



20 March 2013

Circular No. 1 of 2013

Life Offices Association of Zimbabwe (LOA)

Zimbabwe Association of Pension Funds (ZAPF)

Zimbabwe Association of Funeral Assurers (ZAFA)

Self Administered Funds

Fund Administrators

INVESTMENT GUIDELINES FOR LIFE COMPANIES AND SELF ADMINISTERED FUNDS

1. Following recent consultations with the market, the below listed guidelines are applicable with immediate effect.

Cognisant of the need for adjustments in some of the investment portfolios, the Insurance and Pensions Commission (IPEC) expects full compliance by 1st April 2016. However IPEC will, on an ongoing basis monitor progress towards full compliance.

2. Levels of Compliance with guidelines

	TYPE OF INVESTMENT	UPPER LIMIT (%)
a)	Prescribed Assets	
b)	Properties	40%
c)	Quoted Shares	50%
d)	Unquoted shares	50%
e)	Money Market	10%
f)	Cash	45%
g)	Other	10%
		10%

Notes

- i. Properties include buildings and land (developed or not developed). There must be title deeds to these properties. For the purposes of calculating solvency margin any properties without title deeds should not be included as assets.
 - ii. Quoted shares are shares that are tradable on the Zimbabwe Stock Exchange (ZSE).
 - iii. Prescribed Assets are bonds/securities, issued by central government, local government, quasi-government organisations or any other bonds/securities that may be accorded prescribed assets status by the Minister from time to time. (See definitions given in the Insurance Act {Chapter 24:07} and the Pensions and Provident Funds Act {Chapter 24:09})
 - iv. Unquoted shares are shares in private companies.
 - v. The cash in any one bank should not exceed 5% of total investments.
 - vi. (b)+(c) should not exceed 70%.
 - vii. An insurer should not put more than 10% of its investments in an associate company.
 - viii. A pension fund should not invest or lend more than 10% to the employer.
 - ix. Other investments include loans to staff, management, shareholders and directors. It also includes investment in a property rented by the company or any other investment dependant on the property of the company.
 - x. No more than 10% of a fund should be invested with a single bank.
 - xi. No more that 10% of a fund should be invested in a single listed equity counter.
3. Should you require any further clarification, please contact IPEC.


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M. S. Mpofu

COMMISSIONER OF INSURANCE, PENSION AND PROVIDENT FUNDS