

TPR CONSULTS ON A NEW SINGLE CODE OF PRACTICE (COP)

- TPR's new COP replaces the existing 15 COPs in two phases
- Phase 1 replaces 10 COPs and comprises 51 modules (consultation ends 26 May 2021)
- Phase 2 will comprise the remaining 5 COPs (DB funding; notifiable events; modification of subsisting rights; material detriment test; and authorisation/supervision of master trusts)
- The COP is designed as a web-based product
- Trustees/managers of pension schemes and scheme managers/boards of public service pension schemes (PSPS) will be required to exercise judgement as to what is reasonable and proportionate for their scheme when complying

THE GOVERNING BODY

18 modules cover 6 key areas:

- **Board structure and activities** (role of the governing body; recruitment of members including member-nominated appointments; role of the chair; meetings and decision making; and remuneration policy)
- **Knowledge and Understanding (KU)** (working knowledge of pensions (generally and scheme specific); governance of KU and then building/maintaining KU)
- **Value for members (VFM)** (for DC schemes, assessing and determining VFM and managing poor VFM)
- **Managing advisors and service providers** (appointment, managing and replacing)
- **Risk management** (identifying and assessing risks; managing risk using internal controls; assurance of governance and internal controls; continuity planning; conflicts of interest; and own risk assessment (ORA))
- **Scheme governance** (establishing and operating an effective system of governance (ESOG); and internal controls and reviews)

'Governing body' means trustee, manager or pension board as appropriate

Governance Regulations and IORP II introduced new requirements and TPR sets out its expectations on governance in these modules

There are some new modules, e.g. one on the ORA in relation to the scheme's ESOG

[Click here for a PDF of the consultation document](#)

[Click here for Annex 1 \(draft of the new COP\)](#)

[Click here for Annex 2 \(where the new COP modules come from\)](#)

[Click here TPR's Consultation and response information](#)

FUNDING AND INVESTMENT

8 modules cover 8 key areas:

- **Investment governance** (policies and procedures; powers and responsibilities, DB and DC)
- **Investment decision-making** (processes; controls; delegation & objectives)
- **Implementation report** (trust based schemes)
- **Investment monitoring** (reviewing and reporting)
- **Stewardship** (ESG focus on risk and return and exercising investment rights)
- **Climate change** (physical risks and transitioning to low-carbon economy)
- **Statement of Investment Principles (SIPs)** (content and considerations)
- **Default arrangements and charges restrictions**

Some new modules, e.g. ESG stewardship and climate change

ADMINISTRATION

10 modules cover 4 key areas:

- **Scheme Administration** (KU of processes and systems)
- **Information handling** (focus on financial transactions; transfers; scheme records; and data monitoring)
- **IT** (maintenance of IT systems and cyber risk & controls)
- **Contributions** (receiving, monitoring contributions and resolving overdue payments)

New modules include transactions and IT/cyber risk focus

COMMUNICATIONS AND DISCLOSURE

11 modules cover 2 key topics:

- **Information to members** (general principles for member communications; statutory financial statements for DC, DB and PSPS; retirement risk warnings and guidance; short service refunds/refunds of contributions; chair's statement and scams)
- **Public information** (publishing information about PSPSs, audit requirements and dispute resolution procedures)

REPORTING TO TPR

4 modules cover 2 topics:

- **Regular reports** (registrable information and scheme returns)
- **Whistleblowing** (reporting breaches of the law; who must report; the decision to report; and how)

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