2024 INSURANCE AND PENSIONS COMMISSION

Annual Report

Protecting The Interests Of Insurance And Pension Consumers

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LIST OF ACRONYMS

AIO	African Insurance Organization
AGM	Annual General Meeting
AML/CFT/CPF	Anti-Money Laundering, Countering the Financing of Terrorism and Counter Proliferation Financing compliance
CGU	Corporate Governance Unit
CISNA	Committee of Insurance, Securities and Non-banking Financial Authorities
COMESA	Common Market for Eastern and Southern Africa
DPC	Deposit Protection Corporation
ERM	Enterprise Risk Management
ESAAMLG	Eastern and Southern Africa Anti-Money Laundering Group
FIU	Financial Intelligence Unit
FSD	Africa Financial Sector Deepening Africa
FSDP	Financial Sector Development Plan
IAIS	International Association of Insurance Supervisors
IFRS 17	International Financial Reporting Standard 17 (Insurance Contracts)
IOPS	International Organisation of Pension Supervisors
IPSAS	International Public Sector Accounting Standards
IPEC	Insurance and Pensions Commission
MEFMI	Macroeconomic and Financial Management Institute of Eastern and Southern Africa
NDS1	National Development Strategy 1 (2021–2025)
NDS11	National Development Strategy 2 (2026–2030)
OPC	Office of the President and Cabinet
PECOG Act	Public Entities Corporate Governance Act [Chapter 10:31]
RBS	Risk-Based Supervision
SI	Statutory Instrument
ZiCARP	Zimbabwe Integrated Capital and Risk Programme

About the Insurance and Pensions Commission

The Insurance and Pensions Commission (IPEC) is a statutory body established in terms of the Insurance and Pensions Commission Act [Chapter 24:21], to regulate the insurance and pensions industry to protect the interests of policyholders and pension scheme members.

The Commission falls under the Ministry of Finance, Economic Development, and Investment Promotion.

OUR VISION

To be a safe, vibrant, and sustainable insurance and pensions industry by 2025.

OUR MISSION

To regulate, supervise, and develop the insurance and pensions industry for the protection of policyholders and pension scheme members through regulatory excellence.

OUR CORE VALUES

Values are critical in guiding behaviours, and these are defined to ensure a common understanding. The following are the IPEC values and their supporting definitions:

Professional

We are reliable in setting our own high standards.

Accountability

We are answerable in terms of ethics and governance.

Fairness

We shall develop and apply rules, regulations, and procedures equitably among all clients and stakeholders.

Integrity

We apply agreed policies equally to all, maintain the highest of personal, professional and ethical conduct.

Excellence

We strive to exceed expectations by upholding the utmost quality standards and provide assurance on decision-making.

CORPORATE INFORMATION

Head Office Address: 160 Rhodesville Avenue, Greendale, Harare

New Offices: 90 Speke Avenue, Harare

Website: www.ipec.co.zw

Telephone Numbers: 0242- 443358/61/443422 or 0772 154 281-4

Email: enquiry@ipec.co.zw

	Name	Physical Address
External Auditors	Integra Chartered Accountants	3 Fal Road, Vainona, Borrowdale, Harare
Banks	FBC Bank Limited	2 Lanark Road, Belgravia, Harare
	Commercial Bank of Zimbabwe	62 Mutare Road, Msasa Harare
Lawyers	Messrs Muvingi & Mugadza	Level 7, Pegasus House, 52-54 Samora Machel Ave, Harare
	Messrs Kantor & Immerman	MacDonald House, 10 J.L Nkomo Avenue, Harare
	Messrs Dube Manikai & Hwacha	4 Fleetwood Road, Alexandra Park, Harare
	Messrs Gill Godlonton and Gerrans	7th Floor, Beverley Court 100 Nelson Mandela Avenue, Harare

Insurance & Pensions Commission

31 March 2025

Hon. Prof. M. Ncube

Minister of Finance, Economic Development and Investment Promotion

Mgandane Dlodlo Building, 6th Floor, B. Block,

Cnr. Samora Machel Avenue/Simon. V. Muzenda Street,

Harare

Dear Honourable Minister

REF: INSURANCE AND PENSIONS COMMISSION ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

In accordance with Section 49 (1)(d) of the Public Finance Management Act, [Chapter 22;19], I have the pleasure of presenting to you the Insurance and Pensions Commission (IPEC) Annual Report and Financial Statements for the year ended 31 December 2024.

Yours sincerely,

A. J. Nduna
Board Chairperson
INSURANCE AND PENSIONS COMMISSION

160 Rhodesville Ave, Greendale, Harare. P.O. Box HR6773, Harare. Tel: +263 (242)443358/361/442/ +263 242-444033. Cell: 0772 154 281-4
Bulawayo, Office No. 18, Bulawayo Centre Cnr Joshua Nkomo & 9th Avenue. Tel: +263(292) 261 822
Fax: +263 242-443304 Email:enquiry@ipec.co.zw Website:www.ipec.co.zw

THE BOARD OF DIRECTORS

Mr Albert. J. Nduna
Board Chairperson

Mrs Judith Rusike
Board Vice Chairperson

Mr Godwin Nyengedza
Board Member

Mr David Mureriwa
Board Member

Mr Clemence Muzondo
Board Member

Dr Grace Muradzikwa
Commissioner and Ex-Officio Board Member

Mrs Duduzile Shinya
Committee Member

Dr Gilford Hapanyengwi
Committee Member
(1 February 2024 to date)

Mrs Mildred Chiri
Committee Member
(1 February 2024 to date)

Mr Mirirai Chiremba
Committee Member
(1 February 2024 to date)

MANAGEMENT

Dr Grace Muradzikwa
Commissioner

Mr Cuthbert Munjoma
Director Pensions and Life

Mrs Sibongile Siwela
Director Insurance

Mr Robson Mtangadura
Director Actuarial & AML/CFT

Mr Blessmore Kazengura
Director Finance & Administration

Ms Samantha Nhende
Director Corporate Services

2024 Performance Snapshot

Strategic and Operational Highlights

Strategic outcomes execution rate	83%
Strategic outputs execution rate	91%
Self-compliance rating for IPEC	96%
Audit issue closure rate	72%
Staff turnover	2.1%

Compliance and Supervision:

Compliance Index: Pensions	69%
Compliance Index: Short-term Insurers	82%

Prescribed Assets Compliance:

Reinsurers	30%
Life Assurers	14%
Short-term Insurers	10%
Pension Funds	12%

Financial Performance:

Total revenue (↑31% from 2023)	ZWG 311.7M
Expenditure (↑18% from 2023)	ZWG 211.2M
Surplus recorded	ZWG 12.8M

Industry Development and Regulation

Microinsurers licensed	5
Insurance brokers licensed	2
Increase in total insurance revenue: from US$368.2M (2023) to US$452M (2024)	23%
Short-term insurance business conducted in USD	80%
Life insurance business conducted in USD	65%
Insurance penetration rate	2%

US$522,000 disbursed in pre-2009 compensation out of US$750,000 approved

Soundness Indicator Ratings:

Insurance	63%
Pensions	68%

Governance and Oversight:

Overall Board and Committee meeting attendance	95%
Female Board representation	40%
Board committees operational	6

6th Annual General Meeting held on 28 June 2024

CHAIRPERSON'S STATEMENT

Mr Albert. J. Nduna
BOARD CHAIRPERSON

It is my honour to present the Chairperson's Statement for the Insurance and Pensions Commission (IPEC) and audited financial statements for the year ended 31 December 2024. This report reflects the Commission's commitment to protecting policyholders and pension scheme members while fostering high levels of corporate governance best practices. Additionally, the report provides a snapshot of the performance of the insurance and pensions industry under IPEC's regulatory oversight.

Macroeconomic Environment

In 2024, the economy faced both challenges and opportunities, recording a modest growth of 2% on account of a significant contraction in the agriculture sector, which shrank by 15% due to the El Niño-induced drought.

The financial and insurance sectors demonstrated resilience, growing by 4.8%, a notable increase from 2.4% in 2023. This reflects the sector's adaptability and innovation in response to economic pressures.

However, persistent inflationary pressures and currency volatility undermined financial stability, impacting the value of pension benefits, thus eroding their purchasing power. The industry responded by balancing premium growth with robust risk management strategies, ensuring resilience and stability.

Strategy Implementation

The execution of the 2021-2025 Strategic Plan has been instrumental in advancing IPEC's Vision of a safe, vibrant, and sustainable insurance and pensions industry. In 2024, the Commission recorded significant progress, achieving an 83% strategy execution rate for outcomes, with some targets exceeded. The execution rate for outputs stood at 91%, with eight (8) out of the nine (9) strategic outputs successfully delivered. These achievements show notable strides in risk-based supervision, financial soundness and resilience, market development initiatives, compliance enhancement, and financial inclusion.

Key Market Development Initiatives

One of the key milestone achievements in 2024 was the successful launch of the innovative Farmer's Basket – a parametric agriculture index-based insurance product, in Goromonzi District. This initiative enhances climate resilience, strengthens food security, and supports agriculture sustainability. The Government also approved the Agriculture Index Insurance Policy, which informs the development of regulations for parametric agricultural insurance.

The Government also approved the domestication of marine insurance, a strategic initiative aimed at enhancing market retention, regulatory oversight, and financial security for the maritime sector. This policy is expected to curb capital flight and strengthen domestic insurance markets. The legislation required to operationalise this policy was under development during the year under review, marking a significant step toward aligning marine insurance with national economic objectives.

Despite these notable achievements, the Commission faced challenges in delivering the pre-2009 compensation, the Commission's strategic priority. The main reasons for the delay in finalising this exercise were poor data integrity, inadequate asset separation, and the failure by some pension funds to provide disaggregated pensioner data, which complicated the verification and approval process. Notwithstanding these hurdles, the Commission approved two pension funds' compensation schemes in 2024 and they successfully disbursed US$522,000 out of an approved compensation of US$750,000 to the two schemes' eligible members, during the year under review. To accelerate progress, IPEC is collaborating with the Attorney General's Office to amend Statutory Instrument (SI) 162 of 2023, introducing greater flexibility in compliance requirements. These amendments aim to resolve implementation bottlenecks and facilitate the completion of the exercise, in 2025.

Update on the Post Commission of Inquiry

Legal Reforms - The Commission has made significant strides in implementing the Justice Smith Commission of Inquiry (COI) recommendations, which emphasise accountability, transparency, and enhanced policyholder protection. A key recommendation was to consolidate insurance and pension businesses regulation under a single regulatory statutory authority, ensuring a harmonised supervisory framework. The Insurance and Pensions Commission Bill (H.B 7, 2024), gazetted in December 2024, marks a major step toward achieving this goal.

The proposed legislation enhances the Commission's supervisory powers, reinforcing its mandate to regulate and enforce compliance within the industry. Notably, the Bill introduces a dedicated Policyholder Protection Fund and expands the Commission's mandate to regulate Medical Aid Societies. Despite these developments, little progress was registered in the legislative process in amending the Insurance Act, during the year under review. The Board and Management remain committed to engaging stakeholders and policymakers to accelerate the modernisation of the Commission's legal framework.

Enhancing Prudential Supervision - IPEC continued to make good progress in enhancing its prudential supervisory capacity by strengthening its skills and competencies through staff training and recruitment. In 2024, IPEC diversified and strengthened its expertise, incorporating specialists in Data Analytics, Chartered Financial Analysts, Anti-Money Laundering, and Financial Engineering expertise. These efforts ensure agility in responding to the evolving insurance and pensions landscape. The advancements have been instrumental in promoting market integrity, and financial stability as well as enhancing consumer protection.

Financial Sector Development Plan (FSDP) – The Commission is actively participating in the development of Zimbabwe's Financial Sector Development Plan (FSDP) together with the Ministry of Finance, Economic Development and Investment Promotion and other financial sector regulators. This initiative seeks to address regulatory gaps, market inefficiencies, and value erosion within the financial sector. Zimbabwe has experienced significant pension and long-term savings losses due to macroeconomic challenges. The FSDP aims to enhance regulatory consistency, risk mitigation, and confidence restoration across the financial sector.

Governance

The Commission's Board, consisting of six Board Members and four Committee Members, operates with full independence. The Board reviewed its Charter and established an Integrity Committee, along with an Anti-Corruption and Anti-Fraud Policy, to address emerging regulatory risks. The Commission remains largely compliant with statutory requirements, held its Annual General Meeting with stakeholders and bi-annual statutory meetings with the line Minister, to ensure oversight remains aligned with its mandate.

As part of our continuous enhancement of governance structures, we are pleased to welcome three distinguished professionals who joined our Board as Committee Members, on 1 February 2024 - Mrs Mildred Chiri, Mr Mirirai Chiremba, and Dr Gilford Hapanyengwi. Their extensive expertise across financial management, risk oversight, and innovation, will greatly strengthen our regulatory framework and strategic direction.

Financial Performance of the Commission

The Commission adopted the International Public Sector Accounting Standards (IPSAS) in 2023 and drew up its Annual Financial Statement for the year ended 31 December 2024 guided by the Zimbabwe Financial Reporting Manual for the Public Sector. Figures were also restated to cater for the hyperinflationary environment that characterised the reporting period environment. The Commission's total restated revenue for the year ended 31 December 2024 amounted to ZWG311,709,663, which was 31% above ZWG238,669,824 recorded in 2023. Total expenditure for the period under review was ZWG211,235,534, 18% above year 2023 expenditure of ZWG178,703,560. The Commission recorded a surplus of ZWG12,756,214.

Outlook and 2025 Priorities

The economy is projected to grow by 6% in 2025, driven by a recovery in agriculture (12.8%), growth in the electricity and gas sector (10.6%), and information and communication (9.9%). This economic outlook provides a solid foundation for the insurance and pensions industry to expand. However, the industry must remain agile to navigate the macroeconomic uncertainties and evolving market conditions to ensure continued financial resilience and sustainability.

To enhance sector stability, priority will be placed on strengthening data integrity, reinforcing governance frameworks, and promoting financial inclusion. Furthermore, climate risks and sustainability concerns present an opportunity to drive the expansion of insurance solutions in agriculture, microinsurance, and disaster risk financing.

Strategic Priorities for 2025

IPEC's 2025 priorities will be on finalising key legislative reforms, implementing risk-based supervision, and enhancing compliance monitoring to ensure long-term industry sustainability. The 2025 IPEC strategic priorities include the following: -

- Restoration of market confidence;
- Strengthening regulatory frameworks & legal reforms;
- Digital transformation & supervisory efficiency;
- Enhancing market conduct and financial reporting;
- Driving innovation & market development; and
- Strengthening governance & financial resilience.

Appreciation

On behalf of the Board, I extend my sincere gratitude to the Office of the President and Cabinet, through the Corporate Governance Unit, the Ministry of Finance, Economic Development and Investment Promotion, and the Parliamentary Portfolio Committee on Budget, Finance and Investment Promotion, for their guidance throughout the year.

I would also like to thank fellow financial sector regulators and development partners – International Finance Corporation, World Bank, Access to Insurance Initiative, Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) and FSD Africa, for their collaboration, in 2024.

I also wish to thank industry associations and regulated entities for their unwavering support throughout the year under review.

My appreciation also goes to my fellow IPEC Board Members, the Commissioner, Management, and Staff, for their unwavering dedication, commitment, and professionalism in steering the Commission towards achieving its mandate.

Board Chairperson
INSURANCE AND PENSIONS COMMISSION

COMMISSIONER'S FOREWORD

Dr Grace Muradzikwa
COMMISSIONER

I am honoured to present the 2024 Annual Report, showcasing the strategic performance of the Insurance and Pensions Commission (IPEC) for the financial year ending December 2024. The Commission remained steadfast in executing its mandate and advancing its strategic objectives to enhance regulatory oversight and protect policyholders and pension scheme members.

Throughout the year, the Commission focused on strengthening the regulatory frameworks, improving organisational performance, and fostering a stable and transparent insurance and pensions industry. Despite economic and operational challenges, the commitment to excellence was evident in the progress made towards achieving the desired outcomes.

The 2024 Strategic Plan, themed: **"Regulation Reimagined,"** underscored the Commission's progressive approach to regulatory oversight in an increasingly dynamic and disruptive financial landscape. This theme emphasised the need for redefining regulatory frameworks, ensuring a delicate balance between protecting policyholders and pension scheme members and fostering innovation within the industry. To drive this transformation, the Commission anchored its strategic priorities on two key programmes-Policy and Governance; and Industry Regulation, Supervision, and Protection. To achieve its mandate, the Commission strategically deployed its resources to accomplish five key outcomes as outlined below.

The Commission continues to leverage circulars as a critical tool to address identified loopholes in the regulatory and supervisory framework. In this regard, the Commission issued 29 circulars to the industry in 2024, the majority of which, sought to maintain stability, enhance compliance, and ensure the resilience of the insurance and pensions industry in anticipation of comprehensive legislative reforms.

Outcome 1: Improved Organisational Performance and Image

The Commission successfully attracted and retained skilled professionals, significantly enhancing its capabilities through comprehensive regulatory coaching and mentorship, a competitive employee value proposition, and improved employee engagement. As a result, staff turnover decreased to 2.1%, from 7.6% recorded in 2023, and well below the target of 5%.

In 2024, the Commission maintained a strong self-compliance rating of 96%, reflecting its consistent high performance. This achievement was due to high compliance with statutory obligations, including the timely submissions of Board resolutions, timeous production of the IPEC Annual Report and Quarterly Management Accounts.

The Commission also made significant progress in transitioning to Enterprise Risk Management by developing key policies to support the Enterprise Risk Management Framework. Furthermore, operational efficiency improved by streamlining processes and enhancing internal systems, as evidenced by a high Audit closure rate of 72%.

Outcome 2: Improved Pension and Insurance Benefits

The main objective of this outcome was to ensure pension scheme members received benefits aligned with asset performance. Even though benefits tracked asset growth, the base was low, resulting in low benefits paid, notwithstanding the fact that the benefits tracked asset performance. Efforts to curb expenses, enhance asset separation between policyholders and shareholders, and strengthen Board of Funds governance structures have not yet resulted in meaningful improvements in pension benefits.

In 2024, the average benefits paid to pensioners were US$30 per month, translating to 30 loaves of bread.

Unclaimed benefits remained at 11% of total benefits, prompting intensified consumer awareness campaigns to reduce unclaimed benefits and ensure eligible beneficiaries track and claim their entitlements. Ongoing initiatives include enhanced digital tracking systems – web-based unclaimed benefits search engine and WhatsApp BOT, public education programmes, and collaboration with industry players to minimise unclaimed pensions. Lastly, the inability to fully compensate pensioners according to the Justice Smith Commission of Inquiry (COI) recommendations further hindered the success of this outcome.

Outcome 3: Improved Industry Compliance

In line with its statutory mandate to monitor and enforce compliance with rules and regulations, the Commission utilised various tools at its disposal to enforce compliance, including issuing Corrective Orders, Directives and imposing penalties on non-compliant entities. The Commission is pleased to report significant progress in industry compliance. A key milestone was the development of new regulatory tools, such as the Insurance and Pensions Compliance Composite Indices, and the Risk-Based Supervision Blueprint, which have strengthened compliance monitoring across the industry.

These tools have enhanced regulatory oversight, enabled more data-driven supervision and ensured that industry players adhere to governance, prudential, and market conduct requirements. The Compliance Index for Pensions was 69%, whilst for short-term insurers it was 82%. Strong progress was registered on Prescribed Assets Status Compliance, as follows: Reinsurers (30%), Life Assurers (14%), Short Term Insurers (10%) and Pension Funds (12%).

However, progress was undermined by the delays in the approval of key legislative instruments that remain essential for effective regulatory enforcement. The delays in enacting the Zimbabwe Integrated Capital and Risk Programme (ZiCARP), the US$-Indexed Minimum Capital Requirements, and the Pension and Provident Funds Regulations have impeded the full implementation of compliance reforms. The Commission remains optimistic that these regulations will be enacted in 2025 to strengthen compliance and financial resilience. The adoption of the IFRS 17 standard, posed some challenges for some entities, leading to some funeral assurers failing to submit their returns on time. This resulted in the late publication of funeral performance reports.

Outcome 4: Increased Industry Soundness and Resilience

The Commission made significant strides to enhance the soundness and resilience of the insurance industry to protect policyholders and pension fund members during periods of volatility. Key initiatives included the development of the Soundness Indicator, a tool that ranks the soundness of the industry, and informs risk-based inspections and the ladder of intervention, ensuring that the most critical areas are monitored effectively. In addition to soundness risk assessment, the Commission started stress testing the financials of insurers to check their resilience, ensuring they can withstand economic shocks. The soundness indicator rating for Insurance and Pensions was 63% and 68%, respectively, which is moderate against a target of 70%. Some regulated entities were affected by translation and exchange losses after the currency change in Q2 2024.

Outcome 5: Increased Industry Growth

The Commission continued to support industry development by encouraging new initiatives and fostering innovation and growth. As part of these efforts, the Commission licensed two (2) insurance brokers and five (5) microinsurers. In terms of revenue growth, total insurance revenue from direct insurers increased by 23%, rising from US$368.22 million in 2023 to US$452 million in 2024. The insurance industry revenue was increasingly skewed towards US$, with the short-term sector conducting 80% of its business in foreign currency and 65% for life insurance business.

Of notable concern is the insurance penetration rate, which remained low at about 2% in 2024, below the global average of 6% and Sub-Saharan Africa average of 2.8%. There is untapped potential for improving insurance inclusion in the industry. To enhance inclusivity and product relevance, the industry and the Commission are focusing on promoting microinsurance, micropensions and agriculture insurance.

Outlook

As the Commission approaches the conclusion of its five-year strategic plan in 2025, management takes pride in the significant strides made towards achieving regulatory excellence, and building a safe, vibrant, and sustainable insurance and pensions industry. However, the Commission recognises that key challenges remain, and there is still work to be done to fully realise the vision. The Commission remains committed to addressing these gaps through continued regulatory oversight, enhanced prudential regulation, and strengthened market conduct regulation.

Management would like to acknowledge the critical role played by stakeholders and clients, whose engagement has been instrumental in driving industry reforms, governance enhancements, and financial inclusion efforts.

Looking forward, the Commission will leverage lessons learnt over the past five years to refine strategic priorities in line with the National Development Strategy (NDS) 11 (2026-2030), reinforce regulatory enforcement, and promote growth and innovation.

Appreciation

As we reflect on the remarkable achievements of the past year, the Commission extends heartfelt gratitude to the Corporate Governance Unit, Ministry of Finance, Economic Development, and Investment Promotion, Parliament of Zimbabwe, the Attorney General's Office, industry associations, regulated entities, pension fund members, and policyholders.

The Commission extends its deepest appreciation to fellow financial sector regulators and development partners for their support and collaboration throughout the review period. Their collective contributions and strategic partnerships have been essential in driving progress, strengthening regulatory frameworks, and achieving key milestones.

Management extends heartfelt appreciation to the Board for its exceptional stewardship, wisdom, guidance, and unwavering support.

To the Commission Management and Staff, thank you for your commitment, expertise and hard work, which have been pivotal in making significant progress towards achieving the Commission's mandate.

Dr Grace Muradzikwa

COMMISSIONER OF INSURANCE, PENSION AND PROVIDENT FUNDS

STRATEGIC FIT

The Insurance and Pensions Commission (IPEC) operates under a five-year Strategic Plan (2021–2025), which is aligned with the Government of Zimbabwe's National Development Strategy 1 (NDS1 2021-2025). The strategy serves as a guiding framework to direct the Commission's efforts toward regulatory excellence, industry development, and protection of policyholders and pension scheme members. The plan is reviewed annually to allow the Board and Management to evaluate progress, realign objectives, and respond proactively to emerging trends, policy shifts, and operational realities.

The Commission's vision and mission aligns with various national and international development goals, as illustrated in the strategic fit diagram:

Core Values : Professionalism | Accountability | Fairness | Integrity | Excellence

Annual Themes and Strategic Focus

The Commission adopted distinct annual themes that reflect its evolving strategic stance and commitment to regulatory excellence:

- 2022 and 2023 – "Back to Basics" and "Back to Basics Reloaded", respectively: These themes focused on reinforcing foundational regulatory practices and operational efficiencies. The objective was to enhance regulatory authority, align with the Commission's statutory mandate, and ensure that core supervisory activities were executed effectively, efficiently and consistently.
- 2024 and 2025 – "Regulation Reimagined": Building on the gains of prior years, the Commission adopted a forward-looking approach to reimagine regulation. This involved embracing innovation, agility, and stakeholder collaboration to protect policyholders and pension scheme members in a dynamic and increasingly complex operating environment.

To operationalise its 2024 Strategic Plan, the Commission implemented two core programmes, and five key outcomes as follows:

Programmes	Weight	Outcomes	Weight
Policy and Governance	30%	Improved Organisational Performance and Image	30%
Regulation, Supervision, and Protection	70%	Improved Pension and Insurance Benefits	10%
		Improved Industry Compliance	30%
		Improved Industry Soundness & Resilience	20%
		Increased Industry Growth	10%

Key Strategic Priorities for 2024

Finalisation of the pre-2009 Compensation

- The Commission prioritised resolution of the pre-2009 compensation by improving stakeholder engagement and dealing with data integrity Issues. The Commission remains committed to addressing historical injustices and restoring stakeholder confidence through timely and equitable disbursements.

Transitioning to Risk-Based Supervision

- The Commission transitioned to Risk-Based Supervision (RBS) following the launch of the RBS Blueprint to improve regulatory efficiency.

Strengthening Industry Soundness and Resilience

- In 2024, the Commission enhanced the development of robust stress-testing frameworks and soundness indicators to evaluate financial stability and institutional resilience across the industry.

Enhancing Market Conduct Oversight

- In response to the Customer and Stakeholder needs and problems, there was continuous promotion of ethical conduct and improved consumer protection through proactive supervision, stakeholder education, and enforcement of fair treatment standards.

Boosting Compliance and Resource Mobilisation

- Reinforcing adherence to prescribed asset requirements and strategically evaluating investment opportunities in social and public infrastructure to foster sustainable industry growth and enhance capital mobilisation. The industry continued supporting many NDS 1 projects, which were accorded prescribed asset status.

Market Development

- The Commission prioritised market development, reflecting its commitment to fostering a vibrant, inclusive, and resilient insurance and pensions sector. The Commission intensified efforts to expand access to insurance and pension products, particularly among underserved and vulnerable populations, through targeted regulatory reforms, product innovation, and stakeholder engagement. By promoting financial literacy, encouraging the adoption of technology, and supporting microinsurance and informal sector coverage, IPEC sought to drive sustainable growth, deepen market penetration, and enhance the sector's contribution to national development goals.

Through these initiatives, among others, the Commission continued to position itself as a dynamic and responsive regulator that upholds market confidence, promotes innovation, and safeguards the interests of policyholders and pension scheme members.






PART A

GOVERNANCE REPORT

Governance Statement

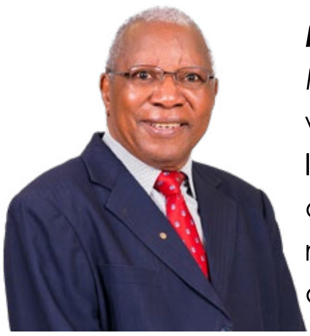
The Insurance and Pensions Commission (IPEC) has a statutory mandate of registering, regulating, monitoring, and supervising insurance entities, pension and provident funds in Zimbabwe. The IPEC Board is committed to upholding the tenets of good corporate governance as stipulated in the Public Entities Corporate Governance (PECOG) Act [Chapter 10:31] and international best practices, in its governance processes. These include accountability, integrity, and transparency. The Board retained this culture in its strategic focus and oversight duties during the year under review.

Roles and Responsibilities of the Board

IPEC was established in terms of section 5 of the Insurance and Pensions Commission Act [Chapter 24:21] and provides strategic direction of and control over the Commission's affairs. The Board is responsible for formulating the Commission's policies and guidelines in terms of the IPEC Act, the Insurance Act [Chapter 24:07], and the Pensions and Provident Funds Act [Chapter 24:32].

The Board considers the interests of stakeholders such as pension scheme members, policyholders, regulated entities, and the Government of Zimbabwe. This is done by formulating a strategy that is underpinned by adequate resource allocation, risk management, and a commitment to generating social value for IPEC stakeholders.

During the year under review, the composition of the Board was as follows:



Mr Albert Nduna – Board Chairperson

Mr Nduna has vast experience in both the public and private sectors, having worked for Delta Corporation, the Ministry of Finance as Under Secretary and later promoted to the position of Deputy Secretary responsible for Domestic and International Finance. His portfolio in the Ministry of Finance included the regulation of insurance companies and pension funds, banks, building societies, and the Zimbabwe Stock Exchange.

Mr Nduna was involved in the establishment of financial institutions such as the Zimbabwe Development Bank, the National Social Security Authority, and the Zimbabwe Reinsurance Corporation (ZimRe). He has served as president of the African Insurance Organization (AIO), president of the Federation of Afro-Asian Insurers and Reinsurers (FAIR), and deputy president of the Association of Insurance and Reinsurance Companies in developing countries, covering Africa, Asia, and Latin America.

He also serves on the Boards of ZESA Holdings and Zimbabwe Open University, among others.

Mr Nduna holds a Master's Degree in Business Administration from the University of Bradford, United Kingdom and a BSc Degree in Accounting and Finance from the University of Lancaster.

Mrs Judith Rusike –Board Vice Chairperson

Mrs Rusike has over 21 years of experience in Government and is the Director of Financial Sector Policy in the Ministry of Finance, Economic Development, and Investment Promotion. She previously worked in the Revenue & Tax Policy and Domestic & International Finance departments of the same ministry.

Mrs Rusike also worked in the National Economic Planning Commission and the Ministry of Education as a secondary school teacher.

She is also a Board Member on the International Financial Service Centre and was a Board Member of the Deposit Protection Corporation(DPC) until October 2024.

Mrs Rusike holds a Master's Degree in Business Administration and a BSc (Hons) Degree in Economics - both from the University of Zimbabwe.

Mr David Mureriwa – Board Member

Mr Mureriwa has over 28 years' experience as an actuarial consultant to life and short-term insurance companies, pension funds, and medical aid funds, in various countries. He was once a Chief Actuary for the African Actuarial Consultancy, Head of Actuarial and Investments Consultant for South Africa's Quantum Financial Services, and Actuarial Consultant for Sanlam, Namibia.

He is a former president of the Actuarial Society of Zimbabwe, Institute and Faculty of Actuaries' Education Advisor for Zimbabwe, and Head of International Mentoring Programme for the Association of South African Black Actuaries.

Mr Mureriwa is also a director for Mureriwa Actuarial Outsourcing Services and works as a part-time lecturer at the National University of Science and Technology.

He holds a BSc Mathematics Degree from the University of Zimbabwe and is a Fellow of the Faculty of Actuaries (Scotland) and the Actuarial Society of South Africa.

Mr Godwin Nyengedza – Board Member

Mr Nyengedza is a registered legal practitioner, notary public, and conveyancer in Zimbabwe, a Barrister (England & Wales), a member of Lincoln's Inn, and an Associate Member of the Chartered Institute of Arbitrators (UK). He has over 26 years' experience gained from Customs & Excise (now ZIMRA), shipping, cross-border transport and logistics, insurance, and banking.

Mr Nyengedza has also provided consultancy services for the UK Border Agency. He has previously interned with a UK-based Magic Circle law firm and was a beneficiary of a Lex Africa fellowship that saw him placed for three months with a Washington DC-based international law firm in 2018. He previously taught the Law of Banking and Negotiable Instruments at the University of Zimbabwe.

Mr Nyengedza previously served on the board of an insurance entity where he chaired the Governance committee and as member of the Investments Committee.
He also sits on the Boards of Ecsponent Limited and the National Handling Services (Pvt) Ltd.

Mr Nyengedza holds a Master of Laws and a Bachelor of Laws Degrees - both attained in London.

Mr Clemence Muzondo – Board Member
Mr Muzondo is a Chartered Accountant with over 35 years of experience in leadership, accounting, and auditing. He is a Partner - Auditing and Advisory Services at PFK Chartered Accountants since 2011, where his main role is the provision of advisory services involving business restructuring and fundraising.

He has served on various boards, which include West End Medicare (Pvt) Ltd, Leadchance (Pvt) Ltd, Wlact Investments (Pvt) Ltd, FSG Zimbabwe(Pvt) Ltd, Chishawasha Land Project, and Marondera University of Agricultural Sciences and Technology.

Mr Muzondo holds a Master's Degree in Business Leadership (MBL) obtained from UNISA and a Bachelor of Accountancy Honours Degree from the University of Zimbabwe.

Dr Grace Muradzikwa – Commissioner and Ex-Officio Board Member
Dr Muradzikwa is a distinguished and decorated insurance executive with over 40 years of practical experience in the insurance and pensions industry. She was a member of the co-founding team that established the Zimbabwe Reinsurance Corporation in 1984. Dr Muradzikwa was at the helm of Diamond Insurance Company before its merger with the National Insurance Company of Zimbabwe in 2002.

Dr Muradzikwa is an Executive Committee Member of the International Association of Insurance Supervisors (IAIS), representing Sub-Saharan Africa. She is also the Vice Chairperson of the SADC Committee of Insurance, Securities, and Non-Banking Financial Authorities. She also sits on other boards, which include the Zimbabwe Revenue Authority (ZIMRA), Financial Intelligence Unit (FIU), Southern Africa Methodist University Consultus Publishing Services, and Monte Cassino Girls High School. She has also served on the boards of the Federation for Afro Asian Insurers and Reinsurers and the Association for Insurers and Reinsurers in Developing Countries.

Dr Muradzikwa holds a Master's Degree in Business Administration and a Bachelor's Degree in Administration, both from the University of Zimbabwe. She also holds an Honorary PhD in Leadership from Women's University in Africa. She is a Fellow of the Insurance Institute of South Africa.

Mrs Duduzile Shinya – Committee Member

Mrs Shinya is a Fellow Chartered Accountant FCA(Z), with experience and leadership in accounting, financial, and business strategy, in a career spanning over 25 years, and having started her career as an Articled Clerk at PricewaterhouseCoopers.

She has held various senior roles, including Chief Business Development Officer and Acting Chief Executive Officer (CEO) at the Zimbabwe Investment and Development Agency (ZIDA) for a year. Mrs Shinya has held various financial leadership positions, including at Schweppes Holdings Africa Limited, Amalgamated Brands and Medical Investments Limited, where she was the Group Financial Director.

She is a past President of the Institute of Chartered Accountants (ICAZ) and is currently an independent non-executive director on the Hippo Valley Estates, CABS Zimbabwe, Innscor Africa Limited as well as the Zimbabwe Foreign Services Institute Boards.

Mrs Shinya has also held directorships at a regional level, having been a director of Mobility for Africa, as well as Vice Chairperson of the COMESA Regional Investment Agency (COMESA RIA).

She holds a Master's Degree in Business Leadership from the UNISA Graduate School of Business Leadership.

Mrs Mildred Chiri – Committee Member (1 February 2024 to date)

Mrs Chiri has over 30 years of working experience in the public sector. She is the former Auditor-General of Zimbabwe and is a Registered Public Accountant (RPAcc). She is a fellow of the Chartered Governance and Accountancy Institute in Zimbabwe (CGAI) and the Association of Chartered Certified Accountants (FCCA) as well as a member of the Institute of Certified Public Accountants of Zimbabwe (CPA(Z). She is also a Public Sector Professional Accountant member of the Institute of Chartered Accountants of Zimbabwe.

Mrs Chiri also serves as a Board Member of the United Methodist Healthcare Trust and First Transfer Secretaries (Pvt) Ltd.

She holds a Master of Business Administration (MBA) from the National University of Science and Technology (NUST) and a Bachelor of Accountancy Degree from the University of Zimbabwe.

Mr Mirirai Chiremba – Committee Member (1 February 2024 to date)

Mr Chiremba serves as Chief Executive Officer (CEO) of Financial Integrity Advisory Services (FIAServ), and has an extensive and diverse career in the AML/CFT/CPF field. Before forming FIAServ, he was the Director General of the Financial Intelligence Unit of Zimbabwe, which he headed from its inception in 2004. Prior to that, he was a Senior Bank Examiner for eight (8) years in the Bank Supervision Department and Senior Assessor for eight (8) years in the Exchange Control Department, of the Reserve Bank of Zimbabwe.

In 2016 and 2017, Mr Chiremba was the Chairperson of the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) Taskforce, where he played a key role in assisting member countries to address deficiencies within their AML/CFT/CPF frameworks.

He holds a Master of Anti-Money Laundering and Counter Terrorism Financing (AML/CFT) with Charles Sturt University of Australia, a BSc Honours Degree in Economics from the University of Zimbabwe and a Diploma in Executive Development.

Dr Gilford Hapanyengwi – Committee Member (1 February 2024 to date)
Dr Hapanyengwi is an IT specialist with about 40 years of experience in the sector. He is the Director of ICT at the Zimbabwe Council for Higher Education and previously worked as Director Computer Centre and Lecturer at the University of Zimbabwe. Dr Hapanyengwi is also a Board Member of the Zimbabwe Project Trust T/A Trust Academy Trustees, Chairperson of the Board, Councilor of the National Manpower Advisory Council, and Member of the Advisory Committee of E-learning in Africa.

He previously served on various boards including the Computer Society of Zimbabwe, Zimbabwe Research Council, Zimbabwe Internet Governance Forum, Zimbabwe Academic and Research Network (ZARNET), the Methodist in Zimbabwe Church Group Funeral Policy, and Powertel Communications. Dr Hapanyengwi also served as Chairperson of the UNESCO National Steering Committee on Informatics and Board Member of the Research Council of Zimbabwe.

He holds a Doctor of Philosophy in Computer Science and a Master of Science Degree in Computer Science from Vanderbilt University, Nashville Tennessee, and a Bachelor of Science Degree in Computer Science and Mathematics from the University of Zimbabwe.

Board Committee Appointments
To augment the board skills, Mrs Mildred Chiri, Mr Mirirai Chiremba, and Dr Gilford Hapanyengwi were appointed as IPEC Board Committee Members effective 1 February 2024. The appointments were made in terms of section 14(2)(b) of the IPEC Act, which empowers the Board to co-opt persons who are not Board Members as Committee Members. The appointments were made with the approval of the Minister of Finance, Economic Development and Investment Promotion, and the Corporate Governance Unit.

Governance Structure
The Board is composed of non-executive members, committee members, and the Commissioner (ex-officio member). This is in line with section 5 of the IPEC Act [Chapter 24:21] and section 11 of the PECOG Act [Chapter 10:31]. The Board and Committee Members were appointed for their knowledge, skills, and experience that bring independent judgment to the deliberations and decisions on insurance and pension matters.

The Board Charter outlines the Board's terms of reference (TORs) and the relationship between the Board Members and Management. The Board Committee TORs elaborate on the roles, responsibilities, and extent of delegated authority of the Committees. The annual strategy outlines the Commission's purpose, vision, mission and it`s values.

The Board is supervised by a non-executive Chairperson. The Chairperson is responsible for managing the Board effectively, providing strategic guidance and leadership to the Board, and facilitating the Board's interface with Management. The Vice Chairperson can also assume the responsibilities of the Chairperson when the need arises. Together with the Chairperson, there are Non-Executive Directors who are responsible for ensuring that the Board fulfils its responsibilities under the relevant Acts, the Board Charter, and Board Committee TORs. This is achieved through relevant Board Committees that deliberate on and give guidance to Management and the Board on the implementation of the Commission's mandate through its approved annual strategy.

Gender Representation

Sections 17 and 11(7) of the Constitution of Zimbabwe and the PECOG Act, respectively, place a responsibility on the State to ensure that, as far as practicable, there are equal numbers of men and women on the Board of every public entity. The gender representation on the IPEC Board (inclusive of Committee members) as of 31 December 2024, was 40% females and 60% males, down from 43% females and 57% males for the year ended 31 December 2023.

Geographical Representation, Board Seats, and Qualifications of the Board

The Board was fairly represented geographically in line with sections 18 of the Constitution and 11(7) (b) of the PECOG Act, which enjoins the State and agencies of government to ensure fair representation of all Zimbabwe`s regions in all institutions. Members of the Board also possessed a diversity of skills, experience, and qualifications for governing the entity. Additionally, none of the Board Members is a member of more than two other public entity boards in compliance with section 11(4) of the PECOG Act.

Board Committees

The Board established specific Committees with different roles and responsibilities to ensure the efficient and effective discharge of the Board's mandate. The overall goal of running the Commission, however, remains within the purview of the Board. The functions of each Committee are reviewed from time-to-time, as necessary. The Board operated with six committees, which are:

Finance & ICT Committee

- The Finance and ICT Committee provides oversight of financial management, financial reporting, ICT strategy, projects, and management.
- The Committee reviews the application of accounting standards, to maintain integrity in the Commission's financial reporting and investments.
- The Committee recommends to the Board, the Commission's financing objectives, principles, plans, allocation of capital and capital structure; and investment objectives, principles, and guidelines.
- The Committee has oversight of the ICT strategy, projects, disaster recovery and governance.
- The Commission appointed and registered its Data Protection Officer with the Postal and Telecommunications Regulatory Authority of Zimbabwe (Potraz) in December 2024. The Commission is in the process of obtaining its Data Controller license.

Audit Committee

- The Committee monitors and reports to the Board on the integrity of the financial statements of the Commission, including its annual and half-yearly reports.
- The Committee oversees the work of the internal audit function and monitors the effectiveness of internal controls.
- The Commission's external auditors are invited to all Committee meetings. The external auditors review all materials on accounting matters before each meeting and their reports, comments, and findings on key issues and areas of concern, are included in the Committee pack.

Integrity Committee

- .The Committee was established in Q1, 2024. The Committee is supported by an Integrity Management Committee, which feeds into the Committee agenda.
- The Committee provides oversight of the Commission's integrity policies and oversight of the operation of the Commission's integrity framework. It is also tasked with taking steps to prevent corruption within the organisation's sphere of control and promoting a culture of integrity and high standards of ethics within the Commission . It facilitates continuous review and training of staff on ethics, integrity, and anti-corruption strategies

Human Resources, Remuneration and Procurement Committee (Remco)

- The Human Resources, Remuneration and Procurement Committee assists the Board in the effective discharge of its responsibilities and reports to the Board on issues relating to human resources strategy and policy, remuneration framework for staff, performance review of senior management, recruitment, staff retention and succession planning, nomination of Committee members, and Board and Staff training and development.
- The Committee also has oversight of governance and procurement planning and, strategy and processes.

Operations Committee

- The Operations Committee assures the Board with regards to the soundness and effectiveness of the framework of the Commission in ensuring delivery of strategic outcomes in particular, in Prudential and Market Conduct Supervision, Corporate Services, Actuarial, Research and Innovation, and Anti-Money-Laundering/Combating the Financing of Terrorism issues affecting regulated entities.
- Some of the Committee's responsibilities include receiving special investigations, monitoring and reviewing the effectiveness/relevance of governing laws, regulations, and internal policies and frameworks of the insurance and pensions industry; and monitoring compliance with anti-money laundering/combating the financing of terrorism policies.

Risk Management Committee

- The Risk Management Committee provides oversight for risk management and mitigation of the principal risks that could materially impact the Commission's operations and exceed its risk tolerance.
- On behalf of the Board, the Committee oversees and monitors the Commission's risk management process; it identifies, evaluates, and manages material risks that have the potential to impact the Commission's business objectives as well as emerging risks. The Committee further considers key industry risks as a strategy to ensure that adequate mitigatory measures are put in place where possible, from the regulator's perspective.

Board Committee Membership

The Board Committee membership is as provided below:

HR & PROCUREMENT	AUDIT	OPERATIONS	FINANCE & ICT	RISK MANAGEMENT	INTERGRITY
G. Nyengedza*	J. Rusike*	D. Mureriwa*	C. Muzondo*	G. Nyengedza *	A. Nduna*
A. Nduna	D. Mureriwa	C. Muzondo	D. Shinya	M. Chiremba	M. Chiri
J. Rusike	M. Chiri	M. Chiremba	G. Hapanyengwi	D. Shinya	G. Hapanyengwi
G. Muradzikwa **	G. Muradzikwa **	G. Muradzikwa**	G. Muradzikwa **	G. Muradzikwa **	G. Muradzikwa **
					B. Kazengura***

**Committee Chairperson   **Ex Officio Member   ***Executive Member*

Analysis of Board and Committees Attendance Register

Attendance by members in Board and Committee meetings was generally satisfactory. The cumulative year 2024 Board attendance is as outlined in the table below:

Year 2024 Board and Committee Meetings Attendance Register

Name	REMCO	Operations	Finance & ICT	Audit	Risk	Integrity	Special Committee	Board Meetings	Special Board Meetings	Statutory Meetings	Performance Appraisal Meeting	Total	% Attendance
A. Nduna	5 out of 5	N/A	N/A	N/A	N/A	3 out of 3	N/A	6 out of 6	3 out of 3	1 out of 2	4 out of 4	22 out of 23	96%
J. Rusike	5 out of 5	N/A	N/A	4 out of 4	N/A	N/A	N/A	6 out of 6	3 out of 3	2 out of 2	4 out of 4	23 out of 24	96%
G. Nyengedza	5 out of 5	N/A	N/A	N/A	4 out of 4	N/A	N/A	6 out of 6	3 out of 3	1 out of 1	4 out of 4	23 out of 24	96%
D. Mureriwa	N/A	9 out of 9	N/A	4 out of 4	N/A	N/A	2 out of 2	6 out of 6	3 out of 3	2 out of 2	4 out of 4	30 out of 30	100%
G. Muradzikwa**	N/A	9 out of 9	6 out of 6	4 out of 4	4 out of 4	3 out of 3	2 out of 2	6 out of 6	2 out of 3	2 out of 2	4 out of 4	42 out of 42	100%
C. Muzondo	N/A	8 out of 9	6 out of 6	N/A	N/A	N/A	2 out of 2	6 out of 6	3 out of 3	2 out of 2	3 out of 4	30 out of 32	94%
D. Shinya*	N/A	N/A	3 out of 3	N/A	3 out of 3	N/A	1 out of 1	2 out of 3	3 out of 3	2 out of 2	1 out of 2	15 out of 17	88%
M. Chiri*	N/A	N/A	N/A	4 out of 4	N/A	3 out of 3	2 out of 2	5 out of 6	1 out of 1	2 out of 2	2 out of 3	19 out of 21	90%
G. Hapanyengwi*	N/A	N/A	6 out of 6	N/A	N/A	3 out of 3	N/A	5 out of 6	1 out of 1	1 out of 2	3 out of 3	19 out of 21	90%
M. Chiremba*	N/A	8 out of 9	N/A	N/A	4 out of 4	N/A	N/A	6 out of 6	1 out of 1	2 out of 2	3 out of 3	24 out of 25	96%
B. Kazengura**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3 out of 3	100%
Average attendance	**100%**	**94%**	**88%**	**100%**	**94%**	**100%**	**100%**	**95%**	**96%**	**84%**	**91%**		**95%**

The overall board attendance for the year 2024 was 95%, the same as for the year 2023. In instances where there was non-attendance to scheduled meetings, apologies were received and approved by the Chairperson.

Key Governance Activities

Here are some notable key activities:

Board Training

Training of the Board is not only a legal requirement but is also of strategic importance to the Commission. Board and Committee members were trained on the following:

- Anti–Money Laundering/Combating Financing of Terrorism,
- Capacity Building for Board Members of CISNA,
- Effective Public Procurement and Corporate Governance,
- Risk Management for Board Members and Executives,
- Sustainability Reporting in Zimbabwe,
- Diplomacy, Etiquette, and Protocol training, and
- Implementation of the Cyber and Data Protection Act (Chapter 24:07) and Regulations Statutory Instrument 155 of 2024.

The training sessions improved the Board Members' skills and knowledge.

Board Induction

The Committee members who were appointed to the IPEC Board effective 1 February 2024 underwent a board induction on the 15th of February 2024. The Committee members were apprised of the roles and responsibilities of the Commission as well as their roles and responsibilities among other key issues deemed pertinent to enable the Committee Members to function effectively.

Performance Management

- The Commission adopted the Integrated Results-Based Management (IRBM) performance management system. Quarterly reviews of the Commissioner and Senior Management performance were conducted by the Board. The Commissioner was appraised by both the Board and the external consultant appointed by the Office of the President and Cabinet (OPC) every quarter. The Board's performance was reviewed every six months through the appraisal of the Board Chairperson's performance by the external consultant.

Board Evaluation

- An externally facilitated evaluation of the Board and its Committees was conducted in the fourth quarter of 2024. The Board Members evaluated themselves, their peers, the committees, the Commissioner, the Chairperson, and overall Board performance. The report was submitted to the Ministry of Finance, Economic Development, and Investment Promotion and the Office of the President and Cabinet's Corporate Governance Unit.

Statutory Meetings

- The Board held its statutory meetings with the Minister of Finance, Economic Development, and Investment Promotion in July and December 2024, respectively.

Declaration of Assets

- The Commission's Board and Senior Management submitted annual asset declarations to the Ministry of Finance, Economic Development, and Investment Promotion and the Office of the President and Cabinet's Corporate Governance Unit in December 2024. This complied with section 37 of the PECOG Act.

Annual General Meeting(AGM)

- The Commission held its 6th AGM on the 28th of June 2024. The meeting was well attended, including the Deputy Minister of Finance, Economic Development, and Investment Promotion.

Board Remuneration

Board remuneration was conducted in line with the approved remuneration structure where IPEC was placed under category 8. The payment of the board fees was per the 40/60 ratio where 40% was paid in US$ and 60% ZWG in compliance with the guidance received from the Corporate Governance Unit (CGU) dated 29 August 2023.

Internal Checks, Controls, and Auditing

The Commission has an established internal audit function headed by the Head Internal Audit who reports functionally to the Audit Committee and administratively to the Commissioner. The objectives of the department are to enhance the internal control environment and governance structures, improve compliance with policies and procedures and improve risk management processes, among others.

To achieve this, the department conducts routine and non-routine risk-based audits and reports on Governance, Risk management practices and Control (GRC) gaps identified. Follow-up audits are then conducted to assess progress in addressing issues identified in routine and non-routine audits and to ensure they are addressed holistically and robustly.

In the past year, the Internal Audit function played a critical role in strengthening the Commission's governance, risk management, and control environment. Through a series of risk-based audits, Internal Audit identified key areas for improvement and provided actionable recommendations to enhance operational efficiency, ensure compliance with regulatory requirements, and safeguard the Commission`s assets. The department`s collaborative approach with management and the Audit Committee has fostered a culture of continuous improvement and accountability. Going forward, Internal Audit will remain committed to supporting the Commission's strategic outcomes by delivering independent, objective assurance and advisory services that add value and mitigate risks.

Disclosure and Transparency

The Commission adheres to key aspects of transparency and disclosure as part of a comprehensive corporate governance framework. Resolutions made by the Board for the period January 2024 to December 2024 were submitted to the Ministry of Finance, Economic Development, and Investment Promotion and the Office of the President and Cabinet's Corporate Governance Unit, in line with the requirements of the PECOG Act.

Furthermore, in line with the PECOG Act and Freedom of Information Act [Chapter10:33], the Commission made available the following documents on the IPEC website:

- Financial Statements and Annual Report,
- Approved IPEC Strategy,
- Board Charter,
- Board Committee Terms of Reference,
- Code of Ethics,
- IPEC Gifts and Benefits Policy, and
- A description of the Commission's roles and responsibilities, its departments, office locations and operating times.

The Commission reviewed its Board Charter, IPEC Gifts Policy and Code of Ethics in 2024 to address identified gaps. The Commission also put in place an Anti-Corruption and Anti-Fraud Policy.

Regulatory Environment

The legal framework governing the operations of the Commission consists of the following:

- Constitution of Zimbabwe;
- Insurance and Pensions Commission Act [Chapter 24:21];
- Pensions and Provident Funds Act [Chapter 24:32];
- Insurance Act [Chapter 24:07];
- Money Laundering and Proceeds of Crime Act [Chapter 9:24];
- Public Entities Corporate Governance Act [Chapter 10:31],
- Public Finance Management Act [Chapter 22:19];
- Companies and Other Business Entities Act [Chapter 24:03];
- Public Procurement and Disposal of Public Assets Act [Chapter 22: 23];
- Labour Act [Chapter 28:01];
- Cyber and Data Protection Act [Chapter 24:07];
- Freedom of Information Act [Chapter 10:33].

Statement of Compliance

Based on the information set out in the Legal and Governance report, the Commission made headway in complying with the legislative and corporate governance requirements throughout the reporting period.

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Ms. S. NHENDE

DIRECTOR CORPORATE SERVICES

RISK MANAGEMENT

The Commission is committed to enhancing policyholder and pension scheme members' protection through regulatory excellence. Risk Management is a key enabler for regulatory efficiency and promotes financial stability. It is also central to the Commission's decision-making process and demonstrates a commitment to good corporate governance and culture. The Commission's Risk Management practices are aligned with the PECOG Act, and CGU Corporate and Risk Management Guidelines.

Risk Framework: The Commission updated its Enterprise Risk Management Framework, which is crucial for providing a structured approach to proactively identify, assess, and mitigate risks. The process of integrating ERM into strategy formulation to ensure that strategic objectives are aligned with the Commission's risk appetite is ongoing. Implementing a Risk Management Framework supported by a clearly defined risk appetite, enhances the Commission's decision-making, improves operational efficiency, and fosters a culture of risk awareness that supports long-term growth and resilience.

Risk Governance: The Board is responsible for the overall risk governance framework and ensuring that risk management aligns with the Commission's strategy, while the Risk Committee oversees the implementation of the risk framework and policies and provides guidance on risk appetite. The Risk Function is mandated with identifying, assessing, and monitoring risks across the Commission, ensuring compliance with regulatory requirements and internal policies. All staff members play a crucial role in risk management by adhering to established protocols, reporting potential risks, and fostering a culture of risk awareness throughout the Commission. The Internal Audit function, on the other hand, provides independent assurance on the adequacy and effectiveness of the deployed risk management processes.

Commission's Top Risks: The top risks that the Commission is closely monitoring include:

- o Loss of public trust and confidence in the Commission, mainly caused by the prolonged delays in the closure of the pre-2009 compensation and low pension benefits being received by pensioners.
- o Protracted enactment of Acts, Statutory Instruments, and Regulations, which

compromises robustness of the regulatory framework. The promulgation of six (6) Bills, Statutory Instruments and Regulations was still outstanding as at 31 December 2024

- Manual processes in some of the Commission's operations, which heighten the risk of errors, inefficiencies, fraud and data breaches.
- Revenue Contraction Threats, largely attributed to the high concentration of revenue income on levies.

The table below details various key risks that have been identified and the mitigating measures implemented by the Commission during the reporting period.

Risk Type	Risk Description	Mitigation	Residual Risk	Risk Trend
Macroeconomic Risk Inherent Risk - High	o Inflationary pressures eroding long-term savings o Low disposable incomes and aggregate demand impacting on pension and insurance uptake and industry viability. o Informalisation of the economy impacting pension coverage and insurance penetration. o Closure and downsizing of some companies.	o The Commission is investing in inflation hedging assets such as real estate and blue-chip stocks on both VFSE and ZSE. o Engaging authorities responsible to ensure stability, which is key for pension value preservation.	High	Stable
Reputational Risk Inherent Risk – Critical	o The following issues are negatively impacting public trust and confidence in the Commission. o Prolonged closure of the 2009 Compensation o Low pension benefits that do not meet reasonable expectations	o Engaging to increase approval of compensation schemes. o Amending SI 162 of 2023 to improve traction.	Critical	Increasing
Strategic Risk Inherent Risk- High	o The prolonged promulgation of Bills and SIs impacts the Commission's ability to deliver on its key mandate of protecting the rights and interests of policyholders through regulatory excellence.	o The Commission is lobbying the relevant authorities to expedite traction on the promulgation of Bills and SIs.	High	Stable
Business Risk Inherent Risk- High	o The Commission operates profitably; however, the profit margins are not adequate enough to support its capex projects and other investment initiatives. o High concentration of revenue from levies may impact long term sustainability. o The mulled third-party business takeover by Government may result in 30% revenue loss to IPEC	o The Commission has put in place strategies to grow its alternative revenue line.	Moderate	Stable
Operational Risk Inherent Risk- High	o Major operational risks stem from manual processes in the Commission's operations. This heightens risk of errors, inefficiencies, fraud & data breaches.	o The Commission is prioritising digitalisation and automation of its processes. The Commission is in the process of procuring the Electronic Supervisory System.	High	Stable
Cybersecurity Risk Inherent Risk- Critical	o The rise of AI and disruptive technologies heightens the Commission's exposure to cyber threats and data breaches. The Commission becomes vulnerable to technological failures, outages and disruptions.	o The Commission Implemented robust cybersecurity measures, including firewalls, intrusion detection systems, and encryption o Develop a comprehensive disaster recovery plan, including regular backups, testing, and training	High	Increasing

PART B

BUSINESS OPERATIONS

Departmental Performance Information

The Insurance and Pensions Commission consists of the following departments:

- Insurance Regulation and Supervision
- Pensions Regulation and Supervision
- Actuarial and Anti-Money Laundering, Counter Financing of Terrorism (AML/CFT)
- Corporate Services
- Finance and Administration
- Internal Audit
- Research and Innovation
- Procurement Management Unit

Each department's performance during the reporting period contributed to the overall IPEC Strategic Business Plan for 2024 as shown below:

Programme	Outcome
Policy and Governance	Improved Organisational Performance and Image
Industry Regulation and Supervision and Protection	Improved Pension and Insurance Benefits
	Improved Industry Compliance
	Improved Industry Soundness & Resilience
	Increased Industry Growth

INSURANCE REGULATION AND SUPERVISION

Responsibilities
The Department is charged with the registration, regulation, supervision, and monitoring of insurance companies, mutual insurance societies, insurance intermediaries, and loss assessors, as enshrined in the Insurance Act [Chapter 24:07]. Below are the highlights of the Department`s performance during the review period in fulfilling its primary duties:

OUTCOME 1: IMPROVED ORGANISATIONAL PERFORMANCE AND IMAGE

The Commission improved its performance through strategic staff development and capacity-building initiatives. Key highlights include; staff secondments to some industry players to appreciate the reinsurance process flows and industry technical knowledge, workshops, and conferences, enabling IPEC to address global trends and enhance regulatory oversight.

Capacity building
Staff secondment provides opportunities for staff to develop new skills, knowledge transfer, and promote staff advancements. During the period under review, two staff members were seconded to two (2) reinsurance companies for four months, while another staff member was seconded to the Pensions department for four months. This practice also helps to keep staff motivated and interested in their work. It also fosters growth, innovation and collaboration.

Department staff participated in webinars, workshops, and conferences during 2024. Some of the training, conferences and workshops participated in include:

i. Sustainability Reporting hosted by Webster TAS
ii. Access to Insurance Initiative (A2ii) Workshop
iii. Corporate Governance Institute (CGI) Annual Conference
iv. Zimbabwe Association of Funeral Assurers (ZAFA) and the Insurance Institute of Zimbabwe (IIZ) Annual Conferences
v. Organisation of Eastern and Southern Africa Insurers (OESAI) Annual Conference
vi. Access to Insurance Initiative (A2ii) Climate Risk Management and Insurance Guarantee Scheme Workshop.
vii. Africa Insurance Organisation Annual Conference
viii. Chartered Governance Institute Annual Conference
ix.. Africa Insurance Organisation Annual Conference Investment Professional Association of Zimbabwe Annual Conference.
x. Old Mutual Supervisory College
xi. Sanlam Supervisory College

Improved Processes and Systems
As part of improving process efficiency, the Commission developed Procedure Manuals for the following processes: Licensing, Fit and Proper Tests, Externalisation, Complaints Handling, and Product Approval.

This has contributed to improved turnaround times, consistency and maintenance of standards for the benefit of policyholders, the insurance industry and other stakeholders. In preparation for the acquisition of the Electronic Supervisory System, the Commission developed the user specifications for the automation of all the processes in insurance.

OUTCOME 2: IMPROVED INSURANCE BENEFITS

The Commission has improved insurance benefits by updating the Product Approval Framework and resolving consumer complaints. The Commission received 34 new product applications in 2024, with most from microinsurance companies and conventional insurers. Most applications focused on funeral, hospital cash plans, and credit life.

In response to the persistent issue of delays in claim processing, the Commission issued Circular 3 of 2024, providing clear guidance to the industry on expected claims turnaround times. This compliance measure aims to promote timely settlements, enhance consumer protection, and improve public confidence in the insurance sector.

OUTCOME 3: IMPROVED INDUSTRY COMPLIANCE

Regulatory Tools and Frameworks

The Commission developed the Compliance Index and the Financial Soundness tools for the short-term and funeral assurance industry on a quarterly basis. This helps track industry compliance and take corrective action early. In line with the Commission`s thrust for risk-based supervision, the Commission championed the development of the Risk-Based Supervision Blueprint.

While significant strides have been made in improving industry compliance, the industry's average compliance score slightly declined from 82.78% in Q3 2024 to 80.22% in Q4 of 2024. The decline is due to the transmission mechanism from ZWG-denominated MCR whose real values have become insignificant since the promulgation of SI 59 of 2020, if compared to US$ indexed MCR.

Inspections

In 2024, the Commission conducted 29 inspections on insurance entities, which included 13 full scope onsite, eight (8) pre-opening, and eight (8) offsite inspections. These inspections were carried out in accordance with the 2024 Risk-Based Inspection Plan, largely guided by financial soundness risk assessments. Additionally, the Commission monitors compliance with governance and prescribed asset requirements and is actively engaging non-compliant entities.

Cross-Cutting Issues

Governance deficiencies were observed in shareholding structures, improperly constituted boards and Board Committees. Some Board Committees were chaired by individuals lacking the necessary qualifications and experience, whilst others are combining conflicting roles and incompatible functions. Additionally, some committee members were not approved by the Commission.

Irregular Board and Committee Meetings were also key findings, with boards and their committees failing to meet as frequently as required.

Management quality, particularly in terms of having foregone fit and proper assessments for key personnel, surfaced across various inspections. Unregularised appointments were noted in some cases, with some senior management and board members appointed without the Commission`s approval. Additionally, outsourced and control functions emerged as areas of concern. Some outsourced activities lacked necessary approvals, and in some instances, critical control functions were non-existent.

Lastly, compliance with regulatory frameworks remained a concern, signalling a broader need for stronger internal controls and risk management practices across the industry.

Compliance with Minimum Capital Requirements

Class of Business	MCR (US$)	No. of Compliant Entities	% Compliance Status
		31-Dec-2024	31-Dec-2024
Short-term Insurers (20)	750,000	16	84%
Life Insurers (12)	2,000,000	11	92%
Life Reinsurers (4)	2,000,000	1	75%
Non-Life Reinsurers (10)	2,000,000	8	80%
Micro Insurers (4)	100,000	2	50%
Insurance Brokers (27)	100,000	22	81%
Reinsurance Brokers (8)	100,000	3	38%
Direct Funeral Assurers (7)	500,000	4	51%

The insurance industry's average compliance level with the US$-indexed Minimum Capital Requirements (MCRs) was 70%. The table above shows the MCR compliance by class of business.

The Commission is working with non-compliant entities to ensure compliance with their compliance roadmaps.

Compliance with Prescribed Asset Requirements

Insurance industry players are required to invest part of their assets in prescribed assets. To this end, insurance entities are required to comply with the minimum thresholds set in Statutory Instrument 206 of 2019. The table below shows the compliance levels for each sub-sector.

Compliance Status with Prescribed Assets as at 31 December 2024

Class of Business	Average Compliance Level with Prescribed Assets (%)	Minimum Prescribed Assets Threshold (%)
Short-term insurers	9	10
Life Assurers	14	15
Life Reassurers	30	15
Short-term Reinsurers	15	10
Funeral Assurers	0	10

The funeral sector had an average prescribed asset ratio of 0% against a prescribed limit of 10%. The Commission is engaging with funeral assurers to facilitate the issuance of prescribed asset instruments that meet the sector's investment needs and insurance model. Regulatory penalties for non-compliance have been imposed to encourage compliance.

The life and the short-term sectors were 1% short of the minimum compliance ratios of 15% and 10%, respectively, whilst the life reassurance sector had a compliance ratio of 30%, well above the prescribed minimum threshold of 15%.

Compliance with Shareholding Requirements

Statutory Instrument 49 of 1989, as amended by Statutory Instrument 59 of 2005, stipulates that every insurer or insurance broker must have at least three shareholders as a way of promoting good corporate governance.

The table below shows the levels of compliance with the shareholding requirements.

Shareholding Compliance Status:

Class of Business	Compliant Entities 2024	% Compliance 2024	Compliant Entities 2023	% Compliance 2023
Short-term	10	50	9	45
Life	4	33	4	33
Reinsurers	4	40	2	20
Funeral Assurers	6	75	6	75
Direct Insurance Brokers	23	85	23	81
Reinsurance Brokers	7	88	6	75
Microinsurance	16	100	11	100

Engagements with the non-compliant entities have culminated in some entities submitting vetting documents for proposed new shareholders, while others have provided their compliance roadmaps, which will be continuously monitored for adherence.

Legal and Regulatory Developments in 2024

During the reporting period, the Commission issued 17 circulars to the insurance industry, which serve as benchmarks to support risk-based supervision and enhance the supervisory framework. The table below lists the regulatory circulars, which were issued to improve supervisory efficiency.

Summary of Circulars Issued During the Year 2024

Circular	Date of Issue	Purpose
Circular 1 of 2024	25/1/2024	Sectoral Risk Assessment to Inform Zimbabwe's Third Money Laundering National Risk Assessment.
Circular 2 of 2024	30/1/2024	Actuarial Society of Zimbabwe Guidance Note for Compensation for Loss of Pre-2009 Value of Pension Benefits (SI 162 Of 2023).
Circular 3 of 2024	5/2/2024	Settlement of Claims.
Circular 4 of 2024	15/4/2024	Amendments To the Microinsurance Framework
Circular 5 of 2024	6/3/2024	Request for entities to use IFRIS 17 and meeting the deadline for submission of 2023 audited financial statements.
Circular 6 of 2024	15/4/2024	Policy Paper on Agriculture Index Insurance.
Circular 8 of 2024	10/5/2024	Guidelines on the 2024 Currency Changes.
Circular 11 of 2024	27/6/2024	Amendments to Circular 8 of 2024 – Guidelines on the 2024 Currency Changes.
Circular 13 of 2024	12/7/2024	Financial Intelligence Unit Directive on High-Risk Jurisdictions and Countries under increased Monitoring for Terrorist Financing and Proliferation Financing of Weapons of Mass Destruction.
Circular 14 of 2024	5/9/2024	Financial Intelligence Unit Directive on Implementation of Targeted Financial Sanctions.
Circular 22 of 2024	18/12/2024	Request for Industry Financial Statements Preparers to Register with Public Accountants and Auditors Board (PAAB).
Circular 28 of 2024	18/12/2024	Amendment to Circular 12 of 2023 (the funeral directive).

OUTCOME 4: INCREASED INDUSTRY SOUNDNESS AND RESILIENCE

Earnings

For the period ending 31 December 2024, the industry reported a total profit after tax of ZWG4.97 billion, a 62% decrease from the ZWG13.21 billion profit after tax recorded in the prior year. Life insurers had the largest profit after tax, totalling ZWG3.57 billion, while funeral had a net loss after tax, totalling ZWG0.32 million.

The funeral sector's loss was attributed to the high expenses not attributed to insurance contracts of ZWG58.18 million against an insurance service result of ZWG37.16 million.

Insurance Industry Earnings

Class Of Business	Dec 2024 (ZWG Million)	Dec 2023 Reinstated (ZWG Million)	Growth
Short-Term Insurers	952	2,014	-53%
Life Insurers	3,567	9,531	-63%
Short-Term Reinsurers	254	1,023	-75%
Life Reinsurers	36	321	-89%
Micro Insurers	15	102	-85%
Insurance Brokers	140	172	-18%
Reinsurance Brokers	8	51	-85%
Funeral	(0.32)	(0.01)	2418%
Total	**4,973**	**13,213**	**-62%**

Insurance Industry Growth

Insurance Revenue

During the year 2024, direct underwriters reported total insurance revenue amounting to ZWG8.14 billion, an 8% decrease from ZWG8.81 billion (reinstated) reported during the year 2023. The breakdown of the insurance revenue by each sub-sector is highlighted in the table below.

Breakdown of Insurance Revenue Written by Direct Underwriters

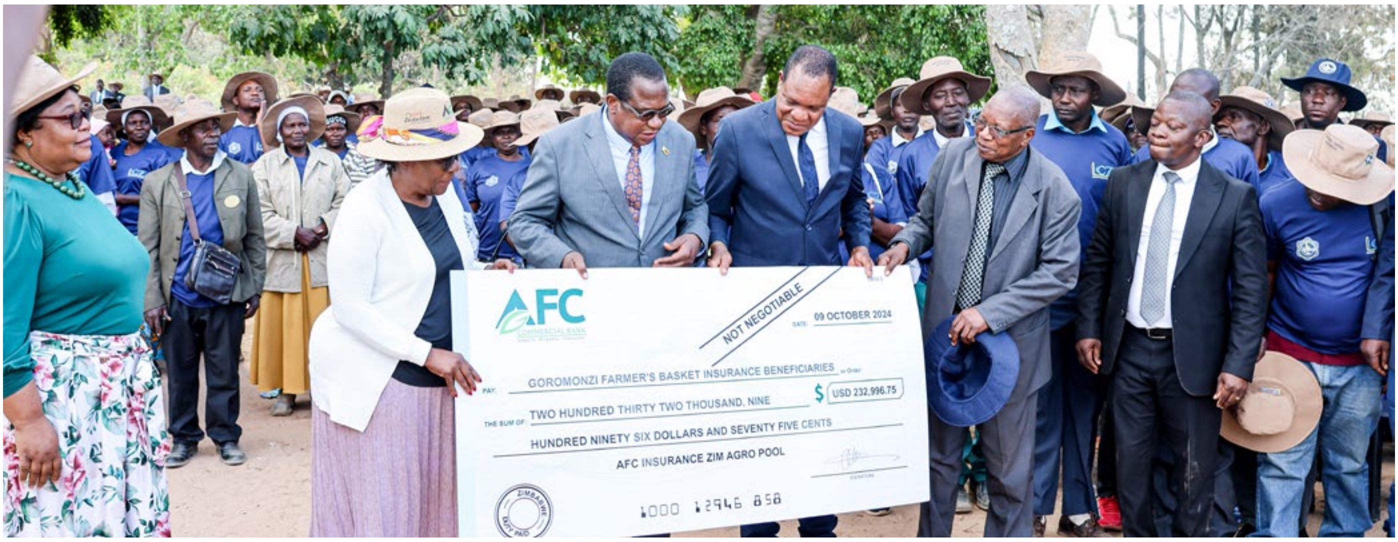
Class Of Business	Dec 2024 (ZWG Million)	Dec 2023 Reinstated (ZWG Million)	Growth
Short-Term Insurers	4,604	4,880	-6%
Life Insurers	3,150	3,629	-13%
Micro Insurers	232	155	50%
Funeral	157	146	7%
Total	**8,142**	**8,810**	**-8%**

Insurance Industry Assets

As at 31 December 2024, Life insurance had the most assets of ZWG13.45 billion, constituting 53% of the industry's total assets, followed by short-term insurers with ZWG6.33 billion taking 25% of the industry's total assets. Total industry assets increased by 17% to ZWG25.19 billion as at 31 December 2024 from ZWG21.53 billion (reinstated) recorded as at 31 December 2023. The table below shows the breakdown of total assets by class of business.

Assets for the Insurance Industry

Class of Business	Dec 2024 (ZWG Million)	Dec 2023 Reinstated (ZWG Million)	Growth
Short-Term Insurers	6,333	5,074	25%
Life Insurers	13,447	13,074	3%
Short-Term Reinsurers	4,619	2,895	60%
Life Reinsurers	225	177	27%
Micro Insurers	180	138	30%
Funeral	384	168	129%
Total	**25,188**	**21,527**	**17%**



OUTCOME 5: INCREASED INDUSTRY GROWTH

One of the key mandates of the Commission is to develop the insurance and pensions industry. Below are some of the initiatives that the Commission implemented to enhance industry growth.

Licensed Entities

The insurance sector experienced some contraction in registered entities/persons in 2024, owing to a license verification exercise specifically targeting individual agents. This resulted in an overall decrease from 2,700 in 2023 to 2,158 in 2024.

Meanwhile, the Commission registered new entities/persons as indicated below:

Class of Business	Number of Registered Persons / Entities
Insurance Brokers	2
Microinsurers	5
Multiple Agents	12
Loss Adjustors	1
Funeral Assurers	1
Individual Agents	105
Corporate Agents	43
Total	**169**

The Table below shows the architecture of the insurance sector as at 31 December 2024:

Architecture of the Insurance Industry as at 31 December 2024

Class of Business	Number of Registered Entities/ Persons as at	
	31- December - 2024	31- December – 2023
Short-term Insurers	20	20
Reinsurers	16	11
Reinsurance Companies*	10	10
Insurance Brokers	28	27
Reinsurance Brokers	8	8
Underwriting Management Agencies	4	4
Loss Assessors	63	62
Corporate Agents	127	206
Aggregators	1	0
Multiple Agents	66	52
Sole Agents	286	910
Funeral Assurers	7	7
Life Assurers	12	12
Life Reinsurers	4	4
Life Assurance Agents	1,506	1,367
Total	**2,158**	**2,700**

**Five reinsurers, namely Emeritus Reinsurance Company, FBC Reinsurance Company, First Mutual Reinsurance Company, WAICA Reinsurance Company and Zep Re, are composite reinsurers who write short-term and life business.*

Innovation Lab

The Farmer's Basket Pilot Project was successfully implemented in Goromonzi District during the 2023/24 agricultural season. A total of US$232,000 was paid out in claims. The project is being scaled up in eight (8) rural provinces during the 2024/25 agricultural season to improve agricultural insurance awareness and uptake.

New Product Applications

During the year under review, the Commission received 34 product applications from short-term insurers in addition to five (5) product applications carried forward from 2023, out of which 30 were processed and finalised. The remaining seven (7) products were carried forward to 2025. Under life assurance, the Commission approved 13 products from five (5) entities.

Advancing Insurance Sector Development: Agricultural and Marine Insurance Policy Milestones

During the year under review, Government approved the Agriculture Index Insurance Policy Paper, marking a significant milestone in efforts to build resilience within the agricultural sector. This approval reflects a strong commitment to fostering inclusive agricultural risk management solutions, particularly for vulnerable smallholder farmers.

In line with this, the requisite draft regulations are currently undergoing internal review, a key step toward operationalising the policy framework. Once finalised, these regulations will provide the legal and institutional foundation for the development, supervision, and scaling up of index-based insurance products across the country.

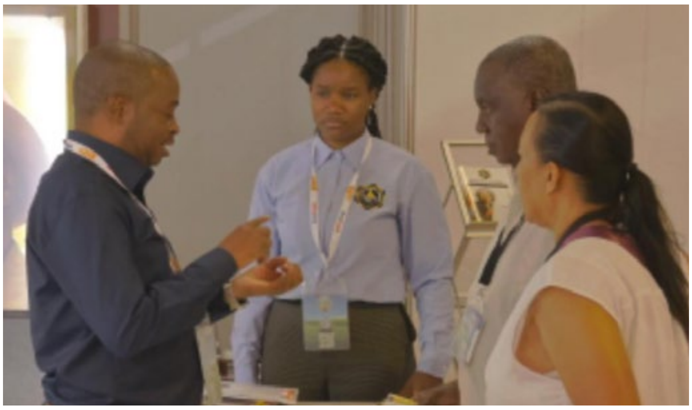
To support the growth of the local insurance industry and curb the outflow of foreign currency, IPEC successfully lobbied the Government for the legislation of mandatory marine insurance. This strategic move aims to ensure that marine insurance is placed with local insurers, thereby retaining premium income within the country and strengthening domestic underwriting capacity.

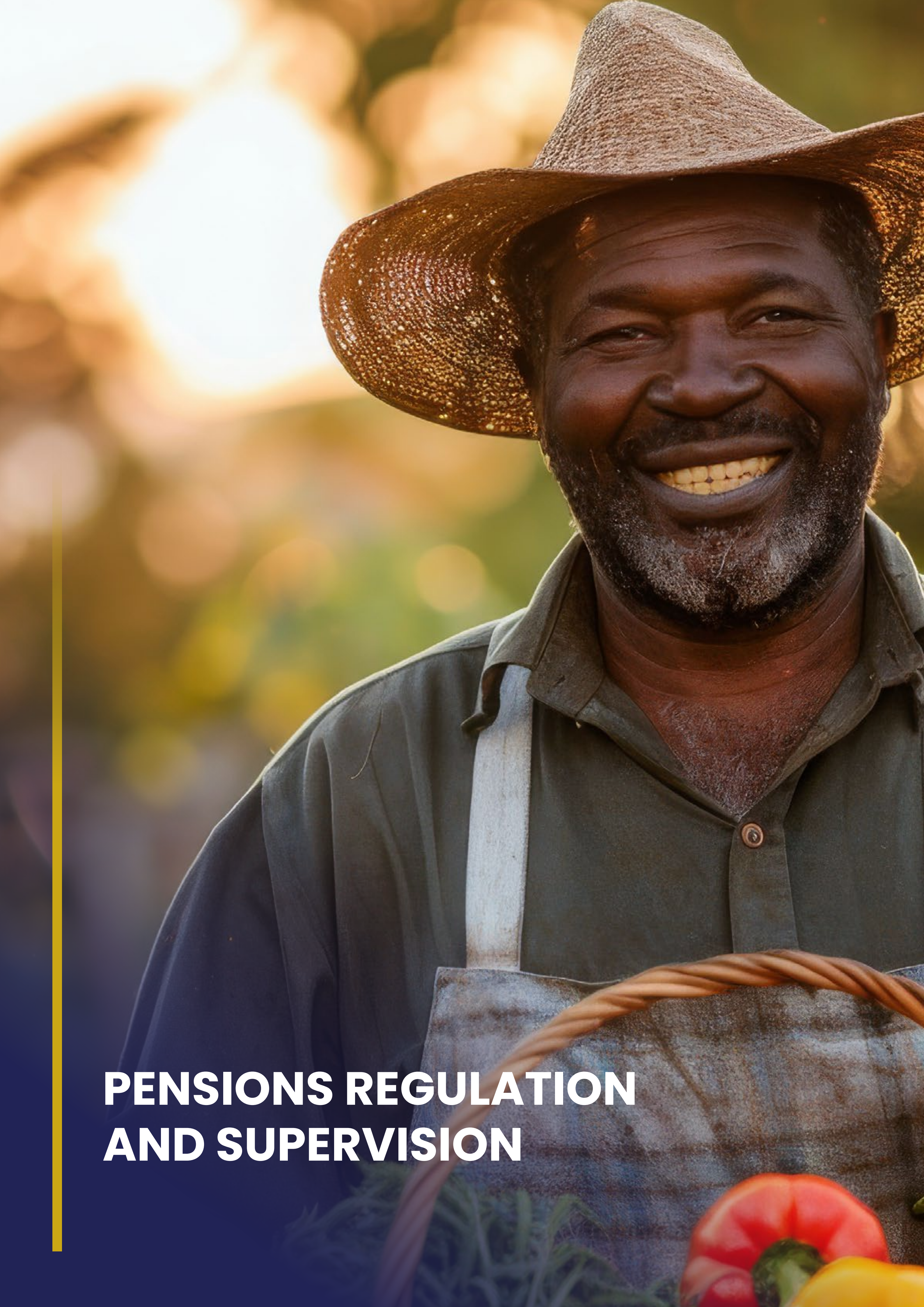
The Commission is currently developing draft provisions for inclusion in the upcoming Insurance Bill, as well as draft regulations to operationalise the new requirement.

Complaints Handling

To ensure market conduct compliance, the Commission utilises the Freshdesk Management System to pool complaints from all media platforms for resolution and tracking. In 2024, the Commission received 203 complaints in addition to the five (5) unresolved complaints from 2023. The complaints are distributed as follows: 114 (56%) against short-term insurers, 52 (26%) against life insurers, 17 (8%) against funeral assurers, 12 (6%) against microinsurers, and 8 (4%) against brokers and multiple agents. Out of the 151 complaints received against the short-term sector, 128 (88%) were resolved, while five (5) brought forward from 2023 were all resolved. However, 23 of the complaints received in 2024, were brought forward to 2025.

The complaints received were due to dissatisfaction, delayed claim settlements, repudiation, insufficient documents and wheat/tobacco claims.





PENSIONS REGULATION AND SUPERVISION

Responsibilities
The Pensions and Life Supervision function involves registering pension and provident funds, fund administrators, and life assurers. It also oversees the regulation, supervision, and monitoring of the affairs of regulated entities namely; pension funds, life assurers and pension fund administrators.

Below are the key highlights of the strategic initiatives and activities of the Pensions and Life Supervision function during the reporting period, as guided by the Commission's strategic outcomes.

Overview of the Pensions Sector
As of 31 December 2024, the private occupational pensions industry comprised 967 registered funds, out of which 489 (50.6%) were active while 478 (49.4%) were inactive, i.e. the funds were no longer receiving contributions for various reasons among them:

a. Company closures due to operational challenges, hence the funds under such employers, would have applied for and were granted paid-up status.
b. Affordability challenges on the part of the sponsoring employers, which have seen some struggling employers opting to contribute to the mandatory national social security scheme and stopping contributions to the voluntary private occupational schemes.
c. Of the 489 inactive funds, 372 (78%) were earmarked for dissolution pending conclusion of the pre-2009 compensation.

The industry's total membership of pension funds, excluding beneficiaries, was 977,423, an increase of 3.9% from 940,712 reported as at 31 December 2023. The increase in membership was due to new entrants.

Assets of the pensions industry stood at ZWG58.3 billion. This represents a 30% increase from ZWG44.9 billion as at 31 December 2023. This growth was primarily driven by revaluation gains on properties and equity instruments and new investments. The sector was mainly invested in investment property (47%), listed equities (20%), unquoted equities (13%), prescribed assets (12%), money market and cash (5%).

The total amount of money invested in prescribed asset investments increased by 76% from ZWG3.88 billion in the prior year to ZWG6.8 billion as at the reporting date. The increase was driven by revaluation gains and new acquisitions.

The pensions industry's overall compliance with prescribed assets increased from 9% in 2023 to 12% in 2024, against the minimum compliance of 20%. The Commission continues to enforce compliance with approved instruments to ensure the industry meets the 20% regulatory threshold. Projects that were accorded prescribed asset status during the year were 22, and they targeted to mobilise ZWG10.05 billion from insurers, pension funds and other institutional investors towards infrastructure development, renewable energy generation and agriculture.

Contributions received by pension funds during the review period amounted to ZWG3.99 billion, down from ZWG4.85 billion reported in 2023. Of the contributions made, ZWG82.6 million was in arrears, thus increasing contribution arrears from ZWG1.46 billion in December 2023 to 1.75 billion.

The increase in contributions in real terms is due to employers who are registering with IPEC changes to their fund rules to provide for contributions in both local currency and US$ as per the salary structures of most employers.

OUTCOME 1: IMPROVED ORGANISATIONAL PERFORMANCE AND IMAGE

(i) Statutory Compliance Rating

In 2024, the Commission produced four quarterly reports on the activities of pension funds, which were published for stakeholder information. Additionally, the 2023 Pensions Annual Report was produced despite some reporting entities missing statutory deadlines for the submission of returns, which severely impacted the timely production of the annual reports.

The Commission did a root cause analysis to understand the perennial delays by pension funds in filing their annual audited accounts. To address the root causes, the Commission has, through Circular 22 of 2024, mandated all Heads of Finance departments of preparers of pension funds' accounts to be registered with the Public Accountants and Auditors Board. This will ensure accountability and ethical standards of members, who are charged with the preparation of financial statements of pension funds as well as audits.

The Commission also imposed penalties on late and partial submissions of returns to enforce compliance and will continue to facilitate training with preparers, pension funds and boards of funds to close the identified gaps in financial reporting.

(ii) Capacity Development

Two managers responsible for prudential supervision and technical assessment of financial statements joined the Pensions and Life department in January and May 2024, respectively. Whilst the department possesses the necessary skills for regulation and supervision, continuous training and staying updated with sector developments, both locally and internationally, are essential. Consequently, during the year under review, departmental staff engaged in various capacity-building workshops and training sessions that were earmarked to enhance regulatory and supervisory skills.

OUTCOME 2: IMPROVED PENSION AND INSURANCE BENEFITS

(i) Benefits Tracking as Part of Outcome-Based Supervision

One of the Commission's strategic priorities during the reporting period was to ensure that pensioners receive benefits consistent with the performance of the assets supporting their liabilities. In line with this strategic priority, the Commission tracked monthly pension benefits that were paid to pensioners every quarter during the reporting period as part of outcome-based supervision and market conduct regulation.

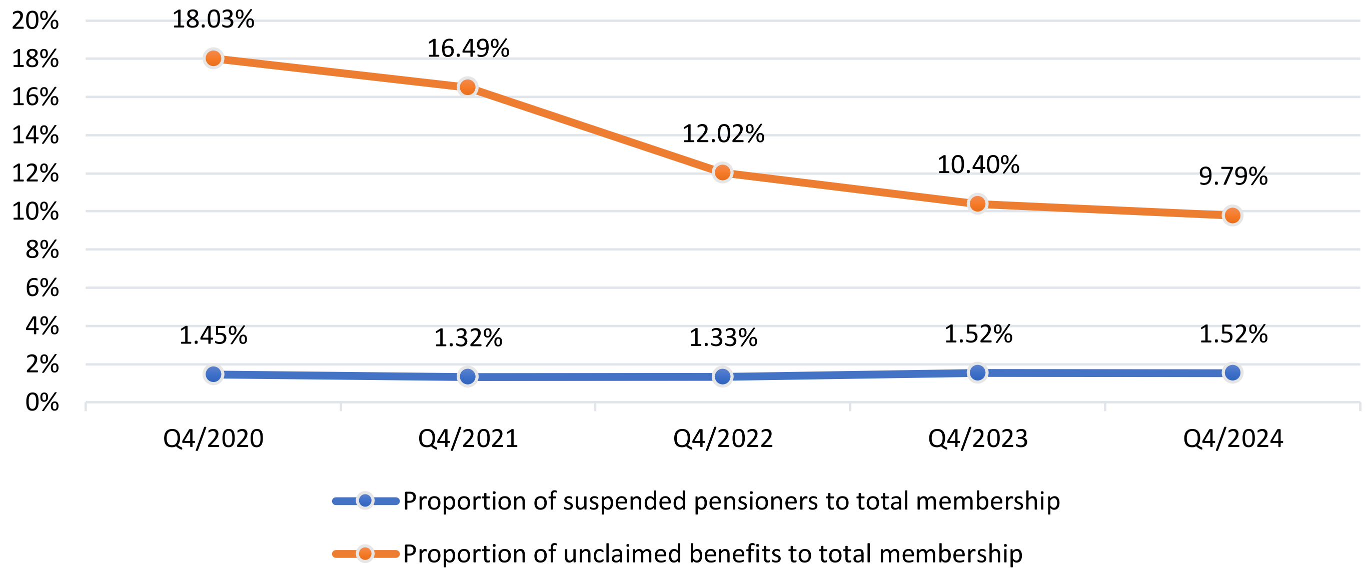
The general trend is that average monthly pension benefits for most members were not meeting their reasonable expectations, despite tracking the assets supporting the liabilities. The Commission observed modest increases in members' benefits in real terms during the year, which are consistent with the defined contribution benefit type of 96% of the registered pension funds and asset revaluations by 30% to ZWG58.3 billion as at 31 December 2024, from ZWG44.9 billion reported as at December 2023.

Most funds were paying benefits in both ZWG and US$ in line with the incomes that were received in both currencies. However, the US$ benefits were irregular in most pension funds. As such, IPEC called on all pension funds and life assurers administering pension business to ensure the equitable allocation of forex earnings by pension funds that have forex-generating assets. These include investment properties, listed counters that are paying dividends in forex, alternative assets and projects generating proceeds in forex and dividends from offshore investments such as ESATF preference shares, Old Mutual Limited shares, Nedbank, Quilter and Afreximbank Depository Receipts.

(ii) Proportion of Unclaimed Benefits and Suspended Pensioners to Total Membership

In 2024, the proportion of members with unclaimed benefits and suspended pensioners decreased by 1.52% to 9.79%, with the number of members with unclaimed benefits dropping from 97,822 to 94,702. The decrease is on account of awareness initiatives by the Commission for eligible members to claim their benefits. In addition, the enforcement of compliance with provisions of the Administration of Estates Act [Chapter 06:01] as read with the Pensions legislation relating to the remittance of unclaimed benefits aged 5 years and above to the Guardian Fund has also contributed to the reduction in unclaimed benefits.

The dynamics of the industry's proportion of unclaimed benefits and suspended pensioners to total membership as at 31 December 2024, is shown below:-



The Commission will continue enforcing the remittance of unclaimed benefits to the Guardian Fund, awarding revaluation gains, tracking beneficiaries, and supervising the robustness of management information systems of pension funds to manage incidences of unclaimed benefits. Additionally, the IPEC Bill, which was gazetted on 19 December 2024, proposes the creation of a Policyholder and Pension Scheme Member Protection Fund to manage unclaimed benefits that have traditionally been remitted to the Guardian Fund, in terms of the Administration of Estates Act.

(iii) Resolution of Complaints

The Commission received 346 complaints during the year out of which 195, were resolved. The unresolved complaints related to low benefits and unpaid benefits in the post-2009 and 2019 currency conversions. The Commission remains seized with the implementation of the Justice Smith recommended compensation framework in line with provisions of Statutory Instrument 162 of 2023. The closure of the pre-2009 compensation is expected to address the outstanding complaints. Pensioners and life policyholders are demanding a timely resolution of the matter, which has been protracted.

(iv) Challenges on Benefit Improvements and Supervisory Responses

Generally, the benefits paid to pensioners during the reporting period did not meet their reasonable expectations, given their basic needs on retirement, such as health, food, shelter and transport, among others. The Commission continues to introspect on factors that underpin the current level of benefits, which include the following:-

a. Partial withdrawal of pension contributions on job switching during the working life of most members of pension funds. This has a negative bearing on the adequacy of pensions on retirement, thus calling for a balance between partial access and pension adequacy on retirement.
b. Inadequacy of contributions as most funds are defined contribution as such, the benefits are largely informed by the contributions made plus investment returns. Currently, most employers are paying non-pensionable allowances , meaning that they deduct pension contributions from very low basic salaries. This calls for engagements between employers, employees and pension funds to raise awareness on the implications of low pension contributions on the reasonability of pension benefits on retirement.
c. Pension contribution arrears, which have straddled different currency regimes since 2009 and have been written off, thus prejudicing fund members.
d. Legacy loss of value during the inflationary period of 2001 to 2008 and post-2019 hyperinflation and high inflation, respectively has had a corroding effect on pension savings, thus calling for price stability to protect the long-term savings in pensions.
e. Currency reforms have had unintended consequences for long-term pension savings, which span different currency regimes. Members of pension funds are advocating for the ring-fencing of their contributions, particularly those that would have been made during years of macroeconomic and price stability.
f. Low pension savings due to low disposable incomes and confidence in long-term savings.

Benefits paid in 2024 were ZWG1.84 billion, an increase of 4% from ZWG1.78 billion in 2023.

The Commission has put the following measures to enhance member benefits:

a. Issuance and enforcement of the 2024 Sector Specific Currency Conversion Guideline to ensure a seamless transition from the Zimbabwe Dollar (ZWL) to Zimbabwe Gold (ZWG) following the 5 April 2024 Currency Conversion. The Commission also amended the 2019 Currency Conversion Guideline in line with the latest developments in terms of currency regime.
b. Enforcing the Expense Framework, both in US$ and ZWG, to reduce excessive administration costs and allocate more resources for benefit augmentation.
c. Conducting comprehensive product reviews, including the re-registration of all post-retirement products and reforms of existing investment vehicles and products such as the deposit administration schemes, commonly known as the guaranteed funds.
d. Engaging with employers and labour unions to ensure timely remittance of contributions and the reasonableness of pensionable salaries.
e. Lobbying the Government for comprehensive national pension reforms to ensure the relevance and sustainability of the current pillars of the national pension system i.e. both public and private occupational pension schemes.
f. Enhancing industry supervision and monitoring through the adoption of risk-based supervision.
g. Facilitating new asset creation in alternative investments, prescribed assets and offshore investments up to the prescribed limit of 15% of a pension fund's balance sheet.
h. Enforcing the payment of benefits in forex when the fund has assets that generate forex.
i. Enforcing the expense framework to curtail high pension administration expenses.

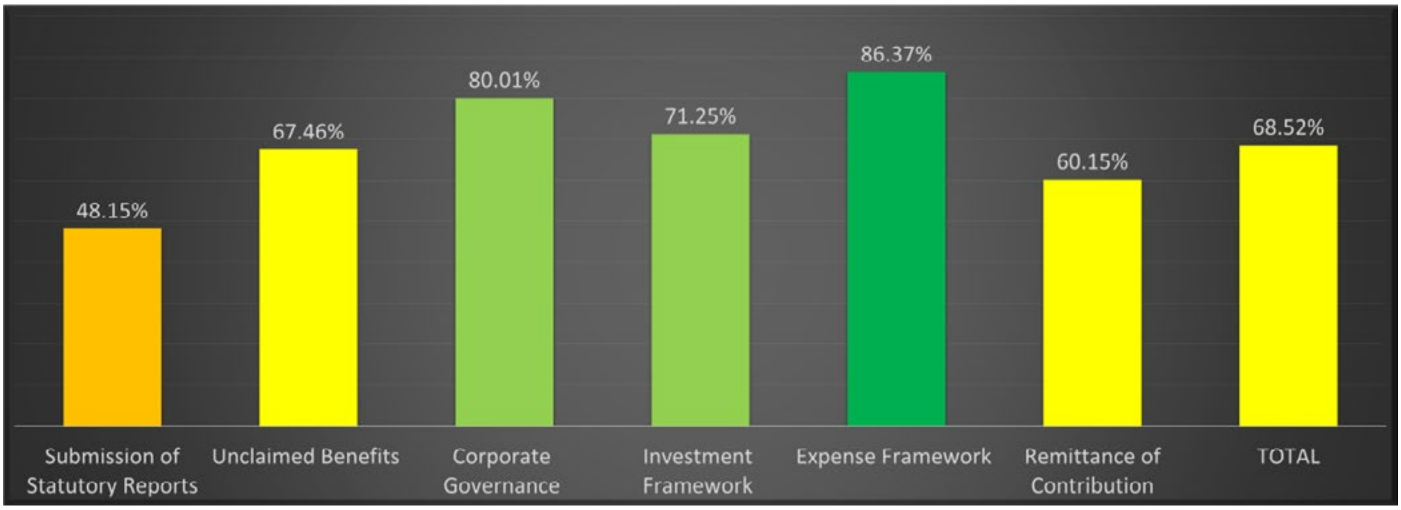
Whilst IPEC has been instituting pension reforms anchored on the findings and recommendations of the Justice Smith Commission of Inquiry into the Conversion of Insurance and Pension Values from the local currency to the multicurrency regime in 2009, gaps identified through supervision and surveillance of the sector, the Commission calls for stakeholder-driven holistic national pension reforms, involving Government, business, labour, the civil society, academia, research houses and cooperating partners, to unleash the potential of the pensions industry in socio-economic development.

OUTCOME 3: IMPROVED INDUSTRY COMPLIANCE

(i) Pensions Compliance Dashboard

The Commission has put in place a Pension Compliance dashboard, which tracks compliance of pension funds with legal and regulatory requirements. The key indicators of the compliance dashboard include compliance with the submission of statutory reports, unclaimed benefits, corporate governance, investment guidelines, expense framework and the remittance of contributions.

Overall, the compliance level for pension funds stood at 68.52% against a target of 70%. The figure below indicates the compliance status against each indicator of the compliance dashboard.



Corporate governance concerns relate to the absence of functional boards, members without minimum qualifications, funds failing to conduct AGMs and weak internal controls.

The non-remittance of contributions continues to be a significant area of concern to the Commission, especially among state-related pension funds. The Commission continues to engage the defaulting employers, the respective boards of the concerned funds, and will exercise its authority by garnishing the bank accounts of defaulting employers, should the non-compliance persist.

(ii) Compliance with Prescribed Assets and Investment Guidelines

The Pension sector's compliance with prescribed asset status was 12% against the requirement of 20%. A total of 22 prescribed asset applications were assessed, recommended to Treasury and approved. Most funds were compliant with the Investment Guidelines for Pension Funds, with a few being non-compliant due to the concentration of investments in real estate as a hedge against inflation. The Commission continues to engage the concerned funds to ensure compliance with investment guidelines, their own Investment Policy Statements, and ensure asset liability matching in a manner that creates and preserves value for the fund members.

(iii) Review of Regulatory Standards

To strengthen regulatory standards as informed by emerging risks and supervisory gaps, the Commission produced frameworks/standards relating to risk-based supervision, market conduct regulation, investment regulation, risk and corporate governance and financial reporting. The table below provides detailed information on regulatory standards issued: -

Circulars Issued to the Market

Circular	Issue Date	Content
Circular 1 of 2024	25 January 2024	ML Sectoral Risk Assessment to inform Zimbabwe's 3rd Money Laundering National Risk Assessment.
Circular 2 of 2024	30 January 2024	Actuarial Society of Zimbabwe Guidance Note for S.I. 162 of 2024 on Pre-2009 Compensation.
Circular 8 of 2024	10 May 2024	Guideline on 2024 Currency Changes.
Circular 11 of 2024	27 June 2024	Amendments to Circular 8 - Guideline on 2024 Currency Changes
Circular 12 of 2024	02 July 2024	Guideline to Pension & Provident Funds on Conduct of Annual General Meetings.
Circular 13 of 2024	12 July 2024	Financial Intelligence Unit Directive on High-Risk Jurisdictions and Countries under Increased Monitoring for Terrorist Financing and Proliferation of Weapons of Mass Destruction.
Circular 14 of 2024	05 September 2024	Financial Intelligence Unit Directive on Implementation of Targeted Financial Sanctions.
Circular 15 of 2024	12 November 2024	Standard for the Establishment and Registration of Pension and Provident Funds.
Circular 16 of 2024	24 October 2024	Financial Intelligence Unit Directive on Civil and Administrative Penalties on Infringement of the Money Laundering and Proceeds of Crime (MLPC) Act.
Circular 18 of 2024	27 November 2024	Insurance and Pensions Commission Transition to Risk-Based Supervision.
Circular 19 of 2024	27 November 2024	Amendment to the Risk Management and Corporate Governance Guideline for Pension Funds.
Circular 20 of 2024	14 November 2024	Amendments to the Treating Customers Fairly Framework.
Circular 21 of 2024	21 November 2024	Invitation to Participate in Digital Transformation Assessment.
Circular 22 of 2024	18 November 2024	Registration of Financial Statements Preparers with PAAB.
Circular 23 of 2024	12 December 2024	Implementation Plan for the Zimbabwe Mortality Tables: Key requirements and timelines.
Circular 24 of 2024	12 December 2024	Zimbabwe Integrating Capital and Risk Programme (ZICARP) Reporting Requirements.
Circular 26 of 2024	12 December 2024	Issuance of a Draft Market Conduct Framework for the Insurance and Pension Industry.

The Commission will continue to review the adequacy of the regulatory and supervisory regime in line with its outcome-based supervisory approach and emerging risks to ensure an enabling legal and regulatory framework for pensions.

(iv) Risk-based Inspections

The Commission conducted six (6) risk-based inspections on the pension and life industry. Among them were the onsite inspections to determine the entities' safety, soundness and compliance with regulations. In addition, the Commission conducted onsite visits to some of the projects that were conferred prescribed asset status to determine how the projects were progressing and to appreciate the socio-economic contributions of the projects.

OUTCOME 4: INCREASED INDUSTRY SOUNDNESS AND RESILIENCE

Pensions Soundness Dashboard

The Commission has been monitoring the soundness of the pensions industry as part of continuous supervision and surveillance of the sector using a risk-based approach. The key soundness indicators that are assessed for pension funds include asset quality, corporate governance, return on investment, governance and liquidity.

The overall soundness of the pensions sector as at 31 December 2024 stood at 81%. This indicates a relatively sound sector in terms of the predominantly defined-contribution funds' ability to meet obligations by having enough liquidity and the right quality of assets.

The soundness of the pensions industry was weighed down by a negative return on investment due to inflation and governance deficiencies in some funds, which are receiving supervisory attention.

The Commission has seen a marked improvement in corporate governance, mainly due to suspensions of Board of Fund members that have resulted in funds making strides to comply.

OUTCOME 5: Increased Industry Growth

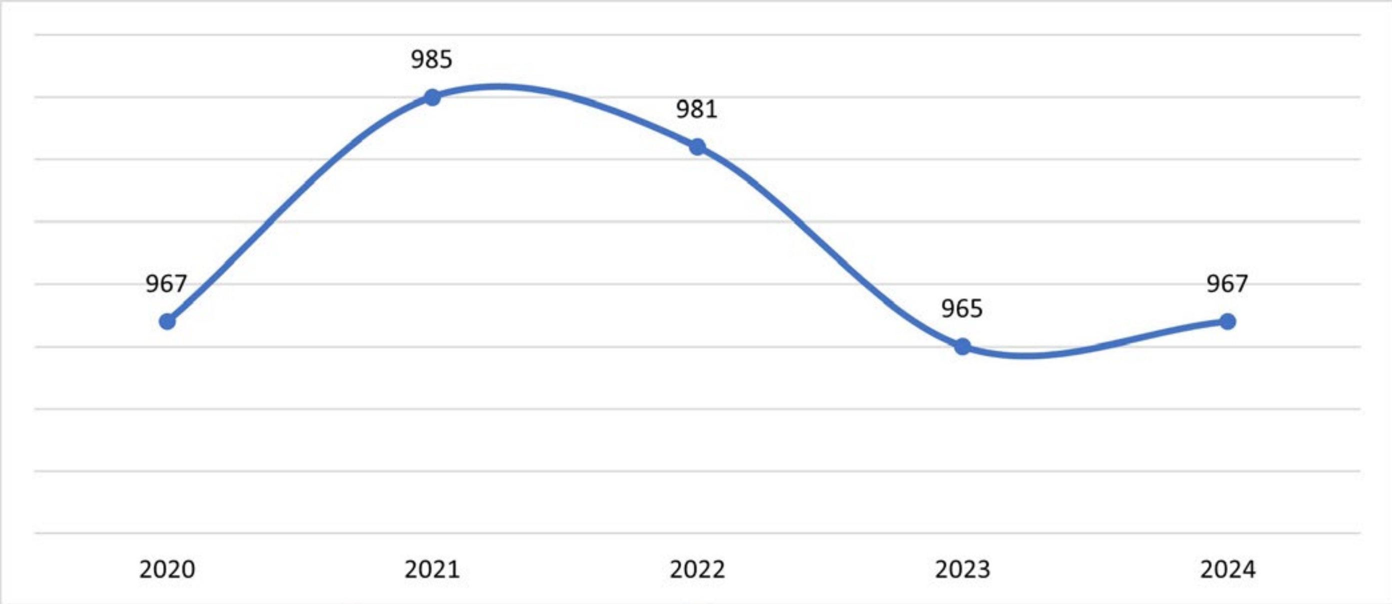
(i) Growth Trends

The pensions industry growth is measured by an index with four (4) indicators, which are asset size, number of active funds, membership and contributions.

Asset size increased by 30% to ZWG58.3 billion from ZWG44.9 billion reported on 31 December 2023.

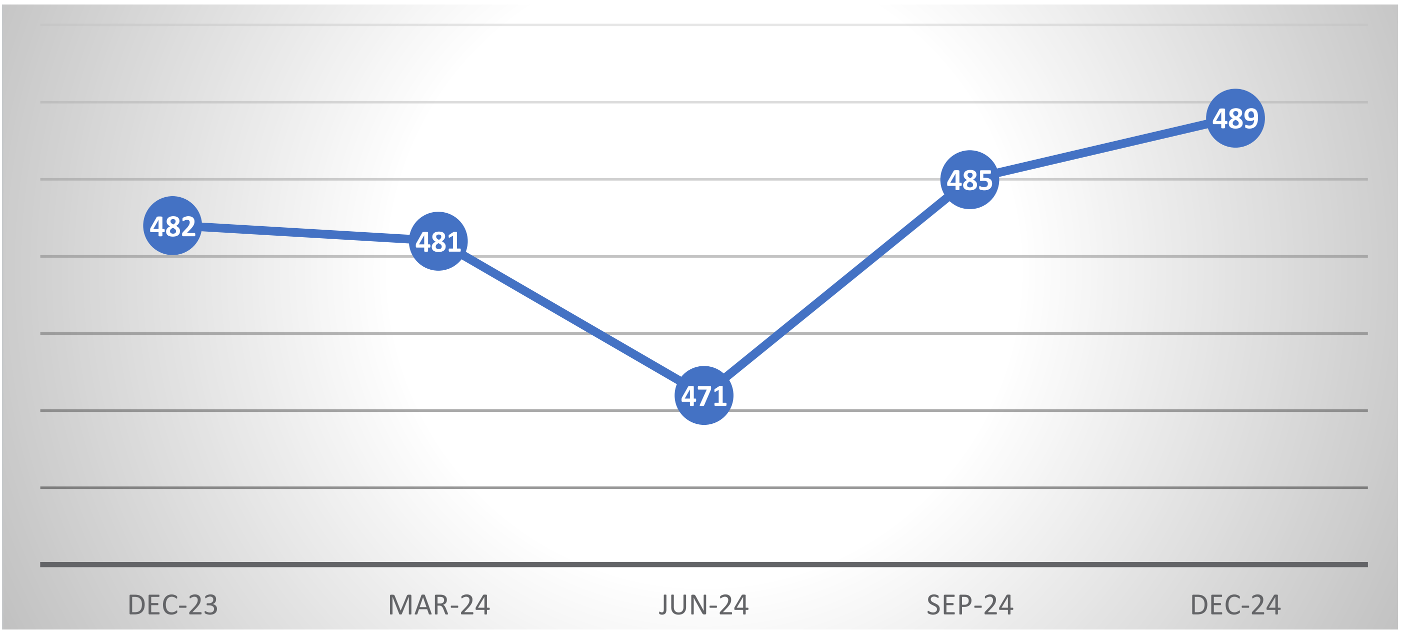
The pensions industry was composed of 967 registered occupational pension funds as at 31 December 2024. There is a marginal increase of 0.21% when compared to December 2023.

The figure below shows the number of registered funds.



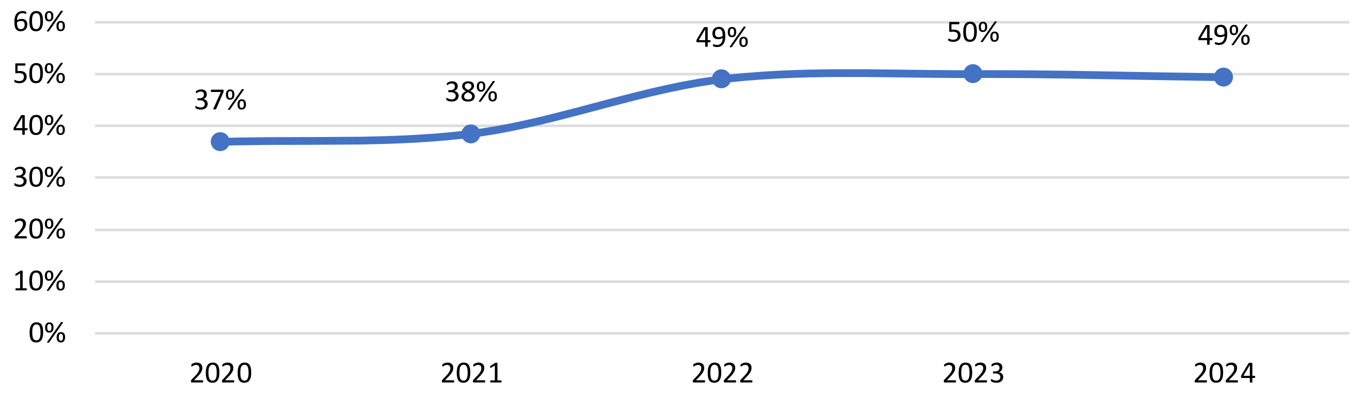
The overall decline in the number of existing funds was attributed to dissolutions and mergers that transpired.

The number of active funds increased by 1.5% to 489 from 482 reported in December 2023. The figure below shows a trend in the number of active funds.

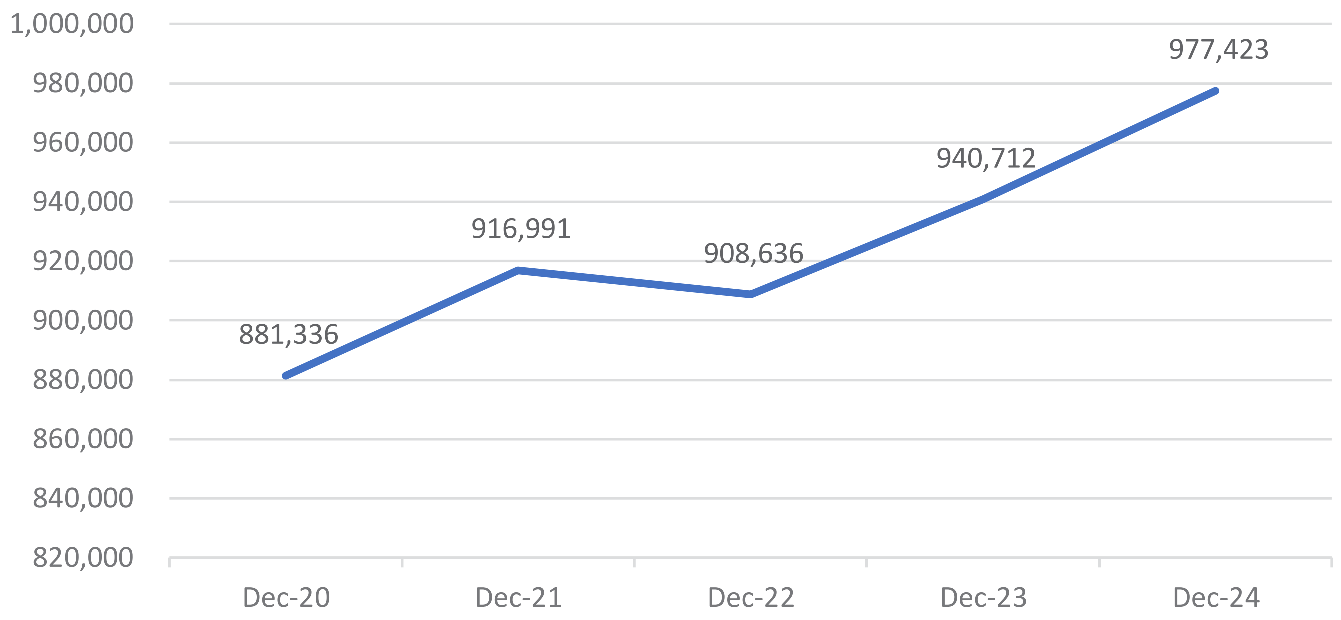


There were 478 inactive funds.

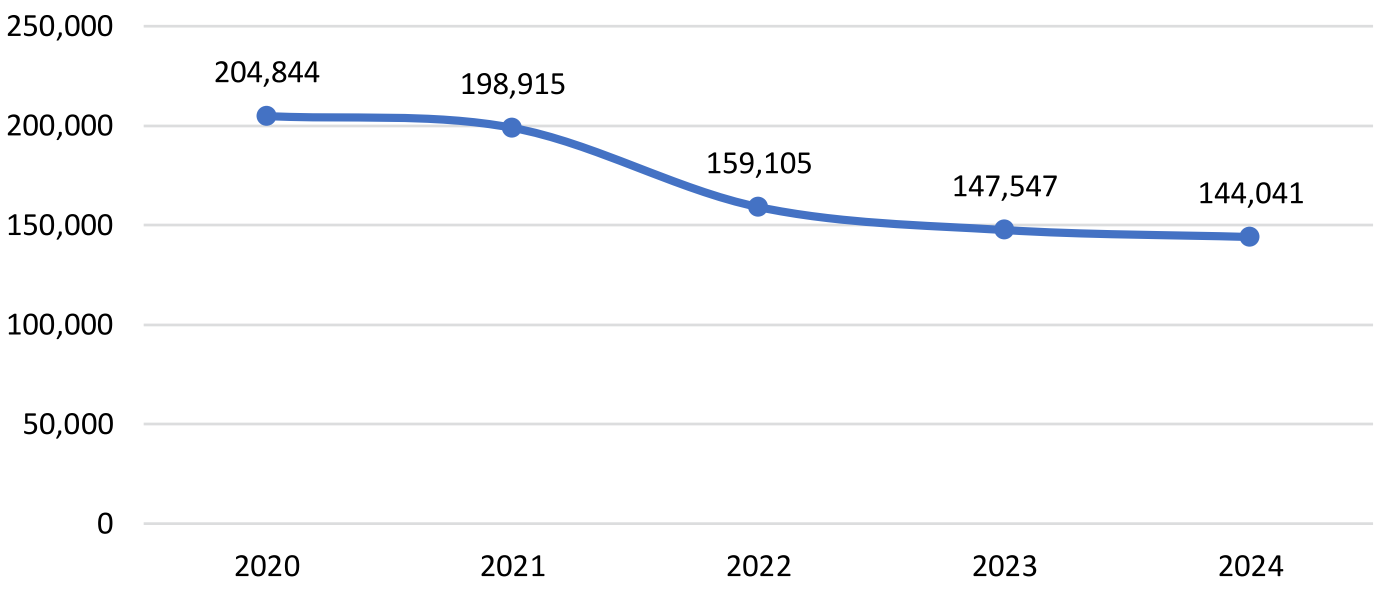
The following figure shows the proportion of inactive funds to total funds.



Membership in the pensions industry increased by 3.9% from 940,712 to 977,423 as indicated below.

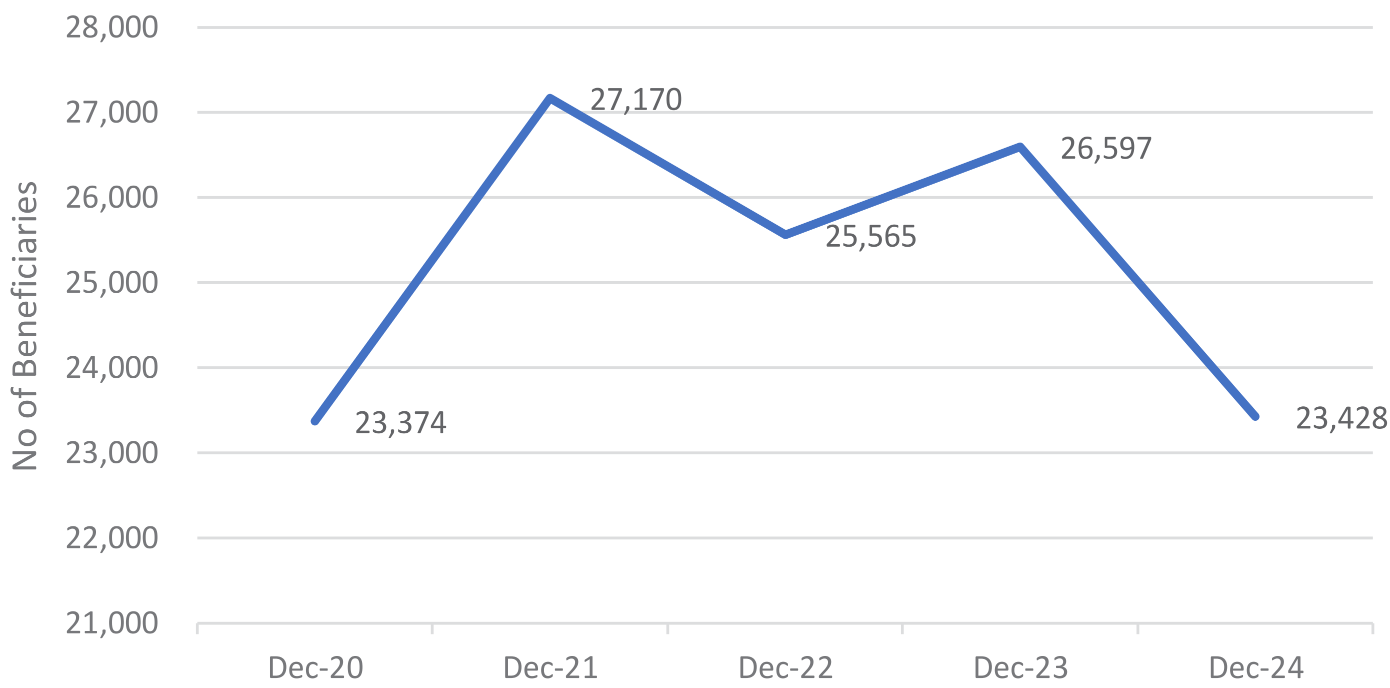


Principal pensioners continue to decline with 2024 recording the lowest number of pensioners over the five-year trend as shown below.



While several factors may have contributed to the decline in pensioners, the greatest decline was between 2020 and 2022 the COVID-19 era, as many lives were lost particularly among the elderly. Consequently, there was an increase in the number of beneficiaries over the same period as principal pensioners were replaced by their nominated beneficiaries to receive residual benefits.

The figure below shows the five-year trend in the number beneficiaries.



Contributions received by the pensions sector decreased by 18% to ZWG3.99 billion from the equivalent of ZWG4.85 billion reported in 2023.

Entities Registered/Products Registered

A total of five (5) pension funds were registered during the review period, namely; Bubi RDC, Contact Family Counselling Centre Provident Fund, Donhodzo Micro-Pension Fund, Medical and Allied Industry, and Africa University Provident Fund.

There were 239 pension funds whose dissolutions have been held in abeyance pending the conclusion of the pre-2009 compensation at the end of the year.

Four (4) post-retirement products were registered during the year.

Conclusion

The pension sector has remained resilient despite facing significant challenges, key of which, relates to the operating environment, particularly hyperinflation, currency reforms, changes in the labour market, and low consumer confidence. Despite these challenges, the sector has demonstrated flexibility in adapting to economic pressures and has continued to operate and pay benefits. The Commission will continue to implement measures that ensure the sector's viability, bolster consumer confidence, and facilitate improved member outcomes. Additionally, the Commission will also continue with stakeholder engagements to address the challenges and advocate for holistic pension reforms through a multi-stakeholder process.

ACTUARIAL & AML/CFT DEPARTMENT

The department consists of two Units as follows:

Unit	Responsibilities
Actuarial	The Unit is responsible for providing actuarial assurance to the Commission.
AML/CFT	The AML/CFT Unit is responsible for supervising, monitoring, and enforcing industry compliance with AML/CFT obligations.

Actuarial Unit

Implementation of Justice Smith Compensation Framework - 2009 Compensation

As at 31 December 2024, the Commission had approved two (2) compensation schemes, which started paying eligible members their benefits. The approval rate for compensation schemes has been protracted owing to several factors including:

- Some pension funds and insurers have serious data issues relating to the investigative period, making it difficult to compute compensation as per Statutory Instrument (SI) 162 of 2023,
- All life companies struggled to demonstrate asset separation between shareholders and policyholders during the investigative period, and
- Substantial funding shortfalls for some pension funds.

Extensive stakeholder consultations commenced in 2024, to ensure that substantial compensation payouts are made before the end of 2025. Envisaged interventions include amending SI 162 of 2023 to allow for:-

- Use of available high level consolidated data from signed actuarial reports and audited financial statements to determine global prejudice and use assumptions to split to individual members.
- Replace the Asset Separation requirement provision with once off shareholder levy of 7.5% of shareholder net assets as per the latest audited financial statements prior compensation.
- In line with section 15 (2) of SI 162 of 2023, prioritise specific cohorts starting with active pensioners and beneficiaries, suspended pensioners, deferred pensioners and finally active members.
- Immediately distribute the Government committed US$175 million as and when the money is released in tranches. The distribution will broadly adhere to the principles set out in section 16 of SI 162 of 2023.

Implementation of the Zimbabwe-specific mortality tables

Following the successful development of Zimbabwe specific mortality tables, the Commission requested the industry to submit Quantitative Impact Study (QIS) results to assess the potential financial impact on reserving and pricing of their insurance and pensions products.

Key observations made from analysis of the submissions include the following: -

- For annuities business, the actuarial reserves that pension funds and insurers will hold will increase due to an improvement in mortality rates between the obtaining tables and the newly developed mortality tables.
- For other conventional insurance businesses such as term assurance and whole life insurance, there is an expected decrease in the actuarial reserves that insurers will hold.

Guidance on the adoption of the mortality tables was provided through Circular 23 of 2024. The Commission envisaged a phased approach over the next five (5) years to smooth the impact of pricing and reserving. Full adoption is expected by 01 January 2030. The adoption will be based on the principle of "comply or explain".

2024 Currency conversion Guidelines

On the 5th of April 2024, the Government of Zimbabwe promulgated Statutory Instrument (S.I.) 60 of 2024 "Presidential Powers (Temporary Measures) (Zimbabwe Gold Notes and Coins) Regulation, 2024. The S.I. regulates the introduction of new local currency Zimbabwe Gold (ZWG), considered as legal tender in all transactions alongside any other currencies acceptable as legal tender in Zimbabwe.

The new currency was effective 5 April 2024 and all ZWL held in accounts by any banking institution was converted to ZWG by dividing the ZWG spot price of gold, which was derived by converting the USD spot price of gold as at 4 April 2024 using the ZWG rate on 5 April 2024

The Commission issued Insurance and Pensions Guidelines on conversion of values from ZWL to Zimbabwe Gold (ZWG) in line with Section 3 of Statutory Instrument (SI) 69 of 2020, which empowers the Commission to issue guidance on insurance and pension matters. The objects of the guideline were: -

- Standardisation of the conversion of assets and liabilities for all entities that are under IPEC purview; and
- Reduce the risk of loss of value to policyholders and pension fund members arising from the conversion of assets and liabilities from ZWL to ZWG.

The Guideline applies to all registered entities under the purview of IPEC, including pension funds. All insurers and funds were obliged to:

- Reconfigure their payment platforms to reflect the new currency. The reconfiguration of systems did not set aside the obligation to maintain records of previous transactions in line with the Guideline on Record-Keeping Standards for the Insurance and Pensions Industry issued through Circular 40 of 2022.
- Update their accounting software and systems to consider the new ZWG currency.
- Offer their products and services in the new currency as from the 8th of April 2024.
- Every registered insurer or pension fund was to carry out conversion of assets and liabilities from ZWL to ZWG as at the 5th of April 2024, being the conversion date.

- At conversion of currency from ZWL to ZWG, every insurer or fund was to apply the applicable and relevant accounting standards relating to a change of a functional currency.
- Assets and liabilities that were in foreign currency before conversion from ZWL to ZWG were to remain in that currency post conversion and claims in respect of such business, were to be settled in the same foreign currency that the premiums were made in line with Statutory Instrument 280 of 2020 Exchange Control (Exclusive Use of Zimbabwe Dollar for Domestic Transactions) (Amendment) Regulations, 2020(No.4).

Submission of IFRS 17-compliant financial statements

The standard became effective 1 January 2023, hence requiring insurers to make their first IFRS 17 reporting in 2024. The compliance rate was high for the life and non-life sectors while funeral assurers and microinsurers registered low compliance rate. Engagements are ongoing to ensure a successful transition to IFRS 17 for the whole industry.

All the submissions were assessed, and the main issues being observed are, lack of detailed disclosure on:

- Most insurers are using discount rates prescribed in ZiCARP instead of using the prescribed approach as required by IFRS 17—this is mainly because the local market does not have an active bond market to apply methods prescribed in IFRS 17.
- In addition, some insurers adopted ZiCARP approach to estimate risk margin (which is the insurer's view on the level of uncertainty on its cashflows) to estimate IFRS 17 risk adjustment associated with future cashflows.
- In some cases, risk adjustment estimation methodology was not fully disclosed, making it difficult to validate reasonability of the level of the risk margin set to cater for uncertainty in insurance contract cashflows.
- Lack of adequate disclosure on Contractual Service Margin (CSM) estimation and roll forward—not enough details on how the unearned profit is going to be earned over time by the insurer.
- The discount rate determination approach used is not clearly explained, with some insurers just referring to South African Swap curves without justification and adjustments to suit the Zimbabwean context.
- No adequate reconciliations of liabilities as required by the standard, including the breakdown of liabilities by products.

Despite the above challenges, which come with the first-time adoption of a new standard especially given the complexity around IFRS 17 and local challenges around granular data and derivation of inputs (especially discount rates), the Commission is satisfied with the overall industry progress.

The Commission will arrange a stakeholder feedback session in 2025 to discuss the internal experience in the first live implementation of the IFRS 17 standard. The Commission continues to capacitate internal technical teams involved in IFRS 17 through internal and external training.

Asset separation

The funeral sector remains non-compliant with the asset separation requirements, notwithstanding some improvement in submissions of asset separation documents, 87.5% provided initial submissions by the 31st of December 2024. A capacitation programme was scheduled between IPEC and Zimbabwe Association of Funeral Assurers (ZAFA) in Q1 2025. The Commission will invoke punitive regulatory sanctions for funeral assurers that remain non-compliant in 2025.

Risk-Based Capital Regime (ZiCARP)

ZiCARP is a risk-based solvency framework, which is replacing SI 95 of 2017. Pending gazetting of the ZiCARP regulations, the industry will continue to do ZiCARP parallel reporting. The Commission issued Circular 24 of 2024, requiring all insurers and reinsurers to submit 2024 ZiCARP documents on or before 30 June 2025. Regulated entities are encouraged to adjust the capital requirements in line with ZiCARP to avoid non-compliance when the regulations are gazetted. The Commission will invoke appropriate sanctions to cause compliance by those insurers that will fail to submit by the stipulated deadline.

Anti Money Laundering and Combating the Financing of Terrorism (AML/CFT) Unit

The AML/CFT Unit is mandated to regulate, supervise, monitor, and enforce industry compliance with Anti-Money Laundering, Combating Financing of Terrorism and Combating Proliferation Financing (AML/CFT/CPF) obligations as set out in the Money Laundering and Proceeds of Crime Act [Chapter 9:24].

Outcome 1: Improved Organisational Performance and Image

Capacity Building: Two AML/CFT Unit staff members were trained as assessors under the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG), benefitting from an in-country training workshop facilitated by the Financial Intelligence Unit and the Ministry of Finance, Economic

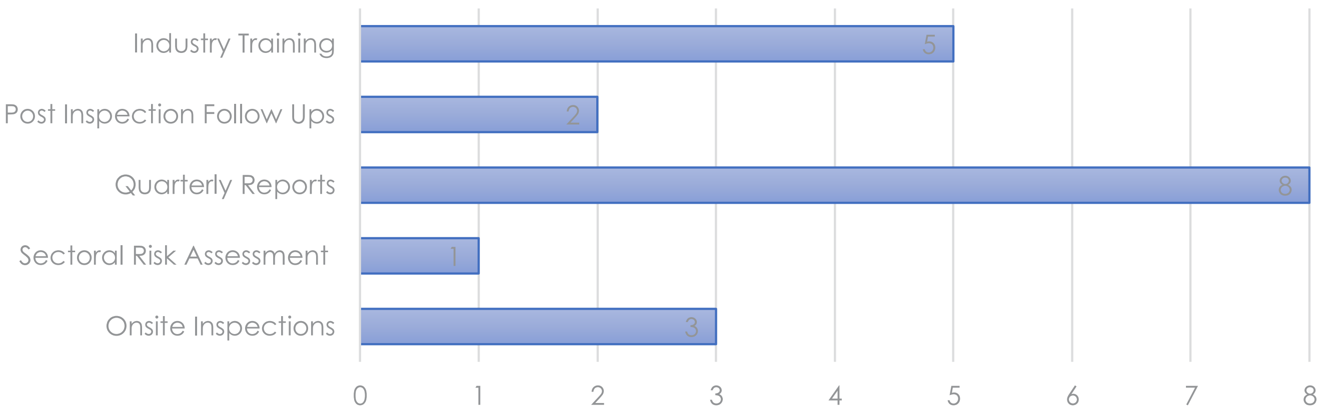
Development and Investment Promotion. The training equipped the AML/CFT supervision staff with advanced skills in assessing compliance, crucial in improving the quality of AML/CFT/CPF supervision.

Outcome 3: Improved Industry Compliance

Third National Risk Assessment on Money Laundering, Financing of Terrorism and Proliferation Funding: The Commission participated in the third National Risk Assessment on Money Laundering in 2024 in collaboration with industry players. The assessment provided valuable insights into the sector's money laundering vulnerabilities. The 3rd NRA report is awaiting adoption by Cabinet before its findings can be disseminated to stakeholders.

Supervision and Monitoring: The AML/CFT Unit reinforced its commitment to safeguarding the integrity of the financial sector by undertaking supervisory initiatives shown in the figure below.

2024 AML/CFT Supervisory Activities



Onsite Inspections: To ensure adherence to AML/CFT regulatory requirements, the Unit conducted two dedicated onsite inspections during the reporting period. One of which was a follow-up assessment to evaluate progress on previously identified compliance gaps.

Offsites Assessments: As part of ongoing monitoring efforts, the Unit reviewed AML/CFT quarterly return submissions from industry players. The returns provide updates on inherent Money Laundering, Terrorist Financing, and Proliferation Financing (ML/TF/PF) risk exposure, mitigants in place and the level of compliance with reporting statutory obligations. Key observations and recommendations made were communicated through the Life and Pensions Industry Quarterly Reports.

Industry Training and Awareness: The AML/CFT Unit continues to play a pivotal role in promoting risk understanding and awareness of AML/CFT/CPF obligations in the sector. A total of five training sessions were conducted, two industry-wide and three entity-specific. The training sessions enhanced the sector's understanding of regulatory expectations and best practices in AML/CFT compliance.

CORPORATE SERVICES DEPARTMENT

The department consists of three Units as follows:

Unit	Responsibilities
Legal and Company Secretarial	The Unit is mainly responsible for providing secretarial services and legal advice to the Commission and reviewing existing legislation and drafting new laws.
Public Relations	The Public Relations Unit is responsible for spearheading consumer education, the Commission's visibility initiatives, stakeholder engagement, and corporate social responsibility programmes.
Registry	The Registry Unit is responsible for record-keeping.

Legal and Company Secretarial Unit performance information is covered under the Governance Report under Part A above.

Consumer Education and Visibility

Introduction

The Commission is committed to fostering a well-informed public that understands the importance of insurance and pensions in achieving financial security. This is in line with section 4 (1) (d) of the Insurance and Pensions Commission Act [Chapter 24:21], which mandates the Commission to inform the public on matters relating to insurance and pensions.

In 2024, the Commission intensified its efforts in educating the public about insurance and pensions and enhancing IPEC's visibility across Zimbabwe. The initiatives were anchored on the following strategic objectives:

- **Enhancing Consumer Awareness:** To empower individuals with knowledge about insurance and pensions, enabling them to make informed decisions.
- **Building Trust and Confidence:** To address misconceptions and build trust in the insurance and pensions industry.
- **Promoting Financial Inclusion:** To reach underserved and marginalised communities, ensuring equitable access to insurance and pension services.
- **Expanding IPEC's Reach:** To increase awareness of IPEC's role as a regulatory authority and its mandate for consumer protection.

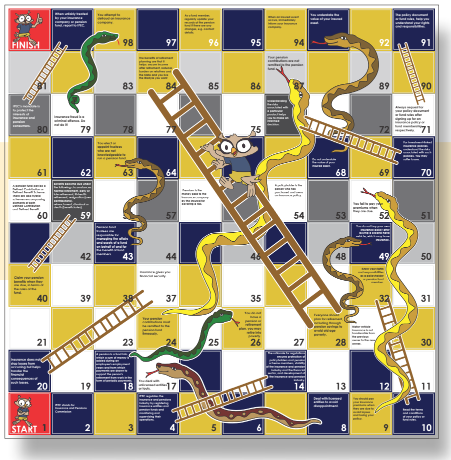
IPEC recognises the complexities of insurance and pensions. During the year under review, the Commission implemented several initiatives to educate the public on the importance of insurance coverage, retirement savings, and the rights and responsibilities of policyholders and pension scheme members. The initiatives below, aimed at empowering consumers with accurate information, thereby promoting consumer protection.

Consumer Education Initiatives

- **Financial Literacy programmes:** In line with its mandate of promoting financial inclusion among the underserved, the Commission collaborated with the Ministry of Women Affairs, Community, and Small and Medium Enterprise Development and the Insurance Council of Zimbabwe to educate the Ministry's provincial Business Development Officers from the country's 10 provinces and District Business Development Officers from Masvingo, Matabeleland South, Bulawayo and Matabeleland North provinces, on the importance of insurance in risk mitigation. The trainees went on to cascade the training to micro-small and medium-sized enterprises (MSMEs) in their respective jurisdictions.

- **School awareness campaigns:** The Commission collaborated with fellow financial sector regulators and financial services providers to conduct a financial literacy campaign in schools, reaching over 100 primary, secondary, and tertiary institutions across four provinces: Harare, Manicaland, Masvingo, and Midlands. The seminars focused on educating students about financial matters. The campaign was conducted under the auspices of the Global Money Week campaign.

- **Information, Education, and Communication Materials:** During the year under review, the Commission developed and distributed over 10,000 Insurance and Pensions booklets, brochures, and educational Snakes and Ladders Board Game. The game was designed as an interactive learning tool to educate the public about key insurance and pension concepts in an engaging and accessible manner. Modelled after the traditional Snakes and Ladders game, it incorporated lessons on financial planning, risk management, and the benefits of insurance and pensions. Positive financial decisions were represented by ladders, allowing players to advance, while financial pitfalls and risks, such as lack of savings or inadequate insurance coverage, were symbolised by snakes, causing setbacks.



- **Use of Drama and Storytelling for Effective Education:** Understanding the challenges in reaching the underserved with complex financial concepts, the Commission utilised theatre interactive drama performances and storytelling initiatives tailored to smallholder farmers and MSMEs. A key highlight was the use of a theatre performance at the Goromonzi Farmer's Basket insurance payout with actors performing relatable stories illustrating how the Farmer's Basket insurance product works. The Insurance and Pensions Commission Guide also incorporated storytelling techniques in the booklet on insurance and retirement planning.

- **Leveraging website and social media for consumer education:** IPEC's website serves as the central hub for consumer education, providing information on the importance of insurance and pensions, as well as the rights and responsibilities of policyholders and pension scheme members. The Commission also utilised its official social media platforms to promote financial literacy. This aligns with the increasing role of social media in shaping public perception and behaviour, especially among the youth.

Visibility Enhancement Initiatives

In 2024, the Commission implemented a series of visibility initiatives aimed at increasing public awareness, strengthening stakeholder engagement, and ensuring effective communication of its regulatory mandate. These efforts significantly enhanced IPEC's reach and impact across various platforms as outlined below:

- **Outreach programmes:** The Commission conducted at least 25 community outreach events across the country targeting rural and urban communities. The programmes included roadshows, exhibitions, seminars and mall activations. Some of the exhibitions included the Zimbabwe International Trade Fair, and agricultural shows. The Commission had the pleasure of welcoming Senior Government officials, pensioners, policyholders and fellow exhibitors.



As part of its consumer awareness initiatives, IPEC conducted and participated in roadshows in Guruve, Gutu, and Bikita in collaboration with Radio Zimbabwe. These roadshows served as a key visibility tool, engaging thousands of patrons at the venues while reaching hundreds of thousands more through live radio broadcasts.

- **Media Relations:** IPEC maintained strong relationships with the media, ensuring consistent and accurate coverage of its activities. Through proactive media engagement, at least 400 insurance and pensions-related media articles were published in print, broadcast, and online platforms. Key initiatives included:
    - **Journalism Mentorship Programme:** In partnership with the National Social Security Authority (NSSA), IPEC launched the 2024 Insurance and Pensions Journalism Mentorship Programme, enrolling 32 journalists drawn from print, electronic and digital media. The programme, which ran from July to December 2024, aimed to equip journalists with the necessary knowledge and skills to report on insurance and pension issues accurately. The journalists produced about 130 articles from the mentorship sessions. Altogether, at least 400 insurance and pensions-related articles were published in 2024, the majority of which, were written by the mentorship programme's alumni.
    - **Quarterly Reports coverage:** The Commission facilitated media coverage of insurance and pensions quarterly reports through sharing of the reports with the media and sometimes pointing them to key issues in the reports.
    - **Television and Radio Engagements:** The Commission participated in interviews, panel discussions, and dedicated television and radio programmes to discuss key industry developments. One of the key radio interviews that attracted attention is the one on Capitalk where the Commissioner spoke about the pre-2009 compensation developments.

- **Events and Partnerships:** IPEC actively participated in and hosted several events to increase its visibility among stakeholders, industry players, and the general public. Key events included:
  - **Insurance Awareness Run:** IPEC successfully hosted the inaugural Insurance Awareness Run. The event was significantly oversubscribed and served as a platform to educate participants on the role of insurance in financial security while promoting a culture of risk management among individuals and businesses.
  - **Charity Golf Day:** The Commission organised the second edition of the IPEC Charity Golf Day, which brought together industry stakeholders, corporate leaders, and the general public. The event not only promoted networking and industry collaboration but also raised funds for charitable causes. These contributions were directed toward borehole sinking and installations in Gwanda and Zaka.

  - **Insurance and Pensions Media Awards:** Recognising the critical role of the media in educating the public and shaping public perception, IPEC hosted the fourth edition of the Insurance and Pensions Media Awards. This initiative rewarded excellence in journalism, encouraging in-depth and accurate coverage of insurance and pension issues. The awards acknowledged journalists who contributed to increasing public understanding and trust in the insurance and pensions.

- **Stakeholder Engagement**

In 2024, the Commission continued to prioritise proactive and inclusive stakeholder engagement as a cornerstone of its regulatory approach. Recognising the critical role of collaboration in shaping a resilient and responsive financial sector, the Commission facilitated a number of high-level engagements, including the annual breakfast meeting between the Minister of Finance, Economic Development and Investment Promotion and insurance and pensions industry leadership - Zimbabwe Insurance and Pensions Apex Council (ZIPAC). This strategic interface provided a platform for open dialogue on key policy and regulatory matters, enhancing mutual understanding and reinforcing government-industry alignment on sector priorities. In the same vein, the Commissioner hosted a separate breakfast meeting with industry executives to discuss regulatory developments, market conduct expectations, and shared goals for sectoral transformation.

Throughout the year, IPEC also sustained structured engagement through its quarterly meetings with industry associations, ensuring continuous dialogue with insurers, pension fund administrators, and other market participants. These forums enabled the Commission to provide regulatory updates, address emerging issues, and gather sector feedback to inform policy refinement.

Further, IPEC conducted consultations on its 2025 Business Plan, inviting input from key stakeholders to ensure the strategy reflects collective aspirations for sector growth, innovation, and inclusion.

The Commission also participated in major industry conferences, both locally and internationally, as part of efforts to strengthen partnerships and remain abreast of global best practices and enhance the visibility of Zimbabwe's insurance and pensions sector on the global stage.

- **International Relations**

The Commission continued to engage with various stakeholders locally, regionally and internationally.

Locally, the Commission attended and delivered presentations at various fora, including conferences, workshops convened by stakeholders in the insurance and pensions industry as well as other key stakeholders, including fellow financial sector regulators..

In addition, the Commission actively participated in regional and international platforms such as the African Pension Supervisors Association, the SADC Committee of Insurance, Securities and Non-Banking Financial Authorities (CISNA), African Insurance Organization Conference, the International Organisation of Insurance Supervisors (IAIS), and the International Organisation of Pension Supervisors (IOPS) Annual Conferences. IPEC is a member of various regional, and international committees such as CISNA, IOPS, and IAIS.

In 2024, IPEC Commissioner, Dr Grace Muradzikwa, was elected to the Executive Committee of the International Association of Insurance Supervisors (IAIS), representing the Sub-Saharan Africa region. This prestigious appointment reflects international recognition of her leadership and underscores IPEC's growing visibility on the global stage in promoting sound insurance supervision.

Furthermore, the Commission had the honour of hosting ZEP-RE (PTA Reinsurance Company)'s 33rd General Assembly and supported the local industry's hosting of the 46th Organisation of Eastern and Southern Africa Insurers (OESAI) Annual Conference and AGM. Both events were held in Victoria Falls.

The active participation in various fora is consistent with the Commission's strategic thrust of enhancing its visibility.

The Commission also collaborated with the International Finance Corporation (IFC), Access to Insurance Initiative (a2ii), and FSD Africa in promoting agricultural index-based insurance in Zimbabwe. The initiative is aligned with the National Financial Inclusion Strategy, which seeks to close the financial inclusion gap.

RESEARCH AND INNOVATION UNIT

The Research and Innovation Unit plays a crucial role in strengthening the regulatory and supervisory framework of the insurance sector in Zimbabwe. Over the past year, the Commission has shown its commitment to foresight and proactive policy development by undertaking several key research projects. These initiatives are essential for understanding emerging trends, addressing potential risks, and fostering an environment that encourages innovation and stability within the insurance landscape. The findings from these thorough studies directly inform IPEC's strategic decisions, ensuring that regulatory and supervisory processes remain strong, relevant, and responsive to the dynamic needs of the market and its stakeholders.

Key policy papers and their impact are detailed below:

1. Weather Index Research Paper

The "Weather Index Research Paper" represents a significant stride towards enhancing resilience in Zimbabwe's agricultural sector, which is highly susceptible to climate variability. This research delved into the feasibility and benefits of implementing weather index insurance products. Unlike traditional indemnity-based insurance, weather index insurance pays out based on pre-defined weather parameters (e.g., rainfall, temperature) rather than actual crop loss, offering a simpler, faster, and more transparent claims process.

Key Focus Areas and Potential Impact:

- **Climate Change Adaptation:** The paper explored how weather index insurance can serve as a vital tool for smallholder farmers and agricultural enterprises to mitigate financial losses due to adverse weather events, thereby contributing to food security and sustainable livelihoods.
- **Product Design and Delivery:** It investigated the optimal index design, data requirements, and efficient distribution channels suitable for the Zimbabwean context, including leveraging technology for data collection and claims processing.
- **Regulatory Implications:** The research provided crucial insights into the specific regulatory adjustments required to facilitate the widespread adoption of innovative microinsurance products. This includes considerations for product approval, consumer protection mechanisms, data governance, and capital requirements for insurers offering these specialised products.
- **Market Development:** By identifying opportunities and challenges, the paper aimed at stimulating the development of a robust weather index insurance market, attracting both local and international insurers to offer these critical solutions.

This research is expected to inform the development of specific guidelines or amendments to existing microinsurance regulations, promoting the growth of climate-resilient insurance solutions that protect vulnerable populations.

2. Mitigating Undue Shareholder Influence in the Insurance Sector in Zimbabwe

The paper titled "Mitigating Undue Shareholder Influence in the Insurance Sector in Zimbabwe" addresses a critical aspect of corporate governance and financial stability within the industry. Undue shareholder influence can manifest in various forms, including related-party transactions that are not at arm's length, conflicts of interest, or excessive control that undermines the independence of the board and management. Such influence poses significant risks to policyholder protection, market integrity, and the overall soundness of insurance companies.

Key Focus Areas and Potential Impact:

- **Corporate Governance Best Practices:** The research identified vulnerabilities in existing governance structures that could permit undue influence and proposed enhancements aligned with international best practices for insurance entities. This includes strengthening the roles of independent directors, audit committees, and risk management frameworks.
- **Fit and Proper Assessments:** The paper reviewed the adequacy of the current "fit and proper" criteria for shareholders and key personnel, with measures to ensure that individuals with significant control meet the highest standards of integrity and competence.
- **Related Party Transactions:** It analysed the regulatory oversight of related-party transactions, recommending stricter disclosure requirements, approval processes, and limits to prevent value erosion or unfair dealings that could jeopardise an insurer's financial health.

- **Supervisory Tools:** The research sought to equip the Commission with enhanced supervisory tools and frameworks to proactively identify, assess, and address instances of undue influence, ensuring that policyholders' interests remain paramount.

This paper's recommendations are vital for reinforcing the stability and integrity of the insurance sector, leading to more robust corporate governance guidelines and more stringent supervisory interventions where necessary.

3. Development of a Regulatory Sandbox Framework in Zimbabwe

The "Development of a Regulatory Sandbox Framework in Zimbabwe" paper is a forward-looking initiative designed to foster innovation within the financial services sector, particularly in insurance (InsurTech), while simultaneously managing associated risks. A regulatory sandbox provides a controlled environment where innovative products, services, and business models can be tested with real consumers under relaxed regulatory requirements, subject to appropriate safeguards.

Key Focus Areas and Potential Impact:

- **Promoting InsurTech Innovation:** The paper outlined the rationale for establishing a sandbox, recognising the potential of technology to revolutionise insurance product delivery, customer engagement, and operational efficiency. It aims to create a pathway for new entrants and existing players to experiment with cutting-edge solutions.
- **Framework Design**: It detailed the proposed structure of the sandbox, including eligibility criteria for participants, the application and approval process, the scope of regulatory waivers, robust monitoring mechanisms, and clear exit strategies for successful innovations or those that fail to meet expectations.
- **Risk Mitigation:** A core component of the research was to ensure that while innovation is encouraged, consumer protection and financial stability are not compromised. The framework includes provisions for rigorous risk assessment and mitigation throughout the testing phase.
- **Market Competitiveness**: By facilitating innovation, the Sandbox is expected to enhance competition, drive down costs, and lead to the development of more tailored and accessible insurance solutions for the Zimbabwean populace.

The successful implementation of this regulatory sandbox framework will position Zimbabwe as a progressive market for InsurTech, attracting investment and expertise, ultimately benefiting consumers through improved access to innovative and affordable insurance products.

In summary, the Commission's research and innovation agenda over the past year has been foundational in addressing current challenges and future opportunities within the Zimbabwean insurance and pensions industry. By producing well-researched policy papers on critical areas such as climate risk, corporate governance, and technological innovation, the Commission continues to provide invaluable insights that support IPEC's mandate to regulate, supervise, and promote a stable and dynamic insurance industry.

FINANCE AND ADMINISTRATION

The department consists of three Units as follows:

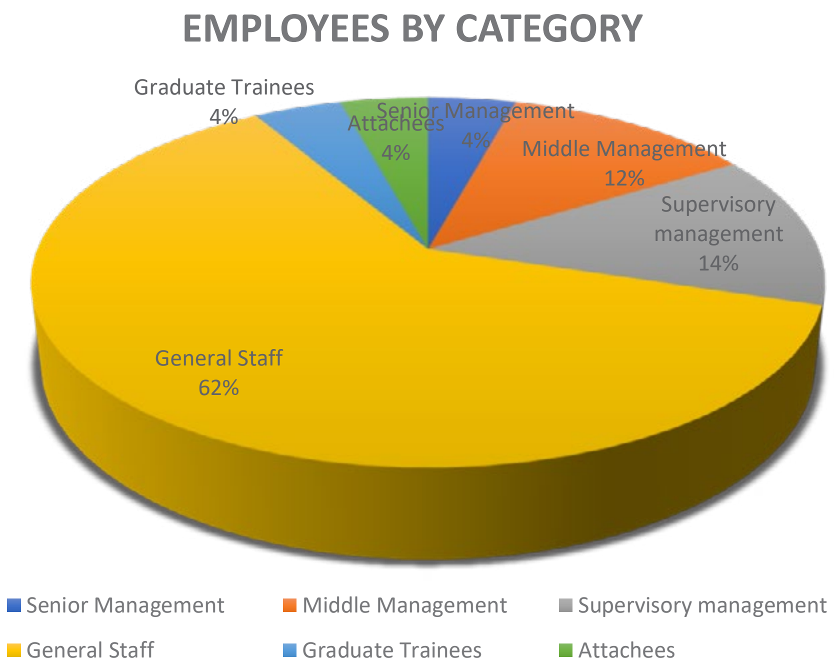
Unit	Responsibilities
Finance	The Unit is responsible for mobilising, allocating, and managing financial resources and financial reports.
Human Resources	Human Resources is responsible for attracting, training, and retaining competent and motivated staff to achieve the Commission's mandate.
ICT	Developing and administering ICT Systems.

The Finance Unit performance information is covered under the Annual Financial Statement in Part C below.

HUMAN RESOURCES MANAGEMENT

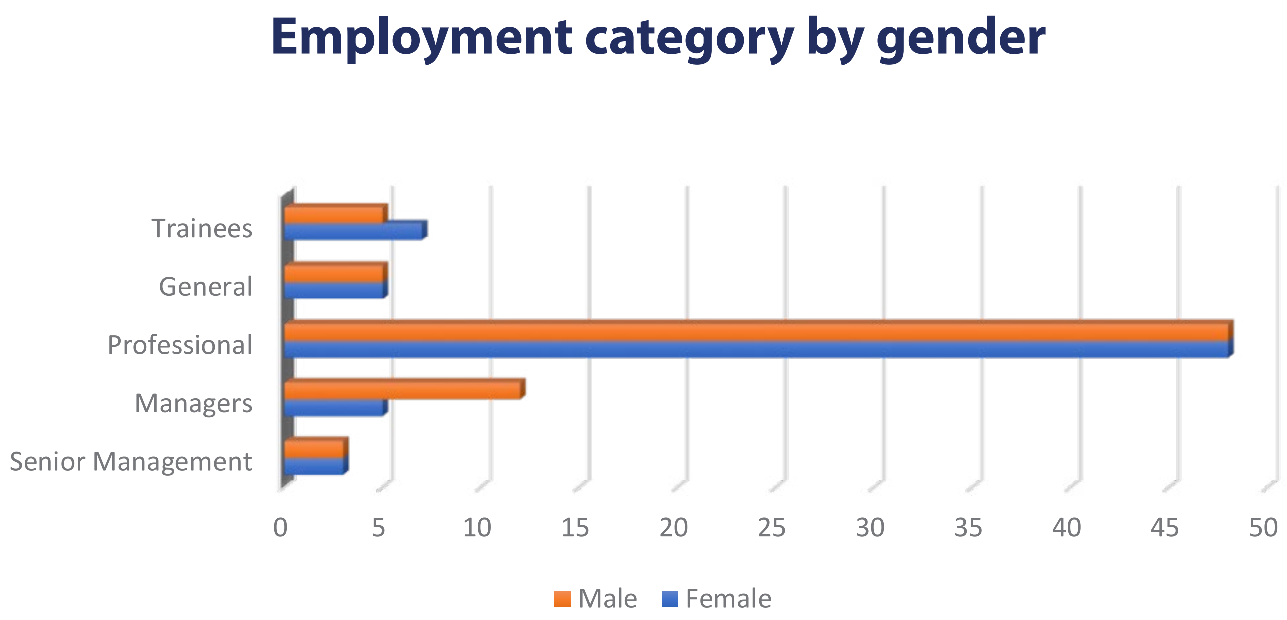
Staff Complement

As of 31 December 2024, the total number of staff in post was 141 against an approved establishment of 147, which translates to a staff occupancy rate of 96% compared to 94% at the end of 2023. The employees were spread into the categories as shown on the chart below.



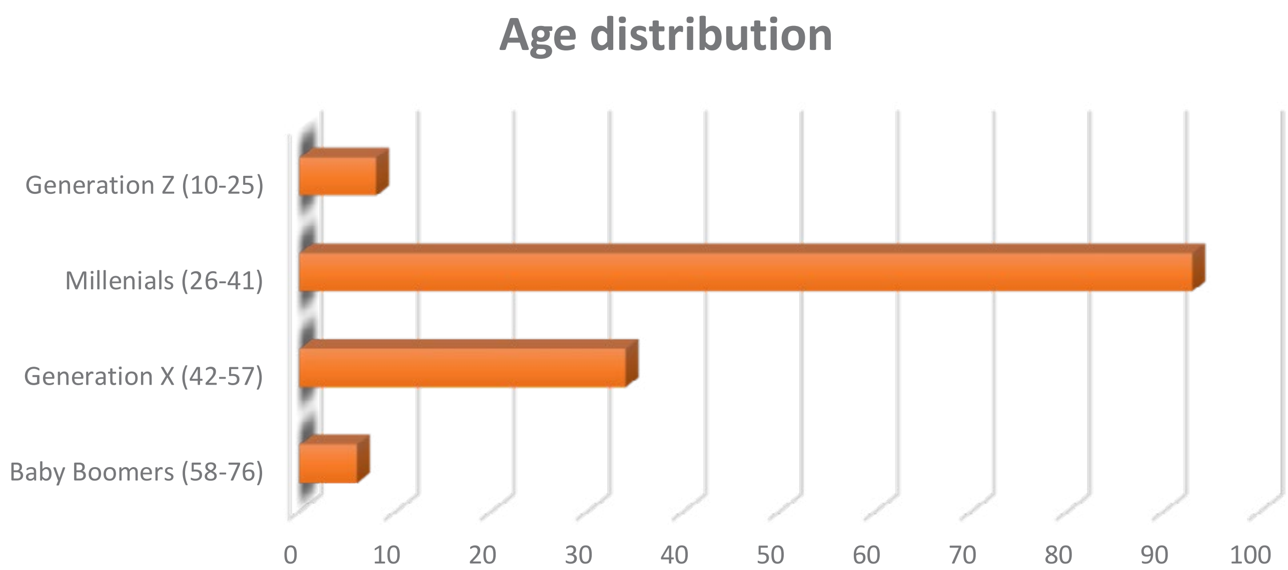
Gender representation

The average gender representation for the year was 73 male and 68 female employees, which translates to a ratio of 52:48 compared to the IPEC policy ratio of 50:50. IPEC is committed to gender equality and gender mainstreaming in its processes and continues to work towards achieving this gender balance. Below is a graphical presentation of gender representation by employment category.



Age profile of IPEC

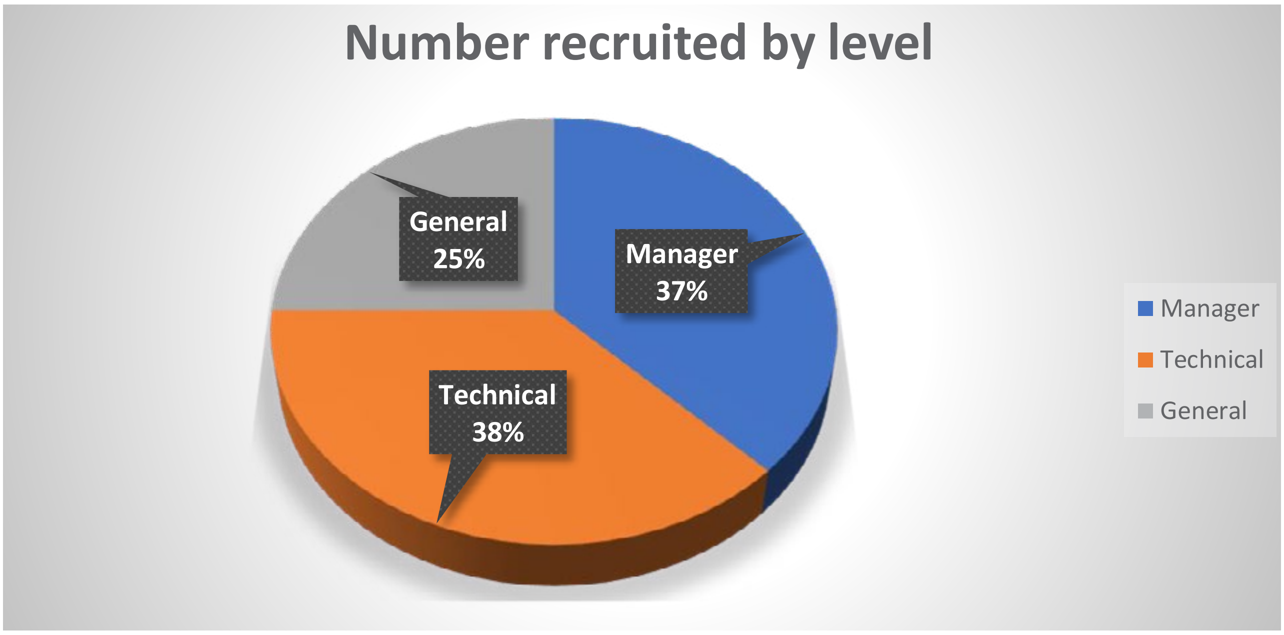
IPEC's employee age distribution is mainly constituted by the millennials group, which shows there will be continuity of operations into the future as highlighted in the graph below.



Staff Recruitment and Promotions during the year

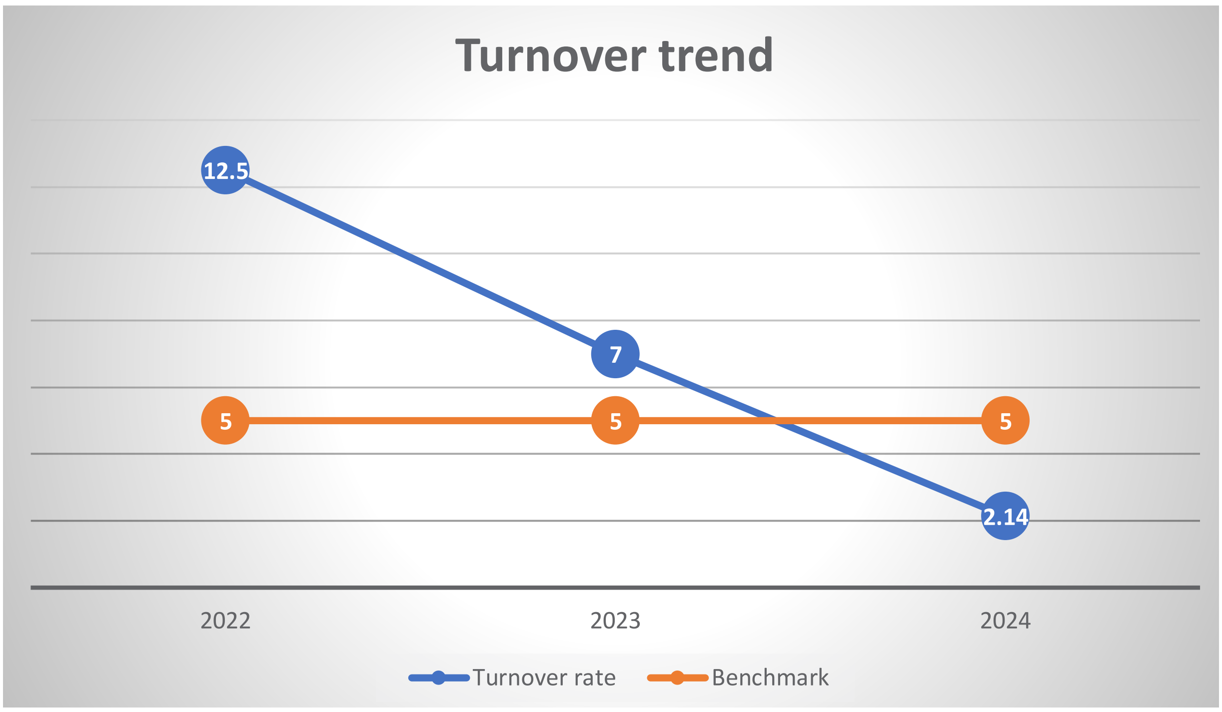
During the year 2024, the Commission recruited a total of eight (8) employees with diverse skill sets compared to 10, the previous year. There was one promotion to a senior position during the same period.

The figure below shows the number recruited by level:



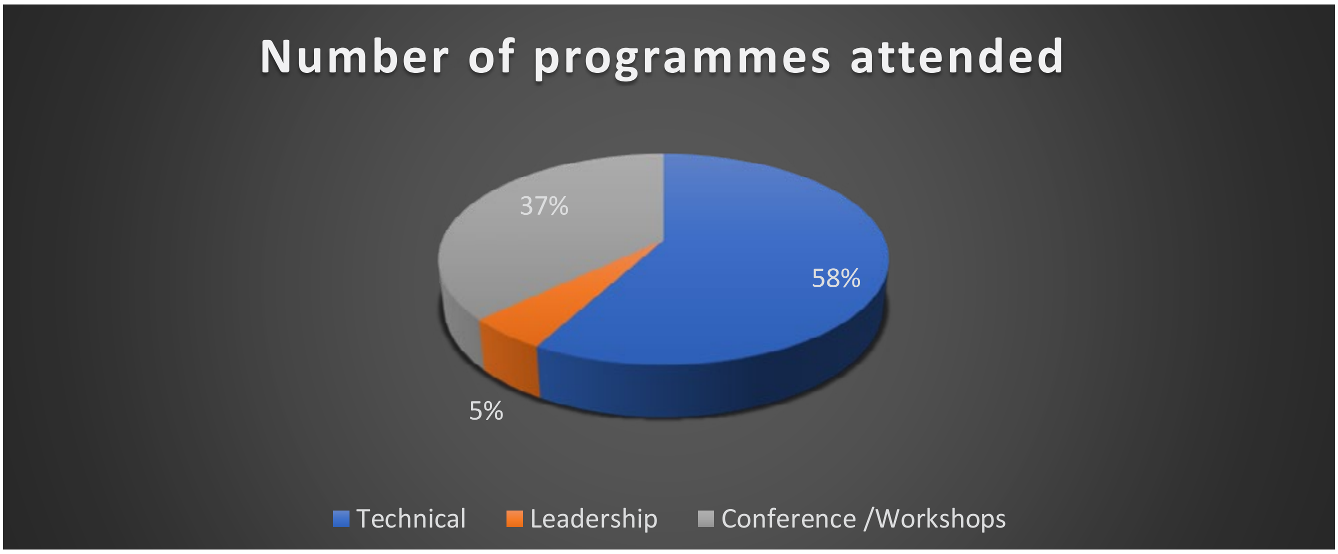
Staff resignations during the year

The Commission recorded three (3) voluntary resignations during the year, reflecting a 2.1% staff turnover for the year. The turnover rate was a marked improvement compared to the previous year, which was at 7%. The Commission continues to implement various retention initiatives to ensure that it retains its human capital. Below is the turnover trend.



Staff Training and Development

Staff attended various training programmes, workshops, and conferences during the year. The training managed to capacitate employees with technical knowledge as areas covered included regulation, risk-based supervision, stress testing, management development and SAP. The table below shows the distribution of the training undertaken.



Performance Management

Integrated Results-Based Management System (IRBMS) remained core in the Commission's pursuit of improved organisational performance. This has enhanced the Commission's culture of performance with a marked improvement in individual and corporate performance during the year.

Employee Relations

IPEC enjoyed a cordial employee relations climate throughout the year. There were no disciplinary cases recorded during the year. The Works Council platform provided an effective communication channel between management and staff during the year.

As part of employee engagement, IPEC staff participated in various employee wellness activities throughout the year. The activities included marathons, soccer, a sporting weekend and darts. The Commission's wellness activities mainly focused on mental health issues and their impact on the employees. In the last quarter, a wellness day was held in partnership with First Mutual Health in the fourth quarter. The Commission shall continue to strengthen the employee wellness programme through the SHE Committee.

Information Communication Technology

Introduction

The ICT Department plays a vital role in supporting IPEC's strategic objectives by providing robust, secure, and innovative technology solutions. The year witnessed significant progress in the digitalisation journey, focusing on enhancing regulatory oversight, streamlining internal processes, and strengthening the Commission's cybersecurity posture. Below are highlights the key activities and achievements in 2024, challenges encountered, and of the outlook.

ICT Strategy
IPEC's ICT strategy is aligned with its overall strategic objectives. The strategy focuses on:

- Infrastructure Optimisation: Ensuring a stable, secure, and efficient ICT infrastructure.
- Digital Transformation: Leveraging technology to improve business processes and customer experience.
- Cybersecurity: Protecting IPEC's information assets from cyber threats.
- ICT Governance: Ensuring effective management and oversight of ICT resources.

Key Achievements
In 2024, IPEC achieved the following ICT milestones:
- **ICT Infrastructure:** Generally, the Commission's ICT Infrastructure has been reliable achieving an average uptime of 98% for the year.
- **Digitalisation Initiatives:** Steady progress to modernise IPEC's operations through the acquisition of an Electronic Supervisory System (ESS). Following a comprehensive system audit and Business Information Systems Requirements Definition, a detailed Statement of User Requirements (SOUR) document was produced. Approximately 25% of the project has been completed, with the remaining 75% allocated to the tender process and solution implementation. Furthermore, IPEC developed an IFRS 17-compliant quarterly returns submission portal, significantly improving the efficiency and accuracy of regulatory reporting.
- **System Integration:** A project was undertaken to integrate IPEC's ERP system with corporate banks and the Belina payroll system. This initiative will automate financial transactions and payroll processing, reducing manual intervention and improving data accuracy.
- **Cybersecurity Enhancement:** Recognising the growing importance of cybersecurity, IPEC implemented a remote Virtual Private Network (VPN) solution and a standalone Intrusion Detection and Prevention System to enhance network security and protect sensitive data. Furthermore, the Commission developed and implemented two crucial policies to enhance cybersecurity. These were the ICT Governance Policy and the ICT Security Policy. These policies provide a framework for managing ICT resources and ensuring confidentiality, integrity, and availability of information assets.
- The department also conducted security awareness campaigns to educate staff about cybersecurity best practices. This resulted in a decrease in spam and phishing email click-through rate to around 2%, down from an average Phish-prone of 8.4% in 2023. The comprehensive cybersecurity measures implemented have resulted in the Commission experiencing zero reported security incidents.

In compliance with the Cyber and Data Protection Act, the Commission appointed and notified POTRAZ of its designated Data Protection Officer (DPO), who received the necessary training and certification.

Outlook
The Commission's focus for the coming year will be on:
- **ESS Implementation:** The priority will be the successful acquisition and implementation of the ESS solution, which will significantly enhance IPEC's supervisory capabilities.

- **System Integration Completion:** finalisation of the integration of the ERP system with corporate banks and the Belina payroll system, realising the full benefits of automation and improved data flow.
- **Cybersecurity Enhancement:** Strengthening the cybersecurity posture by implementing further measures to protect against evolving threats. This includes regular security audits, penetration testing, and ongoing staff training; the implementation of business continuity and disaster recovery procedures and ISO/IEC 27035 Information Security Incident Management framework.
- **Data Analytics:** The Commission will explore opportunities to leverage data analytics to gain insights from financial and regulatory data to improve decision-making.

Conclusion

IPEC's ICT function played a critical role in supporting business operations and achieving strategic objectives. In 2024, the Commission made significant progress in optimising its ICT infrastructure, enhancing cybersecurity and driving digital transformation. The Commission will continue to prioritise ICT investments to support business growth and improve customer experience.

PROCUREMENT MANAGEMENT UNIT

Department Overview

The procurement department, also known as the Procurement Management Unit (PMU), is responsible for overseeing, leading and managing the supply chain activities, contract performance, and the disposal of assets on behalf of the Commission.

Its primary goal is to ensure that the Commission obtains the best value for money while minimising risks and ensuring compliance with public procurement laws and regulations.

PMU as a Strategic Support Function

The PMU provides strategic support to the Commission in several ways. Below are key strategic support areas.

- **Procurement Strategy Development:** supports in developing and implementing procurement strategies that ensure best value, reduce risk, and improve supplier relationships.

- **Risk Management and Mitigation:** identifies, assesses, and mitigates risks associated with procurement processes, contracts, and projects, ensuring that potential issues are addressed proactively.

- **Projects Monitoring and Evaluation:** monitors and evaluates projects and activities, providing insights and recommendations for improvement.

- **Policy and Procedure Development:** assists in developing and implementing policies and procedures that ensure compliance with relevant laws, regulations, and international standards.

Procurement Performance for the year 2024

The Commission undertook various capital expenditure projects, including the acquisition of land, office renovations, ICT hardware, software and systems, among others. However, the Commission encountered several procurement challenges, including the following:

- **Transition from manual procurement processes to EGP System:** The transition process presented technical challenges as the procurement and tender evaluation teams struggled to use the new system. This affected procurement turnaround times.
- **Exchange Rate Fluctuations (Supplier rates with premium):** The procurement budget was affected by inflation, leading to reduced procurements compared to the planned ones.
- **Supplier Blacklisting:** Office renovations were suspended after one of the suppliers was among the blacklisted by the Government in 2024, over allegations of diverting received payments for goods and services from other government entities, to the illegal foreign currency parallel market.

Going forward, the Commission will implement the following measures to address the aforementioned challenges:

Capacity Building and Training: The Commission will continue training tender evaluation and procurement officers to keep abreast of the changes in the procurement landscape.

Bulky Purchasing: Where possible, the Commission will procure commonly used products, in bulk to preserve value for money.
Supplier Collaboration and partnerships: The Commission will embrace supplier collaborative initiatives to increase trust and improve supplier innovation.

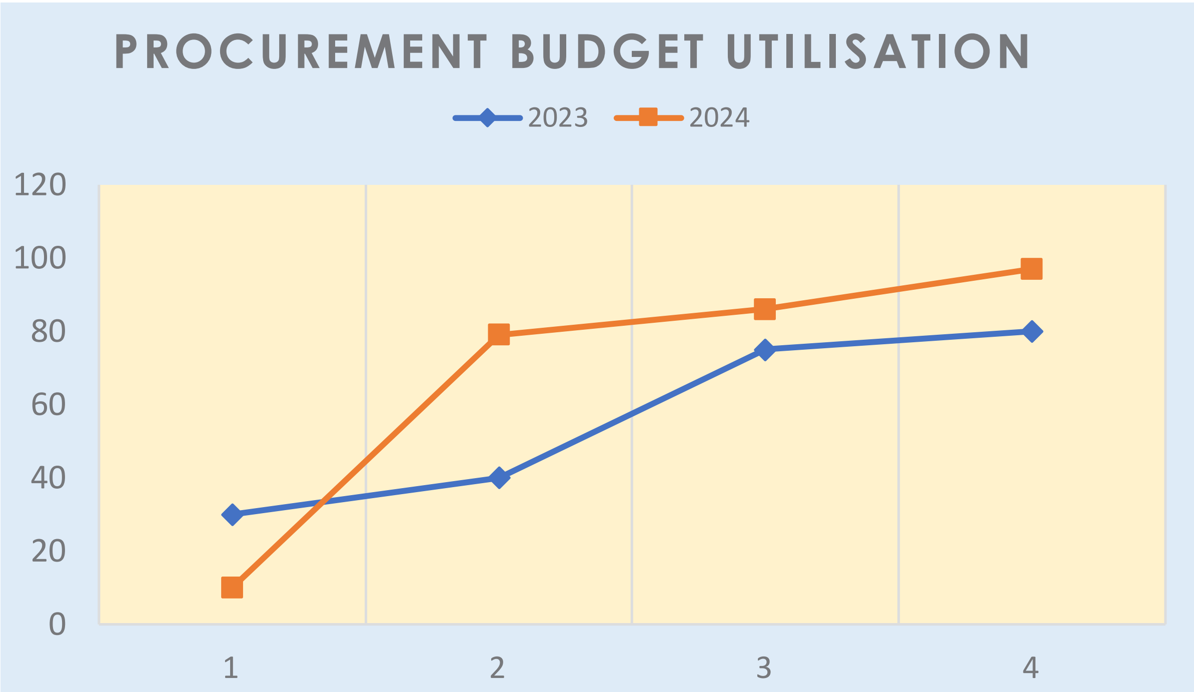
Summary of Achievements

- **Land for the Commission's Head Office**

The Commission was in the process of acquiring a prime land located in Borrowdale, Harare, during the year under review. The land is earmarked for IPEC Head Office.

- **Procurement Budget Utilisation Analysis**

Below is the illustration showing analysis of budget utilisation between 2023 and 2024.



Higher expenditure in 2024 was driven by the purchase of land, ICT software and hardware while the constant rise of expenditure in 2023 was due to renovations at the new town office.

- **Annual Procurement Plan (APP) Coverage Ratio**

For each financial year, the Commission prepares a Procurement Plan, which in summary, shows the list of goods, construction works, and services for procurement during the year.

  - As of December 2024, about 96% of the planned procurements were executed compared to 91% in the previous year. Major procurements included the land acquisition, office building renovations, ICT systems, and hardware.

PART C

ANNUAL FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

for the year ended 31 December 2024

Contents

Audited by: integra Chartered Accountants

General Information

Country of Incorporation Zimbabwe

NATURE OF BUSINESS

The Insurance and Pensions Commission (IPEC) is a statutory body established in terms of the Insurance and Pensions Commission Act [Chapter 24:21], to regulate the insurance and pensions industry with the objective of developing the industry for the protection of insurance policyholders and pension fund members' interests.

DIRECTORS

Mr Albert Nduna	Chairperson
Mrs Judith Rusike	Vice - Chairperson
Dr Grace Muradzikwa	Commissioner
Mr David Mureriwa	Member
Mr Godwin Nyengedza	Member
Mr Clemence Muzondo	Member

REGISTERED OFFICE

160 Rhodesville Avenue
Greendale
Harare

BANKERS

Commercial Bank of Zimbabwe Limited
62 Mutare Road
Msasa
Harare

FBC Bank Limited
2 Lanark Road
Belgravia
Harare

LAWYERS

Muvingi and Mugadza
7th Floor, Pegasus House
54 Samora Machel Avenue
Kopje
Harare

INDEPENDENT AUDITORS

Integra Chartered Accountants
3 Fal Road, Vainona
Borrowdale, Harare
Contacts : +263 (242) 8612284688
Email : info@integra-ca.africa
Website : www.integra-ca.africa

Directors' Report

The Directors are required in terms of the Insurance and Pensions Commission Act [Chapter 24:21] (IPEC Act) to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Commission as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with International Public Sector Accounting Standards (IPSAS) and manner required by IPEC Act [Chapter 24:21] The independent auditors are engaged to express an independent opinion on the financial statements.

The financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Commission and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Board of Directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Commission and all employees are required to maintain the highest ethical standards in ensuring the Commission's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Commission is on identifying, assessing, managing and monitoring all known forms of risk across the Commission. While operating risk cannot be fully eliminated, the Commission endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Directors have reviewed the Commission's cash flow forecast for the year to 31 December 2025 and, in light of this review and the current financial position, they are satisfied that the Commission has or had access to adequate resources to continue in operational existence for the foreseeable future.

Preparer of the financial statements

The financial statements were prepared under the supervision of the Finance Director, Mr. B. Kazengura, who is a registered Accountant with the Public Accountants and Auditors Board (06072). The Finance Director has the following qualifications: Bachelor of Technology Honors in Accounting (UZ) and is a member of the Association of Chartered Certified Accountants (ACCA).

The independent auditors are responsible for independently auditing and reporting on the Commission's financial statements. The financial statements have been examined by the Commission's independent auditors and their report is presented on pages 91-94. The financial statements set out on pages 95-113 which have been prepared on the going concern basis, were approved by the Board of Directors on 13 May 2025 and were signed on their behalf as per below.

Mr Blessmore Kazengura	Dr Grace Muradzikwa	Mr Albert Nduna
Finance Director	**Commissioner**	**Chairperson**

13 May 2025

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Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF THE INSURANCE AND PENSIONS COMMISSION

Opinion

We have audited the inflation adjusted financial statements of the Insurance and Pensions Commission (IPEC or "the Commission") set out on pages 95-113, which comprise:

- Inflation adjusted statement of financial position as at 31 December 2024;
- Inflation adjusted statement of financial performance;
- Inflation adjusted statement of changes in reserves;
- Inflation adjusted statement of cash flows;
- A summary of significant accounting policies applied by the Commission during the year; and
- Notes to the inflation-adjusted financial statements.

In our opinion, the inflation adjusted financial statements give a true and fair view of the financial position of IPEC as at 31 December 2024, and its financial performance and cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (IPSAS).

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Commission in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Zimbabwe, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

In our opinion, the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance to the audit of the inflation adjusted translated financial statements of the current period. These matters were addressed in the context of our audit of the inflation adjusted financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Below, we describe the Key Audit Matters that we determined to be of most significance in our audit.

Independent Auditor's Report (continued)

<table>
<tr><th colspan="2">How the matter was addressed in the audit</th></tr>
<tr><td colspan="2">Valuation of expected credit losses</td></tr>
<tr><td>The allowance for credit losses reflected in the statement of financial position as at 31 December 2024 and determined in accordance with the International Public Sector Accounting Standard 41 (IPSAS 41) amounts to ZWG 6 388 060
(2023: ZWG 417 938).

This was considered a key audit matter as the determination of the expected credit losses (ECL) requires significant judgment.

The key areas where we identified greater levels of judgement and therefore increased levels of audit focus in the Commission's implementation of IPSAS 41 included:

• The measurement of modelled provisions, which is dependent on key assumptions relating to the probability of default (the chance that the debtors will fail to meet their contractual obligations in the future);
• Loss given default (an estimate of the loss from a transaction given that default has occurred);
• The expected recoveries discounted to present value;
• The identification of exposures with a significant deterioration in credit quality; and
• Assumptions used in the expected credit loss model including forward-looking information.

The disclosure pertaining to allowance for credit loses is set out in the inflation-adjusted financial statements in Note 9 - Accounts Receivables</td><td>We evaluated the computations and assumptions relating to the IPSAS 41 accounting standard. Our evaluation included the following procedures:

• Obtained an understanding of the process followed in the impairment of accounts receivable and evaluated the design and implementation of the relevant controls within that process, as well as tested the operating effectiveness of those controls;
• Performed substantive tests on a sample of the receivables' balances to determine the accuracy of their ageing;
• Reviewed the Commission's ECL methodology to determine that this was in line with IPSAS 41;
• Performed completeness and accuracy tests on the balances of financial assets being subjected to the model to compute ECL as well as those whose ECL was following the simplified approach;
• Performed assessment of the methods used to determine the probability of default, exposure at default and loss given default rates; and
• Inspected the ECL model to evaluate whether the ECL amount was being computed following the established methods and using the appropriate parameters as assessed above.

We conclude that the significant judgements and estimates made by management in relation to the expected credit losses of accounts receivables were supported by evidence obtained and procedures performed.</td></tr>
<tr><td colspan="2">Valuation of right-of-use assets</td></tr>
<tr><td>As of 31 December 2024, right-of-use assets in the amount of ZWG 457 663 (2023: ZWG 714 234) and lease liabilities in the amount of ZWG 1 194 662 (2022: ZWG 784 639) were recognized in the inflation adjusted annual financial statements.

The calculation of the lease term and the incremental borrowing rates used as discount rates can be discretionary and based on estimates. In addition, extensive data from the leases must be recorded to calculate the effects of IPSAS 13 and the development of lease liabilities and right-of-use assets in accordance with the standard. This data is the basis for the measurement and recognition of the lease liabilities and right-of-use assets.

There is a risk that the lease liabilities and right-of-use assets have not been measured correctly. Due to the significance of the estimates and judgements involved which could result in a material misstatement, this has been deemed a key audit matter.

The disclosure associated with right-of-use assets and lease liabilities is set out in the inflation-adjusted financial statements on the following notes:
• Note 5 – Right-of-use assets.
• Note 11 – Lease liabilities.</td><td>We evaluated the computations and assumptions relating to the IPSAS 13 accounting standard. Our evaluation included the following procedures:
• We analysed the accounting instructions underlying the completeness and conformity with IPSAS 13;
• We performed detailed testing, which was chosen in part on a representative and in part on a risk- oriented basis, and reviewed the accuracy and completeness of the lease contracts and that the correct inputs have been applied;
• To the extent that discretionary decisions were made regarding the lease term, we reviewed whether, in light of the market conditions and risks in the industry, the underlying assumptions are plausible and consistent with other assumptions made in the inflation-adjusted annual financial statements;
• We reproduced the Commission's calculations of the carrying amounts of the lease liabilities and right-of-use assets. To this end, we evaluated the measurement and recognition of lease liabilities and right-of-use assets for selected leases, chosen in part on a representative and in part on a risk-oriented basis. The risk-based assessment included an evaluation of proper measurement in the case of changes to or reassessments of the underlying contract; and
• We assessed the appropriateness of the disclosures of the impact of the IPSAS 13 accounting standard and the application in the notes to the inflation-adjusted financial statements.

We conclude that the valuation, presentation and disclosure of right-of-use assets is appropriate.</td></tr>
</table>

Independent Auditor’s Report (continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements, in accordance with International Public Sector Accounting Standards and the requirements of the Insurance and Pensions Commission Act [Chapter 24:21], and the Public Finance Management Act [Chapter 22:19]. This responsibility includes, but is not limited to the following:

- Designing, implementing and maintaining internal controls that ensure proper preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- Formulating and applying appropriate accounting policies; and making accounting estimates that are reasonable in the Commission’s circumstances.

In preparing the financial statements, the Directors are responsible for assessing the Commission’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission’s internal controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commission;
- Conclude on the appropriateness of the Commission’s use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Commission to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit. We also provided the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor’s Report (continued)

Report on Legal and Regulatory Requirements

In our opinion, the inflation adjusted financial statements have been properly prepared in accordance with the disclosure requirements of the Commission’s accounting policies set out on pages 99-106 of these inflation adjusted financial statements and comply, in all material respects, with the requirements of the Public Finance Management Act [Chapter 22:19] and the Insurance and Pensions Commission Act [Chapter 24:21].

The engagement partner on the audit resulting in this independent auditor’s report is Philemon Mawire.

Integra Chartered Accountants

Integra Chartered Accountants
Per: Philemon Mawire, CA(Z)
PAAB Practice Number:0604

Harare

13 May 2025

Statement of Financial Position

for the year ended 31 December 2024

	Note	Inflation Adjusted 2024 ZWG	Inflation Adjusted 2023 ZWG	Inflation Adjusted 2022 ZWG	Historical Cost 2024 ZWG	Historical Cost 2023 ZWG	Historical Cost 2022 ZWG
ASSETS							
Current assets							
Cash and cash equivalents	16	14 614 677	19 316 455	12 904 106	14 614 677	18 999 977	7 759 534
Prepayments	10	19 895 692	73 652	2 754 507	13 629 148	72 446	563 823
Loans to executive directors, managers and employees	8	2 173 226	726 637	3 683 483	2 173 226	714 732	2 214 963
Accounts receivables	9	3 447 464	6 699 125	6 427 557	3 447 464	6 589 368	1 312 238
Inventories	7	194 785	101 392	317 249	194 785	99 731	190 769
		40 325 844	**26 917 261**	**26 086 902**	**34 059 300**	**26 476 254**	**12 041 327**
Non-current assets							
Property and equipment	4	69 487 774	68 246 036	72 400 595	27 113 728	25 383 534	43 536 136
Right-of-use assets	5	457 663	714 234	97 314	450 165	702 532	19 919
Intangible assets	6	2 178 478	5 247 143	4 167 650	1 309 969	1 309 969	248 162
Other financial assets	15	23 900 278	18 264 614	13 881 535	23 900 278	17 965 370	8 305 192
		96 024 193	**92 472 027**	**90 547 094**	**52 774 140**	**45 361 405**	**52 109 409**
Total assets		**136 350 037**	**119 389 288**	**116 633 996**	**86 833 440**	**71 837 659**	**64 150 736**
LIABILITIES							
Current liabilities							
Accounts payables	13	10 084 731	7 942 570	7 628 906	10 084 731	7 812 441	5 769 636
Provisions	14	6 592 211	4 930 846	2 700 485	6 592 211	4 850 060	1 623 864
Lease liabilities	11	537 057	335 582	35 337	537 057	437 254	5 946
		17 213 999	**13 208 998**	**10 364 728**	**17 213 999**	**13 099 755**	**7 399 446**
Non-current liabilities							
Lease liabilities	11	657 605	449 057	97 520	657 605	585 108	21 249
Deferred income	12	184 801	193 815	971 848	181 773	190 640	198 929
		842 406	**642 872**	**1 069 368**	**839 378**	**775 748**	**220 178**
Total liabilities		**18 056 405**	**13 851 870**	**11 434 096**	**18 053 377**	**13 875 503**	**7 619 624**
Net assets		**118 293 632**	**105 537 418**	**105 199 900**	**68 780 063**	**57 962 156**	**56 531 112**
Reserves							
Non-distributable reserves		16 621 933	16 621 933	21 736 366	9 391 234	9 391 234	35 473 212
Accumulated funds		101 671 699	88 915 485	83 463 534	59 388 829	48 570 922	21 057 900
Total net assets/equity		**118 298 632**	**105 537 418**	**105 199 900**	**68 780 063**	**57 962 156**	**56 531 112**

Mr Blessmore Kazengura
Finance Director

Dr Grace Muradzikwa
Commissioner

Mr Albert Nduna
Chairperson

13 May 2025

Statement of Financial Performance

for the year ended 31 December 2024

	Note	Inflation Adjusted 2024 ZWG	Inflation Adjusted 2023 ZWG	Historical Cost 2024 ZWG	Historical Cost 2023 ZWG
REVENUE					
Income	17	263 444 099	172 603 981	178 303 838	105 858 136
Government grant realised	12	9 014	8 427	8 867	8 289
Other operating income	18	9 127 057	6 076 841	7 124 484	3 761 218
Other operating gains	19	34 454 817	53 902 079	28 518 128	36 307 438
Investment income	21	4 674 676	6 078 496	3 152 988	4 008 992
		311 709 663	**238 669 824**	**217 108 305**	**149 944 073**
EXPENDITURE					
Administration expenses	20	(211 235 129)	(178 703 560)	(206 247 892)	(108 285 939)
Operating surplus		**100 474 534**	**59 966 264**	**10 860 413**	**41 658 134**
Finance costs	22	(75 875)	(57 120)	(42 506)	(31 862)
Net monetary loss		(87 642 445)	(34 902 722)	-	-
Surplus for the year		**12 756 214**	**25 006 422**	**10 817 907**	**41 626 272**
Other comprehensive income		-	-	-	-
Total comprehensive surplus for the year		**12 756 214**	**25 006 422**	**10 817 907**	**41 626 272**

Statement of Changes in Reserves

for the year ended 31 December 2024

	Revaluation Reserve ZWG	Other Non-Distributable Reserves ZWG	Accumulated Fund ZWG	Total ZWG
INFLATION ADJUSTED				
Balance as at 31 December 2023	**15 776 357**	**845 576**	**88 915 485**	**105 537 418**
Surplus for the year	-	-	12 756 214	12 756 214
Balances as at 31 December 2024	**15 776 357**	**845 576**	**101 671 699**	**118 293 632**
HISTORICAL COST				
Balance as at 31 December 2023	**9 029 347**	**361 887**	**48 570 922**	**57 962 156**
Surplus for the year	-	-	10 817 907	10 817 907
Balances as at 31 December 2024	**9 029 347**	**361 887**	**59 388 829**	**68 780 063**

Statement of Cash Flows

for the year ended 31 December 2024

	Note	Inflation Adjusted 2024 ZWG	Inflation Adjusted 2023 ZWG	Historical Cost 2024 ZWG	Historical Cost 2023 ZWG
Surplus before adjustments for:		**100 398 659**	**59 909 144**	**10 817 907**	**41 626 272**
Depreciation and amortisation		1 700 266	8 664 148	788 231	3 200 754
Net monetary loss		(87 642 445)	(35 902 722)	-	-
Losses on foreign exchange		1 872 744	-	593 207	-
Interest income		(4 372 574)	(5 927 075)	(2 903 172)	(3 910 267)
Finance costs		75 875	57 120	42 506	31 862
Deferred income movement		(9 014)	(8 427)	(8 867)	(8 289)
Changes in working capital:					
Inventory		(93 393)	135 847	(95 055)	(51 171)
Loans to executive directors, managers and employees		(1 446 590)	2 027 869	(1 458 495)	(150 910)
Accounts receivable		3 251 662	(3 905 900)	3 141 904	(6 017 621)
Prepayments		(19 822 040)	4 732 871	(13 546 701)	877 309
Accounts payable		2 142 162	3 254 688	2 272 290	6 852 874
Provisions		1 661 365	2 911 427	1 742 151	4 436 704
Effects of inflation		2 416 406	(797 754)	-	-
Cash generated from operating activities		**133 083**	**35 151 236**	**1 385 906**	**46 887 517**
Cash generated from operating activities					
Interest income	21	4 372 574	5 972 075	2 903 172	3 910 267
Net cash from operating activities		**4 505 657**	**41 123 311**	**4 289 078**	**50 797 784**
Cash flows from investing activities					
Net cash movement in investment in financial assets		(5 635 664)	(7 568 867)	(5 934 906)	(15 489 799)
Purchase of property and equipment	4	(2 691 433)	(22 148 583)	(2 266 058)	(16 891 777)
Purchase of intangible assets		-	(1 079 494)	-	(1 061 807)
Cash utilised in investing activities		**(8 327 097)**	**(30 796 944)**	**(8 200 964)**	**(33 443 383)**
Cash flows from financing activities					
Cash payments for the capital portion of lease liabilities		(803 462)	(557 474)	(430 908)	(297 764)
Cash payments for interest portion of lease liabilities		(75 876)	(57 120)	(42 506)	(31 862)
		(879 338)	**(614 594)**	**(473 414)**	**(329 626)**
Total cash and cash equivalents movement for the year		**(4 700 778)**	**9 711 773**	**(4 385 300)**	**17 024 775**
Cash and cash equivalents at beginning of the year		19 316 445	2 008 102	18 999 977	1 975 202
Effects on inflation		-	7 596 570	-	-
Total cash and cash equivalents at end of the year	16	**14 614 677**	**19 316 445**	**14 614 677**	**18 999 977**

Accounting Policies

for the year ended 31 December 2024

1 NATURE OF THE BUSINESS

The Insurance and Pensions Commission (IPEC) is a statutory body established in terms of the Insurance and Pensions Commission Act [Chapter 24:21], to regulate the insurance and pensions industry with the objective of developing the industry for the protection of insurance policyholders and pension fund members' interests.

2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared on the going concern basis in accordance with the International Public Sector Accounting Standards (IPSAS), including IPSAS 10 – Financial Reporting in Hyperinflationary Economies, IPSAS 4 – The Effects of Changes in Foreign Exchange Rates, and other relevant standards and International Financial Reporting Interpretations Committee (IFRIC) interpretations effective as at 31 December 2024. The preparation also complies with the requirements of the Insurance and Pensions Commission Act [Chapter 24:21].

The financial results have been restated to reflect the effects of inflation in accordance with IPSAS 10. The change in functional currency from Zimbabwe Dollar (ZWL) to Zimbabwe Gold (ZWG) has been accounted for prospectively in line with IPSAS 4 and the directives of Treasury Circular No. 3 of 2025, as well as guidance issued by the Public Accountants and Auditors Board (PAAB). The consequential change in presentation currency has been accounted for and disclosed in line with IPSAS 3.

The financial statements have been prepared under the historical cost convention, except for:

- Property and equipment, which are carried at revalued amounts, and
- Financial instruments, which are measured at fair value at the reporting date, where applicable, as outlined in the accounting policies.

The principal accounting policies, which have been applied consistently throughout the period, are disclosed in the notes that follow.

2.1 Change in Functional Currency

On 5 April 2024, the Commission changed its functional and presentation currency from the Zimbabwe Dollar (ZWL) to the Zimbabwe Gold (ZWG), following the formal introduction of ZWG through Statutory Instrument 60 of 2024. This change was triggered by significant monetary policy developments, including the Reserve Bank of Zimbabwe's introduction of a structured currency system backed by a basket of foreign currency and gold reserves.

The Commission applied the change in currency effective 5 April 2024 in accordance with the requirements of IPSAS 3 and IPSAS 4. This treatment is also in line with Treasury Circular No. 3 of 2025, issued by the Ministry of Finance and Economic Development, which provides specific guidance for public sector entities on the conversion to ZWG. Accordingly:

- ZWL-denominated balances as at 5 April 2024 were inflation-adjusted in accordance with IPSAS 10 and translated into ZWG using the official exchange rate of ZWL 2,498.7242 per ZWG.
- Opening balances for the 2024 financial year were adjusted based on this conversion.
- Comparative information for the year ended 31 December 2023 was similarly inflation-adjusted and translated into ZWG using a two-step process: conversion to USD at the 2023 year-end rate, and translation to ZWG at the 5 April 2024 rate. This ensures meaningful comparability across reporting periods.
- Comparative information for the year ended 31 December 2022 was similarly translated into ZWG using a two-step process: conversion to USD at the 2022 year-end rate, and translation to ZWG at the 5 April 2024 rate. This ensures meaningful comparability across reporting periods. This Comparative for the Statement of Financial Comparison has been disclosed as required by IPSAS 3. Notes to this balance sheet have not been prepared as they are not required by the standard.

The Commission believes that this approach ensures compliance with the principles and requirements of IPSAS 3, IPSAS 4, IPSAS 10, and the expectations outlined in Treasury Circular No. 3 of 2025, while faithfully representing the economic effects of the currency transition.

2.2 Accounting Treatment of the Currency Change

As the Commission is fully compliant with accrual-based IPSAS and has applied IPSAS 10 – Financial Reporting in Hyperinflationary Economies, the change in functional and presentation currency has been accounted for as follows:

- All transactions and balances denominated in ZWL were hyperinflation-adjusted to 5 April 2024 using the ZWL CPI (596,950.3), and then translated to ZWG using the official interbank rate of ZWG 1 = ZWL 2 498.7242.
- The opening balances in the historical statement of financial position were inflation-adjusted to 5 April 2024, and subsequently translated into ZWG.

The measurement and translation of balances, particularly those denominated in foreign currencies and prior functional currencies, involve significant judgments and estimation uncertainty. Refer to Note 2.5. The comparative inflated adjusted balances for 2023 were:

- First converted to USD using the official rate as of 31 December 2023;
- And subsequently translated into ZWG using the USD/ZWG exchange rate as of 5 April 2024;
- This ensures comparability in the ZWG-denominated financial statements.

2.3 Translation of Foreign Currency Transactions

Foreign currency transactions are recorded by applying the spot exchange rate at the transaction date. At each reporting date:

- Monetary items denominated in foreign currency are translated at the closing rate;
- Non-monetary items measured at historical cost are translated using the rate at the transaction date;
- Non-monetary items measured at fair value are translated using the rate at the date the fair value was determined.

Exchange differences on the settlement of monetary items or on translating monetary items at different rates are recognised in surplus or deficit for the period.

2.4 IPSAS 10 Hyperinflationary economies

The Public Accountants and Auditors Board through its pronouncement 01/2019 provided guidance to all entities that report based on the International Public Sector Accounting Standards (IPSAS) on the application of Financial Reporting in Hyperinflationary Economies Standard (IPSAS10) in Zimbabwe. The pronouncement requires that companies that prepare and present financial statements for financial period ended on or after 1 July 2019 apply the requirements of IPSAS 10 "Financial Reporting in Hyperinflationary economies ." The historical amounts were restated at the end of the reporting period to reflect the general change in purchasing power of the reporting currency (ZWG). Professional judgement was and appropriate adjustments were made to historical financial statements in preparing financial statements which are IPSAS 10 compliant.

IPSAS10 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of a measuring unit current at the statement of financial position date, and that corresponding figures for previous periods be stated in the same terms to the latest statement of financial position date. To comply with IPSAS 10 requirements the Commission estimated the inflation rate for February 2024 to December 2024 by adjusting the last published consumer price index (January 2024) based on the monthly movement using the Total Consumption Poverty Line (TCPL). The resultant CPI sand their corresponding conversion factors are as follows:

Period	Indices	Conversion Factor
31 December 2023	380.54	7.82
31 March 2024	2 976.85	4.59
31 December 2024	13 673.00	1

2.5 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IPSAS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Trade Receivables, Loans and Other Receivables

The Commission assesses its trade receivables, loans and other receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the Commission makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, loans and other receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Useful Lives of Property and Equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on Commission replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters.

Conversion of historical comparative amounts to ZWG
In preparing the financial statements, management has made significant judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and the accompanying disclosures. One such key area of judgement relates to the conversion of comparative financial information for the year ended 31 December 2023 and the Statement of Financial Position for the year ended 31 December 2022 (as required by IPSAS 3) into the new functional and presentation currency, Zimbabwe Gold (ZWG). Following the introduction of ZWG on 5 April 2024 as formalised in Statutory Instrument 60 of 2024, and the required change in functional currency in line with IPSAS 4 – The Effects of Changes in Foreign Exchange Rates, the Commission presented its financial statements in ZWG. Treasury Circular No. 3 of 2025 requires that entities present comparative information in ZWG but does not prescribe the method for converting historical comparative figures (originally reported in Zimbabwe Dollars – ZWL) into ZWG.

As a result, management applied significant judgement in selecting a conversion methodology that would result in faithful representation and comparability, consistent with the qualitative characteristics outlined in IPSAS. The methodology included the inflation adjusting of 2023 ZWL financial statements to 5 April 2024 using an average inflation-adjusting conversion factor for the period and subsequently translating these into ZWG using the ZWL/ZWG exchange rate as of 5 April 2024.

Management believes that this method provides a reasonable and consistent basis for presenting comparative information in ZWG. However, due to the absence of explicit guidance, alternative methods could have been applied, and actual outcomes may differ depending on assumptions about exchange rates and inflation indices used. This judgement is disclosed due to its material impact on the comparative information and its relevance to users of the financial statements.

Expected Credit Losses
Expected credit loss allowance on accounts receivable was estimated using a provision matrix taking into account past default rates, debtor specific circumstances, and general industry conditions and forecast conditions as at the reporting date. The Commission advances relief short term loans to staff members and these are recovered from payroll. No write offs are therefore expected from such short term loans.

Impairment Testing
The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

The Commission reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including economic factors such as exchange rates, inflation and interest.

2.6 Fair Value Estimation
The fair value of financial instruments and other assets and liabilities measured at fair value, is based on their market price at the reporting date. If a market price is not available, the fair value of an instrument is estimated using discounted cash flow techniques. Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is market related at the reporting date for an instrument with similar terms and conditions.

The Commission revalued its property and equipment during the under review. The valuation was conducted by external valuers using appropriate valuation techniques and inputs for each valuation which involves significant judgement. Observable market data is used as inputs to the extent that it is available. If prices are not readily determinable, fair value is based either on internal valuation models or management estimates of amounts that could be realised under current market conditions. The translation of the foreign currency denominated assets and liabilities to local currency is based on the year-end exchange rate while transactions are translated at the average exchange rate for the reporting period.

2.7 Property and Equipment
Property and Equipment refers to non current assets that are expected to be used in more than one accounting period. PPE is recognised when the Commission expects to derive future economic benefits or service potential from the assets and when the cost can be reliably measured. Property and equipment is initially measured at cost. Cost include costs incurred initially to acquire or construct an item of property and equipment and costs incurred subsequently to add to, replace part of, or service it.

Property and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value. Subsequent to initial recognition, property and equipment is stated at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would have been determined using fair value at the end of the reporting period. At the end of each year the commission assesses the fair values of the property and equipment to determine whether any significant changes in the fair values which necessitates revaluation. When an item of property and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Impairment Testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

The Commission reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are Commissioned at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each Commission assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including economic factors such as exchange rates, inflation and interest.

Depreciation and Amortisation

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Commission. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property and equipment have been assessed as follows:

Item	Subsequent Measurement	Revaluation Frequency	Depreciation Method	Average Useful Life
Land	Revaluation	5 years	N/A	Indefinite
Buildings	Revaluation	5 years	Straight line	60 years
Furniture and fixtures	Cost	N/A	Straight line	10 years
Transport equipment	Cost	N/A	Straight line	3 years
Other assets	Cost	N/A	Straight line	3 years
Office equipment	Cost	N/A	Straight line	5 years
ICT equipment	Cost	N/A	Straight line	3 years
Leasehold improvements			Straight line	1 year

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. The depreciation charge for each year is recognised in surplus or deficit unless it is included in the carrying amount of another asset. Impairment tests are performed on property and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in surplus or deficit to bring the carrying amount in line with the recoverable amount.

An item of property and equipment is derecognised upon disposal or when no future economic benefits or service potential are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in surplus or deficit when the item is derecognised.

2.8 Intangible Assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably. Intangible assets are initially recognised at cost.

Intangible assets are initially recognised at cost

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it. there is an ability to use or sell it.
- it will generate probable future economic benefits. there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses
An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end. Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.
Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Amortisation	Average Useful Life
Computer Software	Straight line	3 Years
SAP Software		Indefinite

2.9 Financial Instruments

Financial instruments held by the Commission are classified in accordance with the provisions of IPSAS 41 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the Commission ,as applicable, are as follows:

Financial Assets Which are Equity Instruments:

- Mandatorily at fair value through surplus or deficit; or
- Designated as at fair value through net assets. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).
- Mandatorily at fair value through surplus or deficit. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through surplus or deficit. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through surplus or deficit.

Financial Liabilities:

- Amortised cost; or
- Mandatorily at fair value through surplus or deficit. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through surplus or deficit. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or
- It forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through surplus or deficit).

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through surplus or deficit.

2.9.1 Accounts Receivable

Classification

Accounts receivable, excluding, when applicable, Statutory payments and prepayments, are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Commission's business model is to collect the contractual cash flows on Accounts receivables.

Recognition and Measurement
Accounts receivables are recognised when the Commission becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are Subsequently Measured at Amortised Cost
The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment
The Commission recognises a loss allowance for expected credit losses on Accounts receivables, excluding Statutory payments and prepayments. The amount of expected credit losses is updated at each reporting date.

The Commission measures the loss allowance for Accounts receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and Recognition of Expected Credit Losses
The Commission makes use of a provision matrix as a practical expedient to the determination of expected credit losses on Accounts receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate. An impairment gain or loss is recognised in surplus or deficit with a corresponding adjustment to the carrying amount of Accounts receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in surplus or deficit as a movement in credit loss allowance.

Write Off Policy
The Commission writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the Commission recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in surplus or deficit.

2.9.2 Accounts Payable

Classification
Accounts payable, excluding Statutory payments and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and Measurement
Accounts payable represent the Commission's obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. These obligations are recognized when the goods are received or the services are performed, and they are measured at the fair value of the consideration to be paid in the future for goods and services received.

2.9.3 Cash and Cash Equivalents
Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

2.9.4 Derecognition Financial Asset
The Commission derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Commission neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Commission recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Commission retains substantially all the risks and rewards of ownership of a transferred financial asset, the Commission continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2.10 Leases

The Commission assesses whether a contract is, or contains a lease, at the inception of the contract. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Commission has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset. In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

2.10.1 Leases Commission as Lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the Commission is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the Commission recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Lease Liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Commission uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the Commission under residual value guarantees;
- the exercise price of purchase options,
- if the Commission is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the Commission is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Right of Use Assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position. Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the Commission incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

2.11 Employee Benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted. The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

2.12 Provisions and Contingencies

Provisions are recognised when:

- the Commission has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation.

2.13 Revenue

The Commission recognises revenue from the following 2 major sources:

2.13.1 Revenue from non binding transactions

- Levies form Pension funds and Insurance companies
- Annual fees from members
- Application fees
- Registration fees
- Externalisation fees

2.13.2 Revenue from binding transactions

The Commission recognises an inflow or a right to an inflow as an asset for revenue transaction when the definition of an asset is satisfied. The Commission will immediately recognise revenue if it has no obligation associated with an inflow of resources.

Revenue is measured based on the consideration specified in a binding arrangement and excludes amounts collected on behalf of third parties. The Commission recognises revenue when it provides goods or services under binding arrangement.

Revenue from Pension funds and Insurance companies
Revenue from levies is recognised at the beginning of every quarter and this is the point in time when the Commission transfers the regulatory services to Insurance and Pensions companies intending to do business in that quarter.

Annual fees from members
Revenue from annual fees is recognised at the beginning of the year as this is the point in time when the Commission is unconditionally entitled to receive the annual fees.

Application fees
Revenue from application fees is recognised at the point in time when a prospective client makes an application to the Commission. This is the point in time when the Commission is unconditionally entitled to receive the application fees income.

Registration fees
Revenue from registration fees is recognised at the point in time when the Commission registers a new member and this is the point in time when the Commission becomes unconditionally entitled to receiving registration fee income.

Externalisation fees
Revenue from externalisation fees is recognised at the point in time when the Commission approves any insurer or broker to place business outside Zimbabwe and this is the point in time when the Commission becomes unconditionally entitled to receiving externalisation fees income.

3. NEW STANDARDS AND INTERPRETATIONS

Standards and interpretations effective and adopted in the current year
The Commission has chosen to early adopt the following standards and interpretations issued by International Public Sector Accounting Standards Board (IPSASB) in May 2023, which have been published and are mandatory for the Commission's accounting periods beginning on or after 01 January 2025 or later periods:

3.1 International Public Sector Accounting Standards (IPSAS) 43 – Leases
The standard has similar principles to IFRS 16 - "Leases". The new standard introduces a right-of-use model that replaces the risks and rewards incidental to ownership model in IPSAS 13, Leases to lessees. For lessors, IPSAS 43 substantially carries forward the risks and rewards incidental to ownership model in IPSAS 13.

The standard is effective for the period beginning on or after January 01, 2025. The Entity has adopted and applied the new standard from the effective date.

3.2 International Public Sector Accounting Standards (IPSAS) 45 – Property, Plant and Equipment
The standard replaces IPSAS 17- Property, Plant, and Equipment. The new standard adds current operational value as a measurement basis in the updated current value model for assets within its scope. It further identifies the characteristics of heritage and infrastructure assets, and provides guidance on how these important types of public sector assets should be recognized and measured.

The standard is effective for the period beginning on or after January 01, 2025. The Entity has early adopted and applied the new standard from 1 January 2023 in line with requirements from the ZFRM.

3.3 International Public Sector Accounting Standards (IPSAS) 46 – Measurement
The standard provides new guidance in a single standard addressing how commonly used measurement bases should be applied in practice. It brings in generic guidance on fair value for the first time, and introduces current operational value, a public sector specific current value measurement basis addressing constituents' views that an alternative current value measurement basis to fair value is needed for certain public sector assets.

The standard is effective for the period beginning on or after January 01, 2025. The Commission has early adopted and applied the new standard from 1 January 2023 in line with requirements from the ZFRM.

4 PROPERTY AND EQUIPMENT

INFLATION ADJUSTED

		Land	Buildings	Lease Improvements	Furniture and Fixtures	Transport Equipment	Office Equipment	ICT Equipment	Other Assets	Total
4.1	**Cost/valuation**									
	Balance as at 31 December 2023	7 673 921	41 667 339	36 269	3 409 281	18 323 865	385 313	4 185 152	608 563	76 289 703
	Reclassification	-	-	-	(13 315)	-	-	-	13 315	-
	Additions	-	1 117 186	-	383 333	-	217 798	973 116	-	2 691 443
	Balance as at 31 December 2024	**7 673 921**	**42 784 625**	**36 269**	**3 779 299**	**18 323 865**	**603 111**	**5 158 268**	**621 878**	**78 181 216**
4.2	**Depreciation**									
	Balance as at 31 December 2023	-	(1 502 548)	(36 269)	(476 251)	(4 423 729)	(191 613)	(1 241 724)	(171 533)	(8 043 667)
	Reclassification	-	-	-	10 048	-	-	-	(10 048)	-
	Charge for the year	-	(286 779)	-	(122 426)	(448 981)	(50 245)	(123 721)	(417 543)	(1 449 695)
	Balance as at 31 December 2023	**-**	**(1 789 327)**	**(36 269)**	**(588 629)**	**(4 872 710)**	**(241 858)**	**(1 365 445)**	**(599 124)**	**(9 493 362)**
4.3	**Net book amounts**									
	Balance as at 31 December 2024	**7 673 921**	**40 995 198**	**-**	**3 190 670**	**13 451 155**	**361 253**	**3 792 823**	**22 754**	**69 487 774**
	Balance as at 31 December 2023	7 673 921	40 164 791	-	2 933 030	13 900 136	193 700	2 943 428	437 030	68 246 036

HISTORICAL COST

		Land	Buildings	Lease Improvements	Furniture and Fixtures	Transport Equipment	Office Equipment	ICT Equipment	Other Assets	Total
4.1	**Cost/valuation**									
	Balance as at 31 December 2023	1 570 782	18 246 909	7 424	1 541 328	4 653 860	50 046	1 666 943	236 681	27 973 973
	Reclassification	-	-	-	(882)	-	-	-	882	-
	Additions	-	1 117 075	-	237 493	-	150 470	761 020	-	2 266 058
	Balance as at 31 December 2024	**1 570 782**	**19 363 984**	**7 424**	**1 777 939**	**4 653 860**	**200 516**	**2 427 963**	**237 563**	**30 240 031**
4.2	**Depreciation**									
	Balance as at 31 December 2023	-	(657 994)	(7 424)	(215 312)	(1 123 531)	(24 888)	(494 578)	(66 712)	(2 590 439)
	Reclassification	-	-	-	666	-	-	-	(666)	-
	Charge for the year	-	(129 795)	-	(57 595)	(114 032)	(16 704)	(58 234)	(159 504)	(535 864)
	Balance as at 31 December 2024	**-**	**(787 789)**	**(7 424)**	**(272 241)**	**(1 237 563)**	**(41 592)**	**(522 812)**	**(226 882)**	**(3 126 303)**
4.3	**Net book amounts**									
	Balance as at 31 December 2024	**1 570 782**	**18 576 195**	**-**	**1 505 698**	**3 416 297**	**158 924**	**1 875 151**	**10 681**	**27 113 728**
	Balance as at 31 December 2023	1 570 782	17 588 915	-	1 326 016	3 530 329	25 158	1 172 365	169 969	25 383 534

5 RIGHT-OF-USE ASSETS

The Commission leases two office buildings, one located at Shop 18, Bulawayo Centre in Bulawayo and the other one at Shop number 5 Kingstones House along Leopard Takawira Street in Harare. The lease term is for 5 years for both shops. Refer to Note 11 for lease liabilities.

Details pertaining to leasing arrangements, where the Commission is lessee are presented below:

Net carrying amounts of right-of-use assets

	Inflation Adjusted		Historical Cost	
	2024 ZWG	2023 ZWG	2024 ZWG	2023 ZWG
Carrying amount at the start of the period	714 234	97 314	702 532	19 919
Adjustments for lease reassessments	-	1 314 467	-	1 292 931
Amortisation	(256 571)	(620 484)	(252 367)	(610 318)
Effects of IPSAS 10	-	(77 063)	-	-
Total	**457 663**	**714 234**	**450 165**	**702 532**

6 INTANGIBLE ASSETS

ERP System				
Opening carrying amount	5 247 143	4 167 650	1 309 969	248 162
Additions	-	1 079 493	-	1 061 807
Effects of IPSAS 10	(3 068 665)	-	-	-
Closing carrying amount	**2 178 478**	**5 247 143**	**1 309 969**	**1 309 969**

7 INVENTORIES

Fuel coupons	194 785	101 392	194 785	99 731

8 LOANS TO EXECUTIVE DIRECTORS, MANAGERS AND EMPLOYEES

Schedule of loans to executive directors, managers and employees				
At beginning of the year	726 637	2 754 507	714 732	563 823
Advances	1 458 494	342 347	1 458 494	336 738
Repayments	-	(188 924)	-	(185 829)
Effects of IPSAS 10	(11 905)	(2 181 293)	-	-
	2 173 226	**726 637**	**2 173 226**	**714 732**

9 ACCOUNTS RECEIVABLE

Financial instruments:				
Trade receivables	9 835 524	7 117 063	9 835 524	7 000 459
Allowance for credit losses	(6 388 060)	(417 938)	(6 388 060)	(411 091)
Total trade receivables at amortised cost	**3 447 464**	**6 699 125**	**3 447 464**	**6 589 368**

10 PREPAYMENTS

Non-financial instruments:				
Prepayments	19 895 692	73 652	13 629 148	72 446

Notes to the Financial Statements (continued)

for the year ended 31 December 2024

	Inflation Adjusted		Historical Cost	
	2024 ZWG	**2023 ZWG**	**2024 ZWG**	**2023 ZWG**
11 LEASE LIABILITIES				
Opening balance	784 639	132 857	1 022 362	27 195
Adjustments for reassessments	-	1 314 466	-	1 292 931
Exchange differences	1 872 744	-	603 208	-
Repayments of capital				
Finance costs	75 875	57 120	42 506	31 862
Payments made	(879 338)	(614 594)	(473 414)	(329 626)
	1 853 920	**889 849**	**1 194 662**	**1 022 362**
Effects of IPSAS 10	(659 258)	(105 210)	-	-
Closing balance	**1 194 662**	**784 639**	**1 194 662**	**1 022 362**
Disclosed as follows:				
Current portion of lease liabilities	537 057	335 582	537 057	437 254
Non-current portion of lease liabilities	657 605	449 057	657 605	585 108
	1 194 662	**784 639**	**1 194 662**	**1 022 362**
12 DEFERRED INCOME				
Opening balance	**193 815**	**971 848**	**190 640**	**198 929**
Amortisation	(9 014)	(8 427)	(8 867)	(8 289)
Effects of IPSAS 10	-	(769 606)	-	-
Closing balance	**184 801**	**193 815**	**181 773**	**190 640**

Deferred income represents partial assistance by the Zimbabwe Government for the purchase of a building to be used by the Commission in prior years. The building is included in property and equipment as disclosed in Note 4. The income is amortised to income over the useful life of the building.

	Inflation Adjusted 2024 ZWG	Inflation Adjusted 2023 ZWG	Historical Cost 2024 ZWG	Historical Cost 2023 ZWG
13 ACCOUNTS PAYABLES				
Financial instruments:				
Trade payables	4 803 388	5 951 190	4 803 388	5 853 687
Statutory obligations	5 194 238	1 991 380	5 194 238	1 958 754
Pensioner's compensation liability MOFD	87 105	-	87 105	-
	10 084 731	**7 942 570**	**10 084 731**	**7 812 441**
Financial instrument and non-financial instrument components of trade and other payables				
At amortised cost	10 084 731	7 942 570	10 084 731	7 812 441
	10 084 731	**7 942 570**	**10 084 731**	**7 812 441**
14 PROVISIONS				
Provision for leave pay	6 592 211	3 168 650	6 592 211	3 116 735
Provision for actuarial consultancy	-	1 762 196	-	1 733 325
	6 592 211	**4 930 846**	**6 592 211**	**4 850 060**

The Provision for Actuarial Consultancy relates to actuarial work done but the actual amount due is yet to be finalised.

The provision for leave pay relates to uncertainty regarding the timing of when the expense will be incurred by the Commission

	Inflation Adjusted		Historical Cost	
	2024 ZWG	2023 ZWG	2024 ZWG	2023 ZWG
15 OTHER FINANCIAL ASSETS				
Held at fair value - listed shares				
Investments held by the Commission which are measured at fair value, are as follows:				
Mandatorily at fair value through surplus or deficit:				
Listed shares	10 950 670	10 218 823	10 950 670	10 051 400
The Commission holds investments in listed shares at the Zimbabwe Stock exchange				
Held at fair value - unlisted shares				
Investments held by the Commission which are measured at fair value are as follows:				
Unlisted shares	12 949 608	8 045 791	12 949 608	7 913 970
The Commission holds investments in ZEPRE International, incorporated in Kenya.				
	23 900 278	**18 264 614**	**23 900 278**	**17 965 370**
16 CASH AND CASH EQUIVALENTS				
Cash and cash equivalents consist of:				
Bank balances	11 861 621	6 051 885	11 861 621	5 952 732
Cash on hand	-	144 948	-	142 573
Short-term deposits	2 753 056	13 119 622	2 753 056	12 904 672
	14 614 677	**19 316 455**	**14 614 677**	**18 999 977**
17 INCOME				
Revenue from contracts with customers				
Levies	229 808 022	145 453 697	154 411 683	85 781 713
Registration fees	2 296 553	1 087 188	1 620 488	773 614
Application fees	430 380	78 558	312 996	54 548
Annual fees	7 694 397	3 619 872	4 655 609	2 346 598
Agent fees	3 375 273	483 685	2 221 939	215 954
Externalisation fees	19 839 474	21 880 981	15 081 123	16 685 709
	263 444 099	**172 603 981**	**178 303 838**	**105 858 136**
18 OTHER OPERATION INCOME				
Fines and penalties	4 656 772	2 716 714	3 712 198	1 732 405
Bank interest	1 243 112	201 388	1 219 307	70 143
Other income	3 227 173	3 158 739	2 192 979	1 958 670
	9 127 057	**6 076 841**	**7 124 484**	**3 761 218**
19 OTHER OPERATING GAINS				
Fair value gains	21 922 918	33 171 579	20 399 531	8 038 731
Net foreign exchange gains	12 531 899	20 730 500	8 118 597	28 268 707
	34 454 817	**53 902 079**	**28 518 128**	**36 307 438**

	Inflation Adjusted		Historical Cost	
	2024 ZWG	**2023 ZWG**	**2024 ZWG**	**2023 ZWG**
20 ADMINISTRATION EXPENSES				
Advertising and communications	832 255	920 085	520 573	544 158
Audit fees	247 043	136 532	184 281	87 298
Bank charges	820 708	732 138	572 733	451 401
Board fees	3 023 949	2 232 439	2 169 382	1 386 968
Cleaning	702 789	169 142	473 414	123 580
Commission of inquiry	-	36 908	-	7 636
Conferences	7 086 983	12 809 873	4 987 720	8 279 184
Consultancy fees	4 527 744	7 283 208	3 925 531	6 271 806
Consumer awareness	4 869 409	4 620 686	3 247 147	2 617 146
Corporate social responsibility	152 098	92 498	128 957	19 447
Data and airtime	3 844 500	3 133 809	2 676 444	1 808 293
Depreciation and amortisation **(Note 20.1)**	1 706 266	8 664 148	788 231	3 200 754
Employee costs **(Note 20.2)**	132 606 637	95 672 059	97 664 783	58 600 736
Inspection costs	1 012 586	729 390	718 546	468 267
Insurance	578 845	850 396	414 015	348 410
Intermediary tax	2 542 901	1 499 966	1 895 263	843 465
IT expenses	5 426 046	5 400 118	3 506 860	3 532 558
Legal fees	841 899	80 907	547 790	39 132
Licensing operating	2 941 704	6 526 314	2 357 387	5 002 071
Motor vehicle expenses	2 363 695	1 557 011	1 697 939	985 252
Municipal expenses	1 880 520	1 665 161	1 336 199	929 895
Operational fuel	8 669 576	3 412 304	3 677 639	3 349 658
Parking fees	600 640	468 717	401 430	281 985
Postage	8 425	3 960	6 441	1 969
Printing and stationery	1 246 078	1 024 891	871 532	511 395
Provision for credit losses	5 970 122	363 914	5 976 969	357 951
Repairs and maintenance	1 051 039	4 504 895	672 105	665 386
Security	1 237 139	1 002 059	825 378	577 429
Staff welfare	8 244 816	7 842 819	5 634 978	3 955 284
Effects of conversion from ZWL to ZWG **(Note 2.1)**	-	-	53 673 165	-
Subscriptions	1 493 070	804 838	1 120 076	282 905
Telephone and fax	268 049	171 309	195 320	89 960
Training	4 420 511	4 157 916	3 369 390	2 573 920
Website	17 087	133 149	10 274	90 640
	211 235 129	**178 703 560**	**206 247 892**	**108 285 939**
20.1 Depreciation and amortisation				
Property and equipment **(Note 4)**	1 449 695	8 043 664	535 864	2 590 436
Right-of-use assets **(Note 5)**	256 571	620 484	252 367	610 318
	1 706 266	**8 664 148**	**788 231**	**3 200 754**
20.2 Employee costs				
Basic salary	101 551 994	69 910 506	71 874 356	42 814 602
Increase in leave pay provision	3 423 561	2 432 928	3 475 476	2 966 140
Medical aid	14 059 794	9 061 477	10 091 903	5 734 330
NSSA	2 407 647	1 552 051	1 728 171	981 966
Zimdef	1 516 095	977 117	1 088 229	618 344
Pension	4 247 309	2 737 371	3 048 652	1 732 278
Recruitment costs	15 649	89 527	9 496	56 655
Management fuel allowances	5 384 588	8 911 082	6 348 500	3 696 421
	132 606 637	**95 672 059**	**97 664 783**	**58 600 736**

	Inflation Adjusted		Historical Cost	
	2024 ZWG	2023 ZWG	2024 ZWG	2023 ZWG
21 INVESTMENT INCOME				
Interest income				
Investments in financial assets:				
Bank and money market instruments	4 372 574	5 927 075	2 903 172	3 910 267
	4 372 574	**5 927 075**	**2 903 172**	**3 910 267**
Dividends received	302 102	151 421	249 816	98 725
	4 674 676	**6 078 496**	**3 152 988**	**4 008 992**
22 FINANCE COSTS				
Interest expense on leasing arrangements	**75 875**	**57 120**	**42 506**	**31 862**

23 TREASURY AND FINANCIAL RISK MANAGEMENT

The main risks arising from the Commission's operations are currency risk, interest rate risk, credit risk, liquidity risk and cash flow risk.

23.1 Currency risk
Currency risk is a risk that arises from the change in price of one currency against another.

Exchange rates used to translate foreign currency transactions and balances are pegged at the official RBZ interbank exchange rates.

23.2 Interest rate risk
This is the risk arising from the adverse movement in the value of future interest receipts or commitments resulting from movements in interest rates.

The interest rates for both interest receivable and payable from/to local financial institutions are generally pegged against the Reserve Bank of Zimbabwe bank interest rate.

23.3 Credit risk
This is the risk that a counter part to a deal will default. The Commission's cash resources are principally invested with financial institutions which are considered reputable.

23.4 Liquidity risk
This is the risk that a counter part to a deal will default.
This is the risk of insufficient liquid funds being available to cover the commitments.

23.5 Cash flow risk
The cash resources available to the Commission as at 31 December 2024 are considered adequate to meet its short-term liquidity and cash flow requirements.

24 GOING CONCERN ASSUMPTION

The Directors have assessed the ability of the Commission to continue as a going concern and believe that the preparation of these financial statements on a going concern basis is appropriate.

25 SUBSEQUENT EVENTS

The Directors performed a review of events subsequent to 31 December 2024 through the date the financial statements were issued and determined that there were no such events requiring recognition or disclosure in the financial statements.

Statement of Budget versus Actual Expenditure

for the year ended 31 December 2024

	Notes	Budgeted Amounts		Historical Cost		
		ZWG	ZWG	2024 ZWG	2024 ZWG	
		Original	Final	Actual Amounts on Comparable Basis	Difference Between Final Budget and Actual	Comment Ref
Revenue		**79 411 494**	**79 411 494**	**217 108 305**	**137 696 811**	
Levies		66 495 878	66 495 878	154 411 683	87 915 805	The Insurance and Pension Industry revenue performed better than anticipated .
Fees (application, registration, agent)		104 634	104 634	1 620 488	1 515 854	New registrations that were more than anticipated also drove annual fees revenue.
Application fees		20 210	20 210	312 996	292 786	New registrations that were more than anticipated also drove annual fees revenue.
Annual fees		4 283 264	4 283 264	4 655 609	372 345	The variance is a result of higher exchange rates than what was anticipated .
Agent fees		143 469	143 469	2 221 939	2 078 470	New registrations that were more than anticipated also drove annual fees revenue.
Externalisation fees		3 945 570	3 945 570	15 081 123	11 135 553	New registrations that were more than anticipated also drove annual fees revenue.
Other income		4 418 469	4 418 469	38 804 467	34 385 988	Investment income performed better than anticipated.
Operating expenses		**63 328 825**	**63 328 825**	**206 247 892**	**142 919 067**	
Employee costs		34 326 752	34 326 752	97 664 783	63 338 031	
2009 compensation		2 588 003	2 588 003	-	(2 588 003)	
Advertising and communications		316 237	316 237	520 573	204 336	
Anti-money laundering and FATF activities		135 861	135 861	-	(135 861)	
Actuarial activities		252 247	252 247	-	(252 247)	
Auditors remuneration - external auditors		70 139	70 139	184 281	114 142	
Bank charges		214 002	214 002	572 733	358 731	
Board fees		1 716 893	1 716 893	2 169 382	452 489	
Cleaning		211 614	211 614	473 414	261 800	
Commission of inquiry		-	-	-	-	
Conferences		1 820 009	1 820 009	4 987 720	3 167 711	
Consultancy fees		1 343 375	1 343 375	3 925 531	2 582 156	
Consumer awareness		1 066 313	1 066 313	3 247 147	2 180 834	
Corporate social responsibility		227 200	227 200	128 957	(98 243)	
Data and airtime costs		888 779	888 779	2 676 444	1 787 665	
Depreciation and amortisation		705 380	705 380	788 231	82 851	
Inspection costs		595 836	595 836	718 546	122 710	
Insurance		846 456	846 456	414 015	(432 441)	
Intermediary tax		533 606	533 606	1 895 263	1 361 657	
IT expenses		2 824 076	2 824 076	3 506 860	682 784	
Legal fees		-	-	547 790	547 790	
Licensing operating		2 657 524	2 657 524	2 357 387	(300 137)	
Motor vehicle expenses		503 218	503 218	1 697 939	1 194 721	
Municipal expenses		547 234	547 234	1 336 199	788 965	
Research and development		159 680	159 680	-	(159 680)	

Staff Costs are benchmarked to the prevailing exchange rate.
-
The variance related to differences from implied exchange rate from suppliers.
There were projected activities that were not undertaken.
There were projected activities that were not undertaken.
The variance related to differences from implied exchange rate from suppliers.
The higher volume of transactions than was anticipated.
The variance related to differences from implied exchange rate from suppliers.
The variance related to differences from implied exchange rate from suppliers.
The variance related to differences from implied exchange rate from suppliers.
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The variance related to differences from implied exchange rate from suppliers.
The variance related to differences from implied exchange rate from suppliers.
The variance related to differences from implied exchange rate from suppliers.
less activities were done than anticipated.
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The variance related to differences from implied exchange rate from suppliers.
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less activities were done than anticipated.
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The variance related to differences from implied exchange rate from suppliers.
The variance related to differences from implied exchange rate from suppliers.
The variance related to differences from implied exchange rate from suppliers.
The variance related to differences from implied exchange rate from suppliers.
This was a projected activity that was not undertaken.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 7th Annual General Meeting of the Insurance and Pensions Commission (IPEC) will be held on Monday, 30 June 2025 at 1000 hours at Hyatt Regency Harare, The Meikles – Stewart Room, to transact the following business: :

1. Ordinary Business
To attend to the following ordinary business :
1.1. The Chairperson's Welcome and Opening Remarks.
1.2. Quorum of the Meeting.
1.3. Adoption of the Notice and Agenda Convening the Annual General Meeting.
1.4. Confirmation of Minutes of the 6th Annual General Meeting held on Friday, 28 June 2024.
1.5. Matters Arising from Minutes of the 6th Annual General Meeting held on Friday, 28 June 2024.

2. Corporate Reports
To receive the following Corporate Reports for the year under review :
2.1. To receive and consider for adoption the Chairperson's Report.
2.2. To receive and consider for adoption the Operations Report from the Commissioner.
2.3. To receive and consider for adoption the Financial Report from the Director Finance and Administration.
2.4. To receive and consider for adoption the Compliance Report from the Corporate Secretary.

2.5. Audit Report
i. To receive and consider for adoption the Audit Report from Integra Chartered Accountants, the External Auditors, for the year ended 31 December 2024.
ii. To consider and confirm payment of audit fees to Integra Chartered Accountants, the External Auditors for the year ended 31 December 2024.
iii. To consider and confirm the appointment of Integra Chartered Accountants as the External Auditors of the Insurance and Pensions Commission for the year 2025.

3. Directors' Fees
To confirm the board fees and sitting fees payable to Non-Executive Directors for the year ended 31 December 2024.

4. Statement by the Minister of Finance, Economic Development and Investment Promotion
To receive a statement by the Honourable Minister of Finance, Economic Development and Investment Promotion, or his appointed representative, on the year under review and their expectations for the ensuing year(s).

5. Closing Remarks
Closing Remarks and end of Meeting.

By Order of the Board

Samantha Nhende
Director Corporate Services
02 June 2025

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PROTECTING THE INTERESTS OF INSURANCE AND PENSION CONSUMERS

NOTES

2024

INSURANCE AND PENSIONS COMMISSION

ANNUAL REPORT

Protecting The Interests Of Insurance And Pension Consumers