

Master trust authorisation

Decision-making procedure

December 2018

The Pensions
Regulator

Contents

Introduction	page 3
The decision-maker	page 3
Authorisation team assessment	page 3
Preliminary recommendation letter	page 3
Recommendation that a master trust should be authorised	page 4
Recommendation that a master trust should not be authorised	page 4
Oral hearing or decision meeting	page 5
Decisions without an oral hearing or decision meeting	page 5
Decision on authorisation	page 5
General	page 5
Publishing information	page 5
Decision-making procedure: Process map	page 6
Changes from the last version	page 7
How to contact us	back cover

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 The Pensions Regulator (TPR), and it operates separately from other parts of the organisation.
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 Code of Practice no. 15 and our website 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 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 a preliminary review of the application, based on the authorisation team's recommendation.
8. If the authorisation team recommends to the decision-maker that the master trust should be authorised, and following the preliminary review the decision maker agrees, 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 to authorise, the steps in paragraphs 12 to 21 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. 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

12. 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.
13. If the authorisation team recommended that a master trust be authorised, but following the decision-maker's preliminary review the decision-maker is not persuaded that the authorisation criteria are met, it will send the preliminary recommendation letter to the master trust and confirm the date of an oral hearing or decision meeting to the master trust and authorisation team.
14. The decision-maker will invite the master trust to make written submissions to the decision-maker and authorisation team, in response to the authorisation team's preliminary recommendation letter. If the master trust 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 master trust 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.
15. The master trust will normally be given two weeks to make its written submissions and should copy these to the authorisation team. The master trust can withdraw its application if it no longer wishes to proceed.
16. 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.
17. 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 or decision meeting

18. An oral hearing, or decision meeting in the case of an application from a new master trust, 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.
19. Where the decision-maker considers it appropriate to schedule an oral hearing or decision meeting, it will inform the master trust and authorisation team when and where it will take place.
20. The Determinations Panel will conduct an oral hearing and will settle, if necessary by making directions, the procedure to be followed.
21. 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, it will be copied to the master trust or the authorisation team.

Decisions without an oral hearing or decision meeting

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

Decision on authorisation

23. The master trust is responsible for demonstrating to the decision-maker that the master trust meets the authorisation criteria.
24. 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.
25. 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.

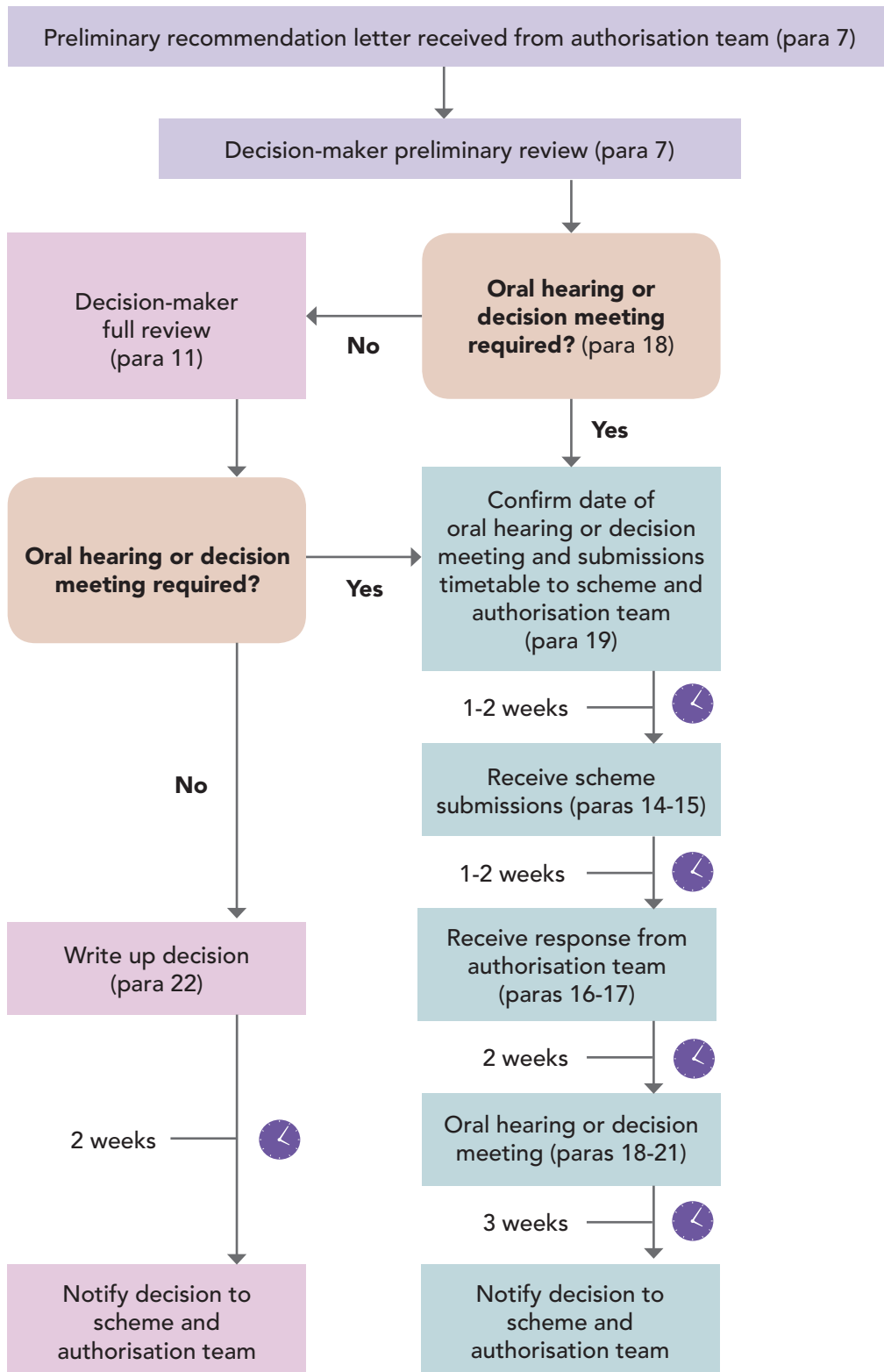
General

26. 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

27. 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.

Decision-making procedure: Process map



Changes from the last version

We have updated this guidance to reflect a minor change to the decision-making process. We will now only send full preliminary recommendation letters to the applicant where the authorisations team are recommending to the decision-maker that a master trust should **not** be authorised. Where a recommendation is being made to authorise the master trust, the applicant will receive a letter informing them of the recommendation made and will not receive the full preliminary recommendation letter.

Further detail from the preliminary recommendation letter will only be shared with the applicant if the decision-maker does not accept the recommendation of the authorisations team, meaning further information sharing and discussion between all parties is required.

We have therefore made changes to paragraphs 11, 12 and 13 and we have taken this opportunity to also make some further minor changes in the document to add clarity where needed.

How to contact us

Napier House
Trafalgar Place
Brighton
BN1 4DW

www.tpr.gov.uk

www.trusteetoolkit.com

Free online learning for trustees

Master trust authorisation

Decision-making procedure

© The Pensions Regulator December 2018

You can reproduce the text in this publication as long as you quote The Pensions Regulator's name and title of the publication. Please contact us if you have any questions about this publication. This document aims to be fully compliant with WCAG 2.0 accessibility standards and we can produce it in Braille, large print or in audio format. We can also produce it in other languages.

**The Pensions
Regulator**