

**SELF-INVESTED PERSONAL PENSIONS (CONTRACTING OUT)
INSTRUMENT 2008**

Powers exercised

- A. The Financial Services Authority makes this instrument in the exercise of:
- (1) the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
 - (a) section 138 (General rule-making power); and
 - (b) section 156 (General supplementary powers); and
 - (2) the other powers and related provisions listed in Schedule 4 (Powers exercised) to the General Provisions of the Handbook.
- B. The rule-making powers referred to above are specified for the purpose of section 153(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 1 October 2008.

Amendments to the Handbook

- D. The Conduct of Business sourcebook (COBS) is amended in accordance with the Annex to this instrument.

Citation

- E. This instrument may be cited as the Self-Invested Personal Pensions (Contracting Out) Instrument 2008.

By order of the Board
25 September 2008

Annex

Amendments to the Conduct of Business sourcebook (COBS)

In this Annex, underlining indicates new text.

- 13.4.4 R There is no requirement to include a *projection* in a *key features illustration*:
- (1) for a single *premium life policy* bought as a pure investment product, a product with benefits that do not depend on future investment returns or any other product if it is reasonable to believe that a *retail client* will not need one to be able to make an informed decision about whether to invest; or
 - (2) if the product is:
 - (a) a *SIPP* from which no *income withdrawals* are being taken (but if the *SIPP* is being used to contract out of the State Second Pension, the *key features illustration* must include a *projection* for an *appropriate personal pension* and a *contracting-out comparison*, for those benefits); or
 - (b) a *life policy* that will be held in a *CTF* or sold with *basic advice* (unless the *policy* is a *stakeholder pension scheme*).

...

- 14.2.1 R A *firm* that sells:
- (1) ...
 - (3A) the variation of a *SIPP* to a *retail client*, to contract out of the State Second Pension, must provide the *client* with a *projection* for an *appropriate personal pension* and a *contracting-out comparison* for those benefits together with such additional information as is necessary for the *client* to understand the consequences of the variation;

...