
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Pension Protection Fund (Moratorium and Arrangements and Reconstructions for Companies in Financial Difficulty) Regulations 2020 ([S.I. 2020/693](#)) (“the 2020 Regulations”) to apply those provisions to co-operative societies and community benefit societies.

These Regulations, in certain circumstances, extend to the Board of the Pension Protection Fund (“the Board”) rights that are normally exercised by a pension scheme’s trustees or managers where they are creditors of a co-operative society or community benefit society. Where the trustees or managers lose their rights as a result the Board is required to consult with them.

Regulation 4 amends regulation 2 of the 2020 Regulations. The amended regulation 2 now also applies when a moratorium under Part A1 of the Insolvency Act [1986 \(c. 45\)](#) is or has been in force in relation to a relevant co-operative society or community benefit society which is, or has been at some point while the moratorium has been in force, an employer in respect of an eligible pension scheme. It gives the Board the right, instead of the trustees or managers of the scheme, to participate in decisions as to whether to extend the moratorium and decisions in relation to a challenge to the directors’ actions. The Board must consult the trustees or managers before exercising those rights.

Regulation 5 amends regulation 3 of the 2020 Regulations. The amended regulation 3 now also applies when a restructuring plan (a compromise or arrangement) is proposed under Part 26A of the Companies Act [2006 \(c. 46\)](#) in relation to a relevant society which is an employer in respect of an eligible pension scheme and the trustees or managers of the scheme are a creditor of that society to whom the compromise or arrangement is proposed. It gives the Board, in addition to the trustees or managers, the rights exercisable by the trustees or managers as creditors under Part 26A. It gives the Board, instead of the trustees or managers, the right to vote on a compromise or arrangement and the Board must consult the trustees or managers before exercising this right.

A full impact assessment has not been produced for this instrument as no impact, or no significant impact on the private, public or voluntary sectors is foreseen.