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STATUTORY INSTRUMENTS

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**2023 No. 399**

**The Occupational Pension Schemes (Administration, Investment, Charges and Governance) and Pensions Dashboards (Amendment) Regulations 2023**

**Amendment of the Occupational Pension Schemes (Investment) Regulations 2005**

**3.—(1)** The Occupational Pension Schemes (Investment) Regulations 2005 are amended as follows.

(2) In regulation 2A (additional requirements in relation to default arrangement)—

(a) after paragraph (1)(a) insert—

“(aa) their policy in relation to investment in illiquid assets;”;

(b) in paragraph (1)(c) after “the aims and objectives mentioned in sub-paragraph (a)” insert “, the policy mentioned in sub-paragraph (aa)”;

(c) after paragraph (1) insert—

“(1A) For the purposes of paragraph (1)(aa), their policy in relation to investment in illiquid assets must include—

(a) a statement as to whether or not investments held for the purposes of the default arrangement will include illiquid assets;

(b) where those investments will include illiquid assets—

(i) a description of the age profile of those members in respect of whom investments will be held in illiquid assets;

(ii) an explanation of whether investments will be held directly in illiquid assets, or via a collective investment scheme;

(iii) an explanation of the types of illiquid assets in which investments will be held; and

(iv) an explanation of why the trustees or managers have a policy of investing in illiquid assets including their assessment of the advantages to members of investing in illiquid assets, when compared to investments in other classes of assets;

(c) where those investments will not include illiquid assets, an explanation of why the trustees or managers have a policy of not investing in illiquid assets; and

(d) an explanation of whether the trustees have any plans to invest in illiquid assets or increase their investment in illiquid assets, in the future.”; and

(d) after paragraph (6) insert—

“(6A) For the purposes of this regulation “illiquid assets” means assets of a type which cannot easily or quickly be sold or exchanged for cash and where assets are invested in a collective investment scheme, includes any such assets held by the collective investment scheme.”.

(3) After regulation 2A insert—

**“Additional requirements in relation to qualifying collective money purchase schemes**

**2B.**—(1) The trustees of a qualifying collective money purchase scheme must ensure that the statement of investment principles prepared under section 35 of the 1995 Act covers their policy in relation to investment in illiquid assets with respect to assets held for the purposes of the qualifying collective money purchase scheme.

(2) For the purposes of this regulation, their policy in relation to investment in illiquid assets must include—

- (a) a statement as to whether or not investments held for the purposes of the qualifying collective money purchase scheme will include illiquid assets;
- (b) where those investments will include illiquid assets—
  - (i) a description of the age profile of those members in respect of whom investments will be held in illiquid assets;
  - (ii) an explanation of whether investments will be held in respect of the qualifying collective money purchase scheme directly in illiquid assets, or via a collective investment scheme;
  - (iii) an explanation of the types of illiquid assets in which investments will be held; and
  - (iv) an explanation of why the trustees have a policy of investing in illiquid assets including their assessment of the advantages to members of the qualifying collective money purchase scheme of investing in illiquid assets, when compared to investments in other classes of assets;
- (c) where those investments will not include illiquid assets, an explanation of why the trustees have a policy of not investing in illiquid assets; and
- (d) an explanation of whether the trustees have any plans to invest in illiquid assets or increase their investment in illiquid assets for the purposes of the qualifying collective money purchase scheme, in the future.

(3) For the purposes of this regulation—

“illiquid assets” has the same meaning as in regulation 2A(6A); and

“qualifying collective money purchase scheme” has the meaning given in regulation 2(1) of the Occupational Pension Schemes (Charges and Governance) Regulations 2015.”.

(4) In the heading to regulation 6 (disapplication of section 35 of the 1995 Act and of regulations 2 and 3 in respect of certain schemes) and in regulation 6, after “regulations 2” insert “, 2B”.