



4 March 2022

Circular Number 10 of 2022

To: All Registered Insurers
Pension Funds Administrators
Self-Administered Pension Funds

Cc: Actuarial Society of Zimbabwe (ASZ)
Public Accountants and Auditors Board (PAAB)
Life Offices Association (LOA)
Insurance Council of Zimbabwe (ICZ)
Zimbabwe Association of Reinsurance Organisations (ZARO)
Zimbabwe Association of Pension Funds (ZAPF)
Zimbabwe Association of Funeral Assurers (ZAFA)

GUIDANCE PAPER IMPLEMENTATION: CLARIFICATION ON THE ROLES OF FUND ADMINISTRATORS, ACTUARIES, ACCOUNTANTS AND ASSET MANAGERS

1. The Commission would like to thank you for your cooperation towards the implementation of the Guidance Paper to date.
2. However, it has come to our attention that there are some service providers within the industry, who are discouraging pension funds and insurers from notionally and physically splitting assets by sub accounts.
3. This is in contravention of sections 9.3, 14.20 and 15.1 of the revised Guidance Paper issued on 31 May 2021, which clearly require pension funds and insurers to split their assets by sub accounts to prevent intergenerational transfer of wealth among members or policyholders.
4. We strongly warn such individuals to desist from misguiding the industry. As the regulator, we will not hesitate to ban them from providing services to the insurance and pensions industry and reporting them to their professional regulators.

5. In the same context, we would like to clarify the roles of the above mentioned professionals with regards to the Guidance Paper:
 - a) Fund Administrators: – are responsible for ensuring that the assets and liabilities are separated into sub accounts as per the Guidance Paper requirement;
 - b) Asset Managers: – guided by the fund administrators, ensure that assets are clearly and separately tracked by sub-account. This will ensure that auditors have a view on the compliance of the financial statements with the dictates of the law ;
 - c) Accountants: – to prepare audited financial statements in accordance with the Guidance Paper, splitting by sub accounts preferably in the notes; and;
 - d) Actuaries: – to ensure that assets and liabilities are valued in line with the dictates of the Guidance Paper and bonuses declared accordingly.
6. Please take note of the 31 December 2021 deadline for physical separation of sub accounts for both assets and liabilities.
7. Should you require any clarification on the above raised issues, please feel free to contact the Commission.

Yours faithfully,



Grace Muradzikwa

COMMISSIONER OF INSURANCE, PENSION AND PROVIDENT FUNDS