

2017 No. 0000

INCOME TAX

**The Registered Pension Schemes (Authorised Payments)
(Amendment) Regulations 2017**

Made - - - - - ***
Laid before the House of Commons ***
Coming into force - - - - - *6th April 2017*

The Commissioners for Her Majesty's Revenue and Customs make the following Regulations in exercise of the powers conferred by section 164(1)(f) of the Finance Act 2004(a), and now exercisable by them(b).

Citation and commencement

1. These Regulations may be cited as the Registered Pension Schemes (Authorised Payments) (Amendment) Regulations 2017 and come into force on 6th April 2017.

Amendments to the Registered Pension Schemes (Authorised Payments) Regulations 2009

2. The Registered Pension Schemes (Authorised Payments) Regulations 2009(c) are amended as follows.

3. In regulation 1(2) (citation, commencement and effect) omit "and" before sub-paragraph (c) and after that sub-paragraph insert—

“; and

(d) for payments of a description within Part 6, in relation to payments made on or after 6th April 2017.”.

4. In regulation 2(5) (interpretation), before the definition of “controlling director” insert—

““beneficiary” means a dependant, nominee or successor of a member.”.

5. After regulation 5A(d) insert—

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- (a) 2004 c. 12. Section 164 was amended by paragraphs 1 and 6 of Schedule 23 to the Finance Act 2006 (c. 25), paragraph 1 of Schedule 29 to the Finance Act 2008 (c. 9), section 75(2) of the Finance Act 2009 (c. 10), paragraphs 62 and 63 of Schedule 16 to the Finance Act 2011 (c. 11), paragraph 85 of Schedule 1 to the Taxation of Pensions Act 2014 (c. 30) and paragraph 3(1)(a) of Schedule 5 to the Finance Act 2016 (c. 24).
- (b) The functions of the Board of Inland Revenue were transferred to the Commissioners for Her Majesty's Revenue and Customs by section 5(1) of the Commissioners for Revenue and Customs Act 2005 (c. 11). Section 50(1) of that Act provides that in so far as it is appropriate in consequence of section 5, a reference in an enactment to the Commissioners of Inland Revenue (however expressed) shall be taken as a reference to the Commissioners for Her Majesty's Revenue and Customs.
- (c) S.I. 2009/1171, amended by S.I. 2012/1881; there are other amending instruments but none is relevant.
- (d) Regulations 5A and 20 inserted by S.I. 2012/1881.

“5B. A payment by a registered pension scheme that is described in Part 6 of these Regulations is a payment of a prescribed description for the purposes of section 164(1)(f) of the Finance Act 2004.”.

6. After regulation 20 insert—

“PART 6

Pension Advice Allowance Payment

- 21.**—(1) A pension advice allowance payment is a payment—
- (a) made by a registered pension scheme in respect of—
 - (i) a person who is or has been a member of that pension scheme, or
 - (ii) a person who is a beneficiary of such a member, and
 - (b) in respect of which the conditions in paragraph (2) are satisfied.
- (2) The conditions are that—
- (a) the payment is made either for—
 - (i) retirement financial advice provided to the person, or
 - (ii) the implementation of such advice;
 - (b) the payment is requested in writing by the person;
 - (c) the written request contains a declaration by the person that the conditions in subparagraphs (d) and (e) are satisfied;
 - (d) no more than two pension advice allowance payments have been made in respect of the person;
 - (e) no pension advice allowance payment has been made in respect of the person in the tax year in which the request is made;
 - (f) the advice is regulated financial advice, provided by a financial advisor regulated and authorised by the Financial Conduct Authority to provide such advice;
 - (g) the payment is made by the registered pension scheme directly to the financial advisor, and
 - (h) the payment does not exceed £500.

22. “Retirement financial advice” means advice in respect of the person’s financial position, including their pension arrangements and the use of their pension funds.

23. “Regulated financial advice” has the meaning given in Article 53 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001(a).”.

Name
Name

Date Two of the Commissioners for Her Majesty’s Revenue and Customs

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Registered Pension Schemes (Authorised Payments) Regulations 2009 (S.I. 2009/1171) (“the 2009 Regulations”), which provides for a variety of payments to be authorised payments when made by registered pension schemes to or in respect of its members. Such payments do not attract a tax change that applies when a registered pension scheme makes an unauthorised payment.

(a) S.I. 2001/544. Relevant amending instruments are S.I. 2013/1881, 2016/392

Regulation 3 provides the date on which the amendments will take effect.

Regulation 4 inserts a new definition into the 2009 Regulations.

Regulations 5 inserts a new regulation 5B into the 2009 Regulations to provide that a pension advice allowance payment by a registered pension scheme will be an authorised payment for the purposes of the Finance Act 2004 (c. 12) if the conditions set out in the new regulation 21 of the 2009 Regulations are met.

Regulation 6 inserts new regulations 21 and 22. New regulation 21 sets out what is a pension advice allowance payment and the conditions that must be met for the payment to be an authorised payment.

New regulation 22 defines “retirement financial advice”.

New regulation 23 defines “regulated financial advice”.