

FINANCIAL INSTITUTIONS OFFICE

Private Bag X238

PRETORIA

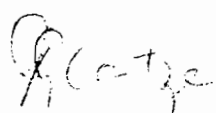
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8 January 1982

CIRCULAR P.F. 51

(To all self-administered pension funds)

1. It has been brought to the attention of this Office that some pension funds construe section 19(1) of the Pension Funds Act, 1956, as if its provisions need be complied with only as at the financial year-end of a fund. There are no grounds for such an interpretation and this Office wishes to stress the fact that a fund must at all times hold the prescribed percentages of its total assets in assets of the classes referred to in section 19(1). Failure to comply with this requirement constitutes an offence.
2. Attention is also drawn to section 19(3) of the Act in terms of which an asset of a kind referred to in section 19(1) which is in any way encumbered does not rank as an asset held for the purposes of section 19(1). This Office wishes to reiterate that only assets which are the unencumbered property of a fund rank for the purposes of section 19(1) of the Act.
3. A copy of this circular is enclosed for your auditor. Kindly have the attached acknowledgement form signed by him also before returning it to this Office.


REGISTRAR OF PENSION FUNDS

/MEF