

GREATER MANCHESTER PENSION FUND URGENT MATTERS PANEL

23 August 2017

Commenced: 9.30am

Terminated: 9.45am

Present: Councillor K Quinn (Chair)

Councillors Cooney, JM Fitzpatrick and Pantall

**Apologies for Councillor M Smith
Absence**

1. DECLARATIONS OF INTEREST

There were no declarations of interest submitted by Members.

2. MIFID II: CLIENT CATEGORISATION

Consideration was given to the Assistant Director of Pensions, Investments, which explained that the Financial Conduct Authority's implementation of MiFID II would categorise Local Authorities as Retail Clients, a change from the current Professional Client status and a one which would severely hamper the Fund's ability to implement its Investment Strategy.

It was explained that 'Opting-up' to Professional Client status would enable the Fund to continue to operate in the way that it had done to date and to continue to access the full range of investment products and services necessary to implement the Investment Strategy.

The implications for GMPF of not 'Opting up' were detailed and the implementation process was outlined, (and appended to the report). It was explained that the fund would need to 'Opt-up' by requesting Professional Client status of each firm with which it intended to conduct investment business or from which it wished to receive information in respect of investment products and services.

It was expected that firms would require confirmation and evidence that a decision to opt-up had been approved at the appropriate level within the Fund's governance structure and that there was clear delegation to appropriate officers of the fund to implement such a decision.

Discussion ensued with regard to the above and the Director of Pensions explained the urgent nature of the large volume of work required to be completed before the change in client categorisation came into force on 3 January 2018 and in particular how everyone would be undertaking at the same time the need to get ahead.

Chair highlighted the importance of 'Opting-up' and agreed that officers should commence the work required to achieve this, expeditiously. He further gave assurances that any additional resources required to complete this process would be made available to the Director of Pensions.

RESOLVED

- (i) That GMPF would look to 'Opt-up' to elective Professional Client status wherever required in pursuit of implementing its Investment Strategy; and**
- (ii) That the Director of Pensions be authorised to implement the 'Opt-up', as necessary.**

CHAIR