FINANCIAL INSTITUTIONS
OFFICE
Private Bag X238
PRETORIA

November 1990

CIRCULAR P.F. NO. 72
(To all insurers who underwrite pension funds which are subject to actuarial investigations)

PENSION FUNDS ACT, 1956 : REPORT BY THE VALUATOR IN RESPECT OF THE INVESTMENT OF THE ASSETS OF UNDERWRITTEN PENSION FUNDS

1. Underwritten pension funds are in terms of section 2(3)(a)(ii) of the Pension Funds Act, 1956, conditionally exempted from the application of certain provisions of the Act. Where however underwritten funds are subject to actuarial investigations, such funds must comply with the provisions of section 16 of the Act and be valued at least once every three years. In future this Office requires the valuator of a fund, that is not exempted from the provisions of section 16 of the Act, when submitting his triennial valuation report also to report on the structure of that fund's assets and their appropriateness as regards matching the liabilities of the fund.

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).

3. The first reports shall be made in respect of funds which were subjected to investigations by valuators in terms of section 16(1) of the Act after 1 November 1990.

4. 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 valuators 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 ASSETS OF AN UNDERWRITTEN PENSION FUND

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

Valuator ....

Date ...."

5. 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) why he is not satisfied;

(c) the steps already taken or recommended to enable issuance 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 valuator by signing and returning the attached acknowledgement form to this Office.

REGISTRAR OF PENSION FUNDS

MH/1019D

(Afrikaans op keersy)