.
- (2) After section 137FB insert—

“FCA general rules: advice about transferring or otherwise dealing with annuity payments

- (1) The FCA must make general rules requiring specified authorised persons to check that an individual—
 - (a) who has a right to payments under a relevant annuity, and
 - (b) if the Treasury make regulations under subsection (3), who is not an exempt person by virtue of those regulations,has received appropriate advice before transferring or otherwise dealing with the right to those payments.
- (2) The reference in subsection (1) to a right to payments under a relevant annuity does not include a contingent right to such payments.
- (3) The Treasury may by regulations provide that an individual whose financial circumstances meet criteria specified in the regulations is an exempt person for the purposes of subsection (1)(b).

Status: This is the original version (as it was originally enacted).

- (4) Regulations made under subsection (3) may (amongst other things) specify criteria based on the proportion of the individual's financial resources that is represented by the payments under the relevant annuity or the value of that annuity.
 - (5) The rules made by virtue of subsection (1) may include provision—
 - (a) about what specified authorised persons must do to check that an individual has received appropriate advice for the purposes of those rules;
 - (b) about when the check must be carried out.
 - (6) For the purposes of this section—
 - (a) “relevant annuity” means an annuity specified (by type, value or otherwise) as a relevant annuity in regulations made by the Treasury;
 - (b) “appropriate advice” means advice specified (by reference to the person giving the advice or otherwise) as appropriate advice in regulations made by the Treasury;
 - (c) “specified authorised person” means an authorised person of a description specified in rules made by virtue of subsection (1).
 - (7) If regulations under subsection (3) or (6)(a) make provision about the value of an annuity, the regulations may also make provision about the basis on which the value of an annuity is to be calculated.”
- (3) In section 138F(2) (notification of rules) after “137FB,” insert “137FBA,”.
- (4) In section 138I (consultation by the FCA)—
 - (a) in subsection (6), after paragraph (aa) insert—
 - “(ab) section 137FBA;”;
 - (b) in subsection (10)(a) after “137FB,” insert “137FBA,”.
- (5) In section 429(2B) (regulations subject to affirmative procedure)—
 - (a) after paragraph (a) (inserted by section 22) insert—
 - “(b) provision made under section 137FBA(3);”;
 - (b) the words from “provision made under section 410A,” to the end become paragraph (c).