

(18 July 2014 – to date)

PENSION FUNDS ACT 24 OF 1956

(Gazette No. 5679, Notice No. 839, dated 11 May 1956. Commencement date: 1 January 1958. [Proc. 330, Gazette No. 5971, dated 8 November 1957].)

REGULATIONS

Government Notice R98 in Government Gazette 162, dated 26 January 1962. Commencement date: 26 January 1962.

as amended by:

Government Notice R2144 in Government Gazette 9437, dated 28 September 1984. Commencement date: 28 September 1984.

Government Notice R1790 in Government Gazette 9892, dated 16 August 1985. Commencement date: 16 August 1985.

Government Notice R1037 in Government Gazette 10249, dated 28 May 1986. Commencement date: 28 May 1986.

Government Notice R232 in Government Gazette 10601, dated 6 February 1987. Commencement date: 6 February 1987.

Government Notice R1452 in Government Gazette 11992, dated 7 July 1989. Commencement date: 7 July 1989.

Government Notice 1920 in Government Gazette 12079, dated 1 September 1989. Commencement date: 1 October 1989.

Government Notice R2361 in Government Gazette 13536, dated 27 September 1991. Commencement date: 30 September 1991.

Government Notice R201 in Government Gazette 14572, dated 12 February 1993. Commencement date: 12 February 1993.

Government Notice R2324 in Government Gazette 15312, dated 10 December 1993. Commencement date: 15 December 1993.

Prepared by:

In partnership with:

Government Notice R141 in Government Gazette 15453, dated 28 January 1994. Commencement date: 28 January 1994.

Government Notice R1838 in Government Gazette 16833, dated 24 November 1995. Commencement date: 24 November 1995.

Government Notice R1677 in Government Gazette 17500, dated 18 October 1996. Commencement date: 18 October 1996.

Government Notice R801 in Government Gazette 18978, dated 19 June 1998. Commencement date: 19 June 1998.

Government Notice R1020 in Government Gazette 19131, dated 14 August 1998. Commencement date: 14 August 1998.

Government Notice R1154 in Government Gazette 19225, dated 11 September 1998. Commencement date: 11 September 1998.

Government Notice R1218 in Government Gazette 19269, dated 25 September 1998 (Correction Notice)

Government Notice R1644 in Government Gazette 19596, dated 18 December 1998. Commencement date: 18 December 1998.

Government Notice R853 in Government Gazette 20267, dated 9 July 1999. Commencement date: 1 July 1999.

Government Notice R896 in Government Gazette 21545, dated 8 September 2000. Commencement date: 1 September 2000.

Government Notice 337 in Government Gazette 22210, dated 6 April 2001. Commencement date: 5 July 2001.

Government Notice R100 in Government Gazette 23080, dated 1 February 2002. Commencement date: 1 February 2002.

Government Notice R1037 in Government Gazette 23689, dated 1 August 2002. Commencement date: 1 August 2002.

Government Notice 558 in Government Gazette 24780, dated 22 April 2003. Commencement date: 22 April 2003.

Government Notice R1739 in Government Gazette 25776, dated 28 November 2003. Commencement date: 28 November 2003.

Government Notice R1355 in Government Gazette 27012, dated 19 November 2004. Commencement date: 19 November 2004.

Government Notice R1105 in Government Gazette 28226, dated 14 November 2005. Commencement date: 14 November 2005.

Government Notice R491 in Government Gazette 28884, dated 29 May 2006. Commencement date: 29 May 2006.

Government Notice R843 in Government Gazette 29139, dated 18 August 2006. Commencement date: 18 August 2006.

Government Notice R1217 in Government Gazette 29446, dated 1 December 2006. Commencement date: 1 December 2006.

Government Notice R73 in Government Gazette 31837, dated 4 February 2009. Commencement date: 4 February 2009.

Board Notice 10 in Government Gazette 33954, dated 28 January 2011. Commencement date: 28 January 2011.

Board Notice 26 in Government Gazette 34024, dated 14 February 2011. Commencement date: 14 February 2011.

Board Notice 149 in Government Gazette 33693, dated 27 Oct 2010. Commencement date: 1 April 2011.

Board Notice 61 in Government Gazette 34152, dated 25 March 2011. Commencement date: 1 April 2011.

Government Notice R183 in Government Gazette 34070, dated 4 March 2011. Commencement date: 1 July 2011.

Board Notice 77 in Government Gazette 37844 dated 18 July 2014. Commencement date: 18 July 2014.

The State President has, under the powers vested in him by section thirty-six of the Pension Funds Act, 1956 (Act No. 24 of 1956), as amended, made the following regulations in substitution for the regulations published by Government Notice No. 1720, dated 8th November, 1957:

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Prepared by:

In partnership with:

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Prepared by:

In partnership with:

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Definitions

In these regulations “**the Act**” or “**the Pension Funds Act, 1956**”, means the Pension Funds Act, 1956 (Act No. 24 of 1956), and any word or expression to which a meaning has been assigned in the Act shall bear such meaning, and-

“**accounting person**”, in relation to an administrator, means an auditor registered in terms of the Public Accountants' and Auditors' Act, 1991 (Act No. 80 of 1991), or an accounting officer contemplated in the Close Corporations Act, 1984 (Act No. 69 of 1984), or such other person approved by the registrar;
(Definition of “accounting person” inserted by regulation 2 of GNR 1838 of 1995)

“**deferred pensioner**” means a member who has left the service of his employer or has otherwise terminated his contributions and has a paid-up benefit in the fund concerned;

“**foreign fund**” means a fund referred to in section 2(2) of the Act;

“**insurer**” means a person that is registered as a long-term insurer in terms of the Long-term Insurance Act, 1998 (Act No. 42 of 1998);
(Definition of “insurer” substituted by regulation 2(a) of GNR 491 of 2006)

“**person or persons managing the business of the fund or trustee or trustees**” includes the committee, committee of management, board of trustees or similar body managing the business of the fund or controlling the fund;

“**principal officer**” means the principal executive officer referred to in section 8 of the Act, who may be a member of a body managing the affairs of the fund or controlling the fund; and

“**privately administered fund**” means a fund other than an underwritten fund;
(Definition of “privately administered fund” substituted by regulation 2(b) of GNR 491 of 2006)

“**underwritten fund**” means a fund referred to in regulation 1 of these Regulations;
(Definition of “underwritten fund” inserted by regulation 2(c) of GNR 491 of 2006)

(Definitions substituted by GNR 2324 of 1993)

PART I

REQUIREMENTS FOR EXEMPTION IN TERMS OF SECTION 2(3)(a) OF THE ACT AND RELATED MATTERS

(Heading substituted by GNR 2324 of 1993)

1. Underwritten fund

(Heading added by regulation 3(a) of GNR 491 of 2006)

An underwritten fund is a fund that complies with the conditions set out below:

(Words preceding paragraph (a) substituted by regulation 3(b) of GNR 491 of 2006)

- (a) The assets of the fund shall consist only of claims against one or more insurers, except that the fund may receive, as beneficial owner, shares which have been issued, free of any consideration, to the fund, as a policyholder under a scheme by which a mutual insurer is demutualised to become a public company ("demutualisation shares"), as well as capitalisation shares allotted in respect of demutualisation shares in the place of cash dividends or otherwise ("capitalisation shares"), provided that -
- (i) the demutualisation shares and capitalisation shares (hereafter jointly referred to as "the shares") are held on behalf of the fund in the name of a nominee company, approved by the registrar;
 - (ii) dividends paid in cash in respect of the shares, and the proceeds from the disposal of any of the shares, after the deduction of administration costs, are -
 - (aa) paid on receipt by the nominee company directly, either to the demutualised insurer, or to another insurer, to be applied as a premium, free of commission, under one or more policies issued to the fund by the demutualised insurer or such other insurers, or
 - (bb) in exceptional cases, held on behalf of the fund, in respect of funds whose only claims against the demutualised insurer consist of individual policies, in the name of the nominee company, also free of commission;
 - (iii) then the fund ceases to have a claim - as meant in this regulation 1(a) - against demutualised insurer, the shares shall either be -
 - (aa) transferred to one or more insurers as a premium in kind; or

(bb) realised and the proceeds paid directly to one or more insurers as a premium,
under one or more policies issued by those insurers to the fund, free of commission;

(iv) the nominee company annually provides to the insurer mentioned in paragraph (d) of this regulation ("administering insurer") a certificate, verified by the external auditor of the nominee company, which must include -

(aa) the number of shares held by the nominee company on behalf of the fund;

(bb) the dividends paid in respect of the shares; and

(cc) any other information available to the nominee company relating to the shares and dividends;

so that the administering insurer may complete the financial returns required in terms of regulation 12(2)(a), and comply with subparagraph (v) of this regulation;

(v) the administering insurer annually reports to the Registrar that the fund has not acquired further shares, in addition to demutualisation and capitalisation shares, as beneficial owner, in the company which issued the demutualisation shares, and the report must include particulars of any dealings in the shares, receipts of dividends, and any related transactions on behalf of the fund in the financial returns required in terms of regulation 12(2)(a).

(Regulation 1(a) substituted by GNR 1644 of 1998)

(b) the payment of every benefit in terms of the rules of a pension fund shall be made solely by one or more insurers;

(c) the contributions payable to the pension fund shall not be paid into a bank account of the pension fund, but shall be paid direct to one or more insurers; and

(d) one insurer shall accept the responsibility to act as administering insurer for the purposes of these regulations.

2.

(Regulation 2 replaced by BN 61 of 2011 with effect from 1 April 2011)

3. – 7.....

(Part I substituted by GNR 2324 of 1993, in effect omitting regulations 3 to 7)

PART II

Prepared by:

In partnership with:

**DOCUMENTS AND PARTICULARS REQUIRED UNDER SECTION 4(2) AND CONDITIONS WHICH
MUST BE COMPLIED WITH UNDER SECTION 4(4)**

(Heading substituted by GNR 2324 of 1993)

8.

(Heading of regulation 8 deleted by GNR 2324 of 1993)

(1) Every application for registration of a pension fund shall consist of a letter signed by the person managing the business of the fund for the time being or by a person on behalf of the employer participating in the fund, in which-

- (a) registration of the pension fund is applied for;
- (b) the full name of the pension fund is stated;
- (c) the physical address of the registered office of the pension fund is stated;
- (d) the postal address of the registered office of the pension fund is stated;
- (e) the name and address of the person who for the time being is, or upon registration of the pension fund will be, administering the fund are given;
- (f) the full name, the physical and postal addresses of the participating employer or employers and the initial rate of contributions to be paid by the employer if not set out in the rules are stated;

and shall be accompanied by-

- (i) two copies of the rules of the pension fund, duly certified by the applicant in accordance with regulation 18 as being the rules which will come into operation on the date of registration of the fund, or the date of commencement of the fund, whichever date is applicable;
- (ii) a document to indicate the authority in terms of which the pension fund was established, and if no such authority exists, this fact shall be clearly stated;

(iii)

(Regulation 8(1)(iii) deleted by regulation 4 of GNR 491 of 2006)

- (iv) if a fund desires to be exempted from the valuation requirements in terms of section 16 of the Act, an application to that effect, together with a certificate by an actuary certifying that there has been compliance with the provisions of subparagraphs (i), (v) and (vii) of paragraph (c) of regulation 2;

- (v) the application and registration fees prescribed by Schedule L.
- (2) The conditions with which a pension fund shall comply in terms of section 4(4) shall be as follows:
 - (a) The rules of the fund shall be consistent with the Act and the regulations; and
 - (b) the rules shall be based on sound financial principles.
 - (Regulation 8 amended by GNR 2144 of 1984)*
 - (Regulation 8 amended by GNR 201 of 1993)*
 - (Regulation 8 substituted by GNR 2324 of 1993)*

9. Foreign Funds

An application for registration of a fund referred to in section two (2) of the Act shall be in the form set out and be accompanied by all the documents and particulars mentioned in regulation 8. In addition the applicant shall submit a memorandum in which are set out -

- (a) the reasons why exemption is claimed under section two (2);
- (b) the names and registered addresses of the head offices of all the employers participating in the fund;
- (c) the number of members of the fund –
 - (i) outside the Republic of South Africa;
 - (ii) in the Republic who are South African citizens;
 - (iii) in the Republic who are not South African citizens. .

10.
(Regulation 10 withdrawn by GNR 2324 of 1993)

11.
(Regulation 11 withdrawn by GNR 2324 of 1993)

PART III

FINANCIAL STATEMENTS AND STATISTICS TO BE FURNISHED BY FUNDS AND INSURERS

(Heading substituted by GNR 2324 of 1993)

Prepared by:

In partnership with:

12.

(Regulation 12 substituted by GNR 2324 of 1993)

(Regulation 12 amended by regulation 5 of GNR 491 of 2006)

(Regulation 12 replaced by Board Notice 77 (see separate document) in Government Gazette 37844 dated 18 July 2014)

13.

(Regulation 13 substituted by GNR 2324 of 1993)

(Regulation 13 repealed by regulation 6 of GNR 491 of 2006)

14.

(Regulation 14 replaced by Board Notice 77 (see separate document) in Government Gazette 37844 dated 18 July 2014)

PART IV

REPORTS BY VALUATOR AND STATEMENTS OF ASSETS AND LIABILITIES

15.

(Regulation 15 substituted by GNR 1790 of 1985)

(Regulation 15 substituted by GNR 2324 of 1993)

(Regulation 15 replaced by BN 149 of 2010 with effect from 1 April 2011)

16.

(Regulation 16 withdrawn by GNR 2324 of 1993)

17.

(Regulation 17 withdrawn by GNR 2324 of 1993)

PART V

SIGNING OF DOCUMENTS

18. **Rules**

Both copies of the rules of a fund which accompany the application for registration must be certified as follows on the first page or on the cover if the rules are in the form of a booklet: -

"Certified that these are the rules of the XYZ Pension Fund which will become effective on the date of registration/commencement* of the fund."

*Delete whichever not applicable.

If the applicant is the person managing the business of the fund the certificate is to be signed by the person for the time being at the head of the administering body and by one other member thereof. If the application is made on behalf of the participating employer the certificate must clearly indicate the capacity in which the applicant signed the document, e.g. as secretary of the company.

19.

(Regulation 19 substituted by GNR 2324 of 1993)

(Regulation 19 substituted by regulation 7 of GNR 491 of 2006)

(Regulation 19 replaced by Board Notice 77 (see separate document) in Government Gazette 37844 dated 18 July 2014)

20. Other Documents

Any document (excluding a letter) other than those referred to in regulations 18 and 19 must be signed on the first page thereof as prescribed in section twenty of the Act, namely –

- (a) where the fund is administered by one individual, by –
 - (i) such individual; and
 - (ii) the principal officer;
- (b) where the fund is administered by a committee or trustees, by –
 - (i) the person for the time being at the head of such committee or trustees;
 - (ii) one other member of the committee or a trustee; and .
 - (iii) the principal officer.

In the case of (a) there must be two signatures by different individuals. In the case of (b) there must be three signatures but as the principal officer may be a member of the committee or a trustee it is possible that his may be two of the three signatures, i.e. at least two different individuals must sign the document.

PART VI

AUDITORS

21.

Prepared by:

In partnership with:

- (a) Within 30 days of the registration of the fund the person managing the business of the fund shall notify the Registrar in writing of the name and address of the auditor of the fund.
- (b) Whenever a registered fund has appointed a new auditor, the person managing the business of the fund, shall within 30 days as from the date of such appointment give notice thereof in writing to the Registrar which notice shall state the name and address of the auditor and contain a statement to the effect that such appointment was made in accordance with the provisions of the rules of the fund.

22. The documents referred to in regulation 12 shall be prepared in the form prescribed by notice in the *Gazette* and, where applicable, shall be accompanied by the three reports signed by the auditor of the pension fund, appointed in terms of section 9 of the Act. If the auditor is unable to sign the report referred to without qualification, the report may be qualified, provided that it deals with all the matters referred to in the reports and shall include his reasons for being unable to sign the reports without qualification.

(Regulation 22 substituted by GNR 2324 of 1993)

(Regulation 22 substituted by regulation 8 of GNR 491 of 2006)

PART VII

GENERAL

23. No registered fund shall change its registered address unless the procedure prescribed in its rules for the amendment of the rule pertaining to the registered address has been followed and the amendment of the rule has been registered by the Registrar.

24.

- (a) Within sixty days from the date of the passing of a resolution for the alteration or rescission of any rule or for the adoption of any additional rule the principal of the fund shall submit to the Registrar –

(Words preceding regulation 24(a)(i) amended by GNR 2324 of 1993)

- (i) two copies of the resolution adopted together with a certificate signed as explained in regulation 20 to the effect that the resolution has been adopted in accordance with the provisions of the rules of the fund.

(Regulation 24(a)(i) amended by GNR 2324 of 1993)

- (ii) if the alteration or rescission of or addition to the rules affects the financial condition of the fund, a certificate by a valuator as to the financial soundness of the alteration, rescission

or addition or, if no valuator has been employed, a certificate by an actuary that the provisions of regulation 2 shall continue to apply;

(Regulation 24(a)(ii) amended by GNR 2324 of 1993)

- (iii) a statement explaining the necessity for the alteration or rescission of or addition to the rules; and

(Regulation 24(a)(iii) amended by GNR 201 of 1993)

- (iv) the applicable fees set out in Schedule L.

(Regulation 24(a)(iv) added by GNR 201 of 1993)

(Regulation 24(a)(iv) amended by GNR 2324 of 1993)

- (b) No alteration or rescission of or addition to the rules shall be valid before registration by the Registrar in terms of section twelve (4) of the Act; and such alteration, rescission or addition shall take effect either as from the date determined by the fund concerned, or if no such date has been so determined, as from the date of the registration thereof.

- (c) On the submission of a scheme for an amalgamation or transfer contemplated in section 14 of the Act, the applicable fees set out in Schedule L shall be payable by the transferee fund or other person taking transfer, as the case may be.

(Regulation 24(c) added by GNR 201 of 1993)

(Regulation 24(c) amended by GNR 2324 of 1993)

- (d) The principal officer shall, within six months after the end of the fund's financial year, inform the members of the fund, in summarised form, of all alterations to, rescissions of or additions to the rules of the fund which have been registered during that financial year.

(Regulation 24(d) added by GNR 2324 of 1993)

25.

- (a) Subject to the provisions of section 35 of the Act, any person may upon payment of the applicable fees set out in Schedule L, between 09:00 and 12:00 and between 14:00 and 15:30 on Mondays to Fridays (excluding public holidays), inspect at the Office of the Registrar any document in the Schedule and may make a copy thereof or take an extract therefrom, or obtain from the said Registrar a copy of or an extract from any such document.

- (b) The said fees shall be paid in any manner other than by means of revenue or postage stamps.

(Regulation 25 substituted by GNR 201 of 1993)

(Regulation 25 amended by GNR 2324 of 1993)

- 26.** Any person who has failed to make a return or to transmit or deposit a scheme, report, account, statement or other document within the time prescribed in the appropriate provisions of the Act or within any extended period allowed by the Registrar in terms of section thirty-three (1) of the Act, shall, without derogation from the provisions of section thirty-seven (1) of the Act, thereafter be permitted to

furnish such return or to transmit or deposit such scheme, report, account, statement or other document subject to the payment of a penalty of R50 for every day during which he has remained in default.

(Regulation 26 amended by GNR 1020 of 1998)

27.

(Regulation 27 added by GNR 1037 of 1986)

(Regulation 27 substituted by GNR 232 of 1987)

(Regulation 27 substituted by GNR 1452 of 1989)

(Regulation 27 substituted by GNR 141 of 1994)

(Regulation 27 withdrawn by BN 10 of 2011 and again by BN 26 of 2011)

28. Asset spreading requirements

Preamble

A fund has a fiduciary duty to act in the best interest of its members whose benefits depend on the responsible management of fund assets. This duty supports the adoption of a responsible investment approach to deploying capital into markets that will earn adequate risk adjusted returns suitable for the fund's specific member profile, liquidity needs and liabilities. Prudent investing should give appropriate consideration to any factor which may materially affect the sustainable long-term performance of a fund's assets, including factors of an environmental, social and governance character. This concept applies across all assets and categories of assets and should promote the interests of a fund in a stable and transparent environment.

(1) Definitions

In this regulation: -

"**Act**" means the Pension Funds Act, 1956 (Act No. 24 of 1956), and any word or expression to which a meaning is assigned in the Act is assigned to it in this regulation, unless otherwise defined;

"**collective investment scheme**" has the meaning assigned to it in section 1 of the Collective Investment Schemes Control Act, 2002 (Act No. 45 of 2002);

"**credit ratings**" means credit ratings issued by a credit rating agency as may be prescribed;

"**derivative instrument**" has the meaning assigned to it in section 1 of the Securities Services Act, 2004 (Act No. 36 of 2004);

"**exchange**" means: -

- (a) an exchange licensed under section 10 of the Securities Services Act, 2004 (Act No. 36 of 2004);
- (b) any other exchange that is a full member of the World Federation of Exchanges; or
- (c) where a fund invests in a collective investment scheme, such an exchange as is referred to in Section 45(b)(ii) of the Collective Investment Schemes Control Act, 2002 (Act No. 45 of 2002);

"fair value" has the meaning assigned to it in financial reporting standards and includes any other conditions as may be prescribed;

"financial reporting standards" has the meaning assigned to it in the Companies Act, 2008 (No. 71 of 2008);

"foreign asset" means an asset that is deemed foreign by the South African Reserve Bank for its reporting purposes, and subject to conditions as may be prescribed;

"foreign bank" means a bank that is not a South African bank and is domiciled, registered and supervised as a bank outside of South Africa;

"fund member policy" has the meaning assigned to it in Part 5A of the Regulations issued under the Long-term Insurance Act;

"fund of hedge funds" means a portfolio that invests only in hedge funds, but may also hold notes, coins, and a balance or deposit in a savings, current or money market account with a South African bank or a foreign bank, and subject to conditions as may be prescribed;

"fund of private equity funds" means a portfolio that invests only in private equity funds, but may also hold notes, coins, and a balance or deposit in a savings, current or money market account with a South African bank or a foreign bank, and subject to conditions as may be prescribed;

"hedge fund" means an asset: -

- (a) which uses any strategy or takes any position that could result in the portfolio incurring losses greater than its fair value at any point in time, and which strategies or positions include but are not limited to leverage and net short positions;
- (b) managed by a person licensed as a hedge fund Financial Services Provider as defined in the Code of Conduct for Administrative and Discretionary Financial Service Providers, 2003, or if a foreign hedge fund managed by a person licensed as a Category I Financial Services Provider that is authorized to render financial services on securities and instruments as defined in the Determination of Fit and Proper Requirements for Financial Services Providers, 2008; and

- (c) subject to conditions as may be prescribed;

"investment policy statement" means a document which, at least: -

- (a) describes a fund's general investment philosophy and objectives as determined by its liability profile and risk appetite;
- (b) addresses the principles referred to in subregulation (2)(c); and
- (c) complies with conditions as may be prescribed;

"Islamic debt instrument" means a bond based on the ownership of an underlying immovable property or a tangible asset or portfolio of immovable properties or tangible assets, governed by Shari'ah rules, and that is issued by: -

- (a) the Government of the Republic;
- (b) the South African Reserve Bank;
- (c) any public entity listed in the Public Finance Management Act, 1999 (Act No. 1 of 1999);
- (d) a South African bank; or
- (e) a foreign bank

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that is negotiable and in respect of which the title to the underlying property or asset or portfolio of properties and assets is vested in a special purpose vehicle that derives its income from commercial activities related to that property, asset or portfolio;

"Islamic liquidity management financial instrument" means a financial instrument, governed by Shari'ah rules, issued by a South African bank or a foreign bank: -

- (a) that is negotiable; and
- (b) in respect of which ownership of the underlying tangible asset or assets passes from a fund to a third party within seven business days from the date of purchase thereof, and at which purchase date the future sale price of the tangible asset or assets is fixed notwithstanding any increase or decrease in the fair value thereof;

"listed" means to be compliant with the listings and disclosure requirements of an exchange and any other condition as may be prescribed;

"Long-term Insurance Act" means the Long-term Insurance Act, 1998 (Act No. 52 of 1998);

"long-term insurer" means a person registered or deemed to be registered as a long-term insurer in terms of the Long-term Insurance Act;

"pension preservation fund" has the meaning assigned to it in section 1 of the Income Tax Act, 1962 (Act No. 58 of 1962);

"PostBank" means the SA Post Office Limited established pursuant to section 3 the Post Office Act, 1958 (Act No. 44 of 1958), and the South African Postbank Limited Act, 2010 (Act No. 9 of 2010);

"prescribed" means prescribed by the Registrar by notice on the official website, as defined in section 1 of the Electronic Communications and Transactions Act, 2002 (Act No. 25 of 2002) of the Financial Services Board, unless notice in the *Gazette* is specifically required under a provision of the Act;

"private equity fund" means a managed pool of capital that:

- (a) has as its main business the making of equity, equity orientated or equity related investments in unlisted companies to earn income and capital gains;
- (b) is not offered to the public as contemplated in the Companies Act, 2008 (No. 71 of 2008);
- (c) is managed by a person licensed as a discretionary Financial Services Provider as defined in the Code of Conduct for Administrative and Discretionary Financial Service Providers, 2003, or if a foreign private equity fund managed by a person licensed as a Category I Financial Services Provider that is authorized to render financial services on securities and instruments as defined in the Determination of Fit and Proper Requirements for Financial Services Providers, 2008; and
- (d) is subject to conditions as may be prescribed;

"property company" means a company -

- (a) of which 75% or more of the fair value of its assets consists of immovable property, irrespective of whether such property is held directly by that company as registered owner, or indirectly through ownership of the shares or the exercise of control over another company that is the registered owner of the property; or

- (b) of which 75% or more of its income is derived from investments in immovable property, or from an investment in a company of which 75% or more of the income of that company is derived from investments in immovable property;

"provident preservation fund" has the meaning assigned to it in section 1 of the Income Tax Act, 1962 (Act No. 58 of 1962);

"reporting period" means the financial year determined in the rules of a fund;

"South African bank" means a bank or branch as defined in and registered under the Banks Act, 1990 (Act No. 94 of 1990), a mutual bank as defined and registered under in the Mutual Banks Act, 1993 (Act No. 124 of 1993), a cooperative bank as defined in the Cooperative Banks Act, 2007 (Act No. 40 of 2007), or the PostBank.

(2) Principles

- (a) A fund must at all times comply with the limits as set out in this regulation;
- (b) A fund must have an investment policy statement, which must be reviewed at least annually.
- (c) A fund and its board must at all times apply the following principles:-
 - (i) promote the education of the board with respect to pension fund investment, governance and other related matters;
 - (ii) monitor compliance with this regulation by its advisors and service providers;
 - (iii) in contracting services to the fund or its board, consider the need to promote broad-based black economic empowerment of those providing services;
 - (iv) ensure that the fund's assets are appropriate for its liabilities;
 - (v) before making a contractual commitment to invest in a third party managed asset or investing in an asset, perform reasonable due diligence taking into account risks relevant to the investment including, but not limited to, credit, market and liquidity risks, as well as operational risk for assets not listed on an exchange;
 - (vi) in addition to (v), before making a contractual commitment to invest in a third party managed foreign asset or investing in a foreign asset, perform reasonable due diligence taking into account risks relevant to a foreign asset including but not limited to currency and country risks;

- (vii) in performing the due diligence referred to in (v) and (vi), a fund may take credit ratings into account, but such credit ratings should not be relied on in isolation for risk assessment or analysis of an asset, should not be to the exclusion of a fund's own due diligence, and the use of such credit ratings shall in no way relieve a fund of its obligation to comply with all the principles set out in paragraph 2(c);
- (viii) understand the changing risk profile of assets of the fund over time, taking into account comprehensive risk analysis, including but not limited to credit, market, liquidity and operational risk, and currency, geographic and sovereign risk of foreign assets; and
- (ix) before making an investment in and while invested in an asset consider any factor which may materially affect the sustainable long term performance of the asset including, but not limited to, those of an environmental, social and governance character.

- (d) With the appointment of third parties to perform functions which are required to be performed in order to comply with the principles in (c) above, the fund retains the responsibility for compliance with such principles.

(3) Asset limits

- (a) A fund must only hold assets and categories of assets referred to in Table 1 and must comply with the limits set out in this regulation.
- (b) Any portion of a fund's total assets associated with a specific category of members, or a specific member where the fund provides individual member choice, must comply with the limits in this regulation.
- (c) Notwithstanding (a) and (b), the portion of the total assets of a retirement annuity fund, pension preservation fund or provident preservation fund that is associated with a fund member policy, or with another contractual arrangement between the member and the fund relating exclusively to the fund's liability to a particular member (or to the surviving spouse, children, dependants or nominees of the member) in terms of the rules of the fund, entered into before 1 April 2011, need not comply with the limits set out in this regulation until: -
 - (i) the contractual terms relating to the amount or frequency of premiums or contributions payable in terms of the policy or other contractual arrangement are amended, including where an additional amount over and above any regular contractual premium or contribution is contributed to the policy or arrangement; or
 - (ii) any change is made to the category of underlying assets held in respect of the policy or arrangement.

- (d) A fund must not invest or contractually commit to invest in an asset, including a hedge fund or private equity fund, where the fund may suffer a loss in excess of its investment or contractual commitment in the asset. This does not preclude a fund from investing in derivative instruments subject to subregulation (7). Hedge funds and private equity funds that may expose the fund to a liability must be held in a limited liability structure.
- (e) Assets and categories of assets referred to in Table 1 must be calculated at fair value for reporting purposes.
- (f) The aggregate exposure to assets specified in the following items of Table 1 must not exceed 35 percent of the aggregate fair value of the total assets of a fund: -
 - (i) item 2.1(e)(ii): Other debt instruments not listed on an exchange;
 - (ii) item 3.1(b): Preference and ordinary shares in companies, excluding shares in property companies, not listed on an exchange;
 - (iii) item 4.1(b): Immovable property, preference and ordinary shares in property companies, and linked units comprising shares linked to debentures in property companies, not listed on an exchange; and
 - (iv) item 8: Hedge funds, private equity funds and any other asset not referred to in this schedule.
- (g) The aggregate exposure to assets specified in the following items of Table 1 must not exceed 15 percent of the aggregate fair value of the total assets of a fund: -
 - (i) item 3.1(b): Preference and ordinary shares in companies, excluding shares in property companies, not listed on an exchange; and
 - (ii) item 8.1(b): Private equity funds.
- (h) The aggregate exposure by a fund to an issuer or entity by the fund specified in items 1.1 and 2.1(c) of Table 1, irrespective of the limits referred to in Column 1 of Table 1, must not exceed 25 percent of the aggregate fair value of the total assets of the fund.
- (i) The aggregate exposure to foreign assets, referred to in Column 1 of Table 1 and expressed as a percentage, must not exceed the maximum allowable amount that a fund may invest in foreign assets as determined by the South African Reserve Bank, or such other amount as may be prescribed.

- (j) Notwithstanding paragraphs (a)-(i), the limits set out in this regulation may be exceeded where the excess is due to a change in the fair value or characteristic of an asset, and not as a result of discretionary transacting either by the fund or on the fund's behalf, provided that where a fund exceeds any limit: -
- (i) such fund must inform the Registrar without delay of the limit being exceeded, including the reasons for such excess;
 - (ii) such fund must not, for as long as the excess exists, make any further investments or contractual commitments to invest in those assets or categories of assets; and
 - (iii) the board must ensure compliance with the relevant limits within 12 months from the date of the excess arising or such other period as determined by the Registrar.

(4) Look-through

- (a) A fund must not utilise any asset to circumvent the limits as set out in this regulation and, where an asset is made up of underlying assets, the fund must include and disclose the underlying assets in the category in Table 1 to which the economic exposure of the underlying assets relate.
- (b) Notwithstanding (a), where the fair value of an asset comprises less than 5 percent of the aggregate fair value of the assets of the fund, then the fund need only disclose the categories of assets specified in Table 1, and not each underlying asset.
- (c) Notwithstanding (a) and (b), any direct or indirect exposure to a hedge fund or private equity fund must be disclosed as an investment into a hedge fund or private equity fund as the case may be, and the fund need not apply the look-through principle in respect of the underlying assets of a hedge fund or private equity fund.
- (d) Notwithstanding (b) and (c), and in accordance with conditions set by the South African Reserve Bank, when applying look-through any direct or indirect exposure to a foreign asset must be disclosed as a foreign asset.

(5) Borrowing

- (a) A fund must not borrow.
- (b) Notwithstanding (a): -
 - (i) a fund may only borrow money for bridging purposes to maintain sufficient liquidity to meet its operational requirements;

- (ii) the aggregate of any loans for bridging purposes must not, throughout the financial year as determined in the rules of a fund, exceed 50 percent of the gross income of the fund (income of the fund before payment of management fees and administration fees) during the preceding financial year;
 - (iii) any loan for bridging purposes must be repaid within 12 months of entering into the loan; and
 - (iv) any loan for bridging purposes must not be subject to an early settlement penalty.
- (c) A fund may as collateral for default on a loan referred to in paragraph (b) cede a proportionate share of its assets to the lender.

(6) Securities lending

A fund may engage in securities lending subject to conditions as prescribed.

(7) Derivative instruments

Notwithstanding subregulation 3(d), a fund may invest in derivative instruments subject to conditions as prescribed.

(8) Reporting and exclusions

- (a) The Registrar may prescribe the format, content and any other particulars in respect of the disclosure of compliance with this regulation.
- (b) In applying the limits set out in this regulation, subject to such prescribed reporting and disclosure, a fund may exclude the following assets or categories of assets: -
 - (i) participatory interests in a collective investment scheme, in respect of which a fund obtained a certificate issued by the scheme at the end of the financial year of the fund, confirming that the assets of the scheme relevant to the fund have complied with the limits as set out in this regulation, provided that:
 - (aa) the auditor of the scheme confirms the accuracy of the certificate at the financial year end of the scheme; and
 - (bb) the confirmation is made available to the fund on request;

- (ii) a linked policy as defined in the Long-term Insurance Act, in respect of which a fund obtained a certificate issued by the long-term insurer at the end of the financial year of the fund, confirming that the assets held by the insurer in respect of its net liabilities under the said policy have complied with the limits as set out in this regulation, provided that:
 - (aa) the auditor of the insurer confirms the accuracy of the certificate at the financial year end of the insurer; and
 - (bb) the confirmation is made available to the fund on request;

- (iii) a long-term policy as defined in the Long-term Insurance Act, other than a policy referred to in paragraph (ii) above, that guarantees or partially guarantees policy benefits and in respect of which a fund obtained a certificate issued by the statutory actuary of the long-term insurer that the guarantee or partial guarantee is consistent with guidance issued by the Registrar of Long-term Insurance, under the Long-term Insurance Act, in respect of what constitutes a guarantee or partial guarantee for purposes of this sub-regulation, provided that:
 - (aa) the auditor of the insurer confirms the accuracy of the certificate at the financial year end of the insurer; and
 - (bb) the confirmation is made available to the fund on request; and

- (iv) an asset issued by an entity that is regulated by the Financial Services Board, in respect of which a fund obtained a certificate issued by the auditor of the issuer of the asset at the end of the financial year of the fund, confirming that the underlying assets in respect of such asset have complied with the limits as set out in this regulation, and subject to conditions as may be prescribed;

(9) Exemptions

The Registrar may on written application by a fund or in general, exempt a fund, or categories, types or kinds of funds, from all or any of the provisions of this regulation, subject to conditions that the Registrar may impose.

TABLE 1

Column 1		Column 2	
Item	Categories of assets	Limits being the maximum percentage of aggregate fair value of total assets of fund	
		Per issuer/entity, as applicable	For all issuers/entities

1	CASH			100%
1.1	Notes and coins; any balance or deposit in an account held with a South African bank; A money market instrument issued by a South African bank including an Islamic liquidity management financial instrument; Any positive net balance in a margin account with an exchange; and Any positive net balance in a settlement account with an exchange, operated for the buying and selling of assets.		25%	100%
1.2	Any balance or deposit held with a foreign bank; A money market instrument issued by a foreign bank including an Islamic liquidity management financial instrument;		5%	
2.	DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS			100% for debt instruments issued by or guaranteed by the otherwise 75%
2.1	Inside the Republic and foreign assets			
	(a)	Debt instruments issued by, and loans to, the government of the Republic, and any debt or loan guaranteed by the Republic		100%
	(b)	Debt instruments issued or guaranteed by the government of a foreign country	10%	
	(c)	Debt instruments issued or guaranteed by a South African bank against its balance sheet: -		75%
		(i) listed on an exchange with an issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	25%	
		(ii) listed on an exchange with an issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	15%	
		(iii) listed on an exchange with an issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	10%	
		(iv) not listed on an exchange	5%	25%
	(d)	Debt instruments issued or guaranteed by an entity that has equity listed on an exchange, or debt instruments issued or guaranteed by a public entity under the Public Finance Management Act, 1999 (Act No. 1 of 1999) as prescribed:	10%	50%
		(i) listed on an exchange	10%	50%
		(ii) not listed on an exchange	5%	25%

	(e)	Other debt instruments: -		5%	25%
		(i)	listed on an exchange	5%	25%
		(ii)	not listed on an exchange	5%	15%
3.	EQUITIES				75%
3.1	Inside the Republic and foreign assets				
	(a)	Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange:			75%
		(i)	issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	15%	
		(ii)	issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	10%	
		(iii)	issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	5%	
	(b)	Preference and ordinary shares in companies, excluding shares in property companies, not listed on an exchange		2.5%	10%
4.	IMMOVABLE PROPERTY				25%
4.1	Inside the Republic and foreign assets				
	(a)	Preference shares, ordinary shares and linked units comprising shares linked to debentures in property companies, or units in a Collective Investment Scheme in Property, listed on an exchange:-			25%
		(i)	issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed	15%	
		(ii)	issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed	10%	
		(iii)	issuer market capitalisation of less than R3 billion, or an amount or conditions as prescribed	5%	
	(b)	Immovable property, preference and ordinary shares in property companies, and linked units comprising shares linked to debentures in property companies, not listed on an exchange		5%	15%
5.	COMMODITIES				10%
5.1	Inside the Republic and foreign assets				
	(a)	Kruger Rands and other commodities listed on an exchange, including exchange traded commodities:-			10%
		(i)	gold	10%	
		(ii)	each other commodity	5%	
6.	INVESTMENTS IN THE BUSINESS OF A PARTICIPATING EMPLOYER INSIDE THE REPUBLIC IN TERMS OF:				
	(a)	section 19(4) of the Pensions Funds Act			5%
	(b)	To the extent it has been allowed by an exemption in terms of section 19(4A) of the Pension Funds Act			10%
7.	HOUSING LOANS GRANTED TO MEMBERS IN ACCORDANCE WITH THE PROVISIONS OF SECTION 19(5)				95%
8.	HEDGE FUNDS, PRIVATE EQUITY FUNDS AND ANY OTHER ASSET NOT REFERRED TO IN THIS SCHEDULE				15%
8.1	Inside the Republic and foreign assets				
	(a)	Hedge funds			10%
		(i)	Funds of hedge funds	5% per fund of hedge funds	

	(ii)	Hedge funds	2.5% per hedge fund	
	(b)	Private equity funds		10%
	(i)	Funds of private equity funds	5% per fund of private equity funds	
	(ii)	Private equity funds	2.5% per private equity fund	
	(c)	Other assets not referred to in this schedule and excluding a hedge fund or private equity fund		2.5%

(Regulation 28 added by GN 1920 of 1989)

(Regulation 28 amended by GNR 2324 of 1993)

(Regulation 28 amended by GNR 1677 of 1996)

(Regulation 28 amended by GNR 1154 of 1998)

(Regulation 28 corrected by GNR 1218 of 1998)

(Regulation 28 substituted by GNR 183 of 2011 with effect from 1 July 2011)

29. Accounts in terms of section 28(4) and 28(12) of Act

The accounts to be deposited or lodged with the Registrar in terms of section 28(4) and 28(12) of the Act shall be prepared in the form as set out in Schedule K.

(Regulation 29 added by GNR 2324 of 1993)

30. Rules and amendments thereof

- (1) The rules of a pension fund shall, unless exempted partly or in full therefrom by the Registrar, comply with the following formal requirements:
 - (a) They shall be printed in at least 1,5 spacing on A4 paper of at least 80 grams;
 - (b) they shall be printed on one side of the paper only with a margin of at least 30 mm on the left side of the paper;
 - (c) headings and subheadings shall be printed in bold print;
 - (d) definitions shall be printed in capital letters and used in that way throughout the text;
 - (e) no underlining shall be allowed in the document; and
 - (f) the document shall at the front contain a detailed table of contents of the rules, with references to the relevant page numbers.
- (2) The rules of a pension fund shall furthermore not be inconsistent with the Act and these regulations, and shall also, subject to subregulation (3), provide for the following matters:

- (a) The full name of the pension fund, including a reference to any name changes that the pension fund might have undergone;
- (b) the date of commencement of the pension fund and the dates of the first and subsequent financial year ends;
(Regulation 30(2)(b) substituted by GNR 1677 of 1996)
- (c) the physical address of the registered office of the pension fund;
- (d) the objects of the pension fund;
- (e) a list or lists of definitions, in alphabetical order, defining the terms which are frequently used in the rules and which bear a special connotation;
- (f) a detailed exposition of the eligibility conditions for joining the pension fund and the circumstances under which membership shall cease, with specific reference to the following:
 - (i) the class or classes of persons who are, or may in due course become, eligible to join the pension fund;
 - (ii) when membership shall be compulsory or not, as well as any period with-in which current employees may exercise a choice, if applicable;
 - (iii) the conditions of membership relating to deferred pensioners (if any); and
 - (iv) mutual transfer arrangements with any other pension fund (if any);
- (g) the calculation and payment of contributions payable to the pension fund by and/or on behalf of members;
- (h) the nature and extent of the benefits granted by the pension fund, as well as the payment thereof to any member or other person entitled thereto, in respect of-
 - (i) normal retirement, early retirement, ill-health retirement, death before retirement, resignation, dismissal, retrenchment and redundancy: Provided that retirement annuity funds or other pension funds not sponsored by an employer need not make provision for dismissal, redundancy, resignation and retrenchment; and
 - (ii) if applicable, late retirement, deferred benefits and death after retirement;
- (i) the powers of investment of the pension fund;

- (j) the appointment of a valuator and provisions regarding the triennial investigations if the pension fund is subject to the provisions of section 16 of the Act;
- (k) the manner in which contracts and other documents binding the pension fund shall be executed;
- (l) the manner of altering or rescinding any rules, and of making additional rules;
- (m) the appointment of the auditor of the pension fund, if applicable;
- (n) the manner in which any disputes between the pension fund and its members or between the pension fund and any other person whose claim is derived from a member shall be settled;
- (o) the safe custody of title deeds or any other securities belonging to or held by the pension fund;
- (p) subject to the provisions of the Act, the manner in which and the circumstances under which the pension fund shall be terminated or dissolved, with specific reference to-
 - (i) total and partial dissolution;
 - (ii) the appointment of a liquidator, to be approved by the Registrar;
 - (iii) any transfers of participating employers to, or amalgamation of the pension fund with, any other pension fund; and
 - (iv) the position of persons whose membership ceased during at least the 12-month period immediately prior to the date of liquidation;
- (q) the transfer or amalgamation of the business of the pension fund, or any part thereof, with that of any other pension fund (or person);
- (r) the manner in which unclaimed benefits shall be dealt with upon-
 - (i) the death of a member (including any deferred pensioner);
 - (ii) the liquidation of the pension fund; and
 - (iii) the withdrawal of a member from the pension fund;
- (s) the opening of a bank account in the name of the pension fund, unless the fund is an underwritten fund.

(Regulation 30(2)(s) substituted by regulation 9 of GNR 491 of 2006)

- (t) a specific indication of the participation in the pension fund so as to differentiate between pension funds established for the benefit of-
 - (i) employees of a principal employer and its subsidiaries;
 - (ii) employees of various employers that do not fall within the ambit of subparagraph (i) above; and
 - (iii) persons not referred to in either subparagraph (i) or (ii) above;
- (u) the policy of insurance effected to indemnify the pension fund against losses owing to the dishonesty or fraud of any of its officials or such other indemnification as the Registrar may allow; and
- (v) the appointment, remuneration (if applicable) and dismissal, as well as the powers, of a trustee or the trustees of the fund.
- (w) where the assets of a pension fund consist exclusively or in part of fund member policies, the rules of that fund must provide clearly -
 - (i) whether or not the fund's liability to provide benefits to affected members or beneficiaries is funded exclusively or in part by fund member policies;
 - (ii) to the extent that benefits provided or to be provided by the fund to a member or beneficiary are funded by a fund member policy, that -
 - (aa) the fund's liability from time to time to the member or beneficiary in respect of those benefits is equal to the fund's corresponding claim from time to time as policyholder against the insurer for the policy benefits provided or to be provided by the insurer under the policy in accordance with the policy prescriptions;
 - (bb) the policy is administered by the insurer, and all values and benefits of the policy and charges in respect of it are determined, in accordance with the policy prescriptions;
 - (cc) any change in the policy benefits provided or to be provided under the policy on account of a causal event, as determined in accordance with the policy prescriptions, has the result that the fund's liability to the member or beneficiary changes accordingly;

- (dd) the fund must notify the member or beneficiary of the change contemplated in paragraph (cc) in respect of causal events that occur after the coming into operation of this subregulation (w);
 - (iii) where applicable, that every member or beneficiary affected by (i) and (ii) selected or must select the fund member policy (including the investment and other features of the policy) which funds or is to fund the benefits provided or to be provided to the member or beneficiary, and where applicable that the member or beneficiary decided or must decide on any amendments or other transactions regarding the policy, in accordance with the policy prescriptions;
 - (iv) where applicable, where (i), (ii) and (iii) have application, that the fund or its board do not provide advice with regard to the selection of policies by members or beneficiaries (in particular regarding the investment and other related features of the policies), or with regard to amendments or other transactions regarding those policies;
 - (v) that the board of the fund must, to reasonably satisfy themselves that the fund member policies made available to members or beneficiaries for selection are suitable for the membership profile of the fund -
 - (aa) within one year of the date of the coming into operation of this subregulation, review the existing range of fund member policies available for selection by members or beneficiaries ; and
 - (bb) after this subregulation has come into operation -
 - (i) approve all new fund member policies made available for selection by members or beneficiaries, and
 - (ii) annually review the range of fund member policies that are made available to members or beneficiaries for selection
- (Regulation 30(2)(w) added by regulation 2(a) of GNR 1217 of 2006)*
- (3) A pension fund that is a registered fund at the date of the coming into operation of these regulations shall amend its rules to comply with subregulations (1) and (2) within five years of that date, provided that a pension fund that is a registered fund at the date of the coming into operation of subregulation (2)(w) shall amend its rules to comply with that subregulation within one year of that date.
- (Regulation 30(3) amended by regulation 2(b) of GNR 1217 of 2006)*
- (4) In subregulation (2)(w) and in this subregulation (4), unless the context indicates otherwise:

- (a) the terms "**actuarial basis**", "**benefit**", "**causal event**", "**charge**", "**fund member policy**", "**member**", "**policy**" and "**values**" have the meaning assigned in Part 5 of the Regulations under the Long-term Insurance Act, 1998; and
- (b) "**policy prescriptions**", in relation to a fund member policy, means the terms of the policy, the underlying actuarial basis of the policy, and the prescriptions of the Long-term Insurance Act, 1998 and the regulations issued under that Act

(Regulation 30(4) added by regulation 2(c) of GNR 1217 of 2006)

(Regulation 30 added by GNR 2324 of 1993)

31. Registers to be kept by pension funds

Every pension fund shall keep, at its registered office, a register or registers containing the undermentioned information:

- (a) In respect of every trustee: his full names and surname, identity number, date of birth, nationality, occupation, residential address, business address and postal addresses and the date of his appointment;
- (b) any changes occurring from time to time in the particulars referred to above;
- (c) a minute book recording all resolutions passed by trustees at meetings, the pages of which minute book shall be bound in such a way as to render the withdrawal or insertion of a page impossible and shall be numbered consecutively;
- (d) the members of the fund; and
- (e) particulars regarding-
 - (i) the postal address and registered office of the fund;
 - (ii) the auditor (if applicable);
 - (iii) the administrator of benefits;
 - (iv) the administrator of investments (if applicable); and
 - (v) the valuator (if applicable).

(Regulation 31 added by GNR 2324 of 1993)

32. Application for registration as administrator

Prepared by:

In partnership with:

- (1) An application for approval to administer pension funds as contemplated in section 13B of the Act, together with an application for exemption contemplated in section 13B(4) of the Act (if any) shall be in the form set out in Schedule M.
- (2) An application contemplated in subregulation (1) shall be accompanied by:
 - (a) the fee prescribed in item (m) of Schedule L; and
 - (b) a report by an accounting person in the form of Schedule N (accounting persons other than auditors) or O (auditors), as the case may be.

(Regulation 32 added by regulation 3 of GNR 1838 of 1995)

33. Requirements in terms of section 13A of Act

- (1) Minimum information to be furnished by every employer to the fund with regard to payments of contributions in terms of section 13A(2) of the Act, shall consist of at least the following:
 - (a) Initial Contribution Statement:
 - (i) Name of the fund; identification of the fund (e.g. registration number); period in respect of which the contribution is payable;
 - (ii) name and address of the employer or pay-point which made the deduction; responsible person to contact at the employer or pay-point;
 - (iii) full name, date of birth, ID number or employer pay number, or other means of identification, date of membership, pensionable emoluments of member and percentage or amount of contributions, split between member and employer as well as an indication of any additional voluntary contributions paid.

- (b) Subsequent Contribution Statement:

In respect of each contribution period either:

- (i) the information required in paragraph (a)(i) and (ii) above and part or all of the information contained in paragraph (a)(iii) above; or
- (ii) a reconciliation with the contribution statement for the previous period showing any differences in the data such as additions as a result of new members, reductions as a result of membership terminations, adjustments as a result of changes in pensionable

emoluments or the payment of additional voluntary contributions or other information and corrections due to error.

(2) The person -

- (a) responsible for checking the receipt of electronic transfers into the fund's bank account indicated in section 13A(3)(a)(i) of the Act; or
- (b) responsible for receiving contributions in terms of section 13A(3)(a)(ii); or
- (c) authorized by the insurer to account for contributions received by funds envisaged in section 13A(3)(a)(iii),

shall report:

- (i) not later than a further fifteen days of the end of the period set out in section 13A(2)(b) to the principal officer or authorized person (as the case may be) (in these regulations referred to as the monitoring person) mentioned in section 13A(6) of the Act -
 - (aa) whether any of the matters previously reported on were not resolved;
 - (bb) if the data envisaged in section 13A(2)(a) of the Act was not transmitted as prescribed in section 13A(2)(b); or
 - (cc) where the payment made in terms of section 13A(3)(a) and the data envisaged in subregulation (1) above cannot be reconciled with each other, other than where a discrepancy is less than 2,5% of the total contribution payable for the relevant period, in which event such discrepancy shall be deemed not to constitute a contravention of this regulation; and
 - (ii) within a further fifteen days of the end of the period set out in section 13A(3)(a) to the monitoring person indicated in section 13A(6) if the contributions payable in terms of section 13A(1) have not been received as provided in section 13A(3)(a): Provided that a discrepancy as envisaged in subparagraph (i)(cc) above shall not be regarded as a failure to pay contributions for the purposes of this regulation.
- (3) The monitoring person indicated in section 13A(6) of the Act shall then in writing report the said failure to comply with the provisions of subsections (2)(b) and (3)(a) of section 13A to the board within 7 days after receipt of the report mentioned in subregulation (2) above.
- (4) The board of the fund may, for reasons acceptable to it other than the failure to pay contributions in terms of section 13A(3)(a) of the Act, delay any action until the report of the following month has been

received: Provided that where no acceptable reasons were furnished or there was a failure to pay contributions in terms of section 13A(3)(a), the board shall ensure that -

- (a) the monitoring person indicated in section 13A(6) of the Act brings the infringement of section 13A(2)(b) or section 13A(3)(a) to the attention of the members of the fund in respect of whom the contributions are payable; and
- (b) the registrar is advised of the action taken,

within such period and in such manner as determined by the board.

- (5) If any failure to transmit contributions referred to in section 13A(1) of the Act in the manner prescribed in section 13A(3), continues for 90 days the monitoring person indicated in section 13A(6), shall report the matter in detail within 14 days of the expiration of such 90 days period to the Attorney General and inform the registrar accordingly.
- (6) The registrar may, at his discretion, inform the Commissioner for South African Revenue Services of any failure to comply with section 13A of the Act for whatever action the Commissioner for South African Revenue Services deems necessary to take against the participating employers and/or the board of the fund.
- (7) Compound interest on late payments or unpaid amounts and values shall be calculated for the period from the first day of the month following the expiration of the period in respect of which the relevant amounts or values are payable or transferable until the date of receipt by the fund at the rate prescribed from time to time by the Minister under section 13A(7) of the Act by notice in the *Gazette*. Such interest shall constitute investment income for the fund and shall be payable to the fund by no later than the end of the second month following the month in respect of which the amount is received or the value transferred, as the case may be.

(Commencement date of section 33(7): 2 November 2001)

- (8) The initial contribution statement shall be furnished by not later than 90 days after the commencement of these regulations indicated in paragraph 4(1) in respect of each fund established on or before 31 August 2001, and within fifteen days of the end of the period for which the first contribution is payable for every fund established thereafter. A subsequent contribution statement shall be furnished within fifteen days after the end of the month in respect of which the contribution is payable.

(Regulation 33 added by GN 337 of 2001)

34. Minimum pension increase for pensioner who was a deferred pensioner prior to retirement

For purposes of section 14B(4)(b) of the Act, the pension increase to be determined in terms of that section for a pensioner who was a deferred pensioner prior to retirement, is the change to the

consumer price index from date of exit to the effective date of the calculation, with appropriate adjustments for any portion commuted on retirement.

(Regulation 34 added by GN 558 of 2003)

35. Establishment of Contingency Reserve Accounts

- (1) By virtue of the fact that-
 - (a) the Act vests powers in boards of funds to establish contingency reserve accounts; and
 - (b) the establishment of contingency reserve accounts reduces the actuarial surplus available for apportionment and increases the possibility that actuarial surplus may be insufficient to enhance benefits previously paid to former members to the level prescribed in section 15B(5)(b) of the Act,

no fund may, with effect from the date of commencement of this regulation, establish any contingency reserve account under circumstances where a reasonable inference may be made that the establishment of the account is contrary to the duties of the relevant board under section 7C(2)(b) of the Act and motivated by bad faith.
- (2) The establishment and magnitude of any contingency reserve account by a fund -
 - (a) must be motivated by the valuator in the relevant report on the statutory actuarial valuation; and
 - (b) may, where the Registrar is not satisfied with any such motivation, be rejected by the Registrar.
- (3) A fund must, on any such rejection of the establishment or magnitude of the relevant contingency reserve account, take such steps in connection therewith as the Registrar determines and sets out in writing to the relevant fund.
- (4) Where a board is able to determine the enhancement due in respect of a particular former member in terms of section 15B(5)(b) or (c) of the Act, but is unable to trace that former member in order to make payment, the board shall put the corresponding enhancement into a contingency reserve account specific for the purpose. Notwithstanding anything in the rules of the fund, moneys may not be released from such contingency reserve accounts except as a result of payment to such former members or as a result of crediting the Guardians Fund or some other fund established by law to include such amounts.

(Regulation 35 added by GN 558 of 2003)

36. Surplus apportionment dates for funds which are valuation exempt

- (1) In this regulation-

"audit-exempt", in respect of a fund, means an exemption granted under section 2(3)(a) of the Act to the fund as regards the obligation to appoint an auditor;

"scheme anniversary", in respect of a fund, means the anniversary of the date of commencement of the fund;

"valuation exempt", in respect of a fund, means the granting of exemption from the requirement to appoint a valuator in terms of section 9A of the Act and submit reports in terms of section 16 of the Act; and

"valuation exemption" has a corresponding meaning.

- (2) The Registrar must on the date of commencement of this regulation withdraw any valuation exemption in respect of any fund existing on that date with effect from-
 - (a) in the case of a fund which is not audit-exempt, the end of the financial year of such fund following 7 December 2003; or
 - (b) in the case of an audit-exempt fund, the scheme anniversary, following 7 December 2003.
- (3) Any fund in respect of whom subregulation (2) has been applied, must submit an actuarial valuation to the Registrar-
 - (a) at the end of the financial year following 7 December 2003; or
 - (b) in the case of an audit-exempt fund, the scheme anniversary following 7 December 2003.
- (4) The effective date of a valuation contemplated in subregulation (3), shall be the surplus apportionment date in respect of the fund for purposes of the provisions of the Act dealing with such dates.
- (5) A fund referred to in subregulation (3) may, in the event that the fund has after compliance with that subregulation satisfied the Registrar that there is no actuarial surplus to apportion, submit a new request to the Registrar under section 2(3)(a) of the Act for an authorisation referred to in subregulation (1) of this regulation.
- (6) All funds which are valuation exempt and in respect of which a surplus apportionment date has been determined in accordance with subregulation (4), must apply minimum benefits in terms of section 14B of the Act with effect from a date 12 months after such surplus apportionment date.

(Regulation 36 added by GN 558 of 2003)

SCHEDULE A

(Schedule A substituted by GNR 2324 of 1993)
(Schedule A substituted by GNR 1644 of 1998)
(Schedule A repealed by regulation 5(a) of GNR 491 of 2006)

SCHEDULE B

(Schedule B substituted by GNR 2324 of 1993)
(Schedule B substituted by GNR 1644 of 1998)
(Schedule B repealed by regulation 5(b)(ii) of GNR 491 of 2006)

SCHEDULE C

(Schedule C substituted by GNR 2324 of 1993)
(Schedule C repealed by regulation 5(b)(ii) of GNR 491 of 2006)

SCHEDULE D

(Schedule D substituted by GNR 2324 of 1993)
(Schedule D repealed by regulation 5(b)(ii) of GNR 491 of 2006)

SCHEDULE E

(Schedule E substituted by GNR 2144 of 1984)
(Schedule E substituted by GNR 201 of 1993)
(Schedule E substituted by GNR 2324 of 1993)
(Schedule E repealed by regulation 5(b)(ii) of GNR 491 of 2006)

SCHEDULE F

(Schedule F added by GNR 1790 of 1985)
(Schedule F substituted by GNR 2324 of 1993)
(Schedule F repealed by regulation 5(b)(ii) of GNR 491 of 2006)

SCHEDULE G

(Schedule G added by GNR 2324 of 1993)
(Schedule G repealed by regulation 5(b)(ii) of GNR 491 of 2006)

SCHEDULE H

(Schedule H added by GNR 2324 of 1993)
(Schedule H repealed by regulation 5(b)(ii) of GNR 491 of 2006)

SCHEDULE I

(Schedule I added by GNR 2324 of 1993)
(Schedule I amended by GNR 1677 of 1996)
(Schedule I amended by GNR 1154 of 1998)
(Schedule I repealed by regulation 5(b)(ii) of GNR 491 of 2006)

SCHEDULE J

[In terms of regulation 15 (1)]

FORM OF SUMMARY OF REPORT OF VALUATOR

Name of fund

Financial year

Valuator

Particulars of financial condition of the fund

1. The fair value of the net assets of the fund, after deduction of current liabilities and any liabilities arising from the pledging, hypothecation or other encumbering of the assets of the fund

.....

2. The actuarial value of assets of the fund, for purposes of comparison with the accrued liabilities of the fund

.....

3. A brief description of the basis employed in calculating the actuarial value of the assets

.....

.....

4. The accrued liabilities* of the fund

.....

5. Any other particulars deemed necessary by the valuator for the purposes of this summary

.....

6. A statement as to whether the fund was in a sound financial condition for the purposes of the Pension Funds Act, 1956

.....

Prepared by me:

Prepared by:



In partnership with:



.....

(Date)

(Signature of

valuator)

REMARKS

* For the purposes of this Schedule "accrued liabilities", in relation to the fund in question, means –

- (a) the actuarial liabilities in respect of past service benefits (including accrued bonus service) of active members, with due allowance for future salary increases where these affect the benefits in respect of past service, and with due allowance for increases in pension and deferred pensions at rates consistent with past practice, the current policy and the reasonable benefit expectations of members;
- (b) the actuarial liabilities in respect of pensions in course of payment and deferred pensions, with due allowance for increases at rates consistent with past practice, the current policy and the reasonable benefit expectations of pensioners; and
- (c) any other accrued actuarial liabilities.

(Schedule J added by GNR 2324 of 1993)

SCHEDULE K

(In terms of regulation 29)

.....FUND (in liquidation)

REFERENCE NUMBER: 12/8//2

ANNEXURE A

Preliminary/Final (1) Statement of Funds and Net Assets at the commencement of the liquidation as on 19

(Accounts in terms of section 28 of the Pension Funds Act, 1956)

1. FUNDS

1.1 ACCUMULATED FUNDS

.....

(a) Pension

.....

Prepared by:



In partnership with:



(b)	Provident	.....
(c)	Retirement annuity	.....
(d)	Benefit	<u>.....</u>	
1.2	RESERVE ACCOUNTS		.....
(a)	Reserve	.....
(b)	Pensioner reserves	.....
(c)	Other reserves	<u>.....</u>	_____
	TOTAL FUNDS AND RESERVES		<u>R.....</u>
	NET ASSETS		
2.	FIXED ASSETS AND INVESTMENTS		.....
2.1	FIXED ASSETS	.....
2.2	INVESTMENTS	<u>.....</u>	
2.3	CURRENT ASSETS		.....
(a)	Accounts receivable	.....
(b)	Income accrued	.....
(c)	Arrear contributions	.....
(d)	Cash at bank	.....
(e)	Other (specify)	<u>.....</u>	_____
	TOTAL ASSETS		.....
3.	LESS: LIABILITIES		.....
3.1	LONG-TERM LIABILITIES	.....



(Specify)

(a)

(b)

Box containing two dotted lines for input.

3.2 CURRENT LIABILITIES

(a) Contributions in advance

(b) Accounts payable

(c) Benefits due

(d) Bank overdraft

(e) Other (specify)

Box containing five dotted lines for input.

NET ASSETS

R

Certified correct (liquidator)

Place

Date.....

Note: (1) Delete whichever is not applicable.

SCHEDULE K

(In terms of regulation 29)

..... FUND (in liquidation)

REFERENCE NUMBER:

12/8/ /2

ANNEXURE B

Preliminary/Final(1) realisation account at

.....

(Accounts In terms of section 28 of the Pension Funds Act, 1956)

Prepared by:



In partnership with:



(1) RECEIPTS

(Details of amounts realised by assets in accordance with the Preliminary/Final (1) Statement of Funds and Net Assets as per Annexure A)

Description	Value as per statement	Realisable value
.....
.....	<u>.....</u>	<u>.....</u>
	<u>.....</u>	<u>.....</u>
Other receipts (3)		
.....		<u>.....</u>
	
	

LESS: LIABILITIES

(Details from the Preliminary/Final(1) Statement of Funds and Net Assets in Annexure A)

Description		
.....	
.....	
.....	<u>.....</u>
SUBTOTAL		.....
LESS: PROVISION FOR(2) LIQUIDATION EXPENSES		.....
Advertisements	.....

Prepared by:

In partnership with:

Liquidator's fees
 Pension payments
 Other (specify) _____

DISTRIBUTION ACCOUNT AS PER ANNEXURE C R.....

Certified correct... (liquidator)

Place Date

- NOTES:**
- (1) Delete whichever is not applicable.
 - (2) Delete in final realisation account, where actual expenditure must be shown.
 - (3) Include investment income only in final realisation account.

SCHEDULE K

(In terms of regulation 29)

..... FUND (in liquidation) REFERENCE NUMBER: 12/8/
/2

ANNEXURE C

Preliminary/Final (1) distribution account at

(Accounts in terms of section 28 of the Pension Funds Act, 1956)

- (a) Basis of distribution:
 (Concise description of the basis of distribution to beneficiaries, with reference to the rule in terms of which the fund is being dissolved and the rule (if any) under which the distribution is being made. Particular reference must be made to the vested rights to pensions of pensioners.)
- (b) Schedule of distribution:

PARTICULARS OF BENEFICIARIES PAYMENT			DATES OF MEMBERSHIP		PAYMENT
NO. SURNAME	INITIALS	I.D.NUMBER	COMMENCED	CEASED	RAND

Total as per preliminary/final (1) realisation account in Annexure B					R

Note: (1) Delete whichever is not applicable.

Certified correct (liquidator)

Place

Date

ANNEXURE D

..... Fund (in liquidation)

Reference No : 12/8/

Commissioner of Inland Revenue reference no.....

Number of members

Active

Pensioners

- Current

- Deferred

Dependants and nominees in receipt of regular payments

TOTAL

1. The number of members (including pensioners) at the date of termination of the fund

2. Highest number of members (including pensioners) during the 12 months preceding the date of termination
3. The reason(-s) for the difference in 1 and 2 above:

Note: Submit in duplicate on a separate page only with the Final Liquidation Accounts.
(Annexure D to Schedule K added by GN 337 of 2001)

(Schedule K added by GNR 2324 of 1993)

SCHEDULE L

PRESCRIBED FEES

	FEES PAYABLE
	R
(a) For an application for the registration and registration of a pension fund in terms of section 4 of the Act (regulation 8(1)(v))	1 230,00
(b) For an application for the registration of special rules under an umbrella fund in terms of section 4 of the Act (regulation 8(1)(v))	405,00
(c) For an amalgamation or transfer in terms of section 14 of the Act [regulation 24(c)]	
(i) Single Transfer	
- Per individual member transferred	210,00
- With a maximum per transfer of	1 020,00
- Transfer in respect of "agterskot"	1 020,00
(ii) Multiple transfer	4 100,00
(iii) In the case where the transferor fund is an Umbrella Fund:	
Single Transfer	

-	Per individual member transferred	210,00
-	With a maximum per participating employer transferred of	1 020,00
	Multiple transfer	
-	Multiple transfer per participating employer	4 100,00
(d)	For the alteration or rescission of or an addition to the rules of a fund:	
-	Per resolution [regulation 24(a)(iv)]	415,00
-	Per resolution to amend special rules of an umbrella fund	415,00
(e)	For the inspection of one or more of the documents referred to in section 35 of the Act relating to a specific fund [regulation 25]	30,00
(f)	For a photostatic copy made by the Registrar of any document or register, per A4 page or part thereof	3,60
(g)	For a double-spaced typewritten copy or an extract of or from any document or register made by the Registrar, per A4 page or part thereof	17,70
(h)	For the authentication by the Registrar of a copy made or an extract taken as contemplated in item (f) or (g) above, per A4 page or part thereof	12,10
(i)	For certifying or confirming that a fund is registered under subsection (3) or (4) of section 4 of the Act, or that its name has been changed or its rules amended [except for the purposes of item (d)]	35,20
(j)	For a search fee per fund for services rendered in respect of item (e), (f) or (g) above	12,10
(k)	For the perusal of documents for the purposes of item (h) above, per A4 page or part thereof	12,10
(l)	For a list of names and addresses of Funds in an electronic format	
(i)	For privately administered funds	390,00
(ii)	For funds exempted in terms of section 2(3)(a) of the Act	1 930,00

(m)	For an application for approval in terms of section 13B(1) of the Act	
	(i) To act as benefit administrator	4 110,00
	(ii) To act as an investment administrator approved as an administrative or discretionary financial services provider in terms of the FAIS Act	690,00
(n)	For services rendered by the Registrar in case of the consolidation or revision of the rules of a registered fund in terms of section 12(5) of the Act or a scheme to change the funding basis of a fund	
	- Per consolidation / conversion	1 235,00
	- Per revision	1 210,00
(o)	For a customised printer report of information from the Registrar's database:	
	Per entry contained on the printer report	1,20
	Minimum cost per customised report	180,00
(p)	For services rendered by the Registrar in case of liquidation of a fund in terms of section 28 of the Act, whether the liquidation has been completed or not a fee of 20% of the liquidation fee with a minimum of	690,00
	but not more than	6 770,00
(q)	For an application for approval of a nominee company in terms of section 5(2) of the Act	4 515,00
(r)	For an application for approval of the apportionment of surpluses to stakeholders in terms of section 15B, 15F and 15K of the Act:	
	(i) Professional fee per senior official per hour or part thereof	1 020,00
	(ii) With a minimum fee per application of (or such lesser fee as agreed to by the registrar)	12 815,00
(s)	Transfer in terms of section 15E	1 020,00
	<i>(Schedule L added by GNR 2324 of 1993)</i>	
	<i>(Schedule L amended by GNR 1838 of 1995)</i>	
	<i>(Schedule L amended by GNR 801 of 1998)</i>	

(Schedule L amended by GNR 853 of 1999 with effect from 1 July 1999)
(Schedule L amended by GNR 896 of 2000 with effect from 1 September 2000)
(Schedule L amended by GNR 100 of 2002)
(Schedule L substituted by GNR 1037 of 2002)
(Schedule L substituted by GNR 1739 of 2003)
(Schedule L substituted by GNR 1355 of 2004)
(Schedule L substituted by GNR 1105 of 2005)
(Schedule L substituted by GNR 843 of 2006)
(Schedule L substituted by GNR 73 of 2009)

SCHEDULE M

**APPLICATION FOR APPROVAL AS AN ADMINISTRATOR IN TERMS OF SECTION 138 OF THE
PENSION FUNDS ACT, 1956**

SECTION 1 (To be completed by all applicants)

1. Full name of proposed administrator.

.....

2. Details of corporate status, registered number and registered address.

.....

3. Address where business is being conducted.

.....

4. Postal Address.

.....

Telephone Number Facsimile

6. Date on which financial year ends.

.....

7. Name and address of accounting person contemplated in condition 1 of the Conditions*. Give full particulars of the firm of accountants or auditors and specify one or two specific members of the firm as the bearer of the responsibilities in terms of the Regulations and the Conditions. If approval of a

person to be acting as accounting person is required, please furnish full details including qualifications and experience of the person to be approved.

.....

8. Name and address of person who will be in charge of the administration of pension funds.

.....

.....

9. Is the person referred in paragraph 8 fully conversant with the provisions of the Act, Regulations, Conditions and the Financial Institutions (Investment of Funds) Act, 1984?

.....

10. Will the administration of pension funds be conducted in such a way to comply with all applicable provisions?

.....

11. Bank and branch where accounts of administrators are kept:

Current account Trust account (if any)
.....

12. The names, identity number and addresses of the administrator's owners, partners, members (if close corporation) or its shareholders and directors (if a private company or unlisted public company), its directors (if a listed public company) and the shareholders and directors of the holding company (if a private company or unlisted public company) or directors of the holding (company if a listed public company) are as follows:

Name	Identity Number	Shares	Address

SECTION II

(Only to be completed by administrators in existence at the date of coming into operation of the Regulations in terms of which this Schedule was added to the Regulations)

1. Number of registered and unregistered pension funds currently being administered:

Registered Unregistered.

2. Are your administration agreements with pension funds in writing and do they conform with the provisions of condition 3 of the Conditions*?

.....

3. If not, will amendments be made or do you wish to apply for exemption? (If you wish to apply for exemption in terms of condition 3, state grounds for exemption).

.....

4. Do you deposit fund moneys, whether contributions paid or benefits payable, in a trust account or other bank account opened in your name? Please furnish details.

.....

.....

SECTION III (Only to be completed by administrator requiring exemption)

Please indicate exemptions required from the Conditions*, if any.

.....
.....
.....
.....
.....
.....
.....
.....

Please furnish reasons for requiring exemption.

.....
.....

Prepared by:



In partnership with:



.....
.....
.....
.....
.....

* The Conditions promulgated in the Government Gazette containing the Registrar's prerequisites for approval as an administrator.

(Schedule M added by regulation 5 of GNR 1838 of 1995)

SCHEDULE N

**REPORT OF THE ACCOUNTING PERSON (EXCLUDING AUDITORS (OF
(THE ADMINISTRATOR) TO THE REGISTRAR OF PENSION FUNDS IN COMPLIANCE WITH
REGULATION 32 (2) (b) OF THE REGULATIONS MADE IN TERMS OF THE PENSION FUNDS ACT,
1956**

1. We have performed the duties of an accounting person of the administrator as required by regulation 32 (2) (b). No audit is required by the Act to be carried out and no audit was conducted.

2. The financial information and the insurance of business risks are the responsibility of the management of the administrator. We have adopted such procedures and conducted such enquiries in relation to the books of account and records of the administrator as we considered necessary in the circumstances. This enables us to certify that-

2.1 the administrator has taken out an Employer's Fidelity Guarantee Policy, No. with and that such policy has been renewed for a period of months ending on the day of 19, and

2.2 the administrator has taken out a Professional Indemnity Insurance Policy, No with and that such policy has been renewed for a period of months ending on theday of 19.

Accounting person (excluding auditors):

Date:

Address:

(Schedule N added by regulation 5 of GNR 1838 of 1995)

SCHEDULE O

REPORT OF THE AUDITOR OF (THE ADMINISTRATOR) TO THE REGISTRAR OF PENSION FUNDS IN COMPLIANCE WITH REGULATION 32 (2) (b) OF THE REGULATIONS MADE IN TERMS OF THE PENSION FUNDS ACT, 1956

1. In compliance with regulation 32 (2) (b) we have performed certain procedures described below on the system of internal control and records of the administrator as at

2. Compliance with the regulations and the maintenance and development of a system of internal control are the responsibilities of the management of the administrator. Our responsibility is to report on the results of the procedures which we have performed. The procedures were carried out solely to comply with the requirements of Regulation 32(2)(b) and this report should be used by you for that purpose only.

3. We have adopted such procedures and conducted such enquiries in relation to the books of account and records of the administrator as we considered necessary in the circumstances. This enables us to certify that-
 - 3.1 the bookkeeping, computer and control systems are adequate for the size and complexity of the business it is conducting / *proposes to conduct;

 - 3.2 adequate measures are in operation to ensure the continued safety of documents of title relating to assets held in safe custody;

 - 3.3 the administrator has taken out an Employer's Fidelity Guarantee Policy, No. withand that such policy has been renewed for a period of months ending on theday of 19, and

 - 3.4 the administrator has taken out a Professional Indemnity Insurance Policy, No with and that such policy has been renewed for a period of months ending on theday of1 9

4. The following exceptions to paragraph 3 have been brought to the attention of the administrator's management and have/*have not subsequently been corrected:

.....

.....

.....

Auditor (CA) SA:

Address:

Date:

* Delete if not applicable.

(Schedule O added by regulation 5 of GNR 1838 of 1995)

Prepared by:



In partnership with:

