



31 December 2008

Our ref: ICAEW Rep 148/08

Your ref:

The Regulated Community Learning Team
The Pensions Regulator
Napier House
Trafalgar Place
Brighton BN1 4DW

By email kate.gerrard@thepensionsregulator.gov.uk

Dear Ms Gerrard

REVIEW OF THE TRUSTEE KNOWLEDGE AND UNDERSTANDING (TKU) CODE OF PRACTICE (CODE OF PRACTICE 7) AND SCOPE GUIDANCE

The Institute of Chartered Accountants in England and Wales (the Institute) welcomes the opportunity to comment on the consultation paper *Review of the Trustee Knowledge and Understanding (TKU) code of practice (code of practice 7) and scope guidance* published by the Pensions Regulator in October 2008.

The Institute operates under a Royal Charter, working in the public interest. Its regulation of its members, in particular its responsibilities in respect of auditors, is overseen by the Financial Reporting Council (FRC). As a world leading professional accountancy body, the Institute provides leadership and practical support to over 132,000 members in more than 160 countries, working with governments, regulators and industry in order to ensure the highest standards are maintained. The Institute is a founding member of the Global Accounting Alliance with over 700,000 members worldwide.

Our members provide financial knowledge and guidance based on the highest technical and ethical standards. They are trained to challenge people and organisations to think and act differently, to provide clarity and rigour, and so help create and sustain prosperity. The Institute ensures these skills are constantly developed, recognised and valued.

General comments

1. We consider that the proposals are sensible and straightforward. We support this important initiative and are pleased to note that the Institute's input has contributed to the development of the draft code of practice and guidance on scope of the TKU requirements.

Comments on specific issues

2. In view of developments in pension practices and guidance, we consider that the following are additional areas where Trustees may need to demonstrate knowledge and understanding.
 - ☞ Taking a scheme through a Pension Protection Fund (PPF) Assessment period. Guidance has been issued by the PPF in this respect.
 - ☞ Given the heightened availability and interest of Trustees in pension scheme buy-out and buy-in arrangements, demonstration of TKU in this area would be beneficial.

Comments on issues of particular interest to the regulator

We have no comments to add in respect of the 10 points in the consultation paper.

Please contact me should you wish to discuss any of the points raised in this response.

Yours sincerely

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