FINANCIAL INSTITUTIONS
OFFICE
Private Bag X238
PRETORIA

July 1990

CIRCULAR P.F. NO. 71
(To all self-administered pension funds which are subject to actuarial investigations)

PENSION FUNDS ACT, 1956 : REPORT BY THE VALUATOR IN RESPECT OF THE INVESTMENT GUIDELINES IN TERMS OF REGULATION 28

1. Funds were advised in paragraphs 5 and 1(b) of Circulars P.F. 69 and P.F. 70 that, inter alia, this Office requires the valuator of a fund (where applicable) to comment annually on the structure of that fund's assets and their appropriateness in relation to matching the liabilities of the fund. After discussions with various interested parties it was, however, decided that funds should report <u>every three years</u>.

2. The report of the valuator shall be submitted together with the valuation report of the valuator required in terms of section 16(1) of the Act and within the period prescribed in subsection (2). The report must be based on the fund's return (Statement 14) in terms of Regulation 28, published in Government Notice No. 1920 (Government Gazette No. 12079 of 1 September 1989).

3. The first reports shall be made in respect of the funds which were subjected to investigations by valuators in terms of section 16(1) of the Act <u>after</u> 1 October 1989.

4. Circular P.F. 70 prescribed the return (Statement 14) for funds, including the auditor's report, that forms part of their annual financial returns.

5. This Office has in conjunction with the Actuarial Society of South Africa and the South African Association of Consulting Actuaries, compiled the report required of the valuator and shall be phrased as follows:

"The Registrar of
Pension Funds
Private Bag X238
PRETORIA
0001

Your reference : 12/8/...../2

Our reference : ....

Sir

PENSION FUNDS ACT, 1956 : REPORT BY THE VALUATOR IN RESPECT OF THE INVESTMENT GUIDELINES IN TERMS OF REGULATION 28

I/We certify that I/we am/are satisfied with the structure of the assets of the ABC Pension Fund and that the matching of the assets with the liabilities of the Fund are, in my/our opinion, adequate.

Valuator ....

Date ...."

6. If the valuator is unable to sign the report in the abovementioned form without qualification, he must issue a report dealing with the matters referred to, indicating -

(a) that he is not satisfied;

(b) the reasons for not being satisfied;

(c) the measures already taken or recommended to enable the issuing of a favourable report; and

(d) the expected period within which he will be able to issue a favourable report.

6. Kindly acknowledge receipt of this circular and confirm that a copy thereof has been handed to the Fund's auditor and valuator by signing and returning the attached acknowledgement form to this Office.

REGISTRAR OF PENSION FUNDS

(Circular P.F. No. 70 was issued to all self-administered pension funds)

MH/0923D (Afrikaans op keersy)