



Circular 30 of 2022

20 July 2022

TO: Zimbabwe Association of Pension Funds (ZAPF)
Life Offices Association of Zimbabwe (LOA)
Insurance Brokers Association of Zimbabwe (IBAZ)
Pension Fund Administrators
Self-Administered Pension Funds

Request for Comments and Input into The Guideline for the Establishment, Operation and Administration of Retirement Annuity Funds, Preservation Funds & Umbrella Funds

The Commission noted, through the offsite analysis of umbrella, retirement annuity and preservation funds, that the operation and management of these funds expose them to significant risks arising mainly from the imbalances in the exercise of powers due to concentration of oversight and administrative activities in the fund administrator, which breeds conflict of interests.

In addition, the objective and type of the fund did not resonate with the type of membership participating in the fund. As an example, some preservation funds had active members participating within the funds thus, doubling as personal pension plans.

Undoubtedly, umbrella funds help to leverage on economies of scale due to the pooling of resources and costs. Thus, they can present a lower cost opportunity

for employers that want to establish a pension for their employees as opposed to setting individual retirement funds.

The Commission, having observed the risks posed by the current governance and operation structure of umbrella and preservation funds, as well as the unique characteristics of such funds, has seen the need for guidance regarding the establishment, operation and governance of these funds.

We therefore invite for your comments and input into this guideline. Kindly provide us with feedback by 29 July 2022. Comments received after that date will not be considered.

The guideline is attached to this Circular. All enquiries and clarifications should be directed to pensions@ipecc.co.zw.

Please be guided accordingly.

Yours Sincerely



Grace Muradzikwa

COMMISSIONER OF INSURANCE PENSION AND PROVIDENT FUNDS