

TRUSTEES TRAINING WORKSHOP



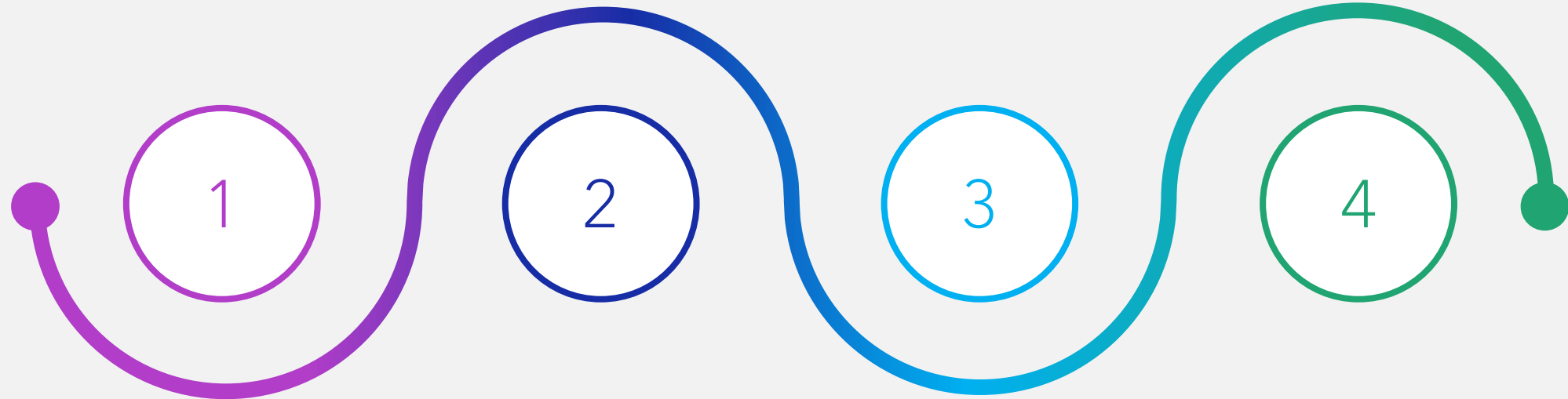
Trustees and the Law



25-29 MARCH 2022



PRESENTATION OUTLINE



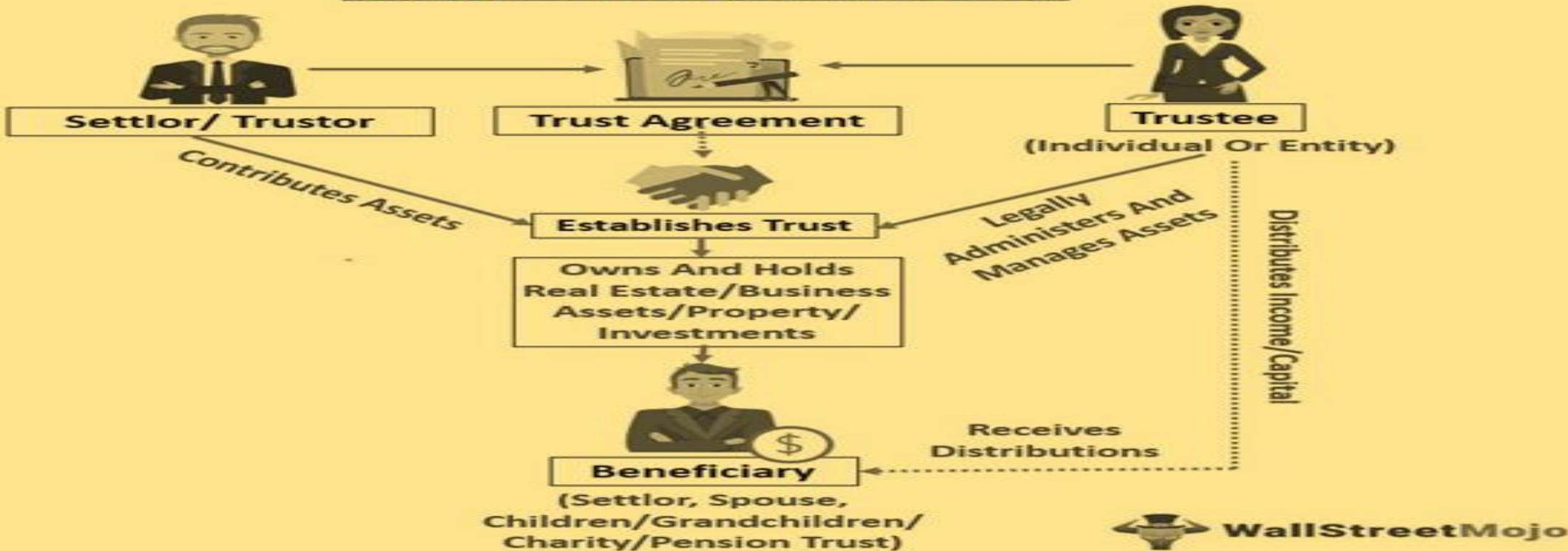
Trustees obligations under current regulatory framework

- Major changes to anticipate from Pension and Provident Funds Bill

Policyholder and Pension Fund members protection Fund

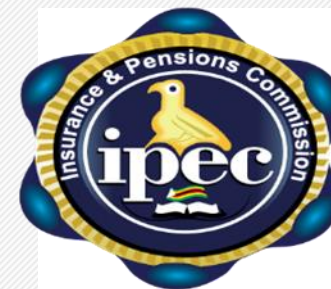
Questions

Trustee-Trustor Relation



Obligations of Trustees- Current Frameworks





Fiduciary responsibility, care and diligence

Board composition and skills mix, performance assessment and training

Act and Regulations; Risk Management and Corporate governance framework; Circular 7 of 2022, Standards on receipt and payment of gifts.

Governance and Risk management

Fund Members, IPEC and Other stakeholders.

TCF framework, Disclosure requirements, Circular on Transfers, Circular on Dissolutions, Guideline on unclaimed benefits and suspended pensioners

Disclosures and Communication

Data management and record keeping

Review fund's data regularly

Work with your administrator to improve quality of data

Failure to maintain data puts fund at risk of failing to meet statutory and regulatory obligations

Supervision and monitoring

Performance benchmarks , Understanding the product/vehicle, Performance assessment, Monitoring compliance

Pension and Provident funds Act and Regulations Expenses framework, Investment guidelines, Governance framework, Guidance paper, Guideline on pooled investments, Resolution of troubled entities.

Major Changes to anticipate from Pensions Bill



Governance Major Changes to anticipate from Pensions Bill



**Control of entry requirements.
Fit and proper tests
Human resources and systems adequacy**

**Exclusions.
Disqualifications,
registration
revocation**

**Individual and collective responsibility,
Administrative penalties**

Solutions to strengthen governance requirements

Good governance is increasingly recognized as an important aspect of an efficient private pension system, enhancing investment performance and benefit security

Disclosure Requirements



Transparency and effective communication are two critically important success factors for pension funds.



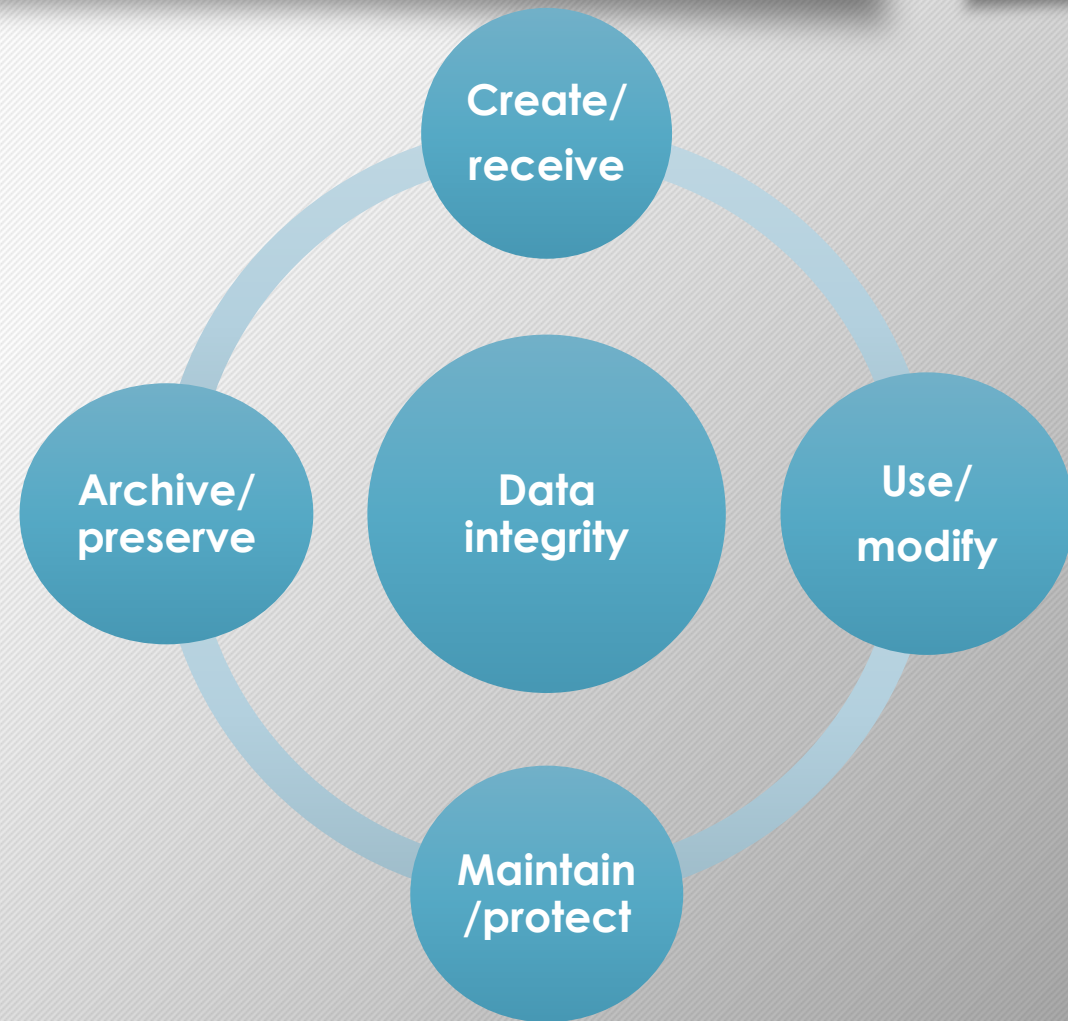
Helping to build trust, improve strategic focus and clarity, enhance stakeholder relationships, increase engagement with plan members and employees and drive better outcomes.

**Audited finstats within 3 months,
publication of finstats.
Mandatory Communication with fund
members including conducting AGMs**

Data and Record keeping



- It is not just about financial statements, keep all records that are necessary for the purpose of **HOLDING** and **ACCOUNTING** for the **ASSETS** and **LIABILITIES** of the fund.
- Registration/transfer of ownership of assets now mandatory.
- Penalties for failing to register/transfer ownership or to keep such records
- Tenure for record keeping to be prescribed in regulations



Powers of IPEC



INTERVENTION/REMEDIAL

- Issue guidelines, directives and statement of prudent norms
- Place troubled funds under Interim Administrator
- Disqualify trustees and service providers
- Issue regulations
- Issue individual specific instructions/corrective orders

INVESTIGATIVE

- Request for information even from non-regulated entities Conduct inspections and investigations
- Search premises of registered person or any other premises in which it is believed on reasonable grounds that there are documents pertaining to the business of a fund; and
- seize any relevant documents or records.
- Demand information even from 3rd parties, incl. employer

PUNITIVE

- Impose administrative penalties
- Revoke certificate of registration
- Institute criminal proceedings

Policyholder and Pension fund members protection fund



Provide an important level of protection and certainty regarding financial compensation for policyholders and fund members exposed to the insolvency of their fund or insurer.



It is a buffer not a replacement to first line of consumer protection



The first and foremost means of consumer protection remains a sound legal and regulatory framework, particularly robust prudential regulation that addresses the risks of funds



along with sound and well-run funds, which will reduce the likelihood of deterioration of financial soundness of the fund and minimise the risk of loss to members in such an event.

Policyholder and Pension fund members protection fund



Mandatory Contribution to the fund

- Contributors are pension funds and insurance companies



Fund declared to be financially unsound and directed to be dissolved

- Intention is to compensate and not indemnify

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For resources go to:

www.ipec.co.zw



THANK YOU