FINANCIAL INSTITUTIONS OFFICE
Private Bag X238
PRETORIA
0001

3 September 1982

CIRCULAR P.F. 53
(To all self-administered pension funds)

FIDELITY GUARANTEE INSURANCE

1. This Office advised pension funds in Circulars Nos. P.F.3 and P.F. 5 dated December 1961 and July 1962, respectively, that fidelity guarantee insurance cover equal to 5% of a pension fund's total assets, with a maximum of R100 000, should be sufficient for the purposes set forth in the circulars.

2. Inquiries have now revealed that in the case of certain pension funds a maximum insurance cover of R100 000 could be inadequate. The purpose of this circular is to request every pension fund to revise the Fund's fidelity guarantee insurance cover in consultation with its auditor and to furnish this Office as soon as possible with a statement by the auditor indicating whether the Fund's fidelity guarantee insurance cover is in his opinion adequate. Such a statement should please in future be submitted to this Office every year together with every pension fund's annual financial statements.

3. A copy of this circular is enclosed for the Fund's auditor. Kindly have the attached acknowledgement form signed also by the auditor before returning it to this Office.

REGISTRAR OF PENSION FUNDS
/MS