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Wiltshire Pension Fund Committee Member confirmation of continued MiFID II Compliance

Introduction

Reference – The Investment sub-Committee meeting dated 13th September 2017 (Minute 25) confirmed the Wiltshire Pension Fund (“the Fund”) to opt for “Professional Investor” status with effect from 3rd January 2018.

The qualification for adopting the “per se” professional investor status under FCA categorisation was based on the Fund’s nature as a Pension Fund and as a local or public authority. To enable the Fund to maintain its opted up status, good governance arrangements have been set in place to ensure Members selected to oversee the Fund’s investment matters continue to discharge their duties and responsibilities in accordance with the regulations.

These arrangements were agreed as part of the Fund’s training strategy at the Wiltshire Pension Fund Committee meeting dated 12th December 2018 (Minute 79) & the WPF Board meeting dated 24th January 2019 (Minute 11).

By reading and acknowledging this document, Pension Committee members agree to annually self-certify that they have undertaken, or are undertaking, the relevant training to maintain their knowledge and understanding of investment matters and ensure that they continue to be MiFID II compliant in order to carry out their duties.

In certifying continued competence to discharge their duties and responsibilities, the Pension Committee Member has given consideration to the following definitions and criteria;

Definitions

- ‘Knowledge’ – acquiring and maintaining an appropriate level of experience to fulfil the Fund’s obligations of a “professional client” status and possess the necessary knowledge to meet the relevant regulatory and legal requirements and business ethics standards;
- ‘Appropriate experience’ – that as a Member they continue to successfully demonstrate their ability to perform the relevant service through their role;
- ‘Competence’ – that as a Member they can assess and review compliance with the MiFID II guidelines, notably that they can understand and apply the Fund’s internal policies and procedures designed to ensure compliance with MiFID II.
- ‘Investment products’ means the financial instruments and structured deposits as defined in MiFID II.

Criteria for the knowledge and competence of Members

The training strategy ensures that Members are provided with training and information in order to carry out their roles. The [CIPFA Knowledge and Skills framework for LGPS committee members](#) provides a list of competencies required.

A general understanding of MiFID II and its context is covered in the section on Financial markets and products, including Investment pools (E&W), this section is set out below:

- a. A general understanding of the primary importance of the investment strategy decision.
- b. A general understanding of the workings of the financial markets, the investment vehicles available to the pension fund and the nature of the associated risks.
- c. An awareness of the restrictions placed by legislation on the investment activities of LGPS funds.
- d. A general understanding of MiFID II requirements relating to the knowledge of decision makers.
- e. A general understanding of the investment pool operator's approach to pooling and delivering access to the different asset classes and/or investment funds.
- f. A general understanding of which assets and investments may sit outside of the investment pool and why their nature and characteristics permit this.
- g. An awareness of how the fund interacts with the taxation system in the UK and overseas in relation to investments.

Competencies required regarding an awareness of the LGPS regulations' main features and requirements relating to investment strategy, asset allocation, the pooling of investments and responsible investments, including associated guidance, are set out in more detail in the CIPFA Knowledge and Skills framework document.