ICAEW
REPRESENTATION 96/18

PROTECTING DEFINED BENEFIT PENSION SCHEMES - A STRONGER PENSIONS REGULATOR

Issued 21 August 2018

ICAEW welcomes the opportunity to comment on *Protecting defined benefit pension schemes - a stronger pensions regulator* published by Department for Work and Pensions on 26 June 2018, a copy of which is available from this link.

This ICAEW response of 21 August 2018 reflects consultation with the Business Law Committee which includes representatives from public practice and the business community. The Committee is responsible for ICAEW policy on business law issues and related submissions to legislators, regulators and other external bodies. We have also consulted other ICAEW experts including ICAEW's Insolvency and Corporate Finance Committees.

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MAJOR POINTS

1. Given experience arising from recent corporate failures, we agree that the powers and remedies of the Pensions Regulator (which we refer to as the 'Regulator' in this response) should be reviewed and we agree with a number of the proposals suggested in the consultation, particularly those aimed at filling gaps in the notifiable events framework.
2. We believe that trustees should also be kept informed of relevant events and hope that any reforms will consider this, in addition to requirements for disclosure to the Regulator.
3. The proposals have been made without publication of a costs versus benefits analysis and we believe that government should provide some analysis on these matters. It would also be helpful if government would work on a cross-departmental basis when reacting to events such as Carillion and BHS. For example the BEIS consultation on insolvency did not take account of the proposed pensions reforms, including those covered by this consultation. Similarly, it is somewhat unsatisfactory that these proposals are being made in isolation of expected proposals on pre-insolvency payment of dividends.
4. One risk in considering the issues in a piecemeal reactive way is that changes that seem justified in isolation may, cumulatively, encroach upon broader policy matters, without due consideration. In particular, some of the proposed new protections appear to increase the privileged position of pension schemes (in terms of information not available to other creditors, at least) whilst, as a policy matter, government determined that pension schemes (and PPF) should be unsecured creditors (rather than preferred creditors). The possible impact of the proposals in the context of the takeover code and UK listing rules will also need to be considered in this respect.
5. We believe that the proposed new offence of 'wilful and grossly reckless' behaviour requires further thought and definition even if it is intended to have broad scope with discretion on how it is applied.

SECTION 2: CORPORATE TRANSACTION OVERSIGHT

NOTIFIABLE EVENTS FRAMEWORK

(1) We have set out a number of proposed changes to the existing Notifiable Events Framework.

a. Do these proposals strike the right balance between improved regulations on business and protecting pensions?

6. We agree that this is a good opportunity to update the list of notifiable events based on practice and the real experience of the Regulator. A proportionate approach could include filters for materiality and funding so as to reduce the number of notifiable events being reported which are not important. It is not clear if the current exceptions to reporting are to continue or change.
7. It is important that trustees are equipped to perform their role as effectively as possible and, therefore, that they are also provided with relevant information at an early stage. We would therefore like the legislation to state expressly that any event notifiable to the Regulator is also notifiable to the trustees of any relevant schemes, to the extent they have not already been notified by the sponsor.
8. We have the following comments on the specific events proposed:
   (1) If sale of a material proportion of the employer business is to be a notifiable event, we suggest that it would be useful to define the term to exclude transactions that would be unlikely to weaken the employer's covenant. For instance, some sale and leaseback transactions may not have a significant impact on the covenant. It is important that any new protections for pension schemes do not delay, deter or add to the costs of such transactions unnecessarily.

(2) In our view requiring grants of security to be notified will create a massive administrative burden on the Regulator. Although it is correct that the granting of valid security does reduce the assets available for the payment of unsecured debts (of which the payment to the pension scheme is one) of the relevant company, the granting of security is a mainstream event in the lives of the vast majority of companies. Any company which has banking facilities is likely to grant security to the relevant bank. Because the grant of security is so prevalent the notification would not, we think, achieve the desired purpose as the Regulator will be over-loaded with notifications. Any interference from the Regulator in most instances of the grant of security would fetter the company's ability to conduct business and raise working capital/finance.

If the rationale behind the proposal is to spot companies which could be in financial difficulties, then a more sensible course might be to have as the Notifiable Event the grant of multiple securities over the same assets, such as multiple debentures, and/or where security is granted to financiers of 'last resort' where facilities are being granted at very high rates of interest. This would act as a red flag that perhaps the company might not be as financially stable as it should be, although how such criteria might be defined would require consideration.

(3) We are not convinced that changes in management suggested are necessarily indicative of a threat to employer covenant, indeed they might simply be part of good governance. Requiring changes to be notified irrespective of such a threat would add unnecessarily to administrative burdens. We believe that further definition would be required to address this and there may be some challenges in that respect. For instance, we do not believe that chief 'restructuring' or 'transformation' officer are currently defined terms or terms universally used in all relevant situations and not all companies are required to have a 'chairman'. It would be necessary to define any requirement in a way that would not catch ordinary management activity or practices of investors.

External parties may have directors or others monitoring their interests in financially healthy companies, not just companies in distress. Certain parties (private equity, growth capital, venture capital) often request a presence on the board as part of their lending/relationship criteria; that of itself does not necessarily suggest risk (although, for example, a transaction leading to such funding could potentially fall within other parameters of current guidance/the scope of the consultation). While persons may have rights to have a director appointed (for instance under shareholders' agreement), directors owe duties to the company as a whole under the Companies Act and also have collective responsibility (and potential liability for wrongful trading). The emphasis in the consultation on roles of individual directors seems somewhat at odds with this.

The potential of unintended consequences and scope for avoidance of a formal notification requirement of this kind should be taken into account.

(4) The proposals on pre-insolvency advice are particularly concerning. It is important that companies seek appropriate advice at an early stage when they become financially distressed and anything that might deter them from doing so needs careful consideration. A requirement to make a formal notification in itself is likely to act as a disincentive on directors taking relevant advice, because it could represent an acknowledgement that the company is in financial difficulty in a way that merely seeking advice would not. We also believe that it would be extremely difficult to define what sort of advice is involved (at least in a way that would result in proportionate regulation). It is unclear what advice government believes a pre-insolvency advisor would necessarily give so that pension schemes interests are taken into account 'properly' or that any engagement would necessarily extend to advising on these matters. It is also unclear whether the proposal is intended to cover legal (as opposed to financial) advice. If it is, interaction with legal professional privilege should be considered. Regarding independent business reviews, these are not typically

commissioned by sponsors but by lenders (albeit on many occasions on a bilateral basis) and not always in a restructuring or distress context.

It is also not clear what role the Regulator would take in the governance of the employer following a notification. Care must be taken because, once notified, the Regulator might then have the ability to take action in relation to the company in such a way as could be detrimental to the company and its creditors, particularly if the Regulator is not experienced in restructuring and insolvency. The Regulator should also keep in mind that any actions forced on the company by it could result in transfers at an undervalue or preferences in certain circumstances, which may be overturned in any event if the company subsequently goes into administration or liquidation. In certain cases action taken by the Regulator, if particularly onerous, could actually precipitate the demise of the company. Care must also be taken that the Regulator is not seeking to obtain an advantage for the scheme over other unsecured creditors, which could potentially upset the pari passu principle that all creditors of a class should be treated equally.

(5) The removal of the wrongful trading notifiable event seems sensible as no director would admit wrongful trading, as such an admission would form the basis of a claim under the Insolvency Act 1986 ('IA86') which has personal financial consequences. Moreover, 'wrongful trading' as a defined term under the IA86 is only triggered at such time as the director 'knew or ought to have concluded that there was no reasonable prospect that the company would avoid going into insolvent liquidation or entering insolvency administration.' By its nature, therefore, wrongful trading can have a fairly immediate proximity to the liquidation/administration. On this basis, by the time the company has entered this phase it would be too late for the Regulator to do anything constructive with the company.

(6) If the requirement for breach of banking covenant is to be broadened, we suggest that the definition should exclude transactions that would not have an adverse impact (for instance, amendments may have little substantive impact and a lender might grant a waiver because it is satisfied the risks do not require enforcement).

b. Alternatively, are there any other significant business events which you think should be captured?

9. We would defer to the regulator's experience of cases for what would be an early warning sign, but ask that the points above are considered. Financial reporting obligations may also require a company to disclose information on relevant 'events', for instance financial statements that carry material uncertainty, or viability statements regarding going concern. We would be happy to contribute to a working group to help target the right events to notify for the regulator, while meeting concerns about clear definition and not having the unintended consequence of driving other unhelpful behaviour.

(2) Have we captured the right criteria for a significant change in the make-up of a board of directors?

10. Please see our response to point (3) of Q1 above.

(3) We are proposing to bring forward or specify more clearly the timing of reporting notification of certain events (as described above), for instance to the point at which Heads of Terms are agreed for some transactions. Is this appropriate or is there a better time/ event to pin the reporting notification to?

11. We understand the concerns here, but defining a specific event of this kind in legal terms is particularly difficult. In many transactions, in particular distressed restructurings, the Heads of Terms would come at too late a stage in the process. In others, it might be too soon. The proposals appear to envisage particular types of transactions, but transactions can take many forms and what may be the norm for, say, a listed company, many not apply universally to all companies. In some cases there may be no need to have a Heads of Terms

(or equivalent) at all and if new formalities are introduced based on the concept, that may drive alternative behaviours, including negotiation of final documentation without interim agreement. Similarly, in respect of a data room, information might be shared by other means or increased risk of non-disclosure of information might be accepted to avoid a disclosure requirement.

12. It may be better for notification to be when there has been a formal (or at least 'in principle') decision by the company's board to sell or grant security or at the point of agreement of the main terms.

13. Alternatively it may be more appropriate to create a general term of 'proposed material transaction' with the detail supplied by a Code of Practice with examples. For instance creation of a data room or drafting of an information memorandum could both be included as being potential points when a proposed transaction is notifiable, without prescribing the matter (because, for instance, a data room may be created at an early stage before there is a clear prospect of sale).

14. Crucially, defining some form of proposed transactions by use of a Code of Practice then allows for notification to the trustee of the relevant scheme to be a duty on employers too. This is however a matter for liaison with the UKLA – listed sponsors are often concerned that early notification to a large number of trustees, some of whom may be employees, can raise difficult situations with price sensitive information.

(4) What is the likely impact (either direct or indirect) on business of sponsoring employers being required to report earlier? How could the framework be modified to ensure that any adverse impact is mitigated?

15. Under the current regime, some employers involve the trustee early in any proposed corporate transactions. Not because the law requires them to but because they support their scheme and consider this appropriate. We are not aware that those transactions have generally been adversely affected by early disclosure. However, if the disclosure requirements are to be extended, it is important that the definition of when to report (and relevant exceptions and thresholds) is made clear and it will be apparent from our comments above that this is not necessarily a straightforward issue. The impact may vary between the various proposals.

(5) Are there any additional changes that could further improve the design of the framework for sponsoring employers, trustees and the Regulator?

16. Clarity that the employer must engage with trustees would be welcome. This could be done by an employer engagement Code of Practice with adherence and non-adherence being matters that the regulator could take into account when exercising its moral hazard powers. It seems odd that employer notifiable events to TPR are not also notified to scheme trustees (and vice versa), so we would suggest this is addressed as part of the current review.

DECLARATION OF INTENT

(6) We have set out a number of proposed transactions which would trigger a Declaration of Intent.

a. Do these proposals strike the right balance between improved regulations on business and protecting pensions?

17. In principle, there may be some merit in this proposal. However, care will need to be taken in defining the transactions to be covered and the timing requirements, mindful of the sort of difficulties that may arise in these respects noted above in the context of disclosure requirements (and the fact that proposals may change from time to time). While, in practice, heads of terms of agreement are currently agreed with scheme trustees in a number of corporate transactions, corporate transactions vary widely and not all have sufficiently major implications on the pension scheme to require them.

18. Consideration needs to be given to the interaction with the Listing Rules and the Takeover Code and the potential for an adverse impact on transactions which present no risk to the associated pension schemes.

19. We also have a concern that a mandatory Declaration examining detriment to the scheme and mitigation could produce a significant additional burden in adviser fees for corporate transactions. We welcome the references to risk-based criteria and agree that they are appropriate.

b. Alternatively, are there any other significant business transactions which you think should be captured?

20. We have no comments on this at this stage.

(7) Is there any further information which could be included in a Declaration of Intent to improve understanding of the proposals to strengthen the position of the pension scheme?

21. The requirements need to be sufficiently flexible to allow information to be presented in a useful way, which may vary on a case by case basis. It may help the regulator to assess the treatment of the Scheme if the Declaration were to set out the timeline of consultation with trustees in the context of the transaction, but any requirements in that respect should take account of the practical realities of negotiations which often involve moving deadlines and last minute changes.

(8) At which point in the transaction process should sponsoring employers a) engage with trustees and b) issue a Declaration of Intent to them?

22. We are concerned that transactions cross a far wider spectrum of structure and activity than appears to be assumed in the consultation. Further, transactions change during the course of negotiation – a share sale may become a business transfer, a division may be part of the proposed sale to Bidder A but not to Bidder B, competition law commitments may mean some of the business is sold on again shortly afterwards. The declaration may change with each transaction.

23. Therefore we do not consider it is realistic to draft a specific defined stage that is the point at which the duty applies. Our view is that a Code of Practice style approach is more appropriate in that it can give clear examples of when the duty is and is not triggered, leaving the parties to judge where their specific deal sits. Even this, however, may increase costs and cause delay through resource allocation required, which could be of particular concern in a distressed situation.

(9) What would be the impact (both direct and indirect) of our proposals on businesses, for example on transactions or administration costs of notification?

24. We are concerned that businesses could incur significant adviser costs if the duties arise too soon (so in transactions that are more likely not to proceed) or the content of the Declaration of Intent carries too much consequence or requires too much detail. Process will require extended timetables as well as incur costs. Given the proposed penalties, trustees will also be likely to seek early advice as well as second opinions.

25. Confidentiality will be harder to maintain which, on top of direct costs, may discourage companies with defined benefit schemes from entering into potentially beneficial transactions, or constrain them from being able to participate in auction processes. The risks of the information becoming public, whether as a result of breach of those who owe duties of confidentiality or otherwise, may differ according to the nature of the transaction. For instance, confidentiality may be particularly important in the case of a distressed sale, or where an auction is involved. In considering this, government should not simply assume that those owing duties of confidentiality will necessarily comply with them and might also consider sanctions for breach of obligations of confidentiality where they would not already be sufficient.

(10) What more could we do to increase trustees' involvement in negotiations to ensure there is due consideration of the potential transactional risks to pension schemes?

26. A number of the proposals would mean that trustees could be expected to engage more frequently with their sponsor and agree how and when information will be shared. We see this as positive. However, companies may be reluctant to share potentially sensitive business plans in advance with the trustees even where confidentiality agreements and conflicts policy are well established and the proposals need to be mindful of this.
27. We think that best practice is for sponsoring employers to engage with trustees at least annually and for trustees to perform regular updated covenant monitoring. We agree trustees and sponsors should have regular dialogue in terms of covenant monitoring and such engagement and monitoring are, of course, dependent on appropriate openness and the provision of relevant information. The important factor is that trustees are informed of the transaction in question at the appropriate juncture to enable them to consider the position and take such action as they deem necessary.
28. It should also be recognised that the sustainable business objective has resulted in many situations of a more collaborative and constructive relationship between trustees and sponsoring employers. The proposals being made could result in funding discussions between employers and trustees becoming more challenging and potentially resulting in unintended adverse outcomes for either the business or the pension scheme. One idea could be for the Regulator to issue a Code of Practice (or examples of best practice) around employer/trustee liaison. The risk-based thresholds mentioned in notifiable events could operate here as well.

VOLUNTARY CLEARANCE

(11) Are these the right areas for the Pensions Regulator to focus on in relation to improvements to their existing guidance? Should anything else be considered?

29. We believe that there is scope for the voluntary clearance regime to be significantly improved. If it were to be more effective, this might help drive some of the other behaviours that government seeks to promote, including earlier disclosure and reduce cost and uncertainty to business. Practitioners have reported that the Regulator remains very risk-averse in exercising clearance powers, for instance looking for security to be provided for the full section 75 debt (ie, on a buyout basis). We would prefer to see the Regulator make clearance more available in cases where, on the information available, it appears on balance likely to be a better deal for the scheme and its members than the status quo without placing the sponsoring employer under unreasonable constraints/restrictions. We would also like to see government support such an approach by the Regulator in a consistent and robust way.

SECTION 3: IMPROVED REGULATOR POWERS

(12) What are the likely effects and impacts on business and trustees of the introduction of this proposed new system of penalties?

30. As we mention at Q10 above, trustees will need to engage more frequently with their sponsor and agree how and when information will be shared. We see this as positive. Companies may be reluctant to share potentially sensitive business plans in advance with the trustees so it is important that requirements or guidance are clearly defined.
31. A well run scheme is unlikely to be concerned by many of these changes, and may even view them as positive given the increased penalties for companies who fail to communicate key matters when they should, or who otherwise jeopardise the scheme.
32. However, companies could see tighter controls as hampering their ability to carry out major transactions. It is therefore important that any new requirements are proportionate and this is particularly the case where sanctions may apply personally, particularly criminal sanctions.
33. The table on page 19 of the consultation mentions the proposed imposition of escalating fines for non-compliance with information requests (and, for example, to those who are

'delayed' in providing information, including advisers). This could include situations where the relevant person is attempting to comply but is experiencing difficulty, which does not appear be an analogous situation to their application in an auto-enrolment context (where they are applicable in cases of deliberate non-compliance). If it is proposed that these escalating fines are extended in this way, we think the consultation needs to make this clear, setting out the rationale for why this is appropriate and seeking comments on this aspect of the proposals.

(13) Are there other behaviours that should attract sanctions? If so, what are they

34. This list is extensive, and we do not think there are any others that are needed. The proposals on 'wilful and grossly reckless' behaviour are in our view too broad (see response to Q15).

(14) We have proposed a new civil penalty (up to a maximum £1m) for example to take action for non-compliance with providing a declaration of intent. Will this deter wrongdoing? If not, what would be a suitable deterrent?

35. We would defer to experience of the government and courts on this in the hope that they have evidence between the relationship between levels of sanctions and likelihood of compliance, and the possibility of diminishing returns where severe sanctions for business conduct become ever more commonplace. The way that the Regulator exercises its powers may also have a deterrent effect and it is important that, regardless of the severity of sanctions, enforcement action is taken where appropriate and that the Regulator is resourced to exercise its powers.

(15) We have proposed a new criminal offence for wilful or reckless behaviour in relation to a pension scheme, and for failures to comply with Contribution Notices and the Notifiable Events Framework. Do you agree with these proposals? Will this deter wrongdoing? If not, what would be a suitable deterrent?

36. We believe that the proposals on 'wilful or grossly reckless behaviour' will need considerable further thought and definition, especially as this is to be a criminal offence. It will be necessary to link the state of mind to some adverse consequence and breach of duty (at the moment wilfully complying with the requirements would be caught). It is essential that the relevant test for such an offence can be simply applied in a sufficiently wide range of circumstances to address the mischief that government intends, but no further. The Regulator will also need the offence to be well defined as investigating criminal offences require adherence to criminal evidence gathering standards and Codes of Practice.
37. Government should also consider whether the severity of the sanctions are appropriate in the context, mindful that some individuals may proceed with their planned actions regardless.

(16) If yes, should the maximum penalty for these offences be:

a. Unlimited fines?

38. Please see our response to Q.14 above.

b. Custodial sentence and/or fine for the worst offenders – do you have views on the appropriate maximum term?

39. Please see our response to Q.14 above.

(17) What more can we do to support the Pensions Regulator in enforcing legal requirements in an effective and proportionate way?

40. The consultation mentions ongoing work to improve engagement with other regulators at page 16. This is an essential part of supporting the Regulator's enforcement activity. For example, the recent BEIS/IS consultation on Insolvency and corporate governance (available here) failed to mention the current powers of the Regulator and the White Paper proposals for improving them. Similarly, this DWP consultation paper doesn't mention the current and

proposed powers of other regulators. There needs to be a more holistic approach across all regulators, including the UKLA and the Takeover Panel, which operates effectively and without undue delay.

41. It will also be key to make sure that these requirements are well publicised, and that companies and trustees are regularly reminded of them.

42. Government should ensure that the Regulator is adequately and appropriately resourced to enforce the new framework.

SECTION 4: ANTI-AVOIDANCE POWERS

CONTRIBUTION NOTICES

(18) We have set out a number of proposed changes to the way Contribution Notices function.

a. Do these proposals strike the right balance between improved regulations on business and protecting pensions?

43. We note the extension of issuing CNs to anyone connected to an FSD recipient is a significant extension and appropriate safeguards are needed. Also the new limb on the material detriment test could capture many more situations and could benefit from a materiality and/or funding carve out. The key to whether they achieve the right balance for business and pension schemes will be the approach the Regulator takes in using them.

b. Alternatively, what else could we do to improve the way Contribution Notices work?

44. We have no comment on this question at this stage.

(19) What would be the most appropriate way of protecting the value of the Contribution Notice through uprating? What are the likely impacts of this?

45. We support the principle of uprating the value of the contribution notice. Whatever method of calculation is adopted, it will be necessary to consider the practicalities, for instance the potential for negative returns during the relevant period (of indexed funds, or pension schemes).

(20) What could be the impacts of changing the date at which the cap was calculated to a date closer to the final determination?

46. This proposal will increase uncertainty for the target. However we support bringing the cap up to the date of the final determination as it is consistent with the proposed uprating of the Contribution Notice. It would, however, be necessary for the Regulator to take into account the reason for the delay in the final determination (for instance, if it is not caused by the target). These two proposed changes should be considered together so that they achieve consistent results.

FINANCIAL SUPPORT DIRECTIONS

(21) What would be the likely impacts on business of a more streamlined Financial Support Direction regime?

47. We support streamlining of regulatory processes. However, it appears that there is no procedure for appeals by the target of the Financial Support Direction in the proposed changes. We believe that there should be an appeals process. If it is appropriately constructed it might help reduce otherwise potentially lengthy legal challenges.

(22) How could we best amend the 'insufficiently resourced' test to make it simpler and clearer?

48. We would be happy to consider this further if government would identify which aspects of the test it currently believes are unclear or over-complicated. It would also be necessary to

consider whether simplification might have unintended consequences, for instance reducing certainty of result or imposing obligations on targets that they are not resourced to meet.

(23) We propose to tighten up the forms of financial support the target is required to make to the scheme to include cash payments or statutory guarantees.

a. What would the impact of this approach be on business?

49. We agree that the current scope of FSDs is not always clear. Cases involving FSDs are rare and, if that is to stay the same, the impact on business is unlikely to be significant. We would encourage the government to perform and publish an impact assessment when the proposals are clearer.

b. Are there other forms of support we should take into consideration?

50. In our view, any financial support which is acceptable to the Pension Protection Fund as a contingent asset ought to be valid as financial support for compliance with an FSD. These assets are well-understood by practitioners and provide good security in most scenarios for schemes. There are other forms of financial support arrangements currently provided by employers to pension scheme such as binding escrow accounts backing recovery plans. We suggest these types of arrangements are also considered.

(24) What would be the impact on business of a longer 'lookback' period?

51. This change would create significant uncertainty and will need to come with appropriate safeguards. If pursued, this would make it all the more useful to have an improved voluntary clearance regime to reduce uncertainties. FSDs may be issued without any default on the part of the recipient of an FSD, in contrast to the position for CNs. We do not therefore believe that there is a rationale for making the look back period the same and we believe that the period for FSDs should continue to be shorter than that for CNs. A two year period is consistent with that applying to certain insolvency procedures.

SECTION 5: CONCLUSION

(25) The proposals in this consultation are suggested as ways in which the Pension Regulator's powers could be increased or improved in order to clamp down on corporate wrongdoing and ensure improved compliance with all legal responsibilities by sponsoring employers.

a. Do these proposals strike the right balance between improved regulations on business and protecting pensions?

52. Recent corporate failures have resulted in increasing pressure to improve the exercise of the Regulator's regulatory powers. The consultation paper does not explain exactly how its proposals, particularly those around Contribution Notices and Financial Support Directives, arise from findings of the report of the joint BEIS/Work& Pensions committees' inquiry report on Carillion. In the absence of a robust cost benefit analysis, which would help assess the potential increase in pension protection, there appears to be a potential impact on business that could be detrimental to pensions in the longer term.

53. We believe that it is equally important to legislate to strengthen the position of the trustees (not just the Regulator) so that they are in a better position to interact with employers. For example, so that they receive relevant information about transactions or restructuring at the sponsoring employer on a timely basis to allow them sufficient time to properly consider the implications for the scheme. Currently, trustees can be backed into a corner when they are informed too late. There are also concerns about decisions made by companies further up a group of companies and how that information filters down to the sponsoring employer and the trustees, especially where there is overseas ownership. However, as noted above, there are confidentiality concerns in sharing information of this kind with trustees (particularly if there are representatives of affected parties on the trustee board).

b. Alternatively, do you think there are other areas where the Pensions Regulator's powers could be increased or improved to achieve our intended outcomes?

54. We have no further comments at this stage.