

## Unfinished business

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Clifford Sims, Partner  
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## Unfinished business: overview

- SAB, Government, TPR
- Kay Review; progress report
- The IORP question
- Yet more unfinished business



## Unfinished business

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- (Shadow) Scheme Advisory Board
  - Governance guidance
  - Deficit management
  - Central Government/Administering Authority guarantees and the IORP question
- DCLG/HMT/Cabinet Office
  - Structural reform: CIVs; passive/active
  - Investment Regulations
- TPR
  - Disclosure Regulations
  - Code of Practice 14



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- BIS: Implementation of Kay Review Progress Report:
  - FRC Stewardship Code
  - Long termism embedded into regulatory guidance (Regulation 9 Investment Regulations)
  - FCA review of competition in asset management and investment consultancy
  - Executive remuneration
  - Consideration of Article 18 of IORP



## The IORP question

- Law Commission Report: Fiduciary Duties of Investment Intermediaries
- The Unison 2007 Opinion: SSAB's further Opinion (2014)
- The issues:
  - Is there an ultimate guarantor for LGPS benefits and if so, who is it?
  - In whose interests must LGPS assets be invested?
  - What are the consequences of the LGPS funds being IORPs?
  - If IORP applies, does the law need to change at all?

## Regulatory consequences

Legislative (Investment Regulations) amendments	Guidance/Codes	No change (self-regulation)
Deficit management	Consistent reporting of data	Fiduciary duties
IORP Issues		Fair Deal?
Mandatory CIVs Compulsory use of passive	Comply or explain for passive?	
IMA terms	Kay Report: FRC Stewardship Executive Remuneration	

## Yet more unfinished business

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- Budget 2014: transfers from LGPS
  - Guidance guarantee/fiduciary duties
  - AVC transfers – permitted?
  - Transfer Club?
- Devolution to regions and more structural upheaval?
- EU Directives
  - Procurement (2014/24 EU)
  - IORP II
  - Shareholders' Rights (2007/36/EC and 2013/34/EU)

## Contact details

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## The small print

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## Worldwide locations

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Columbus	New York	Washington DC		Birmingham	Kyiv	Prague	Perth
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