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STATUTORY INSTRUMENTS

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**2006 No. 744**

**The Taxation of Pension Schemes (Consequential Amendments of Occupational and Personal Pension Schemes Legislation) Order 2006**

**PART 2**

Amendment of Subordinate Legislation applicable to Great Britain

**Amendment of the Personal Pension Schemes (Transfer Values) Regulations 1987**

- 4.—(1) Amend the Personal Pension Schemes (Transfer Values) Regulations 1987<sup>(1)</sup> as follows.  
(2) For regulation 2 (requirements to be satisfied) substitute—

**“Requirements to be satisfied**

2.—(1) The prescribed requirements referred to in section 95(3)(a) and (b) of the Act (cash equivalent of member’s rights under a personal pension scheme to be used for acquiring transfer credits or rights under another scheme) are that—

- (a) the receiving scheme—
  - (i) is registered under section 153 of the Finance Act 2004 (registration of pension schemes), or
  - (ii) is a qualifying recognised overseas pension scheme as defined in section 169 of that Act (recognised transfers),
- (b) if the member’s cash equivalent (or any portion of it to be used under section 95(3)(a) or (b) of the Act) is or includes the cash equivalent of his protected rights then the receiving scheme is one to which a transfer payment in respect of protected rights may be made in accordance with regulation 2 of the Protected Rights (Transfer Payment) Regulations 1996.

(2) Paragraph (1)(a)(i) shall not apply if the receiving scheme was immediately before the 6th April 2006 approved under Chapter III of Part XIV of the Income and Corporation Taxes Act 1988<sup>(2)</sup> (retirement annuities), unless the transfer is from a contract or scheme which was immediately before 6th April 2006 approved under Chapter III of Part XIV of that Act.”

(3) Omit regulation 2A<sup>(3)</sup> (use of cash equivalents for subscribing to self-employed pension arrangements).

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<sup>(1)</sup> 1987/1112, amended by S.I. 1988/474, 1988/1016, 1994/1062 and 1997/786.

<sup>(2)</sup> 1988 c. 1.

<sup>(3)</sup> Regulation 2A was inserted by S.I. 1988/1016.