

Capacity Building Pensions Industry Webinar

Presentation on Dissolution Directive
by **Tariro. P. Mateisanwa**



Outline

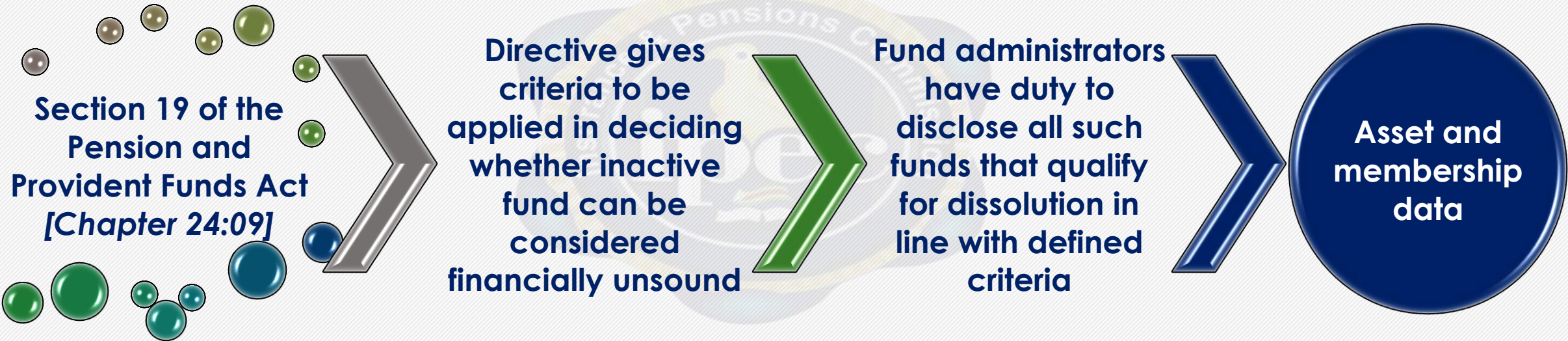
Basis and Rationale for the Directive

Considerations

Expectations



Basis



Rationale



As at 30 September 2021, 36% of registered funds were inactive with majority having been inactive for extended periods, some dating back to 2009

Low membership and asset base (1% of total industry assets) making continued existence unsustainable given costs of administration

Risk management considerations:

- Deal with corporate governance deficiencies affecting these funds as most no longer have functional BOT
- deter loss of value through continued costs and/or unjustified prolonged preservation of benefits

Considerations: Currency Conversions



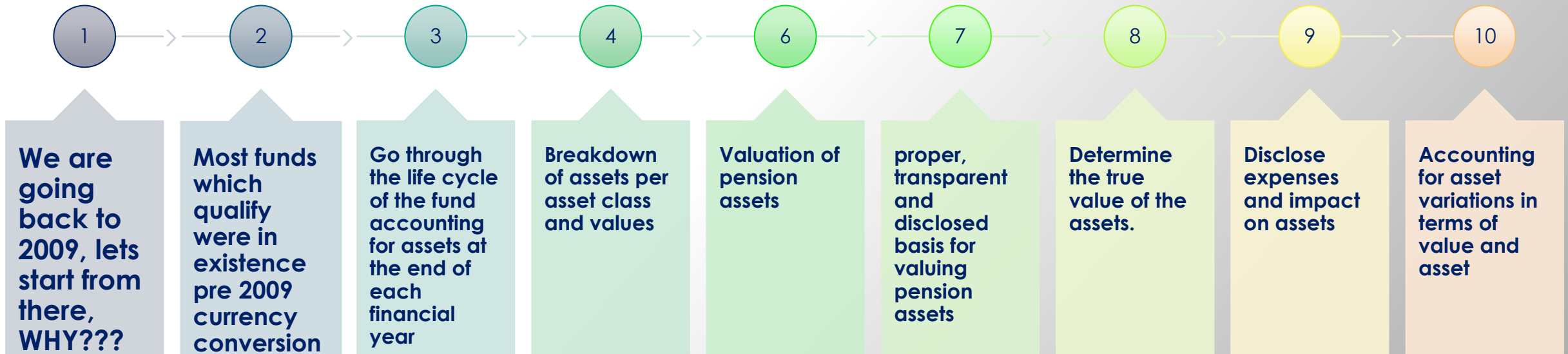
**Adoption of Justice Smith report
and compensation
recommendations**

**Funds were in existence pre 2009
currency conversion thus
members qualify for
compensation**

**2019 currency conversion-
Guidance Paper**

**Implementation of and
allocation of revaluation gains**

Expectations- Asset Reconciliation



Expectations- Membership Reconciliation and Valuations



Determine members of fund as at 2009,

Tracking members to the present

Accounting for variations of membership

Determine liabilities- distribution of returns to members

Appointment of liquidators

- **Fit and probity**
- **Avoiding and managing conflicts of interest**
- **Reporting requirements**

Expectations-Role of trustees and fund administrators



Monitoring exercise to ensure compliance with Directive read together with Act and Circular 10 of 2019

Provision of data for conducting valuations

Adequacy of disclosures to the members

Monitoring expenses

Consolidation of funds significantly or fully invested in Guaranteed fund to enable conduct of valuation on the pool.

Substitution of BOT for Committee of members where there is no BOT or BOT is incapacitated.



THANK YOU

*Thank
you!*

