

Master trust authorisation: decision-making procedure

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The Pensions
Regulator

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Introduction

1. This decision-making procedure is the process we adopt when making a decision on a master trust's application for authorisation.
2. Here, we outline the process our authorisation team and the decision-maker will typically follow.

The decision-maker

3. The decision-maker responsible for deciding whether to grant authorisation to an existing master trust is the Determinations Panel (DP). This is a committee of TPR, and it operates separately from other parts of the organisation. The DP has a separately appointed membership and legal support, which enables it to make independent and impartial decisions.
4. The decision-maker responsible for deciding whether to grant authorisation to a new master trust is a TPR staff member who has delegated authority to make this decision.
5. Before the decision-maker can decide whether or not to authorise a master trust, an application must be made. Please refer to: www.tpr.gov.uk/doc-library/master-trust-code-consultation-2018.aspx for guidance on making an application.

Authorisation team assessment

6. In order to make a recommendation to the decision-maker on whether a master trust meets the authorisation criteria, our authorisation team will assess the information provided with the application. They may also take into account information already in our possession, conduct site visits, meet with relevant individuals, and obtain and analyse any further information we consider relevant to the assessment. We will normally complete this assessment within four months of receiving an application.

Preliminary recommendation letter

7. Once an application has been assessed by the authorisation team, they will issue a preliminary recommendation letter to the decision-maker and the master trust. The letter will set out the authorisation team's view on whether the master trust should be authorised by the decision-maker. The letter will also set out the reasons for the recommendation, and disclose information which supports the recommendation.
8. If the authorisation team recommends to the decision-maker that the master trust **should** be authorised, the process in paragraph 11 below will be followed. If the authorisation team recommends that the master trust should **not** be authorised, or if the decision-maker does not agree with the authorisation team's recommendation, the steps in paragraphs 12 to 20 will be followed.
9. The decision on whether the master trust will be authorised will then be made by the decision-maker.
10. In order to reach its decision, the decision-maker will review the application and preliminary recommendation letter and any further information provided by or requested from the master trust or the authorisation team.

Recommendation that a master trust should be authorised

11. If the decision-maker is satisfied that the authorisation criteria are met, the decision-maker will grant authorisation. We will then add the master trust to our list of authorised master trusts.

Recommendation that a master trust should not be authorised

12. If the decision-maker is not persuaded that the authorisation criteria are met, it will confirm the date for an oral hearing to the master trust and authorisation team.
13. The decision-maker will invite the master trust to make written submissions to the decision-maker and authorisation team, setting out their response to the authorisation team's preliminary recommendation letter. If the master trust believes the application criteria are met, they will need to set out why, and provide any new information in support as part of their submission. This will help the authorisation team assess whether they still think the criteria have not been met, and will provide the decision-maker with further information to consider.
14. The master trust will normally have two weeks from receiving the preliminary recommendation letter to make its written submissions. If the master trust no longer wishes to proceed with the application, they can withdraw it.
15. The decision-maker will set a deadline for the authorisation team to respond to any written submissions from the master trust, which will normally be no later than two weeks from receiving them. The authorisation team will review and consider the written submissions and, as part of this consideration, they may request further information if needed. The authorisation team will then notify the master trust and decision-maker whether they maintain their recommendation, or whether they adopt a different position. The authorisation team will disclose any further information relied upon in support of any updated recommendation.
16. If submissions are not received from the master trust or the authorisation team within the timeframes set by the decision-maker, the decision-maker will decide whether to consider any late submissions before making a decision.

Oral hearing

17. An oral hearing will be held in circumstances in which the authorisation team has recommended that a master trust should not be authorised, and/or where the decision-maker is not yet persuaded that the authorisation criteria are met.
18. Where the decision-maker considers it appropriate to schedule an oral hearing, it will inform the master trust and authorisation team when and where the hearing will take place.
19. The decision-maker will conduct the oral hearing, taking into account the issues before it and will settle, if necessary, by making directions about the procedure to be followed.
20. The decision-maker may ask the master trust and/or the authorisation team to provide additional information at any point before the decision-maker reaches its decision and will specify when the information should be provided. If additional information is supplied to the decision-maker as a result of such a request, copies will be provided to the master trust and/or the authorisation team.

Decisions without an oral hearing

21. Where there is no oral hearing, the decision-maker will make its decision based on the documentary information provided.

Decision on authorisation

22. The master trust is responsible for demonstrating to the decision-maker that the master trust meets the authorisation criteria.
23. Where the decision-maker is satisfied that the master trust meets the authorisation criteria, it must grant authorisation and will notify the master trust and the authorisation team. We will then add the master trust to our list of authorised master trusts.
24. Where the decision-maker is not satisfied that the master trust meets the authorisation criteria, it must refuse to grant the authorisation. It will notify the master trust and the authorisation team and will provide reasons for the decision in writing. This notification will contain information about the rights of reference to the Upper Tribunal.

General

25. The procedure set out above is how we expect to make decisions on applications for authorisation. There may be occasions when it will be necessary to depart from this procedure, in which case we will ensure that we will notify the procedure to be followed.

Publishing information

26. In certain circumstances, we may (under section 89 of the Pensions Act 2004) decide to publish details of the way we've used our powers or worked on a matter. You can read our guide on publishing information on our website at: www.tpr.gov.uk/dp-procedure.

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www.trusteetoolkit.com

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