



18 July 2012

**Circular No. 5 of 2012**

**Insurance Council of Zimbabwe (ICZ)**

**Life Offices Association of Zimbabwe (LOA)**

**Zimbabwe Association of Reinsurance Organisation (ZARO)**

**Zimbabwe Insurance Brokers Association (ZIBA)**

**Zimbabwe Association of Funeral Assurers (ZAFA)**

**RE: COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS**

1. As you may be aware, Financial Reporting Standards enhance transparency and compatibility of financial information. They also foster market discipline and efficiency.
2. As such, all institutions regulated by the Insurance and Pensions Commission in terms of the Insurance Act [Chapter 24:07] are required to comply fully with International Financial Reporting Standards (IFRS). This is with effect from the 2012 financial year.
3. In conformity with sections 27,28,29,30 and 31 of the Insurance Act Part VII, the Commission will assess all financial reports to ensure that they are in compliance with IFRS and IAS. All financials that are not in compliance will be rejected and the concerned institution will have to redo them.
4. The following documents are required to be attached or appended to the Audited Financial Statements.
  - Audit letter to Management
  - The Principal Officer/ Chief Executive Officer/ Managing Director and the Chief Financial Officer or their equivalents are to sign on the Financial Statements.

- A statement from the actuary in the case of Life Companies and Funeral Assurers certifying the condition of the valuation process, the confirmation of the valuation process to the actuarial and statutory requirements as well as certifying the solvency position of the company.
- A statement of actuarial values of assets and liabilities.
- Disclosure of the method of valuation of liabilities of a life company including a funeral company in the Financial Statements.
- Valuation assumptions for different policies in a life company/ funeral company must be included in the Financial Statements.
- All Financial Reports of segregated funds should clearly state and confirm level of funding of the pension fund and whether pension contributions are being remitted timeously by employers.
- It is important that the industry's Financial Statements are clear, concise, comparable and transparent hence the need for all regulated entities to comply.

Please note that all Audits are to be done by a registered practitioner under the Public Accountants Board.

I hope the above is clear, but should you require further information please contact the Commission.

  
M. S. Mpofu

**COMMISSIONER OF INSURANCE, PENSION AND PROVIDENT FUNDS**