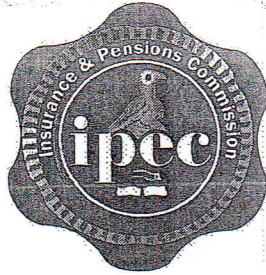


Telephone: 250613,
251060/61
Facsimile : 251889
Website : TBA
Email : enquiries@ipecc.co.zw

P.O. Box HR 6773
Harare



INSURANCE & PENSIONS
COMMISSION
3rd Floor, Finsure House
84-86 Kwame Nkrumah Avenue
Harare
Zimbabwe

November 27, 2008

Circular No. 15

INSURANCE COUNCIL OF ZIMBABWE (ICZ)

ZIMBABWE ASSOCIATION OF PENSION FUNDS (ZAPF)

LIFE OFFICES ASSOCIATION (LOA)

ZIMBABWE ASSOCIATION OF REINSURANCE ORGANISATIONS (ZARO)

ZIMBABWE ASSOCIATION OF FUNERAL ASSURERS (ZAFSA)

ZIMBABWE INSURANCE BROKERS ASSOCIATION (ZIBA)

FUND ADMINISTRATORS

**COMPLIANCE DIRECTIVE TO INSURANCE AND PENSION FUNDS INDUSTRY ON
PRESCRIBED ASSET HOLDINGS**

This is to advise that the Minister of Finance has issued a directive to the above industry to comply with prescribed asset requirements by the 28th November 2008.

The Insurance and Pensions Commission Board discussed the directive and resolved to seek some clarification and guidance from the Minister on how best to implement the directive. We hope to get this guidance in time for the deadline to be met.

M.S. Mpofo

COMMISSIONER OF INSURANCE PENSION AND PROVIDENT FUNDS

c.c. Mr W. L. Manungo

Secretary for Finance

Mr E. N. Mushayakarara

Chairman

Insurance and Pensions Commission Board

Telex: 22141ZW
Telegrams: "MINFEN", Harare
Telephone: 794571/757720
Fax: 792750

Private Bag 7705
Causeway
Harare
Zimbabwe



Reference
MINISTER OF FINANCE

Government Composite Building
Samora Machel Avenue

C/30/71

24 November 2008

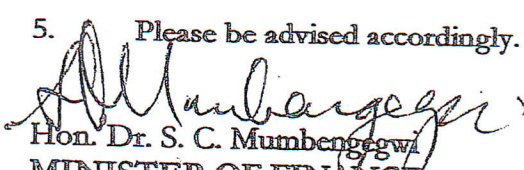
Mr. E. Mushayakarara
Chairman of the Insurance & Pensions Commission
3rd Floor, Finsure House
Cnr Kwame Nkrumah/Sam Nujoma
Harare

RE: COMPLIANCE DIRECTIVE TO THE INSURANCE AND PENSION
FUND INDUSTRY ON PRESCRIBED ASSET HOLDING

This letter is a follow-up to my Directive of 13 November 2008, which appears not to have been implemented.

The Directive was as follows:

1. The Ministry of Finance has noted with grave concern that the Insurance and Pension Fund Industries are overtly violating the statutory requirement that 30 % and 35 % of their assets be held in prescribed Government assets respectively.
2. At current levels of under 1 % of prescribed assets holdings, the Insurance companies and Pension Funds are directly subverting Government's National Development Programmes, as well as, undermining the medium and long-term stability of the country's Financial Sector.
3. Accordingly, therefore, and without exception, all Insurance companies and Pensions Funds are expected to fully comply with the prescribed assets holding requirement no later than end of business day on 28 November 2008.
4. Non-compliance will attract very serious remedial measures.
5. Please be advised accordingly.


Hon. Dr. S. C. Mumbengegwi
MINISTER OF FINANCE

✓ CC: Commissioner of the Insurance & Pensions Commission