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16 October 2020

Dear Janice

### **Pension Schemes Bill 2020**

Thank you for your recent letter in relation to the Departmental Briefing on the Assembly Pension Schemes Bill at the Committee meeting on 23 September, in particular, on whether Master Trusts must be based in the UK. I can confirm that there are no authorised Master Trusts which are based outside the UK.

Before a pension scheme (including a master trust) can operate in the UK, it must register and have a location within the UK for tax purposes. This would bring the scheme within the ambit of the Pensions Regulator. In addition, a Master Trust must be authorised before it can operate in the UK.

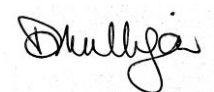
Whilst it is possible for a scheme funder to be based outside the UK, before a scheme can be an authorised Master Trust, the Regulator must be satisfied that it meets the authorisation criteria set out in the Bill. This includes that the Regulator must be satisfied as to the financial sustainability of the scheme and that any scheme funder is able to financially support the Master Trust.

The Deputy Chair also asked whether the authorisation criteria could be changed to take account of future changes. The authorisation criteria are fundamental building blocks and as such are set out on the face of the Bill. Substantive change to the authorisation criteria would require the consent of the Assembly by way of a further Bill.

The Department has the power, by regulations, to make further provision in relation to the application of the criteria, for example, in relation to matters to be taken into account when assessing whether or not some of the criteria are met.

I trust this is helpful.

Yours sincerely

A handwritten signature in black ink, appearing to read "Diane Mulligan". The signature is written in a cursive style with a large initial 'D'.

**Diane Mulligan**  
Departmental Assembly Liaison Officer  
Private Office