

Master trust authorisation

# Decision-making procedure

November 2019

The Pensions  
Regulator

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## Introduction

1. This decision-making procedure is the process we adopt when making a decision on a new 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 a new master trust is a TPR staff member who has delegated authority to make this decision.
4. Before the decision-maker can decide whether or not to authorise a master trust, an application must be made. Please refer to Code of Practice no. 15 and our website for guidance on making an application.

## Authorisation team assessment

5. 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 six months of receiving an application.

## Preliminary recommendation letter

6. Once the authorisation team has assessed an application, they will issue a preliminary recommendation letter to the decision-maker at TPR. The letter will set out the authorisation team's view on whether the master trust should be authorised by the decision-maker. The decision-maker will undertake an assessment of the application, based on the authorisation team's recommendation.
7. If the authorisation team recommends to the decision-maker that the master trust should be authorised, and following the assessment the decision-maker agrees, the process in paragraph 10 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 to authorise, the steps in paragraphs 12 to 21 will be followed.
8. The decision on whether the master trust will be authorised will then be made by the decision-maker.
9. 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

10. Where the authorisation team is recommending that a master trust should be authorised, they will send a short letter to the applicant advising them of the recommendation, referencing the evidence and other information taken into account, and describing the next steps. If the decision-maker is satisfied that the authorisation criteria are met, authorisation will be granted. We will then add the master trust to our list of authorised master trusts.

## Recommendation that a master trust should not be authorised

11. Where the authorisation team is recommending that a master trust should not be authorised, the applicant will receive the full preliminary recommendation letter from the authorisation team.
12. If the authorisation team recommended that a master trust be authorised but, following the decision-maker's assessment, the decision-maker is not persuaded that the authorisation criteria are met, it will send the preliminary recommendation letter to the master trust. The decision-maker will also confirm the date of a decision meeting to the master trust and authorisation team.
13. The decision-maker will invite the applicant to make written submissions to the decision-maker and authorisation team, in response to the authorisation team's preliminary recommendation letter. If the applicant believes the application criteria are met, it will need to set out why, and provide any new information in support as part of its submission. If the applicant submits new material at this stage, the decision-maker will decide whether that will be taken into account. 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 applicant will normally be given two weeks to make its written submissions and should copy these to the authorisation team. The applicant can withdraw its application at any time if it no longer wishes to proceed.
15. The decision-maker will set a deadline for the authorisation team to respond to any written submissions from the applicant, which will normally be no later than two weeks from receiving them. The authorisation team will review and consider and review the applicant's representations and, as part of this consideration, they may request further information if needed. The authorisation team will then notify the applicant 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 applicant 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.

## Decision meeting

17. A decision meeting 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 a decision meeting, it will inform the applicant and authorisation team when and where it will take place.
19. The decision-maker may ask the applicant 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, it will be copied to the applicant or the authorisation team.

## Decisions without a decision meeting

20. Where there is no decision meeting, the decision-maker will make its decision based on the documentary information provided.

## Decision on authorisation

21. The applicant is responsible for demonstrating to the decision-maker that the master trust meets the authorisation criteria.
22. 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.
23. 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 applicant 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.

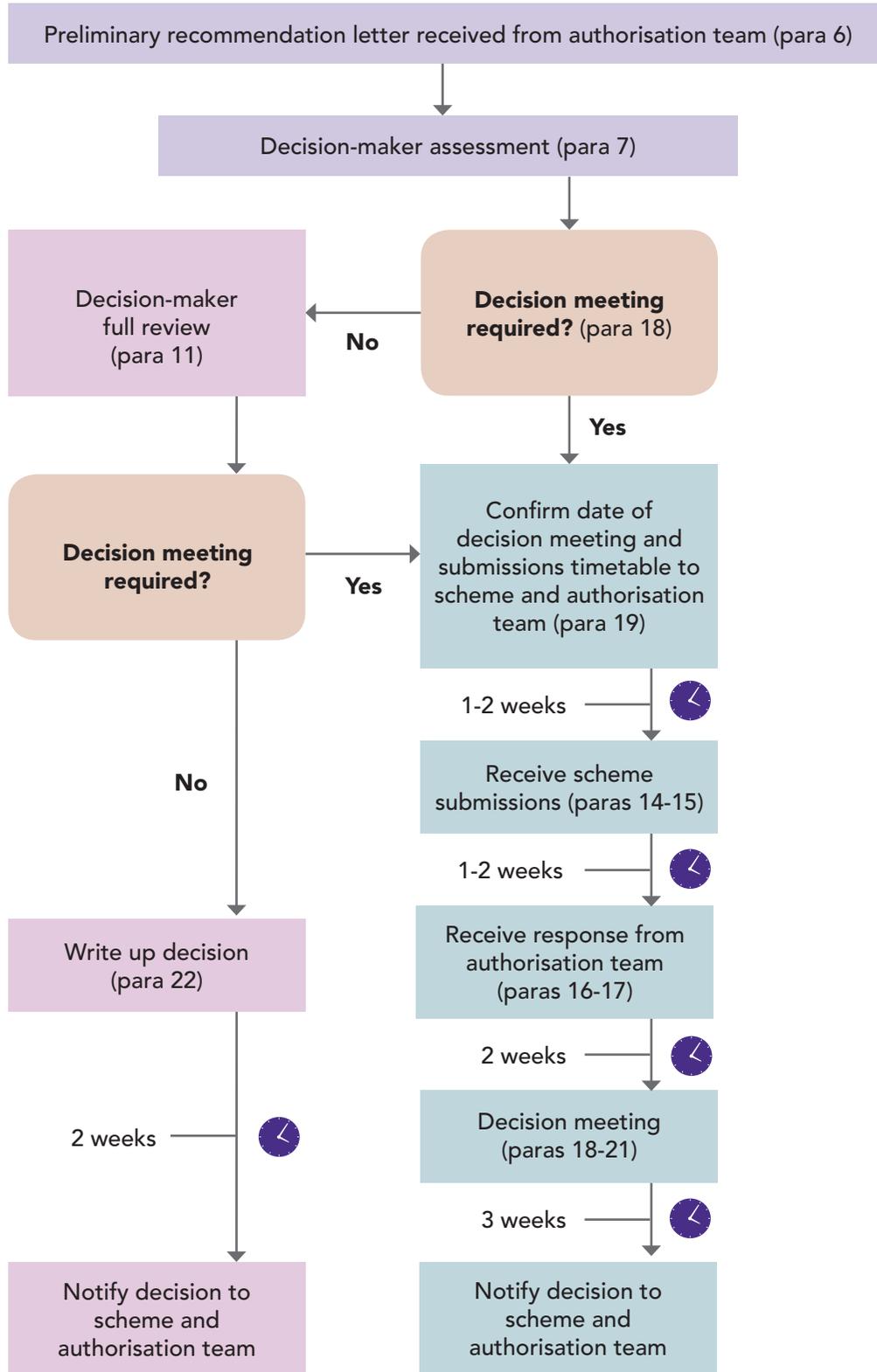
## General

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

## Publishing information

25. 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 policy on publishing information on our website at: [www.tpr.gov.uk/dp-procedure](http://www.tpr.gov.uk/dp-procedure).

**Decision-making procedure: Process map**



## Changes from the last version

We have made some amendments to this document now that all existing master trusts have been through the authorisation process.

As this procedure now only applies to new master trusts wanting to enter the market, we have removed references to oral hearings and the Determinations Panel, as the decision on whether to grant authorisation or not now lies with TPR.

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