

29 July 2009

LEGAL UPDATE FAW 12/2009: BOARD NOTICE 14 – REGULATORY REPORTING REQUIREMENTS FOR RETIREMENT FUNDS

Regulatory reporting requirements have been developed by the Financial Services Board (FSB) for the retirement fund industry. The regulatory reporting requirements are applicable to the financial statements of retirement funds which are submitted annually to the FSB. The requirements are applicable to all retirement funds.

Board Notice 99 of 2008 prescribed the format in which the financials must be prepared, and it set out the categorization of funds and the prescribed financial statements applicable to the different categories of funds. The prescribed annual financial statements must be in accordance with the following prescribed format:

Category of Fund	Type of Fund	Format of Financial Statements
Large Funds – total assets exceeding R50 000 000	Privately Administered Funds	Annexure A
	Underwritten Funds	Annexure B
Small Funds – total assets of more than R6 000 001 but not exceeding R50 000 000	Privately Administered Funds	Annexure C
	Underwritten Funds	Annexure D
Audit Exempt Funds- total assets R6 000 000 or less	Privately Administered Funds	Annexure E
	Underwritten Funds	Annexure F

The presentation and disclosure requirements are set out in the format of the financial statements prescribed by the registrar. The financial statements are available on the retirement funds page of the FSB website: www.fsb.co.za. The regulatory reporting requirements address the recognition and measurement principles to be used in preparing the financial statements and also provide some guidance relating to disclosure and presentation in the prescribed format.

In terms of Board Notice 14 of 2009, underwritten funds and retirement annuity funds are exempted from the requirements of the Regulatory Reporting Requirements for Retirement Funds but only in so far as it relates to accrual basis for all financial year ends ending during 2006, 2007, 2008, and 2009.

Therefore insurers can continue reporting in the current format up to the end of the 2009 financial year end of a categorized retirement fund, but must start using the new format from 2010.

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