Finance Bill 2025-26 – consultation on draft clauses

The PMI’s response

The Pensions Management Institute

As the UK’s leading professional body for pensions professionals, we support over 7,000 members across a wide range of disciplines—including pension managers, lawyers, actuaries, consultants, and administrators—who collectively represent the breadth and depth of the pensions industry.

Our members play a critical role in managing and advising some of the world’s largest institutions, helping to shape decisions that influence over £1 trillion in UK pension assets. For nearly five decades, the PMI has championed professional standards, delivered industry-leading qualifications, and fostered collaboration across the sector. Our response reflects the practical insights and experience of our members, who are committed to improving retirement outcomes and securing the long-term financial wellbeing of savers across the UK.

Response Summary

The Pensions Management Institute (PMI) welcomes the opportunity to respond to HMRC's consultation on the draft clauses of the Finance Bill 2025–26. As the professional body supporting trustees and pensions professionals across the UK, the PMI is committed to ensuring that legislative reform is proportionate, practical, and aligned with the statutory duties and member-facing responsibilities embedded within the pensions sector.

The PMI has serious concerns regarding the proposed registration requirements for tax advisers. As currently drafted, the legislation broadens the scope of the proposals far beyond that envisaged by the Minister and risks unintended consequences for pensions practitioners who are legally required to provide tax-related information to scheme members and routinely interact with HMRC. These interactions - such as the provision of Pension Savings Statements to scheme members and submission of scheme returns to HMRC - are mandated by pensions legislation and do not constitute discretionary tax advice. It is therefore essential that HMRC clarify whether such transactions are intended to fall within scope of the registration provisions.

The draft clauses also depart from long-established definitions within financial services legislation. Specifically, the redefinition of "advice" diverges from the well-understood FSMA framework, creating unnecessary regulatory ambiguity. Similarly, the definition of "senior manager" differs from existing legislative standards, which may lead to misinterpretation and compliance challenges across the sector. If HMRC intends to aim these latter provisions at the 'guiding minds' of the organisation, then adopting the FSMA definition of 'senior manager' would provide certainty.

The PMI is also concerned about the practicality of the proposed compliance requirements. The draft legislation places a duty on registered organisations to ensure that none of their senior managers have outstanding tax returns or liabilities, and to report any changes in status to HMRC. For large organisations, this requirement is likely to be unworkable, and HMRC's assertion that existing systems can verify compliance lacks sufficient operational detail.

We note that payroll and customs advisers are exempted from the registration requirements. The PMI recommends that a similar exemption be extended to pensions practitioners, except where they provide regulated tax advice. Furthermore, the consultation paper refers to individuals "regulated" by The Pensions Regulator (TPR), despite TPR not being a professional body regulating individuals. This mischaracterisation risks further confusion and should be addressed.

The proposed implementation date of 6 April 2026, with only a three-month transition period, is unrealistic. Many pensions practitioners are unaware they may fall within scope, and significant operational changes would be required to ensure compliance. Should there be any delay in the introduction of the Finance Bill this would further compress the time available for industry preparation.

Conclusion and Recommendations

PMI urges HMRC to reconsider the scope, definitions, and implementation timeline of the proposed registration requirements. Specifically, we recommend:

- A clear exemption for pensions practitioners undertaking statutory duties, except where they provide regulated tax advice.
- Alignment of key definitions—particularly "advice" and "senior manager"—with existing legislation such as FSMA.
- Greater clarity on compliance mechanisms, especially for large organisations.

- A revised implementation timeline that allows for meaningful industry engagement and operational readiness.
- Improved consultation materials and explanatory notes that clearly set out the rationale for each clause and reflect cross-departmental expertise and input.

The PMI stands ready to support further dialogue and provide detailed observations to ensure that the legislation is coherent, proportionate, and fit for purpose.