

Circular 26 of 2020

30 November 2020

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

Revision of basis and Form of Reporting in Financial Statements

Basis of Circular

This Circular has been issued pursuant to Section 4 of the Insurance and Pensions Commission Act [Chapter 24:21], which empowers the Commission to regulate and monitor the management and administration of pension and provident funds, to ensure that they maintain set standards and ensure compliance with the Pension and Provident Funds Act [Chapter 24:09].

Background

1. In 2019, the Public Accountants and Auditors Board (PAAB) pronounced that the country's economy was in a hyperinflationary mode and therefore recommended that financial statements should adhere to **International Accounting Standard 29 (Financial Reporting in Hyperinflationary Economies)**.
2. Further, the reporting templates that were contained in the Pension and Provident Funds Regulations Statutory Instrument 323 of 1991 (Regulations) which were applied by pension and provident funds; and fund administrators were no longer relevant to the current environment. As a result the Commission reviewed and repealed the Forms in the principal

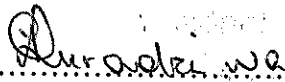
Pension and Provident Funds Regulations through Statutory Instrument 91 of 2020 to ensure compliance with the set standards and enhance disclosures.

3. The Commissioner through the issuance of this circular notifies all pension and provident funds of the following:-

Basis and Form of Reporting in Financial Statements

4. All pension and provident funds; and fund administrators shall adhere to the International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) in preparing financial statements
5. However, in adopting these standards, pension and provident funds shall not write off contribution or other arrears owed to the fund, unless prior approval has been granted by the Commission.
6. The requirements above apply to the 2020 Audited Financial Statements and all subsequent financial statements until the Commission varies the basis for reporting.

Please be guided accordingly.



Grace Muradzikwa

Commissioner of Insurance Pensions and Provident Funds