

TRANSFERS TO CERTAIN OVERSEAS PENSION SCHEMES

We have been alerted to information issued recently by HM Revenue and Customs (HMRC) concerning potential problems with pension transfers to certain overseas pension schemes.

The information was included in a recent Local Government Pensions Committee Bulletin (71) which Firefighter pensions administrators may not have seen and is therefore reproduced below (see also a link to the Bulletin):

<http://www.lge.gov.uk/lge/aio/6423115#QROPS>

Information concerning another fund, Amstel Pulitzer Stichting Pensioenfonds, was also provided by HMRC to an administrator and a copy of the relevant e-mail communication is also included.

Communities and Local Government

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HMRC – QROPS

HMRC's Anti-fraud unit contacted an administering authority to request information relating to QROPS transfers to Wenns International Pension Scheme and Southern Star Retirement Fund. HMRC confirmed that the two schemes remain on the current QROPS list, but they were unable to confirm that transfers to those particular schemes are recognised transfers for the purposes of Finance Act 2004. Although relying on the QROPS list and paying transfer in good faith will "normally provide just and reasonable grounds for HMRC to discharge any liability of the scheme administrator to the scheme sanction charge. (see RPSM14101050 and RPSM04104870)". The quote is taken from an [HMRC document](#) on QROPs.

The HMRC lead official on this matter is Alan Bush who can be contacted on alan.bush@hmrc.gsi.gov.uk. One administering authority has contacted Alan Bush and received the following reply from him:

1. *HMRC is unable to comment on particular investigations or enquiries.*
2. *As regards Southern Star and Britannia (the two NZ schemes that have come to our attention in particular) , I would refer you to the wording at the top of the published QROPS list - namely where a scheme administrator relies on the QROPs list and does so in good faith, this should normally provide just and reasonable grounds for HMRC to discharge any liability to the scheme sanction charge should it arise.*
3. *As for Wenns International, HMRC is unable to confirm that any transfer to this scheme is a recognised transfer and scheme administrators could be liable for the scheme sanction charge if it transpires that an unauthorised payment has been made.*
4. *If transfers have been made to Wenns International, HMRC would like to receive details (including transfer paperwork).*
5. *Transfers to all QROPS should be reported on Event Reports in the normal way.*

Note the response refers to a third scheme (Britannia) over which HMRC have concerns. [RPSM141055](#) covers the removal of overseas schemes from the QROPS list. The end of the page contains the following information:

"Where the scheme administrator has relied in good faith on the fact that the overseas scheme is included on the latest published QROPS list when making a transfer to it this should provide just and reasonable grounds for HMRC to discharge their liability to the scheme sanction charge if the scheme is subsequently withdrawn from the list by HMRC (see RPSM04104870).

This is on the basis that the administrator is expected to have carried out reasonable checks. Before making an overseas transfer the administrator should have checked the published QROPS list, and in particular must have done so no more than one day before the transfer was made. The administrator should keep in their file a printout of the page from the list including the QROPS from the day before the transfer (and also retain a copy of the overseas scheme's QROPS acceptance letter if this has also been obtained).

These actions should also provide just and reasonable grounds for HMRC to discharge any liability of the member to the unauthorised payments surcharge (see RPSM04104780). These discharges can be made under section 268.

However, there may still be an unauthorised payments charge liability for the member in these circumstances (see RPSM04104510). Enforcement of that charge will depend on the particular facts and circumstances of each individual case."

The Secretariat also understands that another administrator has contacted The Pensions Regulator (TPR) for advice and the advice received mirrored that from HMRC.

With regard to;

Britannia Superannuation Scheme and Southern Star Retirement Fund

TPR advised that where a scheme administrator relies on the QROPS list and does so in good faith, this should normally provide just and reasonable grounds for HMRC to discharge any liability to the scheme sanction charge should it arise.

With regard to;

Wennis International Pension Scheme,

TPR advised that the HMRC is unable to confirm that any transfer to this scheme is a recognised transfer and the "trustees" could be liable for the scheme sanction charge if it transpires that an unauthorised payment has been made.

Although the advice at [RPSM141055](#) suggests that the administering authority could rely on checking that a scheme is on the QROPS list published no more than one day before a transfer is made, one administering authority has been advised by HMRC that they should also seek to make further reasonable checks such as writing to the member, if he / she is under 55, asking what his intentions are regarding the transfer (e.g. does he intend taking the benefits straight away).

If there are any reservations whatsoever about the nature of the receiving scheme and, in particular the fact that transfers to the Wenns International Pension Scheme could result in a scheme sanction charge, it would be prudent not to make any transfer payments to that scheme.

Amstel Pulitzer Stichting Pensioenfonds

“When we spoke this morning I forgot to mention that we have concerns regarding another QROPS. It is called Amstel Pulitzer Stichting Pensioenfonds and it is based in Waalwijk in The Netherlands.

As with Wenns International, HMRC cannot guarantee that any transfer made to Amstel Pulitzer will be a recognised transfer which means there is a very real possibility of the scheme facing a scheme sanction charge and the member suffering a tax charge of 55% of the transfer value.

Transfer requests to Amstel Pulitzer have in some areas become commonplace recently. Can I suggest that you consider contacting any members who have completed transfer applications to Amstel Pulitzer by using the wording supplied to you in respect of Wenns International? Could you also please forward details and copies of all correspondence, emails etc in respect of any transfers you have already made to Amstel Pulitzer?

*Many thanks,
Colin Robinson | Anti Fraud Unit | CAR Pension Schemes Services | 0115
974 2323”*