
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations implement Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending [Directive 2007/36/EC](#) as regards the encouragement of long-term shareholder engagement by institutions for occupational retirement provision (OJ No. L 132, 20.05.2017, p.1) (“the Directive”). They do so by amending the Occupational Pension Schemes (Investment) Regulations 2005 ([S.I. 2005/3378](#)) (“the Investment Regulations”), the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 ([S.I. 2013/2734](#)) (“the Disclosure Regulations”) and the Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 ([S.I. 2018/988](#)).

Regulation 2 implements Article 3h.2 (arrangements with asset managers) of the Directive by requiring trustees to include a policy on asset managers containing prescribed information in the statement of investment principles (“the SIP”) required under section 35 of the Pensions Act 1995 ([c. 26](#)) and the default SIP required under regulation 2A of the Investment Regulations.

Regulations 3 and 4 implement Articles 3g (disclosure of engagement policy and the engagement policy implementation) and 3h (disclosure of investment strategy) of the Directive by amending, amongst other things, regulations 4, 12 and 29A of, and paragraph 30 of Schedule 3 to, the Disclosure Regulations. They require, amongst other things, the trustees of all trust schemes which fall within the scope of section 35 of the Pensions Act 1995 to make available free of charge the engagement policy implementation statement and the SIP on a website, or where appropriate, in hard copy form to the public as a whole to enable people to have access to the SIP of occupational pension schemes.

Regulation 5 contains transitional provisions so that the trustees of a defined benefit scheme which starts to operate by a certain date are allowed until 1st October 2020 to comply with the requirement to publish the SIP on a website, or where appropriate, in hard copy form. In addition, they ensure that the trustees of a scheme which starts to operate by a certain date are allowed until 1st October 2020 to comply with the requirement to include certain information in the SIP and default SIP. They also ensure that the trustees of a scheme which starts to operate by a certain date are allowed until 1st October 2021 to comply with the requirement to publish certain information on a website, or where appropriate, in hard copy form.

An assessment of the impact of these Regulations on business, charities and the voluntary sector has been made and is published with the Explanatory Memorandum and Transposition Note which are available alongside these Regulations on www.legislation.gov.uk. Copies may be obtained from the Better Regulation Unit of the Department for Work and Pensions, Caxton House, Tothill Street, London SW1 9NA.