



Financial Reporting Council

# FRC Confidential

## Statement of Requirement February 2023

Pension fund monthly returns data / database  
(Our reference FRC2023-018)

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## **UK DC pension investments - monthly return data**

*FRC's Project reference FRC2023-016 Actuarial Standards Technical Memorandum 1 (AS TM1)*

### **1. The Financial Reporting Council (FRC)**

- The purpose of the Financial Reporting Council (FRC) is to serve the public interest by setting high standards of corporate governance, reporting and audit and by holding to account those responsible for delivering them. Further information <https://www.frc.org.uk/>
- The Government will be establishing the Audit, Reporting and Governance Authority (ARGA) as the successor to the Financial Reporting Council (FRC). ARGA's role will be to protect and promote the interests of investors, other users of corporate reporting and the wider public interest. It is anticipated that the transition from FRC to ARGA will occur within the life of the proposed Agreement.

### **2. Background**

- Since 6 April 2003 money purchase pension arrangements have been required to provide members with Statutory Money Purchase Illustrations ("SMPIs"). These illustrations are governed by the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 as amended. Legislation requires that statutory illustrations are produced in accordance with guidance prepared by a prescribed body approved by the Secretary of State for Work and Pensions ("DWP") and by the Department for Social Development in Northern Ireland.
- The FRC has been the prescribed body since 6 April 2007 and fulfils its obligations through the publication of Actuarial Standard Technical Memorandum 1: Statutory Money Purchase Illustrations ("AS TM1"). AS TM1 specifies the assumptions and methods to be used in the calculation of statutory illustrations of money purchase pensions, also known as defined contribution ("DC") pensions.
- In particular, AS TM1 sets out the prescribed approach for the accumulation rates which providers must use to determine how much the member's current pension pot will grow between now and their retirement. The FRC reviews AS TM1 regularly and will require market data to support this analysis.

### **3. Our Requirement**

- The FRC requires, on an ongoing basis, a source of data for relevant fund returns. We consider the most direct way to do so is to obtain a subscription with a data provider which can provide the data required for this work.
- Our requirement is therefore an ongoing\* subscription with a well-established data provider which can provide the data we required for this work, namely:

- Monthly return data for UK pension funds – i.e. the % change between the price (on a consistent basis) between the first day (or most recent available pricing date before this) and last day of the month (or most recent available pricing date before this).
- At least 500 (ideally more) distinct currently active funds, with a reasonable representation of different asset allocations that exist in the market
- Dating back to at least January 1990.
- Data should be available as soon as possible after reporting date, ideally within 4 weeks. For example, the monthly return for 31 January 2023 should be available for download by 28 February 2023.
- Data should be available for download anytime for use in Excel (with reasonable maintenance blackout period). If a reduced tariff for reduced frequency of access to data is offered, we would be interested to know.
- Data should be accessible virtually.
- Facility to query data (with defined SLA) where anomalies or data gaps are identified
- Unique identifiers per fund must be included
- Ideally including identifiers for the asset types included in the fund
- User friendly and training for users to be included in the offering
- Value for Money (cost)
- Data can be shared internally within the FRC and used in summary within FRC external and internal publications

\* Likely initial Term of three years.

#### 4. Timelines

DATE/TIME	ACTIVITY
21/02/2023	Publication of the Invitation to Tender
By 02/03/2023 by 12.00noon	Deadline to submit clarification questions
By 14/03/2023 by 5.00p.m.	Deadline for publication of responses to clarification questions  Note: The Authority will endeavour to meet this timeline. Any changes will be notified by writing by the Authority.
24/03/2023 by 12.00noon.	Deadline for supplier submission of tender to the Authority
On/ around 31/03/2023	The FRC will shortlist the top scoring suppliers and these shortlisted suppliers informed
06/04/2023 and/or 07/04/2023	Shortlisted suppliers System demo.
On/ around 14/04/2023	Tender outcome
01/05/2023	Contract Start Date (for an Initial duration of three years).

Note: The FRC may change this timetable at any time. Potential Providers will be informed if changes to this timetable are necessary.

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## 5. Questions & Clarifications

- Potential providers may raise questions or seek clarification within the timeframe by submitting questions to [procurement@frc.org.uk](mailto:procurement@frc.org.uk)
- The authority will not enter into exclusive discussions regarding the requirements of this further competition with potential providers.
- To ensure that all potential providers have equal access to information regarding this further competition, the authority will publish all its responses to questions raised by potential providers on an anonymous basis.
- Responses will be published in a questions and answers document to all potential providers who have registered an interest.

## 6. Submitting a tender

- Potential providers must submit their tender response within the deadline to [procurement@frc.org.uk](mailto:procurement@frc.org.uk) please see Tender evaluation below.
- A Tender must remain valid and capable of acceptance by the Authority for a period of 90 days following the Tender Submission Deadline. A Tender with a shorter validity period may be rejected.

## 7. Tender evaluation

- Please submit your proposal to reflect how your organisation can meet the FRC's requirement (including cost). Existing brochures of your offer will be accepted (however must cover all the core stated Requirements).
- You should also indicate your availability for system demonstration on 6<sup>th</sup> April 2023, and the 7<sup>th</sup> of April 2023.
- The FRC will award to the supplier that best meets the FRC's requirements (as per 3. Our Requirements). We should provide the proposed Terms & Condition for early review.

## 8. Outcome letters and call off contracts

- Upon contract award potential providers will be notified of the outcome by written communication.
- The Authority will not undertake a Standstill period.



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