

SCHEDULE 2

FINANCIAL SUSTAINABILITY REQUIREMENT

PART 1

Matters which the Regulator must take into account

3. The Regulator must take account of the following matters in deciding whether it is satisfied, for the purposes of section 8(2)(b) of the Act, that a Master Trust scheme has sufficient financial resources to meet the costs mentioned in section 8(3)(b) of the Act—

- (a) the extent and manner in which the trustees have made provision to meet those costs;
- (b) the amount and classes of assets held by, or available to, the trustees to meet those costs;
- (c) the robustness and prudence of the estimates and strategy for meeting those costs in the scheme's business plan;
- (d) the amount of the scheme's assets under management or administration;
- (e) the number of members and participating employers in the scheme;
- (f) whether the scheme rules impose liability on any persons for the costs of winding up the scheme, and if so the identity of those liable;
- (g) the alignment between the actions in the scheme's continuity strategy and the estimated cost of taking those actions as identified in the business plan;
- (h) any requirement imposed by a financial regulator for any scheme funder to hold prudential margins of capital or otherwise to have made provision for its financial liabilities to the scheme;
- (i) any requirement imposed by a financial regulator for any service provider to hold prudential margins of capital or otherwise to have made provision for its financial liabilities to the scheme;
- (j) any insurance held by the scheme or the scheme funder in respect of the costs mentioned in section 8(3)(a) of the Act, including details of—
 - (i) the insurance provider;
 - (ii) the policy holder;
 - (iii) the beneficiary of the policy;
 - (iv) any limitations on the insurer's liability;
- (k) the quality of the scheme's records and data;
- (l) whether the scheme requires, and has received, the sanction of the court under Part 7 of Financial Services and Markets Act 2000⁽¹⁾ for any of its activities;
- (m) whether the members are eligible for compensation in the event of a scheme failure and, if so, details of—
 - (i) the compensation provider;
 - (ii) the basis on which the compensation is payable;
 - (iii) any limits on the amount of compensation payable.

(1) 2000 c. 8