



Guidance Note - Transfer Plan on Discontinuance of Business

These guidelines are to be used pursuant to the requirements of regulation 18(1)(d)(ii) of the Pensions (Superannuation Funds and Retirement Schemes) (Registration, Licensing and Reporting) Regulations, 2006.

I. Objective

To ensure that the pension business of an Administrator or Investment Manager that discontinues operations is properly and effectively migrated to another Administrator or Investment Manager, as the case may be, with a philosophy of “business as usual” so as to achieve minimal interruptions. In this regard, it is of prime importance that all affected parties are notified and that notification occurs before actions are taken. This will allow for sufficient time to address problems and to minimize any negative impact.

II. General Principles

The goals of these guidelines are to:

1. Ensure compliance with the Pensions (Superannuation Funds and Retirement Schemes) Act, 2004 and the associated Regulations
2. Maintain the ability of the Financial Services Commission (“FSC”) to monitor events and coordinate information flow and activities
3. Ensure that trustees are informed of their choices and are provided with sufficient opportunity to secure alternative service arrangements
4. Avoid double transfers whenever possible.ⁱ

III. Plan Content

It is important that Administrators and Investment Managers when exiting the pensions market do so with order and care. The development of a plan by which the administration and or investment management business of funds and schemes is migrated to other service provider(s) provides a mechanism for assessment and appropriate controls. The plan should be comprehensive and prudently structured to suit the needs of the discontinuing entity.

The plan by which the administration or investment management business of funds and schemes will be transferred must include but not be limited to:

ⁱ Double transfers occur where a pension plan is transferred by the Administrator/Investment Manager to a service provider, and then by the Trustees to a different service provider of their own choice.

- (i) The name, address, and FSC licence number of the Administrator and/or Investment Manager
- (ii) Reasons for discontinuance
- (iii) Copy of relevant Board resolution
- (iv) A list of the affected pension plans inclusive of FSC registration number, telephone number(s), address, type of service, number of lives, asset values, status
- (v) The list in (iv) above should also indicate service arrangements (e.g., unbundled services, full services, etc.) and indication of plans whose service arrangements are likely to cause transfer difficulties
- (vi) Name and contact number for the person appointed to effect the orderly dissolution and transfer of pensions business;
- (vii) Details of any arrangements made with an acquiring Administrator and/or Investment Manager
- (viii) Identity and contact information of the acquiring Administrator and/or Investment Manager;
- (ix) Timeline for the transfer
- (x) The date of acquisition of the portfolio by the acquiring Administrator and/or Investment Manager
- (xi) Plan detailing steps to be taken to transfer the pension assets to the acquiring Administrator and or Investment Manager
- (xii) Plan detailing the transfer of records, past and current, to the acquiring Administrator and or Investment Manager
- (xiii) Sample progress reports to be furnished to the acquiring Administrator and/or Investment Manager; and the frequency of such reports
- (xiv) A sample of the letter to be sent to Trustees
- (xv) A cutoff date by which Trustees must select an alternative Administrator and/or Investment Manager
- (xvi) Description of customer notification efforts to be made and copies of notices issued or proposed to be issued in the event that trustees do not respond to the letter sent in (xiv) above
- (xvii) Notification to be furnished to the FSC of any changes to the plan as filed
- (xviii) A proposed final termination date
- (xix) A request for cancellation of licence upon the approval of the plan and the expiry of the final termination date
- (xx) Toll free numbers that customers may call with inquiries.

IV Conclusion

The preparation of a written, comprehensive plan for the transfer of pensions business to another service provider(s) provides specific and organized information which increases the likelihood of an efficient and orderly process which meets the approval of the FSC. Additionally, preparation of the plan helps in the identification of potential problems and gives proof of planning. Its importance cannot be overemphasized.

Questions regarding this Guidance Note may be directed to:

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