



**COMPENDIUM CONTAINING THE UGANDA RETIREMENT
BENEFITS REGULATORY AUTHORITY ACT 2011, REGULATIONS
AND GUIDELINES MADE UNDER THE ACT.**

*An updated and tracked compendium containing the URBRA ACT 2011,
Regulations and Guidelines made under the Act. The regulations that
have so far been amended are reproduced with the respective amendments.*

Prepared by:

URBRA

LEGAL SERVICES DEPARTMENT

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DISCLAIMER

The retirement benefits sector is very dynamic. New regulations are frequently issued in accordance with the URBRA Act, while the existing regulations are amended as and when the need arises. This necessitates that the regulations are regularly updated with the various amendments for ease of reference.

This compendium contains an up-to-date reproduction of the regulations that have so far been amended. The compendium also contains the regulations which have not undergone any amendments. It also includes all the guidelines that have been issued so far.

In the preparation of the compendium, the Uganda Retirement Benefits Regulatory Authority Act, 2011 and the regulations made thereunder were used as an authentic reference for conformity. All the regulations have been incorporated to date.

Any person, who relies on this compendium for any purposes including legal proceedings, is responsible for ensuring its accuracy, novelty and completeness by conducting an independent verification with the Principal Laws of Uganda as enacted by Parliament and /or published in the Uganda Gazette. Neither the Government of Uganda nor the Authority shall be held liable for any misrepresentations arising out of its use.

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EXECUTIVE SUMMARY

While making reference to this compendium, the following adaptations and general principles should be noted:

Structure of the legal provisions in an Act or Regulations

The general legislative drafting practice requires that an Act of Parliament, any Regulations or subsidiary legislation should be structured into Parts, Sections, Subsections, Regulations, sub-regulations, paragraphs or clauses and Schedules.

The structure is intended to distinguish the categories of information for ease of reference. Each Part deals with a specific subject area and prescribes the rules or principles affecting the subject area. Sections or regulations have headings which describe the subject matter dealt with in the Section or regulation. They are further divided into subsections or sub-regulations for purposes of organising information and to ensure clarity. Sub-sections or sub-regulations may be further divided in paragraphs; and paragraphs into sub-paragraphs. Schedules provide for various forms and detailed descriptions of the subject matter under the different Parts and sections.

The enactment, passing or making of a law, and its operation or commencement are two different things. An enactment becomes law on the day it receives assent of the President. However, a law only begins to operate from the date of its commencement which is normally provided within the law itself. In the absence of any commencement provision, an Act comes into operation on the date of its assent.

Application of legal provisions

As a general rule, all legal provisions apply prospectively from the date of commencement, except when retrospective application is expressly provided for in the law or by necessary intention. In case of any ambiguity, a provision should be construed as being prospective. Retrospective operation should not be given to a law if it takes away or impairs an existing right, or creates a new obligation, or imposes a new liability. The only exception to this general rule would be for matters of procedure.

Amendment to legal provisions

As a general application rule, all Amendment provisions are considered prospective except when made retrospective by express words or by necessary intentment.

Legal provisions are normally amended to address new issues, to include matters which may have been omitted, to correct errors and to ensure clarity. The Amendment are usually made in form of insertions, additions, substitutions, replacements or repeals.

Presentation of reproduced regulations in compendium

In this reproduction, Regulations that are not amended are reproduced in their current form while regulations that have so far been amended are presented as updated with the amendments incorporated in their respective positions. The amendments are indicated as follows:-

- (i) Side notes or marginal notes are used to clearly indicate the particular amendment which effected the change in the regulations.
- (ii) substitutions or insertions of words within original provisions are indicated in coloured font.
- (iii) Substitutions replacing or substantially altering the wording of existing or original provisions or regulations are indicated in normal font, but with side notes for the amendment which effected the change.
- (iv) Repealed or replaced provisions have been deleted.

Note: repealed or replaced provisions may still be relevant for application of obligations that existed prior to amendment or repeal. Amendments affecting procedure can be applied retrospectively to obligations that are still outstanding at the time the amendment takes effect, unless the circumstances of the obligation prevent, by implication, its application.

Guidelines

Guidelines are reproduced in their current form and numbered respectively starting with the guidelines that were first issued to the most recent as at the date of publication of this compendium.

Feel free to contact the Legal Services Department if and when you encounter challenges in using this compendium.

This Compendium contains :-

The Uganda Retirement Benefits Regulatory Authority Act 2011, Act No. 15 of 2011

Regulations made under the URBRA Act including –

1. The URBRA (Licensing of Retirement Benefits Schemes) Regulations of 2012 (*Amended in 2014 and 2017 respectively*)
2. The URBRA (Licensing of Trustees) Regulations of 2012 (*Amended in 2014*)
3. The URBRA (Licensing of Administrators) Regulations of 2012 (*Amended in 2014*)
4. The URBRA (Licensing of Fund managers) Regulations of 2012 (*Amended in 2014*)
5. The URBRA (Licensing of Custodians) Regulations of 2012
6. The URBRA(Investment of Scheme Funds) Regulations of 2014
7. The URBRA(Financial Reporting and Disclosure) Regulations of 2016

Guidelines made in accordance with sections 5(2)(b) and 6(d) of the URBRA Act. The guidelines issued include-

1. The URBRA (Handbook on Trustees’ Duties and Responsibilities) Guideline No. 1 of 2016.
2. The URBRA (Trustees’ Code of Conduct) Guideline No. 2 of 2016.
3. The URBRA (Member Information Guide Booklet) Guideline No. 3 of 2016.
4. The URBRA (Engagement of External Auditors) Guideline No. 1 of 2017.
5. The URBRA (Preparation of Retirement Benefits Annual Report) Guideline No. 2 of 2017.
6. The URBRA (Fit and Proper Criteria for Trustees, Fund managers, Custodians and Administrators of Retirement Benefits Schemes) Guideline No. 1 of 2018
7. The URBRA (Whistle Blowing) Guideline No. 2 of 2018

ACTS SUPPLEMENT

to The Uganda Gazette No. 58 Volume CIV dated 26th September, 2011.

Printed by UPPC, Entebbe, by Order of the Government.

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**THE UGANDA RETIREMENT BENEFITS REGULATORY
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**THE UGANDA RETIREMENT BENEFITS REGULATORY
AUTHORITY ACT, 2011.**

An Act to establish a Retirement Benefits Regulatory Authority to regulate the establishment, management and operation of retirement benefits schemes in Uganda in both the private and public sectors; to supervise institutions which provide retirement benefits products and services; to protect the interests of members and beneficiaries of retirement benefits schemes; to establish a Fund into which shall be paid all moneys for defraying the expenses of the Uganda Retirement Benefits Regulatory Authority; to promote the development of the retirement benefits sector; to provide for the licensing of custodians, trustees, administrators and fund managers of retirement benefits schemes; the appointment of inspectors and interim administrators; to provide for the establishment of a retirement Benefits Appeals Tribunal and for related matters.

DATE OF ASSENT: 28th June, 2011.

Date of Commencement: 26th September, 2011.

BE IT ENACTED by Parliament as follows:

PART I—PRELIMINARY

1. Interpretation

In this Act, unless the context otherwise requires—

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“Actuary” means a person recognized as such by the Institute of Actuaries in England, the Faculty of Actuaries in Scotland, the Canadian Institute of Actuaries, the Society of Actuaries of the United States of America, the Institute of the Actuaries of Australia or a person holding such equivalent qualification as the Board may, by notice in the Gazette, prescribe;

“actuarial valuation” means an analysis made of the cash value equivalent to a benefit, calculated by reference to appropriate financial assumptions and assumptions regarding normal life expectancy;

“administrator” means a person appointed by trustees to administer a scheme in accordance with such terms and conditions of service as may be specified in the instrument of appointment and licensed under this Act;

“annuity” means a schedule of regular payments made to a member of a retirement benefits scheme or to his or her beneficiary according to the terms of payment of the scheme;

“Auditor” means a person registered by the Institute of Certified Public Accountants Uganda (ICPAU) and approved by the Authority;

“Authority” means the Uganda Retirement Benefits Regulatory Authority established by section 2;

“beneficiary” means a person designated by a member of a retirement benefits scheme, or by the rules of the scheme to benefit under the scheme;

“Board” means the Board of Directors of the Authority appointed under section 8;

“Chairperson” means the chairperson of the Board;

“Chief Executive Officer” means the Chief Executive Officer of the Authority appointed under section 15;

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“currency point” has the value given to it in Schedule 1;

“custodian” means a Financial Institution whose business includes taking responsibility for the safe custody of the funds, securities, financial instruments and documents of title of the assets of scheme funds and licensed under this Act;

“defined retirement benefits scheme” means a retirement benefits scheme in which a sponsor undertakes to provide benefits expressed in the form of annuity or lump sum calculation, based on work history and guaranteed return on contribution account regardless of the investment performance of the fund associated with the scheme and accordingly constitutes a contingent liability for the sponsor;

“fiduciary” has the meaning given to it by section 72;

“Fund” means the Retirement Benefits Regulatory Authority Fund established by section 20;

“fund manager” means a person appointed by the trustees to advice on the investment of the assets of the scheme in accordance with such terms and conditions of service as may be specified in the instrument of appointment and licensed under this Act;

“inspector” means a person appointed by the Board under section 75 to inspect and examine the books of accounts, records, returns or documents of a retirement benefits scheme;

“interim administrator” means a person appointed by the Chief Executive Officer under section 78 to assume the management, control and conduct of the affairs of a retirement benefits scheme in place of the trustee, custodian or fund manager of the retirement benefits scheme;

“irrevocable trust” means a legal entity created for the benefit of designated beneficiaries which shall not be revoked or

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canceled after its creation;

“member” means a person who is admitted to the membership of a retirement benefits scheme, who makes contributions, or in respect of whom contributions are made to a retirement benefits scheme;

“Minister” means the Minister responsible for finance;

“retirement benefits scheme” means a legally binding agreement or arrangement other than a contract for life assurance whether established by a written law or by any other instrument, under which members are entitled to benefits in the form of annuity or a lump sum payable upon retirement, or upon death, termination of service or upon the occurrence of an event specified in the written law, agreement or arrangement;

“scheme rules” means the rules specifically governing the constitution, administration and management of a retirement benefits scheme;

“secretary” means the secretary to the Board appointed under section 13;

“sponsor” means a person who establishes a retirement benefits scheme;

“Tribunal” means the Retirement Benefits Appeals Tribunal established under this Act;

“trustee” means a person responsible for managing a retirement benefits scheme in accordance with the scheme rules and legal requirements under this Act.

PART II—ESTABLISHMENT AND MODE OF OPERATION OF THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY

Uganda Retirement Benefits Regulatory Authority

2. Establishment of the Uganda Retirement Benefits Regulatory Authority

(1) There is established an Authority to be known as the Uganda

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Retirement Benefits Regulatory Authority.

(2) The Authority shall be a body corporate with perpetual succession and a common seal and may for the discharge of its function under this Act—

- (a) sue and be sued in its corporate name;
- (b) acquire, hold, manage and dispose of movable and immovable property; and
- (c) do all acts and things a body corporate may lawfully do.

3. Official seal of the Authority

(1) The official seal of the Authority shall be in a form determined by the Board.

(2) The official seal shall, when affixed to any document, be authenticated by the signatures of the Chief Executive Officer and the Secretary to the Board.

(3) In the absence of the Chief Executive Officer, the person performing the functions of the Chief Executive Officer shall sign in his or her place.

(4) In the absence of the Secretary a person performing the functions of the Secretary shall sign in the place of the Secretary.

(5) An instrument or contract which if executed or entered into by a person other than a body corporate would not require to be under seal, may be executed or entered into on behalf of the Authority by the Chief Executive Officer or the Secretary to the Board or a person duly authorised by resolution of the Board.

(6) Every document purporting to be an instrument or contract executed or issued by or on behalf of the Authority in accordance with this section shall be deemed to be so executed or issued until the

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contrary is proved.

4. Objective of the Authority

The objective of the Authority is to supervise and regulate the establishment, management and operation of retirement benefits schemes, and to protect the interests of members and beneficiaries of retirement benefits schemes in Uganda.

5. Functions of the Authority

(1) The functions of the Authority are to—

- (a) regulate and supervise the establishment, management and operation of retirement benefits schemes in Uganda, in both the public and private sectors ;
- (b) license retirement benefits schemes in Uganda;
- (c) license custodians, trustees, administrators and fund managers of retirement benefits schemes;
- (d) approve an actuary or auditor of any retirement benefit scheme;
- (e) protect the interests of members and beneficiaries of retirement benefits schemes including the promotion of transparency and accountability;
- (f) improve understanding and promote the development of the retirement benefits sector;
- (g) promote the stability and integrity of the financial sector through ensuring stability and security of retirement benefits schemes;
- (h) ensure sustainability of the retirement benefits sector with a view to promoting long term capital development;
- (i) advise the Minister on all matters relating to the development and operation of the retirement benefits sector;
- (j) implement Government policy relating to retirement

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benefits schemes;

- (k) promote public awareness of the retirement benefits sector; and

- (l) any other function conferred upon it under this Act.

(2) In the exercise of its functions, the Authority shall—

- (a) adopt a clear, transparent and consistent supervisory process to regulate the establishment, management and operation of retirement benefits schemes in Uganda in both the public and private sectors;
- (b) issue guidelines and prudential norms for the proper management and operation of retirement benefits schemes;
- (c) adopt measures to minimise any conflict of interest that may arise between the members of a retirement benefits scheme and the trustees, custodians or fund managers of the retirement benefits scheme;
- (d) create the necessary environment for the orderly growth and development of retirement benefits schemes;
- (e) ensure fairness in the execution of its functions under this Act; and
- (f) undertake any activity that is necessary to facilitate the discharge of its functions for giving full effect to the provisions of this Act.

6. Powers of the Authority

For the purpose of carrying out its objectives, the Authority may exercise, perform and discharge any of the following powers—

- (a) control, supervise and administer the assets of the Authority in such manner and for such purposes to promote the purpose for which the Authority is established;
- (b) conduct any investigation or inquiry relevant to the

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retirement benefits industry in Uganda;

- (c) conduct any inspection and examination of books of accounts, records, returns and any document or premises of a licensed person or scheme;
- (d) issue guidelines, directives or instructions to any licensed person for the proper management of a retirement benefit scheme;
- (e) search the premises of any licensed person in accordance with this Act;
- (f) delegate any of its powers other than the powers of revocation, licensing, delegation or variation of such delegation; and
- (g) do such other things to ensure efficiency in the management of retirement benefit schemes.

7. Independence of the Authority

(1) The Authority shall be independent in the performance of its functions and shall not be subject to the direction, instruction or control of any person or authority.

(2) Notwithstanding subsection (1), the Minister may give the Authority policy guidelines.

Board of directors

8. Board of Directors of the Authority

(1) The Authority shall have a Board of Directors appointed by the Minister which shall comprise of—

- (a) the Permanent Secretary of the Ministry responsible for finance or his or her representative authorised in writing;
- (b) the Permanent Secretary of the Ministry responsible for

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labour or his or her representative authorised in writing;

(c) the Permanent Secretary of the Ministry responsible for public service or his or her representative authorised in writing;

(d) four persons, not being public officers who are knowledgeable or experienced in matters relating to the administration of retirement benefits schemes, banking, insurance, finance, law accounting, economic or actuarial studies; and

(e) the Chief Executive Officer appointed under section 15.

(2) A person shall not be eligible for appointment under paragraph (d) if such person is an employee or director of any company, firm or institution where such employment or directorship may lead to a conflict of interest.

(3) The Minister shall appoint a Chairperson from among the members appointed under subsection(1) (d).

(4) The members of the Board shall hold office on terms and conditions specified in their instruments of appointment.

(5) The Minister shall, in appointing the members of the Board, ensure that there is a balance of gender, skills and experience among the members of the Board.

(6) The members of the Board shall be persons of high moral character, proven integrity and shall be fit and proper persons as prescribed in Part I of Schedule 3.

9. Tenure of office of members of the Board

(1) A member of the Board, other than the Chief Executive Officer shall hold office for five years and is eligible for

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reappointment for only one more term.

(2) A member of the Board may, at any time, resign his or her office in writing addressed to the Minister.

(3) A member of the Board may be removed from office by the Minister—

- (a) for inability to perform the functions of his or her office arising from infirmity of body or mind;
- (b) for misbehaviour or misconduct;
- (c) for incompetence;
- (d) for conflict of interest;
- (e) if the member is bankrupt or insolvent or enters into a composition scheme with his or her creditors;
- (f) if a member is convicted of an offence involving dishonesty, fraud or moral turpitude; or
- (g) if the member is absent without prior permission of the Chairperson, or without reasonable cause to the satisfaction of the Minister, for more than four consecutive meetings of the Board, or is absent from Uganda for more than twelve consecutive months.

(4) Where a member of the Board resigns, dies, is removed from office, ceases to be a member of the institution or body which he or she represents on the Board, the Chairperson shall notify the Minister of the vacancy and the Minister shall appoint another person to hold the office for the unexpired portion of the member's term of office.

(5) Where the member of the Board referred to in subsection (4) is the Chairperson, the Secretary to the Board shall notify the Minister of the vacancy and the Minister shall appoint another person, being a member of the Board, to hold office for the unexpired portion of the

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Chairperson's term of office.

(6) Where a member of the Board is under investigation for an offence involving dishonesty, fraud or moral turpitude, the member shall not perform his or her duties as a Board member until investigations are concluded.

10. Remuneration of Board members

The Chairperson and members of the Board shall be paid such remuneration and allowances as may be determined by the Minister.

11. Functions of the Board

(1) The Board is responsible for the general direction and supervision of the Authority.

(2) For the purpose of subsection (1), the Board shall—

- (a) review and approve strategic and operating plans, budgets, reports and audited financial statements of the Authority;
- (b) oversee the operations of the Authority;
- (c) control, supervise and administer the assets of the Authority;
- (d) approve organisational structures of the Authority;
- (e) establish and approve rules of procedure for appointment, termination, discipline and terms and conditions of staff of the Authority;
- (f) monitor and supervise the implementation of the Act;
- (g) advise the Minister on all matters in relation to the Act and developments in the retirement benefits sector; and
- (h) perform any other function incidental to the functions prescribed in paragraphs (a) to (g).

(3) The Board is, in the performance of its functions responsible

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to the Minister.

(4) The Board shall perform its functions in accordance with sound financial principles and shall ensure, as far as possible, that the revenue of the Authority is sufficient to meet expenditure properly charged to revenue.

12. Meetings of the Board

The meetings of the Board shall be conducted in the manner prescribed in schedule 2 to this Act.

13. Secretary to the Board

(1) The Board shall appoint a secretary to the Board on terms and conditions as the Board may determine.

(2) The secretary shall report to the Board through the Chief Executive Officer.

14. Committees of the Board

(1) The Board may appoint committees of the Board to advise it on any matter concerning the functions of the Board as it may determine.

(2) A committee appointed under subsection (1) shall consist of a Chairperson who shall be a member of the Board and such other persons, whether members of the Board or not, as the Board may determine.

(3) The Board shall, in writing, specify the terms and conditions of service of the members of a committee appointed under subsection (1).

(4) The Board may delegate any of its functions under this Act to a committee appointed under this section.

(5) The Board may require a committee appointed under this section to act jointly or in co-operation with any other committee.

(6) Members of a committee appointed under this section may be paid such allowances as the Minister may determine.

(7) Subject to any direction given by the Board, a committee

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appointed under this section may regulate its own procedure.

Chief Executive Officer and other staff of the Authority

15. Chief Executive Officer

(1) The Authority shall have a Chief Executive Officer who shall be appointed by the Minister on recommendation of the Board, on terms and conditions specified in the instrument of appointment.

(2) A person shall not be appointed Chief Executive Officer unless that person—

- (a) has academic or professional qualifications in accounting, finance, economics, insurance, law or banking with experience and competence to manage the affairs of the Authority; and
- (b) is a person of high moral character and proven integrity.

(3) The Chief Executive Officer shall be an ex officio member of the Board and shall attend all meetings of the Board with no right to vote at any meeting of the Board.

16. Functions of Chief Executive Officer

(1) The Chief Executive Officer is responsible for the day to day operations and administration of the Authority.

(2) Subject to this Act and to the general supervision and control of the Board, the Chief Executive Officer is responsible for—

- (a) implementing the objectives, policies and programmes of the Authority and reporting on them to the Board;
- (b) the proper management of the funds and property of the Authority;
- (c) the organization, control and discipline of the staff of the Authority;
- (d) the development of an operating plan to guide the Authority

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- in achieving its objectives;
- (e) the development of an economic, efficient and cost effective internal management structure; and
- (f) performing any other function which may be assigned to him or her by the Board.

(3) The Chief Executive Officer is, in the performance of his or her functions answerable to the Board.

17. Tenure of office and remuneration of Chief Executive Officer

(1) The Chief Executive Officer shall hold office for five years and is eligible for re-appointment for only one more term.

(2) The Chief Executive Officer shall cease to hold office if—

- (a) he or she resigns;
- (b) he or she is declared bankrupt or insolvent, or has made an arrangement with his or her creditors;
- (c) he or she is convicted of an offence involving dishonesty, fraud or moral turpitude;
- (d) he or she is removed from office by the Minister on the recommendation of the Board for—
 - (i) inability to perform the functions of his or her office arising from infirmity of body or mind;
 - (ii) misbehaviour or misconduct; or
 - (iii) incompetence.

18. Staff of the Authority

(1) The Board may on the advice of the Chief Executive Officer appoint staff of the Authority as may be necessary for the effective performance of the functions of the Authority.

(2) The staff appointed under this section shall hold office on such terms and conditions as may be specified in their instruments of

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appointment.

PART III—FUNDS AND EXPENSES OF THE AUTHORITY

19. Funds of the Authority

(1) The funds of the Authority shall consist of—

- (a) compulsory levies; and
- (b) license fees.
- (c) money appropriated by Parliament for the purposes of the Authority;
- (d) grants, gifts or donations from Government or other sources made with the approval of the Minister; or
- (e) any other fees charged for services and activities rendered by the Authority under this Act.

(2) The funds of the Authority may be applied—

- (a) for payment or discharge of its expenses, obligations or liabilities incurred in connection with the performance of its functions or exercise of its powers under this Act; and
- (b) for the payment of any remuneration or allowances payable under this Act.

20. Retirement Benefits Regulatory Authority Fund

(1) There is established a Retirement Benefits Regulatory Authority Fund into which shall be paid all monies referred to in section 19(1).

(2) The Fund shall be managed and controlled by the Authority for the purposes of defraying the expenses of the Authority.

21. Bank accounts

The Board shall open and maintain such bank accounts as are necessary for the exercise of the functions of the Authority and shall pay into them—

- (a) all monies received from Government for the purposes of

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this Act; and

- (b) all other monies received by the Authority in the exercise of its functions under this Act.

22. Borrowing powers

The Board may, with the approval of the Minister, borrow money from any source as may be required for meeting the obligations, or discharging the functions of the Authority under this Act.

23. Investment of surplus funds

Funds of the Authority not immediately required for any purpose under this Act may in consultation with the Minister be invested in secure investments in a manner determined by the Board, in accordance with the Public Finance and Accountability Act, 2003.

24. Estimates

(1) The Chief Executive Officer shall within three months before the end of each financial year, cause to be prepared and submitted to the Board for its approval, estimates of income and expenditure and the operating plan of the Authority for the next financial year.

(2) The Board shall, within two months after receiving the estimates referred to in subsection (1), cause to be submitted to the Minister for his or her approval, the estimates of income and expenditure of the Authority.

25. Financial year of Authority

The financial year of the Authority shall be the same as the financial year of the Government.

26. Audit of accounts

(1) The accounts of the Authority shall be audited by the Auditor General or an auditor appointed by the Auditor General.

(2) The Board shall, within three months after the end of each financial year, submit the accounts and estimates of income and expenditure of the Authority to the Auditor General or an auditor

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appointed by him or her.

27. Annual and other reports

(1) The Board shall, within one month of receipt of the Audited Accounts referred to in section 26, submit to the Minister, an annual report on the operations of the Authority during the preceding year, which shall include, an audited financial statement.

(2) The Minister, shall submit to Parliament bi-annual reports on the operations of the Authority.

PART IV—ESTABLISHMENT OF RETIREMENT BENEFITS SCHEMES

28. Establishment of a retirement benefits scheme

(1) A person shall not establish or operate a retirement benefits scheme except under a licence issued by the Authority in accordance with this Act.

(2) For the avoidance of doubt, all existing retirement benefits schemes established by a written law shall be required to obtain a licence issued in accordance with this Act.

29. Application for a licence to establish a retirement benefits scheme

(1) An application for a licence to establish a retirement benefits scheme shall be in the prescribed form and shall be accompanied by the prescribed fee.

(2) An application for a licence to establish a retirement benefits scheme shall state—

- (a) the name and address of the applicant;
- (b) the name of the proposed retirement benefits scheme;
- (c) names and addresses of the custodian, trustee, administrator and fund manager of the retirement benefits scheme;
- (d) the status of the retirement benefits scheme in respect of—
 - (i) the names of members admitted into the retirement

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- benefits scheme and their contribution;
- (ii) benefits that accrue to members under the retirement benefits scheme;
- (iii) whether any members of the scheme are active members or not;
- (e) the proposed scheme rules which shall adequately protect the interests of members and beneficiaries of the scheme;
- (f) the address of a place in Uganda for the service on the applicant of any notice or document required or authorised to be served on the applicant under this Act; and
- (g) any other information which the Authority considers necessary for the purposes of determining the application.

(3) A person who establishes or operates a retirement benefits scheme without a licence commits an offence and is liable on conviction to a fine not exceeding one thousand five hundred currency points or imprisonment not exceeding twelve years, or both.

30. Grant of licence to operate a retirement benefits scheme

(1) The Authority may grant a licence to operate a retirement benefits scheme, if the Authority is satisfied that—

- (a) the proposed retirement benefits scheme is established as an irrevocable trust under this Act and Regulations made under this Act;
- (b) the scheme rules of the proposed retirement benefits scheme adequately protect the rights and interests of the members and beneficiaries of the scheme; and
- (c) the custodian, trustee, administrator and fund manager of the proposed retirement benefits scheme are licensed in accordance with this Act.

(2) The Authority shall publish in the Gazette and in a newspaper of wide circulation in Uganda, a list of all retirement

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benefits schemes licensed under this Act at least once in every year.

(3) The Authority may refuse to grant a licence to an applicant, if the Authority is satisfied that—

- (a) the information contained in the application is false in any material particular;
- (b) the applicant does not meet the requirements specified in section 29 (2) and subsection 30 (1); or
- (c) the applicant is not a fit and proper person as prescribed in Schedule 3.

(4) Where the Authority refuses to grant a licence to an applicant, the Authority shall notify the applicant of its decision and specify the reasons for the refusal in writing.

31. Validity of licence

A licence issued to a retirement benefits scheme shall be valid from the date of issue and shall remain in force until the scheme is wound up in accordance with the scheme rules or the law under which the scheme is established or until the licence is revoked under this Act.

32. Revocation of licence

(1) The Authority may revoke the licence of a retirement benefits scheme if—

- (a) the Authority discovers that the applicant made a false statement in the application, which he or she knew to be false in any material particular;
- (b) the retirement benefits scheme is merged, wound up or dissolved;
- (c) the retirement benefits scheme breaches the conditions of its licence;
- (d) the licence expires; or
- (e) the retirement benefits scheme contravenes any provision

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of this Act or any regulations made under this Act.

(2) The Authority shall give the trustee of a retirement benefits scheme at least thirty days notice in writing specifying the reasons for the intended revocation of the licence.

(3) The Authority shall, before revoking a licence of a retirement benefits scheme, consider any representations made in writing by the sponsor opposing the revocation.

(4) The Authority shall revoke the licence of a retirement benefits scheme if—

- (a) within thirty days after issuing the notice, the trustee of the retirement benefits scheme has not opposed the revocation, or
- (b) the Authority is not satisfied by the representation made by the trustee under subsection (3).

(5) The revocation of a licence of a retirement benefits scheme shall not in any way prejudice the rights of members and beneficiaries under the retirement benefits scheme.

(6) Where the licence of a retirement benefits scheme is revoked, the Authority may, subject to the approval of the Board in consultation with the Minister, take over the distribution of the assets and the supervision of the retirement benefits scheme or appoint an interim administrator in order to protect the interests of members and beneficiaries of the retirement benefits scheme.

PART V—LICENSING OF CUSTODIANS, TRUSTEES, ADMINSTRATORS
AND FUND MANAGERS.

33. Custodian, trustee, administrator and fund manager

Every retirement benefits scheme shall have a custodian, trustee, administrator and fund manager licensed in accordance with this

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Custodians

34. Licensing of custodian

An application for a licence as a custodian of a retirement benefits scheme shall not be granted—

- (a) unless the applicant is a financial institution licensed under the Financial Institutions Act, 2004;
- (b) if the applicant does not have the adequate professional, technical and operational systems to perform the functions of a custodian of a retirement benefits scheme;
- (c) if the applicant has been a custodian of a retirement benefits scheme whose licence was revoked by the Authority due to any fault either fully or partially of the custodian; and
- (d) if the applicant does not meet any additional requirements as may be prescribed by this Act or regulations made under this Act.

35. Application and grant of licence of custodian

(1) An application for a licence to act as a custodian shall be in the prescribed form and shall—

- (a) contain or be accompanied by any other information that the Authority may require for the purpose of determining the application;
- (b) contain the address of a place in Uganda for the service on the applicant of any notice or document required or authorised to be served on the applicant under this Act; and
- (c) be accompanied by the prescribed fee.

(2) The Authority shall grant a licence to an applicant which meets the requirements specified in section 34 and subsection 35(1).

(3) The Authority shall publish in the Gazette and a newspaper with wide circulation, a list of all licensed custodians at least once

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every year.

(4) A financial institution which acts as a custodian of a retirement benefits scheme without a licence issued under this Act commits an offence and is liable on conviction to a fine not exceeding one thousand currency points.

36. Refusal of licence of custodian

(1) The Authority may refuse to grant a licence to an applicant, if the Authority is satisfied that—

- (a) the information contained in the application is false in any material particular; or
- (b) the applicant does not meet the requirements specified in section 34 and subsection 35 (1).

(2) Where the Authority refuses to grant a licence to an applicant, the Authority shall notify the applicant of its decision and specify the reasons for the refusal in writing.

37. Validity of licence of custodian

(1) A licence issued to a custodian shall be valid for one year and may be renewed upon payment of the prescribed fee.

(2) An application for the renewal of a licence under subsection (1) shall be made at least three months before the expiry of the licence.

38. Revocation of licence of custodian

(1) The Authority may revoke the licence of a custodian if—

- (a) the Authority discovers after the licence has been issued, that the custodian made a false statement in relation to the application;
- (b) any event occurs which renders the custodian ineligible to provide custodial services to the retirement benefits scheme;

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- (c) the custodian's business is wound up;
- (d) the custodian is in breach of any condition of the licence;
- (e) the custodian ceases to be a licensed financial institution under the Financial Institutions Act, 2004; or
- (f) the custodian does not comply with any provision of this Act or regulations made under this Act.

(2) The Authority shall give the custodian at least thirty days notice in writing specifying the reasons for the intended revocation of the licence.

(3) The Authority shall, before revoking a licence of a custodian, consider any representations made in writing by the custodian opposing the revocation.

- (4) The Authority shall revoke the licence of a custodian if—
 - (a) within thirty days after issuing the notice, the custodian has not opposed the revocation, or
 - (b) the Authority is not satisfied by the representation made by the custodian under subsection (3).

39. Functions of a custodian

- (1) A custodian of a retirement benefits scheme shall—
 - (a) hold the funds, assets and investments of the retirement benefits scheme in safe custody for the members and beneficiaries of the scheme;
 - (b) receive contributions made to the scheme;
 - (c) notify the administrator and fund manager of the receipt of contributions;
 - (d) be responsible for collecting of dividends and income in relation to the investments of the scheme;
 - (e) be responsible for processing and transferring documents;

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and

- (g) report to the Authority on matters relating to the assets and investments of the scheme.

(2) A custodian shall not use the funds or assets in its custody to meet its own financial obligations.

(3) A custodian of a retirement benefits scheme shall not act as a trustee, administrator or fund manager of the same retirement benefits scheme.

(4) The provisions of subsection (3) shall apply to any sub custodian, assignee or related party of the custodian.

Trustees

40. Licensing of trustee

A person shall not act as a trustee of a retirement benefits scheme unless he or she has a licence issued in accordance with this Act.

41. Application and grant of licence of trustee

(1) An application for a licence to act as a trustee of a retirement benefits scheme shall be in the prescribed form and shall—

- (a) state whether the applicant has the adequate professional, technical knowledge, experience or operational ability to perform the functions of a trustee;
- (b) contain or be accompanied by any other information that the Authority may require for the purpose of determining the application;
- (c) contain the address of a place in Uganda for the service on the applicant of any notice or document required or authorised to be served on the applicant under this Act; and
- (d) be accompanied by the prescribed fee.

(2) The Authority may grant a licence to an applicant who meets

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the requirements specified in subsection (1).

(3) The Authority shall publish in the Gazette and in a newspaper with wide circulation, a list of all licensed trustees, at least once in every year.

(4) A person who acts as a trustee of a retirement benefits scheme without a licence issued under this Act commits an offence and is liable on conviction to a fine not exceeding one thousand currency points or imprisonment not exceeding six years or both.

42. Refusal of licence of trustee

(1) The Authority may refuse to grant a licence to an applicant if the Authority is satisfied that—

- (a) the information contained in the application is false in any material particular;
- (b) the applicant is not a fit and proper person as prescribed in Part II of Schedule 3;
- (c) the applicant has ever been a trustee of a retirement benefits scheme whose licence was revoked by the Authority due to any fault either fully or partially of the applicant; or
- (d) the applicant does not meet the requirements specified in section 41(1).

(2) Where the Authority refuses to grant a licence to an applicant, the Authority shall notify the applicant of its decision and specify the reasons for the refusal in writing.

43. Restrictions on licence of trustee

A person shall not be licensed as a trustee of a retirement benefits scheme if he or she—

- (a) has been sentenced to imprisonment by a court of competent jurisdiction for six months or more;
- (b) is declared bankrupt or insolvent, or has entered into an

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arrangement with his or her creditors;

- (c) was previously involved in the management or administration of a retirement benefits scheme whose licence has been revoked under this Act, due to his or her fault either fully or partially;
- (d) is disqualified under any other written law, or his or her holding office as such is determined by the Authority as being, in any way, detrimental to the retirement benefits scheme; or
- (e) is not a fit and proper person as prescribed in Schedule 3.

44. Validity of licence of trustee

(1) A licence issued to a trustee shall be valid for one year and may be renewed upon payment of the prescribed fee.

(2) An application for the renewal of a licence under subsection (1) shall be made at least three months before the expiry of the licence.

45. Revocation of licence of trustee

(1) The Authority may revoke the licence of a trustee if—

- (a) the Authority discovers, after the licence has been issued, that the trustee made a false statement in relation to the application;
- (b) an event occurs which renders the trustee ineligible to perform his or her functions as a trustee;
- (c) the trustee is declared bankrupt or insolvent, or enters into an arrangement with his or her creditors;
- (d) the trustee is in breach of any condition of the licence;
- (e) the trustee is disqualified by virtue of section 43;
- (f) the trustee ceases to be a fit and proper person as prescribed in Part II of Schedule 3; or
- (g) the trustee does not comply with any provision of this Act,

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or any regulations made under this Act.

(2) The Authority shall give the trustee at least thirty days notice in writing specifying the reasons for the intended revocation of the licence.

(3) The Authority shall, before revoking a licence of a trustee, consider any representations made in writing by the trustee opposing the revocation.

(4) The Authority shall revoke the licence of a trustee if—

- (a) within thirty days after issuing the notice, the trustee has not opposed the revocation; or
- (b) the Authority is not satisfied by the representation made by the trustee under subsection (3).

46. Functions of a trustee

(1) A trustee of a retirement benefits scheme shall—

- (a) manage and oversee the operation of the retirement benefit scheme in accordance with this Act and regulations made under this Act;
- (b) provide for the proper investment of scheme funds in accordance with this Act and Regulations made under this Act;
- (c) make arrangements for the payment of benefits in accordance with the scheme rules;
- (d) keep financial and membership records of the scheme;
- (e) open and maintain bank accounts necessary for the exercise of the functions of the scheme;
- (f) appoint a custodian, fund manager, administrator or an actuary; and

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(g) appoint an auditor to audit the accounts of the scheme.

(2) A trustee shall perform his or her functions in accordance with sound financial principles and shall ensure, as far as possible, that the revenue of the retirement benefits scheme is sufficient to meet expenditure properly charged to revenue.

(3) A trustee shall not act as an administrator, custodian, actuary or fund manager of the same retirement benefits scheme.

(4) The provisions of subsection (3) shall apply to any assignee or related party of the trustee.

Administrators

47. Licensing of administrator

(1) A person shall not act as an administrator of a retirement benefits scheme unless he or she has a licence issued in accordance with this Act.

(2) The provisions of subsection(1) shall not apply to a natural person who is an employee of a scheme.

48. Application and grant of licence of administrator

(1) An application for a licence to act as an administrator shall be in the prescribed form and shall—

- (a) state whether the applicant has the adequate professional, technical knowledge, experience or operational ability to perform the functions of an administrator;
- (b) contain or be accompanied by any other information that the Authority may require for the purpose of determining the application;
- (c) contain the address of a place in Uganda for the service on the applicant of any notice or document required or authorised to be served on the applicant under this Act; and
- (d) be accompanied by the prescribed fee.

(2) The Authority may grant a licence to an applicant who meets

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the requirements specified in subsection (1).

(3) The Authority shall publish in the Gazette and in a newspaper with wide circulation, a list of all licensed administrators, at least once in every year.

(4) A person who acts as an administrator of a retirement benefits scheme without a licence issued under this Act commits an offence and is liable on conviction to a fine not exceeding one thousand currency points or imprisonment not exceeding six years, or both.

49. Refusal to grant licence of administrator

(1) The Authority may refuse to grant a licence to an applicant if the Authority is satisfied that—

- (a) the information contained in the application is false in any material particular;
- (b) the applicant is not a fit and proper person as prescribed in Part II of Schedule 3;
- (c) the applicant has ever been an administrator of a retirement benefits scheme whose licence was revoked by the Authority due to any fault either fully or partially of the applicant; or
- (d) the applicant does not meet the requirements specified in section 48 (1).

(2) Where the Authority refuses to grant a licence to an applicant, the Authority shall notify the applicant of its decision and specify the reasons for the refusal in writing.

50. Restrictions on licensing of administrator

A person shall not be issued a licence as an administrator of a retirement benefits scheme if he or she—

- (a) has been sentenced to imprisonment by a court of competent jurisdiction for six months or more;
- (b) is declared bankrupt or insolvent, or has entered into an

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- arrangement with his or her creditors;
- (c) was previously involved in the management or administration of a retirement benefits scheme whose licence has been revoked under this Act, due to any fault either fully or partially of the applicant;
 - (d) is disqualified under any other written law, or his or her holding office as such is determined by the Authority as being, in any way, detrimental to the retirement benefits scheme; or
 - (e) is not a fit and proper person as prescribed in Part II of Schedule 3.

51. Validity of licence of administrator

(1) A licence issued to an administrator shall be valid for one year and may be renewed upon payment of the prescribed fee.

(2) An application for the renewal of a licence under subsection (1) shall be made at least three months before the expiry of the licence.

52. Revocation of licence of administrator

The Authority may revoke the licence of an administrator if—

- (a) the Authority discovers, after the licence has been issued, that the administrator made a false statement in relation to the application;
- (b) an event occurs which renders the administrator ineligible to perform his or her functions as administrator;
- (c) the administrator is declared bankrupt or insolvent, or enters into an arrangement with his or her creditors ;
- (d) the administrator is in breach of any condition of the licence;
- (e) the administrator is disqualified by virtue of section 50;
- (f) the administrator ceases to be a fit and proper person as

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prescribed in Part II of Schedule 3; or

- (g) the administrator does not comply with any provision of this Act, or regulations made under this Act.

(2) The Authority shall give the administrator at least thirty days notice in writing specifying the reasons for the intended revocation of the licence.

(3) The Authority shall, before revoking a licence of an administrator, consider any representations made in writing by the administrator opposing the revocation.

(4) The Authority shall revoke the licence of an administrator if—

- (a) within thirty days after issuing the notice, the administrator has not opposed the revocation, or
- (b) the Authority is not satisfied by the representation made by the administrator under subsection (3).

53. Functions of administrator

(1) An administrator of a retirement benefits scheme shall—

- (a) keep the records of the scheme;
- (b) process receipts and invoices;
- (c) produce quarterly and annual accounts for audit;
- (d) organise and arrange for meetings ; and
- (e) prepare annual benefit statements and trustee reports.

(2) An administrator of a retirement benefits scheme shall not act as a custodian, trustee or fund manager of the same retirement benefits scheme.

(3) The provisions of subsection (2) shall apply to any assignee

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or related party of the administrator.

Fund managers

54. Licensing of fund managers

A person shall not act as a fund manager of a retirement benefits scheme unless he or she has a licence issued in accordance with this Act.

55. Application and grant of licence of fund manager

(1) An application for a licence as a fund manager of a retirement benefits scheme shall be in the prescribed form and shall—

- (a) state whether the applicant has the adequate professional, technical and operational ability to perform the functions of a fund manager;
- (b) contain or be accompanied by any other information that the Authority may require for the purpose of determining the application;
- (c) contain the address of a place in Uganda for the service on the applicant of any notice or document required or authorised to be served on the applicant under this Act; and
- (d) be accompanied by the prescribed fee.

(2) The Authority may grant a licence to an applicant who meets the requirements specified in subsection (1).

(3) The Authority shall publish in the Gazette and in a newspaper with wide circulation, a list of all licensed fund managers, at least once in every year.

(4) A person who acts as a fund manager of a retirement benefits scheme without a licence issued under this Act commits an offence and is liable on conviction to a fine not exceeding one thousand

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currency points or imprisonment not exceeding six years, or both.

56. Refusal to grant licence of fund manager

(1) The Authority may refuse to grant a licence to an applicant if the Authority is satisfied that—

- (a) the information contained in the application is false in any material particular;
- (b) the applicant is not a fit and proper person as prescribed in Part II of Schedule 3;
- (c) the applicant has ever been a fund manager of a retirement benefits scheme whose licence was revoked by the Authority due to any fault either fully or partially of the applicant; or
- (d) the applicant does not meet the requirements specified in section 55 (1).

(2) Where the Authority refuses to grant a licence to an applicant, the Authority shall notify the applicant of its decision and specify the reasons for the refusal in writing.

57. Restrictions on licence of fund manager

A person shall not be licensed as a fund manager of a retirement benefits scheme if he or she—

- (a) has been sentenced to imprisonment by a court of competent jurisdiction for six months or more;
- (b) is declared bankrupt or insolvent, or has entered into an arrangement with his or her creditors;
- (c) was previously involved in the management or administration of a retirement benefits scheme whose licence has been revoked under this Act due to his or her fault either fully or partially;
- (d) is disqualified under any other written law, or his or her holding office as such is determined by the Authority as being, in any way, detrimental to the retirement benefits

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scheme; or

- (e) is not a fit and proper person as prescribed in Part II of Schedule 3.

58. Validity of licence of fund manager

(1) A licence issued to a fund manager shall be valid for one year and shall be renewed annually upon payment of the prescribed fee.

(2) An application for the renewal of a licence under subsection (1) shall be made at least three months before the expiry of the licence.

59. Revocation of licence of fund manager

(1) The Authority may revoke the licence of a fund manager if—

- (a) the Authority discovers, after the licence has been issued, that the fund manager made a false statement in relation to the application;
- (b) any event occurs which renders the fund manager ineligible to perform his or her functions as a trustee;
- (c) the fund manager is declared bankrupt or insolvent, or enters into an arrangement with his or her creditors;
- (d) the fund manager is in breach of any condition of the licence;
- (e) the fund manager is disqualified by virtue of section 57;
- (f) the fund manager ceases to be a fit and proper person as prescribed in Part II of Schedule 3; or
- (g) the fund manager does not comply with any provision of this Act, or any regulations made under this Act.

(2) The Authority shall give the fund manager at least thirty days notice in writing specifying the reasons for the intended revocation of

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the licence.

(3) The Authority shall, before revoking a licence of a fund manager, consider any representations made in writing by the fund manager opposing the revocation.

(4) The Authority shall revoke the licence of a fund manager if—

- (a) within thirty days after issuing the notice, the fund manager has not opposed the revocation; or
- (b) the Authority is not satisfied by the representation made by the fund manager under subsection (3).

60. Functions of a fund manager

(1) A fund manager of a retirement benefits scheme shall—

- (a) be responsible for management of funds and other assets of the retirement benefits scheme for purposes of investment in accordance with the scheme's investment policy and the scheme rules;
- (b) provide advisory services on the investment of the scheme funds and disseminating information concerning the assets available for investment of scheme funds.

(2) A fund manager of a retirement benefits scheme shall not act as a custodian, trustee or administrator of the same retirement benefits scheme.

(3) The provisions of subsection (2) shall apply to any assignee or related party of the fund manager.

61. General obligations of custodian, trustee, administrator or fund manager

A custodian, trustee, administrator or fund manager of a retirement

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benefits scheme shall—

- (a) ensure that the scheme is at all times managed in accordance with the scheme rules, instructions of trustees and any regulations made under this Act;
- (b) take reasonable care to ensure that the management of the scheme is carried out in the best interests of the members and beneficiaries of the scheme;
- (c) report to the Authority, as soon as reasonably practicable—
 - (i) any unusual occurrence which in his or her view could jeopardise the rights of the members or beneficiaries of the scheme; or
 - (ii) any contribution supposed to be paid into the scheme which remains due for more than thirty days from the date of payment.

Register

62. Register

(1) The Authority shall keep a register containing entries in respect of—

- (a) all licensed retirement benefits schemes;
- (b) licensed custodians, trustees, administrator and fund managers;
- (c) any other information as may be directed in writing by the Board.

(2) The Authority shall keep all records of information entered in the register for a period of seven years.

(3) The Authority shall—

- (a) keep an electronic version of the register which shall be

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- accessible to the public;
- (b) publish an updated register in the print media;
- (c) ensure that the register is open for inspection by any person;
- (d) protect the right of access to the register by any person; and
- (e) make guidelines as to the inspection, and copying of the register.

PART VI—ACCOUNTS, RECORDS AND INVESTMENT OF FUNDS OF
RETIREMENT BENEFITS SCHEMES

63. Bank accounts

(1) A trustee of a retirement benefits scheme shall open and maintain bank accounts necessary for the exercise of the functions of the retirement benefits scheme and shall pay into them—

- (a) all contributions of members of the retirement benefits scheme; and
- (b) all other monies received by the trustee in the exercise of his or her functions under this Act.

(2) Monies received by the trustee under subsection (1) (a) and under subsection (b) shall be kept in separate accounts.

64. Audit of accounts

(1) The accounts of a retirement benefits scheme shall be audited by an auditor appointed by the trustee of the retirement benefits scheme with the approval of the Board.

(2) A member, trustee, custodian, administrator or fund manager of the retirement benefits scheme shall not be appointed as an auditor under subsection (1).

(3) A trustee shall, within four months after the end of each

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financial year, submit a copy of the audited accounts of the retirement benefits scheme to the Authority.

(4) A trustee who contravenes this section commits an offence and is liable, on conviction, to a fine not exceeding five thousand currency points, or to imprisonment not exceeding three years, or to both.

65. Publication of audited accounts

(1) A trustee of a retirement benefits scheme shall exhibit, throughout the year in a conspicuous place at its office, a copy of its audited annual financial statements with the auditor's opinion.

(2) A retirement benefits scheme whose membership is open to the public shall within four months after the end of each financial year publish in the mass media of wide circulation, in such form as the Authority may by notice in writing prescribe, a copy of its annual financial statements together with the auditor's report.

66. Records and annual report

(1) A trustee shall keep proper books of accounts and records of the transactions of the retirement benefits scheme for a period of not less than ten years.

(2) The trustee shall, within four months after the end of each financial year, submit to the Authority, an annual report on the transactions of the retirement benefits scheme during the preceding year, which shall include, among other things, an audited financial statement and such other information as the Authority may require.

67. Investment of funds

(1) Every retirement benefits scheme shall have a prudent investment policy of the funds of the scheme so as to maintain the capital funds of the scheme and generally to secure adequate rates of return on the investment.

(2) Notwithstanding the provisions of any other written law, the investment policy of a scheme shall be implemented subject to any

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regulations the Minister may, in consultation with the Board, make for that purpose.

(3) There shall be submitted to the Chief Executive Officer, in respect of every scheme, a statement of all investments of the retirement benefits scheme, in such a manner and at such intervals as may be prescribed.

68. Restriction on use of scheme funds

(1) The funds of a retirement benefits scheme shall not—

- (a) be used for speculative investments;
- (b) be lent to any person, except through securities sold on the open market;
- (c) be invested with a bank, non-banking financial institution, insurance company, building society or other institution with a view to securing loans or mortgages, at a preferential rate of interest or for any other consideration to the trustee, custodian, administrator or fund manager of the retirement benefits scheme;
- (d) used to make direct or indirect loans to any person;
- (e) be used as security for loans;
- (f) invested outside East Africa; or
- (g) invested contrary to any guidelines prescribed for that purpose.

(2) Notwithstanding subsection (1), a prescribed proportion of the benefits accruing to a member in a retirement benefits scheme may be assigned and used by the member to—

- (a) secure a mortgage or a loan for purchasing a residential house from any institution and on such terms as may be prescribed in regulations made under this Act;

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(b) pay for medical treatment in respect of the member, on recommendation of the Uganda medical Board.

(3) The Authority may suspend or disqualify a trustee, custodian, administrator or fund manager of a retirement benefits scheme who contravenes this section from participating in the management, custody or administration of the funds of the retirement benefits scheme.

PART VII—PAYMENT OF CONTRIBUTION, ACTUARIAL VALUATIONS AND FIDUCIARY

69. Payment of contribution

(1) An employer shall, pay contributions in respect of his or her employee into a retirement benefits scheme licensed under this Act.

(2) An employer shall remit the contribution in respect of his or her employee to the retirement benefits scheme before the fifteenth day of the following month.

(3) An employer who fails to remit the contributions within the prescribed time, commits an offence and is liable to make the remittance already due, and in addition pay a fine of not less than ten percent of the total contribution that remains unpaid for each month or part of each month the default continues.

70. Protection of member's contribution

Notwithstanding anything to the contrary contained in any other written law, where a judgment or order against a member of a retirement benefits scheme is made, no execution or attachment or process of any nature shall be issued in respect of the contributions or funds of the member.

71. Actuarial valuation

(1) A trustee of a defined retirement benefits scheme shall, at least once in every three years, appoint a dully accredited actuary to value the resources and liabilities of the scheme and evaluate the

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financial consequences of any risk undertaken by the trustee on behalf of the retirement benefits scheme.

(2) Notwithstanding subsection (1), the Authority may, in exceptional circumstances, require a trustee of a defined retirement benefits scheme to cause the resources and liabilities of the scheme to be evaluated by an actuary appointed by the trustees with the approval of the Authority at the expense of the scheme.

(3) The trustee shall, within three months after an actuarial evaluation is done submit a report of the actuarial valuation to the Authority.

72. Fiduciary

For the purposes of this Act, a fiduciary is defined as any person responsible for—

- (a) the control, administration or management of a retirement benefits scheme;
- (b) the application or interpretation of scheme rules in the determination of benefits of members or beneficiaries of a retirement benefits scheme; or
- (c) the management of assets or investment of funds of a retirement benefits scheme.

73. Duties of a fiduciary

(1) A fiduciary shall—

- (a) act with due care, skill, diligence, good faith and prudence, and shall avoid misleading and deceptive acts or representations;
- (b) act in the best interest of the scheme members and beneficiaries;
- (c) ensure that all decisions regarding the scheme comply with scheme rules made under this Act; and

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(d) act with impartiality in respect of all members and beneficiaries of the scheme.

(2) Notwithstanding subsection (1), a fiduciary shall perform his or her functions in accordance with this Act and regulations made under this Act and may obtain expert advice from actuaries, lawyers, auditors, investment advisers, financial experts or information technology professionals.

74. *Unsafe and unsound practices*

(1) Where, in the opinion of the Authority, a custodian, trustee, administrator, fund manager or fiduciary of a retirement benefits scheme omits to perform or commits an act which the Authority considers to be an unsafe or unsound practice detrimental to the scheme, the Authority shall in writing direct the trustee, custodian, administrator, fund manager or fiduciary to refrain from omitting or committing the act.

(2) A custodian, trustee, administrator, fund manager or fiduciary of a retirement benefits scheme who contravenes a direction of the Authority issued under subsection (1) commits an offence and is liable, on conviction, to a fine not exceeding five hundred currency points or imprisonment not exceeding three years, or both.

PART VIII—APPOINTMENT OF INSPECTOR AND INTERIM ADMINISTRATOR

Inspector

75. *Appointment of inspector*

The Board shall appoint an inspector to inspect the books of accounts, records, returns and any document or premises of a retirement benefits scheme custodian, fund manager and administrator licensed under this Act.

76. *Powers of inspector*

(1) An inspector may, by notice in writing, require any person who is or has at any time been a custodian, trustee, administrator,

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fund manager, employee or agent of a retirement benefits scheme being inspected, to—

- (a) produce any books of accounts, records, returns or other documents relating to the affairs of the scheme for inspection;
- (b) appear before the inspector for examination in regard to his or her participation in the scheme; or
- (c) give all reasonable assistance for purposes of the inspection.

(2) The books of accounts and any documents shall not be removed from the premises in the course of inspection.

(3) Notwithstanding subsection (2), an inspector shall be availed with certified copies of any books, accounts and other documents required for the purposes of his or her report.

(4) Information obtained in the course of the inspection shall be treated as confidential and shall be used solely for the purposes of this Act.

(5) A person who—

- (a) without any lawful justification or excuse refuses or fails to give an inspector, access to any property, books of account, records, returns, document or information requested for under subsection (1);
- (b) knowingly presents to the inspector a false or fabricated document or makes a false statement with intent to deceive or mislead the inspector;
- (c) without reasonable excuse, refuses or fails to comply with any order or direction of the inspector;

commits an offence and is liable on conviction to a fine not exceeding

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five hundred currency points or to imprisonment not exceeding three years, or both.

77. Report of inspector

(1) An inspector appointed under section 75 shall submit his or her report to the Authority.

(2) The report of the inspector shall draw attention to any breach of the requirements of this Act and regulations made under this Act, any mismanagement or lack of management skills of the fund manager and any other matter revealed or discovered in the course of the inspection warranting, in the opinion of the inspector, remedial action or further investigation.

Interim administrator

78. Appointment of interim administrator

(1) The Authority shall appoint an interim administrator if—

- (a) if the trustees of a retirement benefits scheme fail to submit to the Authority an annual report of the transactions of the retirement benefit scheme required under section 66(2) for over six months after the end of the financial year to which they relate;
- (b) if the trustees are found to have submitted or provided any accounts, returns, statements, books, records, correspondences, documents or other information relating to the funds of the scheme which are false or misleading
- (c) the inspector's report reveals a fact which, in the opinion of the Authority, warrants the appointment of an interim administrator in order to protect the interests of members and beneficiaries of the retirement benefits scheme or as a matter of public interest; or

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(d) the licence of a custodian, trustee, administrator or fund manager is revoked by the Authority under this Act.

(2) An interim administrator shall assume the management, control and conduct of the affairs and business of the custodian, trustee, administrator or fund manager, as the case may be, to exercise all the functions of the custodian, trustee, administrator or fund manager to the exclusion of the custodian, trustee, administrator or fund manager.

(3) The appointment of an interim administrator shall be for a period, not exceeding twelve months, as the Authority may specify in the instrument of appointment.

(4) An interim administrator shall upon assuming the management, control and conduct of the affairs and business of the custodian, trustee, administrator or fund manager discharge his or her duties with diligence and in accordance with sound actuarial and financial principles and in particular, with due regard to the interests of members and beneficiaries of the retirement benefits scheme.

79. Duties of interim administrator

An interim administrator shall be responsible for—

- (a) tracing, preserving and securing all the assets and property of the retirement benefits scheme;
- (b) recovering all debts and money due to and owing to the retirement benefits scheme;
- (c) evaluating the solvency and the liquidity of the retirement benefits scheme;
- (d) determining the adequacy of the capital, reserves and the management of the retirement benefits scheme;
- (e) recommending to the Authority any restructuring or

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- reorganisation which he or she considers necessary for the proper management of the retirement benefits scheme;
- (f) obtaining records, books of accounts, statements, documents or information relating to the retirement benefits scheme from any former trustee, custodian, administrator or fund manager or an employee of the retirement benefits scheme; and
 - (g) performing any function as the Authority may in writing, direct in accordance with this Act.

80. Report of interim administrator

(1) An interim administrator shall, within twelve months after the date of his or her appointment, prepare and submit to the Authority a report of—

- (a) the financial position and the management of the retirement benefits scheme;
- (b) recommendations as to whether the retirement benefits scheme is capable of being revived or not; or
- (c) whether the retirement benefits scheme's licence should be revoked.

(2) The Chief Executive Officer shall, upon receipt of the report of an interim administrator, make appropriate recommendations to the Board which shall make a decision on the matter.

81. Protection of interim administrator from liability

An interim administrator or a person acting on his or directions is not personally liable for any act or omission done or omitted to be done in good faith in the exercise of his or her duties under this Act.

PART IX—RETIREMENT BENEFITS APPEALS TRIBUNAL

82. Appeals.

- (1) Any member of a retirement benefits scheme who is

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aggrieved by a decision of the administrator, fund manager, custodian or trustee of the scheme may appeal to the Authority for review.

(2) A copy of the appeal under this section shall be served on the fund manager, trustees or custodian of the scheme.

(3) A person aggrieved by a decision of the Authority in subsection (1) may appeal to the Tribunal.

(4) Where any dispute arises between any person and the Authority as to the exercise of the powers conferred upon the Authority by this Act, either party may appeal to the Tribunal in such manner as may be prescribed by regulations made under this Act.

83. Establishment of the Retirement Benefits Appeals Tribunal

(1) There is established the Retirement Benefits Appeals Tribunal for the purpose of hearing appeals under this part.

(2) The Tribunal shall be an adhoc forum consisting of a chairperson and four other members who shall be appointed by the Minister upon such terms and conditions as may be prescribed by regulations made under this Act.

(3) The chairperson of the Tribunal shall be a person qualified to be a judge of the High Court.

(4) The chairperson shall be appointed by the Minister, in consultation with the Judicial Service Commission.

(5) A person to be appointed a member of the Tribunal shall be a person with knowledge and experience in administration of retirement benefits schemes, banking, insurance, investment management, finance, law, or actuarial studies.

(6) A person shall not qualify for appointment as a member of the Tribunal unless the person—

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- (a) is of high moral character and proven integrity;
- (b) has not been convicted of an offence of moral integrity;
- (c) is of sound mind; and
- (d) has not been declared bankrupt.

(7) The members of the Tribunal shall be appointed by the Minister from the private sector.

(8) The quorum of the Tribunal for purposes of a hearing under this section shall be the Chairperson and any two members.

(9) The expenses incidental to the administration of the tribunal shall borne by the Authority.

84. Powers of the Appeals Tribunal.

(1) On hearing an appeal, the Tribunal shall—

- (a) take evidence on oath;
- (b) proceed in the absence of a party who has had reasonable notice of the proceeding;
- (c) adjourn the hearing of the proceeding from time to time;
- (d) make an order as to costs against any party, which shall be enforceable like an order of the High Court; or
- (e) issue a commission or request to examine witnesses abroad.

(2) For the purpose of the hearing of a proceeding before the Tribunal, the Tribunal shall have powers of the High Court to summon a person to appear before it—

- (a) to give evidence; or
- (b) to produce books, documents or things in the possession, custody or control of the person named in the summons that are mentioned in the summons.

(3) Where a Tribunal considers it desirable for the purposes of avoiding expenses or delay, or for any other special reason, it may

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receive evidence by affidavit and administer interrogations and require the persons to whom interrogations are administered to make a full and true reply to the interrogations.

(4) All summons, notices or other documents issued under the hand of the chairperson of the Tribunal shall be deemed to be issued by the Tribunal.

85. Appeals to the High Court from decisions of a Tribunal.

(1) A party to a proceeding before a Tribunal may, within thirty days after being notified of the decision or within such further time as the High Court may allow, lodge a notice of appeal with the registrar of the High Court.

(2) The party who intends to appeal against a decision of the Tribunal shall serve a copy of the notice of appeal on the other party to the proceedings before the Tribunal.

86. Rules.

The Minister shall, in consultation with the Judicial Service Commission, make rules for the effective operation and management of the Tribunal.

PART X—OFFENCES AND PENALTIES

87. Offences and penalties

(1) A person commits an offence who—

- (a) without lawful justification or excuse, wilfully obstructs the Authority or any person authorised by the Authority in the performance of his or her functions under this Act;
- (b) without reasonable excuse, refuses or fails to comply with any order or direction of the Authority;
- (c) without any lawful justification or excuse, refuses or fails

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to give to the Authority or any person authorised by the Authority, access to any books, records, returns or any papers, documents, records or information; or

- (d) knowingly presents to the Authority or any person authorised by the Authority a false or forged document or makes a false statement with intent to deceive or mislead the Authority or any person authorised by the Authority.

(2) A person commits an offence, who, being an employee of the Authority—

- (a) misuses any information obtained when performing his or her duties under this Act; or
- (b) colludes with any trustee, custodian, administrator, fund manager or other public officer in the conduct of their duties under this Act to omit or commit any act; where the omission or commission leads to loss of funds of the Authority.

(3) A person convicted of an offence under this section is liable, on conviction, to a fine not exceeding five hundred currency points or imprisonment not exceeding three years, or both.

88. General penalty

Any person who—

- (a) contravenes any provision of this Act which is expressly stated to be an offence but for which no penalty is prescribed; or
- (b) fails to comply with any direction given by the Authority under this Act,

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commits an offence and shall be liable, on conviction, to a fine not exceeding twenty four currency points, or to imprisonment for a term not exceeding one year, or to both.

PART XI—MISCELLANEOUS

89. Protection from liability

The Chief Executive Officer, a member of the Board and an employee of the Authority or a person acting on the directions of such a person is not personally liable for any act or omission done or omitted to be done in good faith in the exercise of the functions of the Authority.

90. Service of documents

A notice or document may be served on the Authority by delivering it at the office of the Authority, or by sending it by registered post to the office of the Authority.

91. Regulations

(1) The Minister shall in consultation with the Board by statutory instrument, make regulations generally for giving effect to the provisions of this Act and for its due administration.

(2) Without prejudice to the general effect of subsection (1), regulations under this section may—

- (a) prescribe the procedure for application for a licence to establish and operate a retirement benefits scheme;
- (b) prescribe the procedure for establishing a retirement benefits scheme as irrevocable trust under this Act;
- (c) provide for the procedure for licensing of custodians, trustees, administrators and fund managers of retirement benefits schemes;
- (d) prescribe the forms to be used for the purposes of this Act;

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- (e) provide for any matter relating to the establishment, operation, regulation and supervision of retirement benefits schemes;
- (f) prescribe the fees payable under this Act;
- (g) prescribe investment policy guidelines for retirement benefits schemes;
- (h) prescribe administrative sanctions;
- (i) exempt any person or class of persons from the application of any provision of this Act;
- (j) prescribe any matter or thing required to be prescribed under this Act; or
- (i) prescribe guidelines for the portability of scheme funds from one retirement benefit scheme to another retirement benefit scheme.

(3) Regulations made under this section may, in respect of any contravention of any of the regulations—

- (a) prescribe a penalty of a fine not exceeding seventy five currency points or imprisonment not exceeding one year, or both;
- (b) in the case of a continuing contravention, prescribe an additional penalty not exceeding fifty currency points in respect of each day on which the offence continues; and
- (c) prescribe a higher penalty not exceeding one hundred and fifty currency points in respect of a second or subsequent contravention.

92. Amendment of Schedules

The Minister may, with the approval of Parliament, by statutory instrument, amend Schedules 2 and 3 of this Act.

93. Guidelines

The Authority may issue guidelines for the better carrying out of its object and functions under this Act.

94. Protection of existing pension rights or other retirement benefits

(1) For the avoidance of doubt, nothing in this Act affects the right of any person to pension or any other retirement benefit under any written law in force immediately before the coming into force of this Act.

(2) Any person who on the coming into force of this Act, is entitled to receive pension or any other retirement benefit in accordance with any written law relating to payment of pension or other retirement benefit, shall continue to receive that pension or retirement benefit.

95. Supremacy of this Act

(1) This Act takes precedence over all existing Acts relating to establishment, operation, management, and regulation of retirement benefits schemes, and where there is a conflict between this Act and any other written law other than the Constitution, this Act shall prevail.

(2) Any thing duly done under the authority of this Act for the purpose of giving effect to the Government's policy on retirement benefits schemes shall have effect notwithstanding any other enactment.

(3) Any written law which conflicts with this Act shall be amended to bring it in conformity with the Act.

96. Licensing of existing retirement benefit schemes, custodian, trustee, administrator or fund manager

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(1) All retirement benefits schemes existing immediately before the coming into force of this Act shall, within twelve months after the coming into force of this Act, apply to the Authority for a licence in accordance with this Act.

(2) Any person who, immediately before the coming into force of this Act, is a custodian, trustee, administrator or fund manager of a retirement benefits scheme shall, within twelve months after coming into force of this Act, apply to the Authority for a licence in accordance with this Act.

SCHEDULES.

SCHEDULE 1

Section 2 and 92

CURRENCY POINT

A currency point is equivalent to twenty thousand shillings.

SCHEDULE 2

Section 12 and 92

MEETINGS OF THE BOARD

1. Meetings of the Board

(1) The Chairperson shall convene every meeting of the Board at times and places as the Board may determine, and the Board shall meet for the discharge of business at least four times in every year.

(2) The Chairperson may, at any time, convene a special meeting of the Board and shall also call a meeting within fourteen days, if requested to do so in writing by at least four members of the Board.

(3) Notice of a Board meeting shall be given in writing to each member at least fourteen working days before the day of the meeting.

(4) The Chairperson shall preside at every meeting of the Board and in the absence of the Chairperson; the members present shall appoint a member from among themselves to preside at that meeting.

2. Quorum

(1) The quorum for a meeting of the Board is five members.

(2) All decisions at a meeting of the Board shall be by a majority of the votes of the members present and voting and in case of an equality of votes, the person presiding at the meeting shall have a casting vote in addition to his or her deliberative vote.

3. Minutes of meetings.

(1) The Board shall cause to be recorded and kept, minutes of all meetings of the Board in a form approved by the Board.

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(2) The minutes recorded under this paragraph shall be submitted to the Board for confirmation at its next meeting following that to which the minutes relate and when so confirmed, shall be signed by the Chairperson and the Secretary to the Board, in the presence of the members present at the latter meeting.

4. Power to co-opt

(1) The Board may invite any person who, in the opinion of the Board, has expert knowledge concerning the functions of the Board, to attend and take part in the proceedings of the Board.

(2) A person attending a meeting of the Board under this section may take part in any discussion at the meeting on which his or her advice is required but shall not have any right to vote at that meeting.

5. Validity of proceedings not affected by vacancy

The validity of any proceedings of the Board shall not be affected by a vacancy in its membership or by any defect in the appointment or qualification of a member or by reason that a person not entitled, took part in its proceedings.

6. Disclosure of interest of members

(1) A member of the Board who is in any way directly or indirectly interested in a contract made or proposed to be made by the Board, or in any other matter which falls to be considered by the Board, shall disclose the nature of his or her interest at a meeting of the Board.

(2) A disclosure made under subparagraph (1) shall be recorded in the minutes of that meeting.

(3) A member who makes a disclosure under subparagraph (1) shall not—

- (a) be present during any deliberation of the Board with respect to that matter; or
- (b) take part in any decision of the Board with respect to that matter.

(4) For purposes of determining whether there is a quorum, a member withdrawing from a meeting or who is not taking part in a meeting under

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subparagraph (3) shall be treated as being present.

7. Board may regulate its procedure

Subject to this Act, the Board may regulate its own procedure or any other matter relating to its meetings.

SCHEDULE 3

CRITERIA FOR DETERMINING A FIT AND PROPER PERSON

PART - I

Section 8(5) and 92

CRITERIA FOR DETERMINING WHETHER A PERSON IS A FIT AND PROPER PERSON TO BECOME A MEMBER OF THE BOARD

Qualities for professional suitability

1. In order to determine, for the purposes of this Act, the professional and moral suitability of a person proposed to be appointed as a member of the Board, the Minister shall have regard to the following qualities, in so far as they are reasonably determinable, in respect of the person concerned—

- (a) his or her general probity;
- (b) his or her competence and soundness of judgment for the fulfillment of the responsibilities of the office in question;
- (c) the diligence with which the person concerned is fulfilling or likely to fulfill those responsibilities; and
- (d) whether the functions of the Board are, or are likely to be in any way threatened by his or her holding that position.

Previous conduct and activities

2. For the purposes of and without prejudice to the general effect of paragraph (1), the Minister may have regard to the previous conduct and activities of the person concerned in business or financial matters and, in particular, to any evidence that the person-

- (a) has been convicted of the offence of fraud or any other offence of which dishonesty or violence is an element;
- (b) has contravened any law designed for the protection of members

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- of the public against financial loss due to the dishonesty or incompetence of, or malpractice by, persons engaged in the provision of banking, insurance, investment or other financial services or the management of companies or against financial loss due to the conduct of a discharged or undischarged bankrupt;
- (c) has taken part in any business practice that in the opinion of the Minister, was deceitful or oppressive, fraudulent, prejudicial or otherwise improper whether unlawful or not, or which otherwise reflect discredit on his or her method of conducting business; or
 - (d) has engaged or taken part in or been associated with any other business practices or otherwise conducted himself or herself in such manner as to cause doubt on his or her competence and soundness of judgement.

Additional information

3. The Minister may request any person to furnish additional information as may be necessary in determining the professional suitability of a person.

PART - II

*Sections 30(4) (c), 42(1) (b), 43(e), 45(1)(f) 49(1) (b),
50(e), 52(f), 56(1) (b), 57(e), 59(f) and 92.*

**CRITERIA FOR DETERMINING A FIT AND PROPER PERSON
FOR PURPOSES OF ESTABLISHING A RETIREMENT BENEFIT
SCHEME, ACTING AS A TRUSTEE, ADMINISTRATOR OR
FUND MANAGER OF A RETIREMENT BENEFITS SCHEME.**

Qualities for professional suitability

1. In order to determine, for the purposes of this Act the professional suitability of a person proposing to establish or operate a retirement benefits scheme, a person applying for a licence to act as a trustee, administrator or fund manager of a retirement benefits scheme, the Authority shall have regard to the following qualities, in so far as they are reasonably determinable, of the person concerned—

- (a) his or her general probity;
- (b) his or her competence and soundness of judgment for the fulfilment of the responsibilities of the office in question;
- (c) the diligence with which he or she is likely to fulfil those responsibilities; and
- (d) his or her qualifications and experience.

Previous conduct and activities

2. For the purposes of and without prejudice to the generality of paragraph 1, the Authority may have regard to the previous conduct and activities of the person concerned in business or financial matters, and in particular to any evidence that the person—

- (a) has been convicted of the offence of fraud, or any other offence of which dishonesty is an element; or

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- (b) has contravened the provisions of any Act designed for the protection of members of the public against financial loss due to dishonesty, incompetence or malpractice by persons engaged in the provision of banking, insurance, investment or other financial services.

Additional information

3. The Authority may request any person to furnish additional information as may be necessary in determining the professional suitability of a person proposing to establish or operate a retirement benefits scheme, a person applying for a licence to act as a trustee, administrator or fund manager of a retirement benefits scheme.

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Cross References

Financial Institutions Act 2004, Act No 4 of 2004

Public Finance and Accountability Act, 2003 Act No 6. of 2003

**THE UGANDA RETIREMENT BENEFITS REGULATORY
AUTHORITY (LICENSING OF RETIREMENT BENEFITS SCHEMES)
REGULATIONS 2012. STATUTORY INSTRUMENT NO.72 OF 2012 (As
Amended in 2014 and 2017)**

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- Schedule Five - Licence of Retirement Benefits Scheme.
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The Uganda Retirement Benefits Regulatory Authority (Licensing of Retirement Benefits Schemes) Regulations, 2012.

(Under sections 28, 29, 30 and 91(1),(2)(a) and (b) of the Uganda Retirement Benefits Regulatory Authority Act 2011, Act No. 15 of 2011.)

IN EXERCISE of the powers conferred on the Minister by section 91(1),(2)(a) and (b) of the Uganda Retirement Benefits Regulatory Authority Act, 2011, these Regulations are made this day of 2012.

PART I - PRELIMINARY

1. Title.

These Regulations may be cited as the Uganda Retirement Benefits Regulatory Authority (Licensing of Retirement Benefits Schemes) Regulations, 2012.

2. Interpretation

In these Regulations unless the context otherwise requires-

“Act” means the Uganda Retirement Benefits Regulatory Authority Act, 2011;

“currency point” has the value given to it in Schedule 1.

“deed of adherence” refers to an agreement signed between the trustees of an umbrella retirement benefits scheme and each participating employer, entity or individual, indicating that the parties to the deed agree to be bound by the trust deed of the umbrella retirement benefits scheme;

*Inserted by
amendment
of 2017*

“defined retirement benefits scheme” has the meaning given to defined retirement benefits scheme under the Act;

“defined contribution scheme” means a scheme in which members’ and employers’ contributions are fixed either as a percentage of wages or as a shilling amount, and a member’s retirement benefits has a value equal to those contributions, net of expenses including premiums paid for insurance of death or disability risks, accumulated in an individual account with investment return and any surpluses or deficits as determined by the trustees of the scheme;

“existing retirement benefits scheme” means a scheme which existed prior to the coming into force of the Act ;

“mandatory contribution” means a contribution which an individual is obliged by law to contribute;

“licence” means a licence issued in accordance with the Act and these Regulations;

“occupational retirement benefits scheme” means a retirement benefits scheme which is linked to an employment or professional relationship between the member and the sponsor, and which may be established by employers or groups of employers, labour or professional associations, jointly or separately;

*Inserted by
amendment
of 2017*

“participating employer” means an employer who registers with an umbrella retirement benefits scheme for purposes of providing retirement benefits for his or her employees

*Inserted by
amendment
of 2017*

“participating entity” means a body corporate, an association or a professional body, which joins an umbrella retirement benefits scheme for the purpose of providing retirement benefits for its employees or members;

Inserted by

amendment of 2017

“participating individual” means a natural person who joins an umbrella retirement;

“retirement benefits scheme” has the meaning given to it under the Act;

*Inserted by
amendment of
2017*

“special rules” refers to exceptional provisions which vary the application of the trust deed and scheme rules of an umbrella retirement benefits scheme to a particular employer, entity or individual participating in the umbrella retirement benefits scheme”

*Inserted by
amendment
of 2017*

“umbrella retirement benefits scheme” means a retirement benefits scheme which collects retirement benefits of employees of a single employer or a group of employers, individuals, members of an association or a professional body;

“voluntary contribution” means a contribution which an individual is not obliged by law to contribute;

*Substituted by
amendment
2014*

“wages” has the meaning given to it under the Employment Act 2006, Act No.3 of 2006.

PART II- LICENSING OF RETIREMENT BENEFITS SCHEMES

3. Minimum deposit to be maintained by a retirement benefits scheme receiving mandatory contributions

The Authority shall require an applicant for a licence to establish or operate a retirement benefits scheme which receives or intends to receive mandatory contributions to deposit and maintain a minimum deposit of not less than one million, two hundred and fifty thousand currency points with the Central Bank or a financial institution approved by the Authority.

4. Funding policy and business plan of retirement benefits scheme

(1) A retirement benefits scheme shall have a funding policy.

(2) The Authority shall issue guidelines indicating the contents of the funding policy which shall include-

(a) sources of funding;

(b) in case of a defined benefits scheme, the actuarial methods to be used;

(c) contribution levels of sponsor and members; and

(d) any other information determined by the Authority.

*Inserted by
amendment
of 2014*

(3) A retirement benefits scheme which receives mandatory contributions shall have a business plan which shall be prepared in accordance with guidelines issued by the Authority.

*Inserted by
amendment
of 2014*

4A. Investment policy statement of a retirement benefits scheme

- (1) Every retirement benefits scheme shall have an investment policy statement prepared in accordance with regulations made under the Act.
- (2) A certified copy of the investment policy statement of a retirement benefits scheme shall be submitted to the Authority.

5. Key officers of the scheme to satisfy fit and proper test

The trustees of a retirement benefits scheme shall ensure, that the key officers of the retirement benefits scheme satisfy the fit and proper criteria set out in Schedule 3 of the Act.

*Substituted by
amendment of
2014*

6. Minimum number of trustees

- (1) The minimum number of trustees of a retirement benefits scheme receiving voluntary contributions shall be three.
- (2) The minimum number of trustee of a retirement benefits scheme receiving mandatory contributions shall be five.

7. Application for a licence to operate or establish a retirement benefits scheme

- (1) An application for a licence to operate or establish a retirement benefits

scheme shall be in the form prescribed in Schedule 2.

(2) An existing retirement benefits scheme shall apply for a licence in the form prescribed in Schedule 3.

(3) An application for a licence to operate or establish a retirement benefits scheme shall, in addition to the information required under section 29(2) and upon the fulfillment of the conditions under section 30 (1) (a) of the Act, contain -

(a) the name of the retirement benefits scheme including reference to any prior change of name;

(b) the physical address and location of the registered office of the scheme in Uganda.

(c) a trust deed and scheme rules;

(d) an investment policy statement and a funding policy of the scheme

(e) a business plan including-

(i) a description of the funds that the scheme is expected to manage, the types of obligations that the scheme is expected to incur, the setting up costs and means to raise finance and the projected development of the *scheme*;

(ii) detailed financial projections which demonstrate medium-term viability and sufficient information on the financial resources of the founders to support the *scheme*;

(iii) a description of how the retirement benefits scheme is to be managed and controlled internally and a comprehensive risk management framework; and

*Inserted by
amendment
of 2014*

*Substituted by
amendment of
2014*

*Substituted by
amendment of
2014*

(iv) disclose the applicant's current and contemplated future policy with regard to the payment of retirement benefits.

(f) in case of an existing retirement benefits scheme-

(i) the status of the retirement benefits scheme in respect of the names of members admitted into the retirement benefits scheme and their contribution;

(ii) description of the investment portfolio of the scheme including their value and location;

(iii) benefits that accrue to members under the retirement benefits scheme;

(iv) whether any members of the scheme are active members or not;

(v) certified copies of audited financial statements for the previous year prepared in accordance with international financial reporting standards;

(vi) if the most recent audited accounts are more than six months out of date, they should be accompanied by management accounts which need not be audited showing the current financial position and the *performance of the scheme*;

*Inserted by
amendment of
2014*

(g) any other information relating to the viability of the proposed retirement benefits scheme or other matters which the applicant may consider relevant; and

(h) any other information which the Authority considers necessary for the purposes of determining the application.

- (4) An application for a licence under this regulation shall be accompanied by the prescribed application fee.
- (5) An applicant shall be notified of the decision of the Authority within ninety days from the date of receipt of the application.

8. Registered office and inspection of premises

(1) Every retirement benefits scheme shall have a registered office with a physical location in Uganda.

*Substituted by
amendment of
2014*

(2) The Authority shall carry out an on-site inspection of the premises of the applicant to assess the suitability of the *scheme* premises of the retirement benefits scheme and may require the scheme to comply with the requirements in Schedule 4.

9. Grant of licence or refusal to grant licence

(1) Where the Authority is satisfied that applicant has complied with the requirements of the Act and these Regulations, the Authority shall within ninety days after the date of the pre-licensing inspection, consider the application and may grant the licence to the applicant or refuse to grant the licence in accordance with the Act and these Regulations.

(2) A licence to operate or establish a retirement benefits scheme shall be in the form prescribed in Schedule 5.

(3) The Authority may, in granting a licence, attach such conditions to the licence as it may deem necessary.

(4) *The* conditions under sub-regulation (3) may relate to permissible or non-permissible operations or activities of a retirement benefits scheme, and may be of a temporary or permanent nature.

(5) Where the Authority refuses to grant a licence to an applicant the Authority shall notify the applicant of its decision and specify the reasons for the refusal.

(6) The notice referred to under sub-regulation (5) shall be in the form prescribed in Schedule 6.

10. Licence fee of retirement benefits scheme

(1) The applicant shall pay to the Authority the prescribed licence fee.

(2) The licence fee shall become due and payable by successful applicants within thirty days after notification of the decision to grant a licence.

11. Validity and display of licence

(1) A licence issued to a retirement benefits scheme shall be valid from the date of issue and shall remain in force until the scheme is wound up in accordance with the scheme rules or the law under which the scheme is established or until the licence is revoked in accordance with section 32 of the Act .

(2) A licence to establish or operate a retirement benefits scheme shall, at all times, be displayed in a conspicuous place at the head office of the retirement benefits scheme, and copies of it shall be similarly displayed in a conspicuous place at each of its branch offices.

12. Revocation of licence

(1) The Authority may revoke the licence of a retirement benefits scheme in accordance with section 32 of the Act.

(2) The notice referred to under section 32(2) of the Act shall be in the form prescribed in Schedule 7

PART III – TRUST DEED AND SCHEME RULES

13. Trust deed establishing a retirement benefits scheme as an irrevocable trust

(1) Every retirement benefits scheme shall have a trust deed which establishes it as an irrevocable trust in accordance with section 30(1) (a) of the Act.

(2) The trust deed shall be registered in accordance with the Registration of Documents Act Cap.81.

14. Contents of a trust deed

A trust deed of a retirement benefits scheme shall state –

- (a) the name of the sponsor and trustee;
- (b) the purpose of the trust to establish a retirement benefits scheme as an irrevocable trust;
- (c) the name of the retirement benefits scheme;
- (d) date of commencement of the scheme;
- (e) the names of the members and beneficiaries under the retirement benefits scheme ;
- (f) the manner of appointment or election of trustees and their term of office unless where it is otherwise stipulated, the tenure of office of trustees shall not exceed three years, but shall be subject to renewal;
- (g) the terms on which the trustees are appointed including their functions, powers and duties which shall be in accordance with the Act and these Regulations;

*Inserted by
amendment of
2014*

(h) the number of trustees of the scheme and in particular every retirement benefits scheme shall have at least one third of trustees nominated by members of the scheme and at least one third of the trustees nominated by the employer or sponsor; except where the scheme appoints a corporate trustee;

(i) the manner of election of a chairman of the board of trustees except that the administrator of the scheme or chief executive officer of the sponsor shall not be the chairman of the Board of trustees;

(j) the procedure for convening meetings of the board of trustees including provisions that-

(i) the trustees shall meet four times in every calendar year; and not more than four months shall elapse between the date of one meeting and the next;

(ii) a trustee who without reasonable excuse, fails to attend three consecutive meetings shall be disqualified from serving as a trustee.

(k) the fees payable for services offered by the trustee;

(l) the duties and obligations of each party to the trust deed;

(m) the process for resolving disputes between the parties to the trust deed;

(n) the rights of each party to indemnity from the other;

(o) the mode of termination of the trust and the obligations of each party on termination of the trust including the right of the sponsor to terminate the trust if the licence of the trustee is revoked;

(p) the contents of the *quarterly* reports which the trustee shall submit to the sponsor and the Authority;

*Substituted by
amendment of
2014*

(q) the appointment, term, removal from office, powers and remuneration of custodians, administrators, fund managers and other officers of the of the scheme;

(r) the contents of the monthly reports which the fund manager, administrator and custodian shall submit to the trustee;

(s) any information relevant to the retirement benefits scheme or the ability of the key officers of the retirement benefits scheme to perform their obligations under the trust deed; and

(t) **the procedure for amending the trust deed.**

*Inserted by
amendment of
2014*

14A. Additional requirements for a trust deed of umbrella scheme

The trust deed for establishing an umbrella scheme shall in addition to complying with the requirements in regulation 14, contain the following -

(a) provisions for the formation of member liaison committees consisting of representatives of the employers, entities or individuals participating or contributing to the umbrella retirement benefits scheme; and

(b) provisions for the trustees to periodically meet with the member liaison committees;

(c) any other information relevant for the operation of an umbrella retirement benefits scheme.

*Inserted by
amendment of
2017*

Scheme rules

15. Content of the scheme rules

(1) A retirement benefits scheme shall have scheme rules which shall be made in accordance with the Act, these Regulations and **the trust deed of the scheme.**

*Inserted by
amendment of
2014*

(2) The scheme rule and shall contain -

- (a) a list of definitions, in alphabetical order, defining the terms which are frequently used in the rules;
- (b) requirements for admission to membership and the circumstances under which membership is to cease;
- (c) conditions under which and when a member may become entitled to any benefit including age benefits, death benefits, the nature and extent of any benefit and the mode of calculating the benefits;
- (d) rate of contributions by sponsors and or members as the case may be;
- (e) basis of determining interest declared to members;
- (f) interest chargeable on the contributions which have not been remitted as determined by the Authority;
- (g) interest chargeable on late payment of withdrawal benefits from the scheme; provided that the interest shall not be less than the investment interest declared by the scheme in the year in which the payment was due.
- (h) mode of recovery of unremitted contributions which shall include treating of unremitted contributions as a civil debt recoverable summarily by a scheme;
- (i) methods of vesting benefits in its members;

- (j) manner of determining surplus and deficit and disposing of surplus or providing for deficit;
- (k) terms and period within which a member may withdraw his or her benefits from the scheme;
- (l) the manner in which contracts and other documents binding the scheme shall be executed;
- (m) the procedure of amending scheme rules;
- (n) appointment and tenure of the auditor of the scheme and any other person rendering professional services to the scheme;
- (o) custody of the scheme fund, title deeds and other securities belonging to the scheme;
- (p) the manner in which disputes between the parties in the a retirement benefits scheme shall be resolved; and
- (q) any information relevant to the retirement benefits scheme or the ability of the key officers of the retirement benefits scheme to perform their obligations under the scheme rules.

15A. Additional requirements for scheme rules of an umbrella scheme

The scheme rules of an umbrella retirement benefits scheme shall, in addition to complying with the requirements in regulation 15, include –

- (a) provisions indicating the composition of the membership of the scheme, stating whether it admits all or any of the following –
 - (i) an individual or group of individuals;
 - (ii) a body corporate or an entity;
 - (iii) an association or a professional body; or
 - (iv) an employer or a group of employers;

*Inserted by
amendment of
2017*

(b) the mode of calculating shared operational costs amongst the members of the umbrella retirement benefits scheme.

(c) in case of an umbrella scheme whose membership consists of both corporate bodies and individuals, provisions stating how the operational costs payable shall be distributed among the different members without exploiting any member;

(d) provisions enabling the making of special rules; and

(e) provisions enabling the setting up of a member liaison committee to present the interests of the members of the umbrella retirement benefits scheme to trustees of the umbrella retirement benefits scheme.

15 B. Participating employer, entity or individual to sign deed of adherence

*Inserted by
amendment of
2017*

(1) A participating employer, entity or individual in an umbrella retirement benefits scheme shall sign a deed of adherence containing the following information –

(a) particulars of the umbrella retirement benefits scheme;

(b) particulars of the participating employer, entity or individual who desires to join the umbrella retirement benefits scheme;

(c) composition of the membership of the retirement benefits scheme, stating whether the composition includes all or any of the following –

(i) an individual or group of individuals;

(ii) a body corporate or an entity;

(iii) an association or a professional body; and

(iv) an employer or a group of employers;

(d) a provision stating that admission to membership of the umbrella retirement benefits scheme shall be after the signing of the

deed of adherence by any participating employer, entity or individual;

(e) rights and obligations of the parties to the deed of adherence; and

(f) any other information which the Authority considers necessary for purposes of executing the deed of adherence.

(2) An administrator of an umbrella retirement benefits scheme shall submit to the Authority –

(a) a copy of the deed of adherence signed by each participating employer, entity or individual; and

(b) any special rules of each participating employer, entity or individual.

(3) The deed of adherence shall be binding on the umbrella retirement benefits scheme and participating employer, entity or individual in the umbrella retirement benefits scheme.

15C. Effect of signing deed of adherence.

Upon the signing of the deed of adherence –

(a) the employees of a participating employer shall become members of the umbrella retirement scheme;

(b) the members of a participating entity shall become members of the umbrella scheme; and

(c) in the case of a participating individual, that individual shall become a member of the umbrella retirement benefits scheme.

15D. Umbrella retirement benefits scheme to maintain separate records.

An umbrella retirement benefits scheme shall open and maintain separate records for –

(a) each participating individual member;

(b) in the case of participating entities, a separate record for each participating entity; and

(c) in the case of participating employers, a separate record for each participating employer.

*Inserted by
amendment of
2017*

*Inserted by
amendment of
2017*

15E. Varying of scheme rules.

(1) A participating employer, entity or individual may, in consultation with the trustees of the umbrella retirement benefits scheme, sign special rules to vary the provisions of the scheme rules of the umbrella retirement benefits scheme.

(2) The special rules made under sub regulation (1) shall contain exceptions to the scheme rules of the umbrella retirement benefits scheme, which apply to the particular participating employer, entity or individual.

(3) The administrator shall submit to the Authority a copy of the special rules signed by a participating employer, entity or individual."

16. Trustee to appoint actuary

(1) The trustee of a defined benefits retirement benefits scheme shall, at least once in every three years, appoint an actuary to value the resources and liabilities of the scheme and evaluate the financial consequences of any risk undertaken by the trustee on behalf of the retirement benefits scheme.

(2) Notwithstanding sub-regulation (1), the Authority may, in exceptional circumstances, require a trustee of a defined retirement benefits scheme to cause the resources and liabilities of the scheme to be evaluated by an actuary appointed by the trustees with the approval of the Authority.

(3) In this regulation "actuary" means has the meaning given to it under the Act.

17. Contents of actuarial review report and actuarial valuation report

(1) An actuary appointed under regulation 16 shall –

(a) value the resources and liabilities of the scheme;

(b) evaluate the financial consequences of any risk undertaken by the

trustee on behalf of the retirement benefits scheme; and

(c) prepare and submit to the trustee an actuarial review report in the form prescribed in Schedule 8.

(2) A trustee of a defined benefits retirement benefits scheme shall, within three months after receipt of an actuarial review report submitted by the actuary under sub-regulation (1), submit to the Authority an actuarial valuation report in the form prescribed in Schedule 9.

PART IIIA – VESTING OF RIGHTS

17A. Vesting of member's rights.

(1) A member's benefits shall begin to accrue when he or she contributes to a retirement benefits scheme.

(2) A member's benefits shall be deemed to vest in the member if that member has acquired an immediate fixed right to the present or future receipt of his or her accumulated benefits in the scheme.

(3) The benefits derived from the contributions of a member into a scheme shall vest immediately in the member.

17B. Prescription of vesting period.

(1) The scheme rules shall clearly define the vesting period which may be linked to –

(a) a reasonable period of service or employment with the contributing employer calculated in relation to the average employee tenure; and

(b) the number of years of contribution into the scheme.

(2) Notwithstanding sub-regulation (1), the vesting period prescribed in the scheme rules shall not exceed two years.

*Inserted by
amendment of
2017*

*Inserted by
amendment of
2017*

*Inserted by
amendment of
2017*

17C. Protection of member's benefits from retroactive reductions.

(1) The benefits which have already vested in a member shall not be subjected to retrospective or retroactive reduction of the value of the benefits.

(2) Any amendments to the contribution formula or vesting scale of a member, shall only affect the rate of future benefit accrual.

*Inserted by
amendment of
2017*

17D. Exceptions to protection of vested benefits from members' creditors.

Except where a member has assigned his or her benefits in accordance with section 68(2) (a) of the Act for purposes of securing a mortgage or a housing loan, the vested benefits of the member are protected from the member's creditors.

*Inserted by
amendment of
2017*

17E. Members to be notified if the rate of future benefit accrual will be reduced.

The trustees of a retirement benefits scheme shall notify the members if the rate of future benefit accrual will be reduced as a result of changes in the retirement benefits scheme's benefit or contribution formulas or any other market factors.

*Inserted by
amendment of
2017*

17F. Vested benefits of members whose employment is severed.

(1) The vested benefits of a member who has severed his or her employment with an employer shall not be subject to forfeiture, regardless of the reasons for severance except as provided for under regulation 17G.

(2) The trustees shall ensure that at least the nominal value of a severed employee's vested benefit in a retirement benefits scheme is protected, whether or not the separation from service was voluntary through mutual agreement or at the will of the employer.

*Inserted by
amendment of
2017*

17G. Forfeiture of vested benefits.

(1) Where a member's employment is severed for reasons of gross misconduct related to the retirement benefit scheme, the vested benefits of a member may be forfeited.

(2) Notwithstanding sub regulation (1), the forfeiture shall exclude any amounts associated with a member's own contributions to the retirement benefits scheme.

(3) The assets associated with the benefits which a member forfeits under the circumstances referred to in sub regulation (1) shall be retained by the scheme and shall not be appropriated by or transferred to the employer or sponsor.”

PART IV- MISCELLEANEOUS

18. Prohibition on transfer or assignment of licence

A retirement benefits scheme shall not transfer or assign its licence.

19. Approval of amendments to trust deed and scheme rules

Amendments to the trust deed and the scheme rules shall not be done without the approval of the Authority.

20. Notification of alterations to information presented to the Authority

The trustee of a retirement benefits scheme shall promptly, in writing, communicate any alterations to information presented to the Authority within thirty days from the date of the alteration.

21. Guidelines

(1)The Authority shall issue guidelines to ensure compliance with the provisions of the Act and these Regulations.

(2) Where the Authority has reasonable cause to believe that a retirement benefits scheme is not complying with the guidelines issued in accordance with the Act and these Regulations, the Authority shall issue a notice in the form prescribed in Schedule 10 requiring the retirement benefits scheme to comply with the directions of the Authority.

22. Penalty

A retirement benefits scheme which contravenes any provision of these Regulations commits an offence and is liable to a penalty equivalent to seventy five currency points and in case of a continuing contravention, fifty currency points for each day that the offence continues.

*Inserted by
amendment of
2017*

23. Fees and compulsory annual levies

(1) The fees payable under these Regulations are prescribed in Schedule 11.

(2) Every licensed retirement benefits scheme shall pay the prescribed compulsory annual levy within a period of four months after the end of the financial year of the scheme.

(3) A retirement benefits scheme which fails to pay the compulsory levy on or before the date on which the levy falls due, shall be required to pay the levy already due and an additional fine equal to twenty five percent of the levy per annum for the period during which the levy due remains unpaid.

24. Requirement to have administrative, operational and internal control systems

(1) Every retirement benefits scheme shall have administrative, operational and internal control systems.

(2) The internal control systems of the retirement benefits scheme shall ensure the reasonable accomplishment of the following objectives-

- (a) operational efficiency and effectiveness, which ensures the appropriate management of assets and other resources thus protecting the retirement benefits scheme from possible losses while ensuring that the personnel work towards the attainment of the stated aims and safeguard the assets of the retirement benefits scheme from loss, fraud or inefficient use;
- (b) the reliability and relevance of the reports and the data generated by the information systems which entails accuracy, integrity and relevance in terms of decision making at the different levels in the retirement benefits scheme; and

- (c) compliance with the Act, these Regulations, the trust deed and the scheme rules.

25. Requirement to have information and communication technology systems

- (1) The Authority may require a retirement benefits scheme to have information, communication and technology systems.

(2) The retirement benefits scheme's information, communication and technology systems should be able to facilitate decision making at the different management levels in the scheme, with reference to the specific description of the benefits offered, adequate identification of members and beneficiaries, and reporting requirements of the Authority, which shall include -

- (i) functionality, expandability and institutional growth;

- (ii) functional completeness, appropriateness and integration;

- (iii) member information system; and

- (b) reporting, including -

- (i) reports; and

- (ii) report generation; and

- (c) administration and support, including-

- (i) security;
- (ii) backup and recovery;
- (iii) fault tolerance and robustness;
- (iv) end-of-period processing;
- (v) support infrastructure and maintenance; and
- (vi) version control and upgrade

SCHEDULE ONE

Regulation 2

CURRENCY POINT

A currency point is equivalent to twenty thousand shillings.

SCHEDULE TWO

Regulation 7(1)

THE UGANDA RETIREMENTS BENEFITS REGULATORY AUTHORITY
ACT, 2011, ACT No. 15 OF 2011

THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
(LICENSING OF RETIREMENT BENEFITS SCHEMES) REGULATIONS,
2012.

APPLICATION FOR LICENCE TO ESTABLISH AND OPERATE A RETIREMENT BENEFITS SCHEME

*(Under regulation 7(1) of the Uganda Retirement Benefits Regulatory Authority
(Licensing of Retirement Benefits Schemes) Regulations, 2012)*

PART 1 - DETAILS OF THE SCHEME

A. (i) Name of proposed
scheme.....

(ii) Tax Identification Number.....

(iii) Physical address of proposed office of the scheme
:.....

.....

Telephone

Fax

E-mail.....

Physical Address for service of notice or documents

.....
.....

B. Provide the following particulars regarding the proposed scheme:

(i) Is it an open scheme that provides individual based pension or provident plans?

YES/NO.....
.....

(ii) Is it an occupational retirement benefits scheme? YES/NO

.....

(iii) Is the scheme contributory or non-contributory?

.....

(iv) Is it a scheme that receives mandatory contributions? YES/ NO

.....

(v) Is it a scheme that receives voluntary contributions? YES/ NO.

.....

(vi) State whether the scheme is a defined contribution a defined benefit, or both.(Describe)

.....

C. Provide the following information regarding the proposed scheme:

(i) Names of proposed members and their contributions;(Attach a list)

(ii) Benefits that accrue to members;

.....
.....

(iii) Status of members;

Number of active members.....

Number of inactive members.....

D. Provide the following details in the appendices:

(i) Particulars of the proposed Trustees or directors of corporate trustee
(Appendix A)

(ii)Particulars of proposed Custodian, Administrators, Fund managers,
Auditors and Actuary(Appendix B)

(iii) Particulars of key officers of the retirement benefits scheme
(Appendix C).

PART II - PARTICULARS OF TRUSTEES

A. Name of Trustee:

.....
.....

B. In case of corporate trustee particulars of directors

.....
.....
.....

C. Physical Address.....

.....

Telephone.....

Fax.....

Email.....

D (i) Tax Identification Number.....

.....

E. Has the trustee previously been convicted of a criminal offence with a sentence of a period of six months or more?

.....
.....

F. What are the qualifications and experience of the trustees?

.....
.....

G. In the case of a corporate trustee attach profile of the corporate trustee.

PART III - PARTICULARS OF SPONSOR

(Incase of more than one sponsor provide the following particulars for each on a separate attachment).

A (i) Name of Sponsor:

.....
.....
.....

(ii) If a legal entity attach a copy of the certificate of incorporation or registration :

.....

B. Physical

Address.....

.....

Telephone:.....

E-mail.....

Fax

Physical address in Uganda for service of notices or documents

.....

C. Tax Identification Number:.....

PART IV ATTACHMENTS

Please attach copies of the following:

- (i) A copy of the name reservation form.
- (ii) Trust deed and Scheme Rules.
- (iii) A certified copy of the certificate of incorporation or registration in case the sponsor is a legal entity.
- (iv) An organogram of the proposed retirement benefits scheme.
- (v) Resume' of the trustees and key officers of the scheme.
- (vi) investment policy statement of the scheme;
- (vii) business plan of a scheme which receives or intends to receive mandatory contributions;
- (viii) funding policy statement of the scheme.

*Inserted by
amendment of
2014*

I am/We are aware of the provisions of section 32(1) (a) of the Uganda Retirement Benefits Regulatory Authority Act 2011 relating to false statements in applications.

I/ We hereby declare that the statements contained herein and the documents submitted herewith are true and accurate to the best of my knowledge and belief.

Signed on this day of.....

Signature of Applicant.....

Full Name:

Designation:

Signature of Applicant.....

Full Name:

Designation:

Signature of Applicant.....

Full Name:

Designation:

APPENDIX A

PARTICULARS OF TRUSTEES OF RETIREMENT BENEFITS SCHEME

Name of Retirement Benefits Scheme.....

Name of Trustee/ Directors of	Physical Address/Tel/F ax/ Email.	Citizenship	Occupation	Date of Appointment
-------------------------------------	---	-------------	------------	------------------------

Corporate Trustee				

APPENDIX B

PARTICULARS OF AUDITORS, ACTUARIES, ADMINISTRATORS, FUND MANAGER AND CUSTODIANS

Name of Scheme.....

	Name	Tax Identification	Physical Address,	Professional body to which	Date of appointment
--	------	-----------------------	----------------------	-------------------------------	------------------------

		Number	Telephone Fax or E- mail.	Partners are members	
Actuaries					
Administrators					
Auditors					
Custodians					
Fund Manager					

APPENDIX C

PARTICULARS OF KEY OFFICERS OF THE SCHEME

Name of Scheme.....

Name	Physical Address, Telephone	Professional body to which Partners are	Designation	Date of appointment
------	-----------------------------------	---	-------------	------------------------

	Fax or E-mail.	members		

SCHEDULE THREE

Regulation 7(2)

THE UGANDA RETIREMENTS BENEFITS REGULATORY AUTHORITY
ACT, 2011, ACT No. 15 OF 2011

THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
(LICENSING OF RETIREMENT BENEFITS SCHEMES) REGULATIONS,
2012.

APPLICATION FOR LICENCE BY EXISTING RETIREMENT BENEFITS SCHEME

*(Under regulation 7(2) of the Uganda Retirement Benefits (Licensing of
Retirement Benefits Schemes) Regulations, 2012)*

(Read attached notes before completing the form)

PART I - DETAILS OF THE SCHEME

A. (i) Name of scheme.....

(ii) Tax Identification Number.....

B. Any other names under which the scheme has been known previously:

.....
.....

C. Any other names under which the scheme has been known together
with the names of
schemes which have in whole or part been merged with, or replaced by
the scheme in
the past five years:

.....
.....

D. Provide the following particulars regarding the scheme:

(i) Is it a provident or pension fund?

.....
.....

(ii) Is it an open scheme that provides individual based pension or provident plans? YES/NO.

(iii) Is it an occupational retirement benefits scheme? YES/NO.

(iv) Is the scheme contributory or non-contributory?

.....

(v) Is it a scheme that receives mandatory contributions? YES/ NO

(vi) Is it a scheme that receives voluntary contributions? YES/ NO.

(vii) State whether the scheme is a defined contribution, defined benefit, or both?

.....

(vii) What is the current status of the scheme?

(1) Is the scheme open to admission of new members? YES/NO

(2) Is the membership of the scheme restricted to any category of members?

YES/NO

(3) Is it a funded scheme? YES/NO.

(4) If other, specify.

.....
.....
.....

E (i) Give the current information on the following.

(1) The number of members of the scheme.

.....

(2) The number of active members of the scheme.

.....

(3) The scheme's vesting formula.

.....

.....

(4) The number of members in whom the scheme benefits have been fully vested.

.....

(5) The number of members who are drawing pension, if any.

.....

(6) The number of members whose retirement benefits are deferred.

.....

(7) The number of the total permanent workforce of the sponsoring employer(s).

.....

(8) Is membership of the scheme compulsory or voluntary?

.....

(9) Do those permanent employees of the sponsoring employer(s) who are not members of the scheme belong to any other scheme? YES/NO. If yes, give details of the scheme.

.....

.....

.....

(10) The rate of contribution for -

(i)Employee

.....

(ii)Employer

.....

(iii) Individual contribution rate in the case of an individual based scheme

.....

(11)State the the benefits offered by the scheme:

.....

.....

(12) State the total gross and net asset value of the scheme fund. Ushs

.....

.....

(13) State basis of the above valuation.

.....

.....

F (i) Provide the following particulars of the scheme:

Date of commencement of the

scheme.....

Type of formation/establishment

(i) Act of Parliament (specify).....

(ii) Trust deed

(iii) Other (specify).....

Country.....

Registered office of the scheme:.....

Physical Address

Telephone.....

Fax.....

Email.....

Website.....

G. Provide details for the following:

(i) Members of the Board of Trustees or governing body of the scheme

(Appendix A)

(ii) Fund manager, custodian and administrator, if any (Appendix B)

(iii) Auditors and Actuary, if any (Appendix C)

(iv) Particulars of key officers (Appendix D)

(Please complete the tables in the above mentioned appendices)

PART II - PARTICULARS OF SPONSOR(S)

(Incase of more than one sponsor provide the following particulars for each on a separate attachment)

A. Name of Sponsor(s):

.....

.....

B. Physical Address.....

.....

Telephone.....

Fax.....

Email.....

PART III - ATTACHMENTS

Please attach copies of the following:

(i) Trust deed and Scheme Rules (if any)

(ii) Latest actuarial report in case of a defined benefits scheme (if any)

(iii) Certified copies of audited financial statements for the previous year.

(if any)

- (iv) For insured schemes, a copy of the insurance policy document and a copy of the latest fund value statement and revenue account.
- (v) For schemes with funds invested by a fund manager, a copy of the latest scheme fund investment report and revenue account. (if any)
- (vi) Fund management agreement(s) (where applicable).
- (vii) Organogram of the scheme.
- (viii) Resume' of key officers of the scheme.

I am/We are aware of the provisions of section 32(1) (a) of the Uganda Retirement Benefits Regulatory Authority Act 2011 relating to false statements in applications.

I/We hereby declare that the information contained herein and the documents submitted herewith are true and accurate to the best of my knowledge and belief.

Signed on this day of.....

Signature of
applicant.....
Full name.....
Designation.....

APPENDIX A

**PARTICULARS OF TRUSTEES OF RETIREMENT BENEFITS
SCHEME**

Name of Retirement Benefits Scheme.....

Name of Trustee/ Particulars of Directors of corporate trustee	Tax Identification Number	Physical Address/Tel /Fax or Email.	Citizenship	Occupation	Date of Appointment

APPENDIX B**PARTICULARS OF AUDITORS, ACTUARIES, ADMINISTRATORS,
FUND MANAGERS AND CUSTODIANS**

Name of Scheme.....

	Name	Tax Identification Number	Address, Telephone Fax / E- mail.	Professional body to which Partners are members	Date of appointment
Actuaries					
Administrators					
Auditors					
Custodians					
Fund Managers					

APPENDIX C

PARTICULARS OF KEY OFFICERS OF THE SCHEME

Name of Scheme.....

Name	Physical Address, Telephone Fax or E-mail.	Professional body to which key officer is a member	Designation	Date of appointment

SCHEDULE FOUR

Regulation 8 (2)

GUIDELINES ON MINIMUM STANDARDS FOR BUSINESS PREMISES OF RETIREMENT BENEFITS SCHEMES.

1. Objectives

These guidelines aim at establishing the minimum standards that retirement benefits schemes shall conform to when operating to ensure a safe and secure environment.

2. Meaning of Premises

Premises refer to the retirement benefits scheme premises/buildings whether owned, rented or leased.

3. Location and size

Appropriateness of the premises for operations

- * Premises should be accessible to retirement benefits scheme's clientele.
- * Premises should have ample space to receive clients and to enable the retirement benefits scheme to cope with the volume of business.

4. Other General Requirements

- * The premises should conform to the scheme's established policies, procedures and internal controls established by the retirement benefits scheme with regard to acquisition, revaluation, maintenance works, depreciation and disposal.
- * Acquisition and disposal of premises should be reported and duly approved by the Board of trustees.
- * The retirement benefits scheme in rented or leased premises should ensure that rents, ground rents, rates and property taxes are paid up to date.

- * Each retirement benefits scheme should keep a record of all its branches , together with all the covenants relating to the premises.
- * The fixed assets register should be regularly reviewed and reconciled to ensure that all necessary entries with regard to acquisition, revaluation, depreciation and disposal are properly recorded.

SCHEDULE FIVE

Regulation 9 (2)

THE UGANDA RETIREMENTS BENEFITS REGULATORY AUTHORITY

ACT, 2011, ACT No.15 OF 2011

THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
(LICENSING OF RETIREMENT BENEFITS SCHEMES) REGULATIONS,
2012.

LICENCE OF A RETIREMENT BENEFITS SCHEME

*(Under regulation 9(2) of the Uganda Retirement Benefits (Licensing of
Retirement Benefits Schemes) Regulations, 2012)*

LICENCE NO.....

This is to certify that.....(scheme)
is licensed as a retirement benefits scheme in accordance with the Uganda
Retirement Benefits Regulatory Authority Act, 2011 and the conditions
endorsed hereon.

CONDITIONS

Given under my hand and seal of the Uganda Retirement Benefits
Regulatory Authority thisday of.....

.....

.....

Chief Executive Officer

Secretary to the Board

SCHEDULE SIX

Regulation 9 (6)

THE UGANDA RETIREMENTS BENEFITS REGULATORY AUTHORITY
ACT, 2011 ACT No.15 OF 2011

THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
(LICENSING OF RETIREMENT BENEFITS SCHEMES) REGULATIONS,
2012.

**NOTICE OF REFUSAL TO GRANT LICENCE OF RETIREMENT
BENEFITS SCHEME**

*(Under regulation 9(6) of the Uganda Retirement Benefits (Licensing of
Retirement Benefits Schemes) Regulations, 2011)*

To

.....

RE:

TAKE NOTICE that upon consideration of your application for a licence
as a Retirement Benefits Scheme in accordance with the provisions of the
Retirement Benefits Regulatory Authority Act 2011 and the regulations
made thereunder, the Authority has found your application unsuccessful
and consequently refused to license you due to the following reasons:-

.....

.....

Yours faithfully,

.....

Chief Executive Officer

Uganda Retirement Benefits Regulatory Authority

SCHEDULE SEVEN

Regulation 12 (2)

THE UGANDA RETIREMENTS BENEFITS REGULATORY AUTHORITY
ACT, ACT No. 15 OF 2011
THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
(LICENSING OF RETIREMENT BENEFITS SCHEMES) REGULATIONS,
2012.

NOTICE OF INTENTION TO REVOKE LICENCE

*(Under regulation 12(2) of the Uganda Retirement Benefits Regulatory Authority
(Licensing of Retirement Benefits Schemes) Regulations, 2011)*

To

RE:

TAKE NOTICE that the Authority intends to revoke your licence for the following reasons:-

.....
.....

TAKE FURTHER NOTICE that you may make your representations in writing to the Authority in regard to the said intention within the next twenty-eight (28) days from the date hereof which representations the Authority shall consider in accordance with the provisions of the Retirement Benefits Act and the regulations made thereunder before finally making its decision on the said intended *revocation*.

Yours faithfully,

.....

Chief Executive Officer

Uganda Retirement Benefits Regulatory Authority

cc. Scheme Sponsor

cc. Trustee

*Substituted by
amendment of
2014*

SCHEDULE EIGHT

Regulation 17(1) (c)

CONTENTS OF AN ACTUARIAL VALUATION REPORT

An actuarial valuation report shall include, where applicable, the following particulars:

- (1) The dates on which the valuation and the previous valuation were conducted.
- (2) The objectives of the actuarial valuation.
- (3) A summary of the benefits and contribution rates used in the actuarial valuation with any comments on the benefit structure and design, if appropriate.
- (4) The number of persons in respect of whom liabilities have been calculated, subdivided into active members, deferred pensioners and vested pensioners with their corresponding annual pensionable emoluments, annual deferred pensions and annual vested pensions.
- (5) A consolidated income statement showing cash flows since previous actuarial valuation.
- (6)
 - (i) A description of the classes of assets held by the scheme unless such a breakdown of assets is not possible (e.g. with investments in assurance policies) in which case a description of the nature of the policy should be given;
 - (ii) The value of the net assets of the scheme after deducting current liabilities and any liability arising from the pledge or any other encumbrance of the assets, of the fund, together with full particulars of such deductions;
 - (iii) The actuarial value of these net assets, for the purposes of a comparison with the scheme's accrued liabilities;

- (7) A description of the basis employed by the actuary in calculating the actuarial value of each of the various classes of assets together with adequate particulars for each basis.
- (8) The accrued liabilities of the scheme, which for the purpose of this clause shall include:
- (i) The actuarial liability in respect of past service benefits of active members, with due allowance for future salary increase and increase in benefits;
 - (ii) Actuarial liabilities in respect of benefits payable to current and deferred pensioners with due allowance for any increases;
 - (iii) Any other accrued actuarial liability:
- (9) A description of the basis employed in calculating the actuarial value of the accrued liabilities together with adequate particulars of the basis.
- (10) A comparison of the actuarial value of assets with the accrued liabilities showing the resultant surplus or deficiency and the percentage of assets to liabilities.
- (11) In the case of an actuarial deficiency or surplus:
- i) the causes or probable causes thereof,
 - ii) the measures taken or recommended to eliminate any deficiency;
 - iii) the measures taken or recommended to normalise any surplus.
- (12) A description of all relevant developments and an analysis of the financial progress of the scheme since the previous statutory actuarial valuation.
- (13) A comparison of recommended future contribution rates with those obtaining immediately before the valuation and adequacy of the sponsor's contribution rate and the effects thereof
- (14) Any comments on the suitability of the scheme fund investments in relation to the liabilities.

(15) Such other particulars as the Actuary may deem relevant for the purposes of these regulations.

(16) The Actuary's qualifications and the capacity in which he has signed the report.

SCHEDULE NINE

Regulation 17(2)

CONTENTS OF AN ACTUARIAL REVIEW REPORT

An actuarial review report shall include, where applicable, the following particulars:

- (1) The dates on which the review and the previous review were conducted.
- (2) The objectives of the actuarial review.
- (3) A summary of the benefits and contribution rates used in the actuarial review, including a statement whether the expenses and premiums paid for the insurance of death and disability premiums are included within the defined contribution, paid in addition, borne out of investment returns prior to distribution to members and/or borne out of reserve accounts.
- (4) A summary of the membership of the scheme, subdivided into active members, deferred members and vested members with their corresponding annual pensionable emoluments, annual deferred benefits and annual vested benefits.
- (5) A consolidated income statement showing cash flows since the previous actuarial review.
- (6)
 - (i) A description of the classes of assets held by the scheme unless such a breakdown of assets is not possible (e.g. with investments in assurance policies) in which case a description of the nature of the policy should be given;
 - (ii) The value of the net assets of the scheme after deducting current liabilities and any liability arising from the pledge or any other encumbrance of the assets of the fund, together with full particulars of such deductions;

- (iii) The actuarial value of the net assets for the purposes of a comparison with the scheme's accrued liabilities and where the actuarial value differs from the market value of the assets, the market value of the assets should also be stated.
- (7) A description of the basis employed by the actuary in calculating the actuarial value of each of the various classes of assets together with adequate particulars for each basis.
- (8) The accrued liabilities of the scheme. which for the purpose of this clause shall include:
- (i) The value of members' individual accounts;
 - (ii) Any reserve accounts set up to meet liabilities;
 - (iii) Actuarial liabilities in respect of benefits payable to current and deferred pensions with due allowance for any increases;
 - (iv) Any other accrued actuarial liability.
- (9) A description of the basis employed in calculating the actuarial value of the accrued liabilities together with adequate particulars of the basis. In particular:
- (a) A statement of how members' individual liabilities have been determined;
 - (b) A statement of the types and extent of reserve accounts held, their intended use and adequacy;
 - (c) An analysis of the rates of investment return and expenses, including premiums paid for death and disability benefits, accrued to individual members' accounts across the period from the previous review;
 - (d) The appropriateness of the methods used to distribute investment returns to individual members' accounts and the various reserves of the scheme. Comments on the equity of the distribution method where this differs between category of members.

- (e) Treatment of strains and surpluses and whether distributed to members' accounts or borne by one or more reserve accounts.
- (10) A comparison of the actuarial value of assets with the accrued liabilities showing the resultant surplus or deficiency and the percentage of assets to liabilities-
- (i) Where an investment reserve is used to hold all, or a portion of the difference between the market value of the assets and the value of the members' individual accounts plus any reserve accounts set up to meet liabilities, the actuary should comment on the intended future use of such an investment reserve and its adequacy for this purpose;
- (ii) Where the actuary has placed an actuarial value on the assets, which is greater than the market value, and there are not sufficient free assets available in other reserve accounts to cover the difference, the actuary must comment on the steps that should be taken by the trustees if market values do not increase, within a reasonable period after the valuation date, to match or exceed the actuarial value of the assets.
- (11) A description of all relevant developments and an analysis of the financial progress of the scheme since the previous statutory actuarial review.
- (12) Comment on the current and expected future portion of the contribution which is being saved towards retirement and other funded benefits.
- (13) Comments on the appropriateness of the investment policy being followed, and the quality of the investments, in relation to the scheme's liabilities, taking particular account of the method used to accrue investment returns to individual member accounts and the communication of the investment risk to the member.

(14) Where future benefits have been projected in statements given to members. Comments on the adequacy and sustainability of the assumptions underlying the projection, covering, in particular, the contribution rates, expenses (including premiums paid for the Insurance of death and disability risks), investment return and salary increases, where appropriate

(15) Such other particulars as the actuary may deem relevant for the purposes of these regulations.

(16) The actuary's qualifications and the capacity in which he or she has signed the report.

SCHEDULE TEN

Regulation 21(2)

THE UGANDA RETIREMENTS BENEFITS REGULATORY AUTHORITY

ACT, ACT No.15 OF 2011

THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
(LICENSING OF RETIREMENT BENEFITS SCHEMES) REGULATIONS,
2012.

**NOTICE REQUIRING COMPLIANCE WITH GUIDELINES OF
AUTHORITY**

*(Under regulation 21(2) of the Uganda Retirement Benefits Regulatory Authority
(Licensing of Retirement Benefits Schemes) Regulations, 2011)*

To

RE:

TAKE NOTICE that pursuant to an inspection made and report thereof
written and furnished on the Authority, particular matters arise out of the
said report which require urgent correction.

Consequently the Authority hereby requires your compliance of the
following guidelines:

.....
.....

TAKE FURTHER NOTICE that you are required to comply with the said
guidelines within the next..... days from the date hereof or by the
..... day of

Yours faithfully

.....

Chief Executive Officer

Uganda Retirement Benefits Regulatory Authority

SCHEDULE ELEVEN

Regulation 7(4), 10(1) and 23(1)

THE UGANDA RETIREMENTS BENEFITS REGULATORY AUTHORITY

ACT, ACT No.15 OF 2011

THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
(LICENSING OF RETIREMENT BENEFITS SCHEMES) REGULATIONS,
2012.

FEES AND COMPULSORY ANNUAL LEVIES

*(Under regulation 23(1) of the Uganda Retirement Benefits Regulatory Authority
(Licensing of Retirement Benefits Schemes) Regulations, 2012)*

No.	Item	Amount of fees
1.	Application fee for a licence to establish and operate a retirement benefits scheme which receives- (a) voluntary contributions (b) mandatory contributions	nil 50 currency points
2.	Licence fees paid by a retirement benefits scheme which receives- (a) voluntary contributions (b) mandatory contributions	nil 250 currency points
3.	Compulsory Annual levy paid by a retirement benefits scheme which receives- (a) voluntary contributions	0.025% of the Total

*Substituted
by
amendment
of 2017*

		Asset Value in the statement of financial position of the scheme for the previous financial year
	(b) mandatory contributions	0.05% of the Total Asset Value in the statement of financial position of the scheme for the previous financial year

Note:

1. Every scheme shall prepare audited accounts in accordance with Regulations made under the Act

2. The value of the scheme fund to be adopted in determining the compulsory annual levy shall be the Total Asset Value indicated in the latest audited accounts of the scheme.

MARIA KIWANUKA

Minister of Finance Planning and Economic Development

**THE UGANDA RETIREMENT BENEFITS REGULATORY
AUTHORITY (LICENSING OF TRUSTEES) REGULATIONS
2012. STATUTORY INSTRUMENT NO. 68 OF 2012 (*As Amended
in 2014*)**

**ARRANGEMENT OF REGULATIONS
PART I – PRELIMINARY**

1. Title
2. Interpretation

PART II – LICENSING OF TRUSTEES

3. Application for licence
4. Mode of application
5. Grant of licence or refusal to grant licence of trustee
6. Licence fees of trustee
7. Validity, display and renewal of licence
8. Revocation of licence
9. Guidelines
10. Penalty
11. Fees

SCHEDULES

Schedule One –	Currency point
Schedule Two –	Application for a licence of a Trustee of a Retirement Benefits Scheme
Schedule Three –	Licence of a Trustee of a Retirement Benefits Scheme
Schedule Four –	Notice of Refusal to Grant Licence of a Trustee
Schedule Five –	Application for Renewal of Licence of a Trustee
Schedule Six –	Notice of Intention to Revoke Licence of a Trustee
Schedule Seven –	Notice Requiring Trustee to Comply with Guideline of Authority
Schedule Eight –	Fees

STATUTORY INSTRUMENTS

2012 No. 68

The Uganda Retirement Benefits Regulatory Authority (Licensing of Trustees) Regulations, 2012.

(Under sections 40, 41 and 91(1) and (2)(c) of the Uganda Retirement Benefits Regulatory Authority Act 2011, Act No. 15 of 2011.)

IN EXERCISE of the powers conferred on the Minister by section 91(1) and (2) (c) of the Uganda Retirement Benefits Regulatory Authority Act, 2011, these Regulations are made this day of 2012.

PART I - PRELIMINARY

1. Title

These Regulations may be cited as the Uganda Retirement Benefits Regulatory Authority (Licensing of Trustees) Regulations, 2012.

2. Interpretation

In these Regulations unless the context otherwise requires-

“Act” means the Uganda Retirement Benefits Regulatory Authority Act, 2011;

“Authority” has the meaning given to it under the Act;

“board of trustees” means the board of trustees of a corporate trustee;

“corporate trustee” means a legal entity which performs the function of a trustee of a retirement benefits scheme;

“currency point” has the value given to it in Schedule 1;

“licence” means a licence issued in accordance with the Act and these Regulations;

“sponsor” has the meaning given to it under the Act;

“trustee” has the meaning given to it under the Act;

PART II- LICENSING OF TRUSTEES

3. Application for licence of trustee

An application for a licence of a trustee of a retirement benefits scheme shall be in the form prescribed in Schedule 2 and shall state-

- (a) the name and physical address of the applicant;
- (b) the citizenship of the applicant;
- (c) where the applicant is a corporate trustee –
 - (i) the date of incorporation of the applicant; and
 - (ii) the names and qualifications of the directors of the corporate trustee;
- (d) the applicant's ability to perform the functions of a trustee;
- (e) the physical address of a place in Uganda for the service on the applicant of any notice or document required or authorised to be served on the applicant under the Act or these Regulations and the physical address or addresses of the applicant over a period of the last five years;
- (f) whether at the date of the application, the applicant has been convicted in or is subject to any pending or present criminal proceedings ;
- (g) whether the applicant is the subject of any insolvency or bankruptcy proceedings in any country; and
- (h) any other information that the Authority may require for the purpose of determining the application;

4. Mode of application.

(1) An application for a licence of a corporate trustee of a retirement benefits scheme shall be in the form prescribed in Part A of Schedule 2 and shall be accompanied by –

- (a) the prescribed fee;
- (b) a certified copy of the certificate of incorporation;
- (c) a certified copy of the memorandum and articles of association in case of a corporate trustee;

*Substituted by
amendment of
2014*

(d) a statutory declaration sworn by the applicant verifying the facts set forth in the application;

(e) certified copies of certificates or any other documents which the applicant may submit as evidence of the applicant's ability to perform the functions of a trustee;

(f) certified copies of certificates of qualifications, professional skills and experience of the directors and key officers of the corporate trustee; and

(g) any other information as determined by the Authority.

(2) An application for a licence of an individual trustee of a retirement benefits scheme shall be in the form prescribed in Part B of Schedule 2 and shall be accompanied by –

(a) the prescribed fee;

(b) two passport size photographs and a resume of the applicant;

(c) certified copies of academic or professional qualifications of the applicant;

(d) evidence of the ability of the applicant to perform the functions of a trustee of a retirement benefits scheme;

(e) a statutory declaration supporting the application;

(f) recommendation letters from the referees of the applicant; and

(g) any other information as determined by the Authority.

(3) An applicant shall be notified of the decision of the Authority within ninety days from the date of receipt of the application.

5. Grant of licence or refusal to grant licence of trustee

(1) The Authority may grant a licence to an applicant who complies with the requirements of the Act and these Regulations.

(2) A licence to act as a trustee of a retirement benefits scheme shall be in the form prescribed in Schedule 3.

(3) The Authority may, in granting a licence, attach such conditions to the licence as it may deem necessary.

(4) Where the Authority refuses to grant a licence to an applicant the Authority shall notify the applicant of its decision and specify the reasons for the refusal.

(5) The notice referred to under sub-regulation (5) shall be in the form prescribed in Schedule 4.

6. Licence fee of trustee

(1) The applicant shall pay to the Authority a prescribed licence fee.

(2) The licence fee shall become due and payable by a successful applicant within thirty days after notification of the decision to grant a licence.

7. Validity, display and renewal of licence of trustee

(1) A licence issued to a trustee shall be valid for one year and may be renewed upon payment of the prescribed fee.

(2) A **corporate trustee** shall at all times, display a valid licence in a conspicuous place at the registered office of the **corporate trustee**, and copies of the licence shall be similarly displayed in a conspicuous place at each of the **corporate trustee**'s branch offices.

(3) An application for the renewal of a licence shall be in the form prescribed in Schedule 5 and shall be accompanied by the prescribed fee.

8. Revocation of licence of trustee

(1) The Authority may revoke the licence of a trustee in accordance with section 45 of the Act.

(2) The notice referred to under section 32(2) of the Act shall be in the form prescribed in Schedule 6.

9. Guidelines

(1) The Authority shall issue guidelines to ensure compliance with the provisions of the Act and these Regulations.

(2) Where the Authority has reasonable cause to believe that a trustee is not complying with the guidelines issued in accordance with the Act and these Regulations, the Authority shall issue a notice in the form prescribed in Schedule 7 requiring the trustee to comply with the guidelines of the Authority.

*Inserted by
amendment of
2014*

10. Penalty

A trustee contravenes any provision in these Regulations commits an offence and is liable to a penalty equivalent to seventy five currency points and in case of continuing contravention, fifty currency points for each day that the offence continues.

11. Fees

The fees payable under these Regulations are prescribed in Schedule 8.

SCHEDULE ONE

Regulation 2

THE UGANDA RETIREMENTS BENEFITS AUTHORITY ACT 2011, ACT
No.15 OF 2011

THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
(LICENSING OF TRUSTEES) REGULATIONS, 2012.

CURRENCY POINT

One currency point is equivalent to twenty thousand shilling

SCHEDULE TWO

Regulation 3(2)

THE UGANDA RETIREMENTS BENEFITS REGULATORY AUTHORITY
ACT 2011, ACT No.15 OF 2011

THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
(LICENSING OF TRUSTEES) REGULATIONS, 2012.

*Inserted by
amendment of
2014*

PART ONE

APPLICATION FOR LICENCE OF A CORPORATE TRUSTEE OF A RETIREMENT BENEFITS SCHEME

*(Under regulation 3 of the Uganda Retirement Benefits Regulatory Authority
(Licensing of Trustees) Regulations, 2012)*

Provide the following -

A. PARTICULARS OF APPLICANT

- (i) Name of applicant.....
- (ii) Registered office.....
- (iii) Date and place of incorporation.....
- (iv) Tax Identification Number.....
- (v) Physical address of principal place at which the business of the applicant is to be carried on.....
- Telephone
- Fax
- Email.....
- (vi) Citizenship.....

B. MANAGEMENT

- (i) Particulars of Directors of corporate trustee. (Appendix A)

(ii)Particulars of the Key officer of corporate trustee (Appendix B)

(iii) Bankers and Auditors (Appendix C)

(iv) List the retirement benefits schemes the corporate trustee has provided trustee services to within the period of three years ending as at the date of application. *(Incase of insufficient space provide separate attachment).*

.....

.....

C. ATTACHMENTS.

Please attach the following where applicable -

- (i) certified copies of latest audited report and accounts of the corporate trustee;
- (ii) certified copies of certificate of incorporation of the corporate trustee;
- (iii) certified copies of memorandum and articles of the corporate trustee;
- (iv) evidence of the ability of the applicant to perform the functions of a trustee of a retirement benefits scheme;
- (v) two passport size photograph and a resume of each director of the corporate trustee;
- (v) two passport size photograph and a resume of each key officer of the corporate trustee;
- (vi) a statutory declaration supporting the application.

I am aware of the provisions of section 45 (1) (a) of the Act relating to false statements made in relation to the application.

I hereby declare that the information contained herein and the documents submitted herewith are true and accurate to the best of my knowledge and belief.

Signed on this day of.....

Signature.....

Full name

Designation

APPENDIX A

PARTICULARS OF DIRECTORS OF CORPORATE TRUSTEE

Name of Coporate trustee:.....

<i>Name of director</i>	<i>Citizenship</i>	<i>Physical Address</i>	<i>Occupation</i>	<i>Date of Appointment</i>	<i>Qualifications</i>

State against each director whether they have been convicted of a criminal offence giving the date and particulars of the offence.

1.....
.....
2.....
.....

APPENDIX B

PARTICULARS OF KEY OFFICERS OF THE CORPORATE TRUSTEE

Name of Corporate Trustee.....

<i>Name</i>	<i>Designation</i>	<i>Nationality</i>	<i>Permanent Address</i>	<i>Date of Appointment</i>	<i>Academic and professional qualifications</i>

State against each key officer whether they have been convicted of a criminal offence giving the date and particulars of the offence.

1.....

.....

2.....

.....

PART TWO

Inserted by
amendment of
2014

APPLICATION FOR LICENCE OF AN INDIVIDUAL TRUSTEE OF A RETIREMENT BENEFITS SCHEME

*(Under regulation 3 of the Uganda Retirement Benefits Regulatory Authority
(Licensing of Trustees) Regulations, 2012)*

Provide the following -

A. PARTICULARS OF APPLICANT

(i) Name of applicant.....

(ii) Occupation.....

(iii) Nationality.....

(iv) Tax Identification Number.....

(v) Physical address of applicant.....

Telephone

Fax

Email.....

(vi) Name of scheme to which the applicant is a trustee.....

(vii) Date of appointment as a trustee.....

(viii) Who does the applicant represent on the Board of trustees of the
scheme?

.....
.....

(ix) List any retirement benefits schemes to which you been a trustee
within the period of three years ending as at the date of this application.
(Incase of insufficient space provide separate attachment).

.....

(x) Has the applicant been convicted of a criminal offence?

YES/NO.....

(xi) Is the applicant subject to any pending or present criminal
proceedings? YES/NO.....

.....
.....

(xii) If YES , give the date and particulars of the offence.

.....
.....

(xiii) Is the applicant subject to any insolvency or bankruptcy proceedings in any country?

YES/NO.....

(xiv) If YES, give the date and particulars of the proceedings.

.....
.....
.....
.

B. ATTACHMENTS.

Please attach the following -

- (i) Two passport size photographs and a resume of the applicant;
- (ii) Certified copies of academic or professional qualifications of the applicant;
- (ii) Evidence of the ability of the applicant to perform the functions of a trustee of a retirement benefits scheme; and
- (iv) A statutory declaration supporting the application.
- (v) A curriculum vitae or resume of the applicant.
- (vi) Recommendation letters from the referees of the applicant.

I am aware of the provisions of section 45 (1) (a) of the Act relating to false statements made in relation to this application.

I hereby declare that the information contained herein and the documents submitted herewith are true and accurate to the best of my knowledge and belief.

Signed on this day of.....

Signature.....

Full name

Designation

SCHEDULE THREE

Regulation 5(2)

THE UGANDA RETIREMENTS BENEFITS REGULATORY AUTHORITY
ACT 2011, ACT NO.15 OF 2011

THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
(LICENSING OF TRUSTEES) REGULATIONS, 2012.

LICENCE OF A TRUSTEE OF A RETIREMENT BENEFITS SCHEME

*(Under regulation 5(2) of the Uganda Retirement Benefits Regulatory Authority
(Licensing of Trustees) Regulations, 2012)*

LICENCE NO.....

This is to certify that.....(
trustee) is licensed and authorised to perform the functions of a trustee of
a retirement benefits schemes subject to the provisions of the Uganda
Retirement Benefits Regulatory Authority Act, 2011, the regulations made
under the Act and the conditions endorsed hereon.

CONDITIONS

Given under my hand and seal of the Uganda Retirement Benefits
Regulatory Authority thisday of.....

.....

Chairperson

.....

Chief Executive Officer

... ..

Secretary to the Board

SCHEDULE FOUR

Regulation 5(5)

THE UGANDA RETIREMENTS BENEFITS REGULATORY AUTHORITY
ACT 2011, ACT No. 15 OF 2011

THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
(LICENSING OF TRUSTEES) REGULATIONS, 2012.

NOTICE OF REFUSAL TO GRANT LICENCE OF A TRUSTEE

*(Under regulation 5(5) of the Uganda Retirement Benefits Regulatory Authority
(Licensing of Trustees) Regulations, 2012.*

To
.....

RE:

TAKE NOTICE that upon consideration of your application for a licence as a Trustee of a Retirement Benefits Scheme in accordance with the provisions of the Uganda Retirement Benefits Regulatory Authority Act, 2011 and the regulations made under the Act, the Authority has found your application unsuccessful and consequently refused to license you due to the following reasons:-

.....
.....
.....

Yours faithfully,

.....

*Chief Executive Officer
Uganda Retirement Benefits Regulatory Authority*

SCHEDULE FIVE

Regulation 7 (2)

THE UGANDA RETIREMENTS BENEFITS REGULATORY AUTHORITY
ACT 2011, ACT No.15 OF 2011

THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
(LICENSING OF TRUSTEES) REGULATIONS, 2012.

APPLICATION FOR RENEWAL OF LICENCE OF A TRUSTEE.

*(Under regulation 7(2) of the Uganda Retirement Benefits Regulatory Authority
(Licensing of Trustee) Regulations, 2012)*

1. Application is made for the renewal of a licence for a trustee and the following statements are made in respect of the applicant-

(a) applicant's name:

(b) licence No:

(c) expiry date of licence:

2. Please complete the following-(Answer "Yes" or "No" in space provided.
If "Yes" attach annexure giving all relevant particulars.)

(a) Since the last application-

(i) Has there been a change in the applicant's key officers?
.....

(ii) Has the applicant or the applicant's key officers been suspended from membership of any professional body?
.....

(iv) Has the applicant been a trustee of any retirement benefits scheme other than that/those referred to in the last application?
.....

(v) Has the applicant taken any disciplinary action against any of its representatives?
.....

(vi) Has the applicant received any complaint against any of its representatives?
.....

(vii) Has the applicant undertaken to conduct any material new trustee function?
.....

If so, state the nature of the function.....

(b) Please furnish details of any other event which has occurred which is likely to have a significant effect on the applicant's functions during the currency of the licence if granted (including any legal claim against the applicant.)

3. Since the last application, has any of the applicant's key officers- (Answer "Yes" or "No" in space provided. If "Yes" attach annexure giving all relevant particulars.)

(a) been suspended from membership of any professional body?

(b) been convicted of any offence other than a traffic offence in Uganda or elsewhere or are there any proceedings now pending which may lead to such a conviction?
.....

(c) had judgment including findings in relation to fraud, misrepresentation or dishonesty given against the key officer in any civil proceedings, in Uganda or elsewhere? (If "Yes": using an annexure, give full details, including whether judgment is unsatisfied.)
.....

(d) been declared bankrupt or compounded with or made an arrangement for the benefit of his or her creditors in Uganda or elsewhere?
.....

(e) been engaged as a trustee of any retirement benefits scheme other than one referred to in the last application?
.....

(f) undertaken to conduct any new trustee function? If so, state the nature of the function.....

(g) been disciplined by any professional body or other membership body?
.....

4. I am/We are* aware of the provisions of section 45(1) (a) of the Uganda Retirement Benefits Regulatory Authority Act 2011 relating to false statements in applications.

5. I/We* declare that all information given in this application and in the attached annexure (if any) is true and correct.

Made this.....day of.....

Signature.....

Full name of applicant.....

Designation.....

SCHEDULE SIX

Regulation 8(2)

THE UGANDA RETIREMENTS BENEFITS REGULATORY AUTHORITY
ACT 2011, ACT No. 15 OF 2011

THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
(LICENSING OF TRUSTEES) REGULATIONS, 2012.

NOTICE OF INTENTION TO REVOKE LICENCE OF A TRUSTEE

*(Under regulation 8(2) of the Uganda Retirement Benefits Regulatory Authority
(Licensing of Trustees) Regulations, 2012)*

To

RE:

TAKE NOTICE that the Authority intends to revoke your licence for the following reasons:-

.....
.....
.....

TAKE FURTHER NOTICE that you may make your representations in writing to the Authority in regard to the said intention within the next thirty (30) days from the date of this notice which representations the Authority shall consider in accordance with the provisions of the Uganda Retirement Benefits Regulatory Authority Act, 2011 and the regulations made under the Act before finally making its decision on the said intended revocation.

Yours faithfully,

.....

Chief Executive Office
Uganda Retirement Benefits Regulatory Authority
cc. Scheme Sponsor

SCHEDULE SEVEN

Regulation 9(2)

THE UGANDA RETIREMENTS BENEFITS REGULATORY AUTHORITY
ACT 2011, ACT No.15 OF 2011

THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
(LICENSING OF TRUSTEES) REGULATIONS, 2012.

**NOTICE REQUIRING TRUSTEE TO COMPLY WITH GUIDELINES
OF AUTHORITY**

*(Under regulation 9(2) of the Uganda Retirement Benefits Regulatory Authority
(Licensing of Trustees) Regulations, 2012)*

To

.....

RE:

TAKE NOTICE that pursuant to an inspection made and report thereof
written and furnished on the Authority, particular matters arise out of the
said report which require urgent correction.

Consequently the Authority hereby requires your compliance of the
following guidelines:

.....

.....

TAKE FURTHER NOTICE that you are required to comply with the said
guidelines within the next..... days from the date hereof or by the

..... day of

Yours faithfully

.....

Chief Executive Officer

Uganda Retirement Benefits Regulatory Authority

SCHEDULE EIGHT

Regulation 11

THE UGANDA RETIREMENTS BENEFITS REGULATORY AUTHORITY

ACT, ACT No.15 OF 2011

THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
(LICENSING OF RETIREMENT BENEFITS SCHEMES) REGULATIONS,
2012.

FEES

*(Under regulation 11 of the Uganda Retirement Benefits Regulatory Authority
(Licensing of Trustees) Regulations, 2012)*

NO.	ITEM	AMOUNT
1.	Application fee for a licence to act as a trustee a. Individual trustee b. Corporate trustee	2.5 currency points 12.5 currency points
2.	Annual Licence fees (a) Individual trustee (b) Corporate trustee	10 currency points 50 currency points

MARIA KIWANUKA

Minister of Finance Planning and Economic Development

**THE UGANDA RETIREMENT BENEFITS REGULATORY
AUTHORITY (LICENSING OF ADMINISTRATORS) REGULATIONS
2012. STATUTORY INSTRUMENT NO. 69 OF 2012 *(As Amended in
2014)***

ARRANGEMENT OF REGULATIONS

PART I – PRELIMINARY

1. Title
2. Interpretation

PART II - LICENSING OF ADMINISTRATOR

3. Application for licence
4. Mode of application
5. Grant of licence or refusal to grant licence of administrator
6. Licence fees of administrator
7. Validity, display and renewal of licence of administrator
8. Revocation of licence
9. Natural person not to apply for licence
10. Guidelines
11. Penalty
12. Fees

SCHEDULES

Schedule One –	Currency point
Schedule Two –	Application for a licence of an administrator of a retirement Benefits Scheme
Schedule Three –	Licence of Administrator of a Retirement Benefits Scheme
Schedule Four –	Notice of Refusal to Grant Licence of Administrator
Schedule Five –	Application for Renewal of Licence of Administrator
Schedule Six –	Notice of Intention to Revoke licence of Administrator
Schedule Seven –	Notice Requiring Compliance with Guidelines of Authority
Schedule Eight –	Fees

STATUTORY INSTRUMENTS
2012 No. 69.

**The Uganda Retirement Benefits Regulatory Authority (Licensing of
Administrators) Regulations, 2012.**

*(Under sections 47,48 and 91(1) and (2)(c) of the Uganda Retirement Benefits
Regulatory Authority Act 2011, Act No. 15 of 2011.)*

IN EXERCISE of the powers conferred on the Minister by section 91(1)
and (2) (c) of the Uganda Retirement Benefits Regulatory Authority
Act,2011, these Regulations are made this day of
..... 2012.

PART I - PRELIMINARY

1. Title.

These Regulations may be cited as the Uganda Retirement Benefits
Regulatory Authority (Licensing of Administrators) Regulations, 2012.

2. Interpretation

In these Regulations unless the context otherwise requires-

“Act” means the Uganda Retirement Benefits Regulatory Authority Act,
2011;

“administrator” has the meaning given to it under the Act;

“Authority” has the meaning given to it under the Act;

“licence” means a licence issued in accordance with the Act and these
Regulations.

PART II - LICENSING OF ADMNISTRATORS

3. Application for licence of administrator

An application for a licence of an administrator of a retirement benefits
scheme shall be in the form prescribed in Schedule 2 and shall state-

(a) the name and address of the applicant;

(b) the citizenship of the applicant;

(c) the date of incorporation of the applicant;

- (d) the names and qualifications of the directors of the administrator;
- (e) the applicant's ability to perform the functions of a administrator;
- (f) the physical address of a place in Uganda for the service on the applicant of any notice or document required or authorised to be served on the applicant under the Act or these Regulations and the physical address or addresses of the applicant over a period of the last five years;
- (g) whether at the date of the application, the applicant has been convicted in or is subject to any pending or present criminal proceedings ;
- (h) whether the applicant is the subject of any insolvency or bankruptcy proceedings in any country; and
- (i) any other information that the Authority may require for the purpose of determining the application;

4. Mode of application.

- (1) An application for a licence of an administrator of a retirement benefits scheme shall be accompanied by –
- (a) the prescribed fee;
 - (b) a certified copy of the certificate of incorporation in case of the administrator;
 - (c) a certified copy of the memorandum and articles of association of the administrator;
 - (d) proof that the applicant holds capital in the sum determined by the Authority.
 - (e) a certified copy of an insurance policy to cover the operational risks which the administrator may be exposed to.
 - (f) a statutory declaration sworn by the applicant verifying the facts set forth in the application; and
 - (g) certified copies of certificates or any other documents which the applicant may submit as evidence of qualifications, professional skills and experience relevant for performing the functions of an administrator.

(h) resumes of the key officers of the applicant.

*Inserted by
amendment
of 2014*

(2) An applicant shall be notified of the decision of the Authority within ninety days from the date of receipt of the application.

4A Administrator to have information and communication technology systems.

*Inserted by
amendment of
2014*

(1) Every administrator shall have an information, communication and technology systems consisting of up to date soft and hardware, efficient operating systems, applications, databases, storage, backup or any other systems and network management facilities as the Authority may determine.

(2) The administrator shall ensure that the information, communication and technology systems is able to facilitate efficient processing member's information, ensure security of information, proper management of records, efficient information flow and efficient reporting to the members of the scheme, the trustees and the Authority.

5. Grant of licence or refusal to grant licence of an administrator

(1) The Authority may grant a licence to an applicant who complies with the requirements of the Act and these Regulations.

(2) A licence of an administrator of a retirement benefits scheme shall be in the form prescribed in Schedule 3.

(3) The Authority may, in granting a licence, attach such conditions to the licence as it may deem necessary.

(4) Where the Authority refuses to grant a licence to an applicant the Authority shall notify the applicant of its decision and specify the reasons for the refusal.

(5) The notice referred to under sub-regulation (4) shall be in the form prescribed in Schedule 4.

6. Licence fee of administrator

(1) An applicant for a licence to act as an administrator shall pay to the Authority a prescribed licence fee.

(2) The licence fee shall become due and payable by a successful applicant within thirty days after notification of the decision to grant a licence.

7. Validity, display and renewal of licence of administrator

(1) A licence issued to an administrator shall be valid for one year and may be renewed annually upon payment of the prescribed fee.

(2) An administrator shall at all times, display a valid licence in a conspicuous place at the registered office of the administrator, and copies of the licence shall be similarly displayed in a conspicuous place at each of the administrator's branch offices.

(3) An application for the renewal of a licence shall be in the form prescribed in Schedule 5 and shall be accompanied by the prescribed fee.

8. Revocation of licence of administrator

(1) The Authority may revoke the licence of an administrator in accordance with section 52 of the Act.

(2) The notice referred to under section 52(2) of the Act shall be in the form prescribed in Schedule 6.

9. Natural person not to apply for licence

The licensing requirement under these regulations shall not apply to a natural person who is employed by a licensed retirement benefits scheme to perform the function of administrator of the retirement benefits scheme.

10. Guidelines

(1) The Authority shall issue guidelines to ensure compliance with the provisions of the Act and these Regulations.

(2) Where the Authority has reasonable cause to believe that a administrator is not complying with the guidelines issued in accordance with the Act and these Regulations, the Authority shall issue a notice in the form prescribed in Schedule 7 requiring the administrator to comply with the guidelines of the Authority.

11. Penalty

An administrator who contravenes any provision in these Regulations commits an offence and is liable to a penalty equivalent to seventy five currency points and in case of continuing contravention, fifty currency points for each day that the offence continues.

12. Fees

The fees payable under these Regulations are prescribed in Schedule 8.

SCHEDULE ONE
CURRENCY POINT

Regulation 2

One currency point is equivalent to twenty thousand shillings.

SCHEDULE TWO

Regulation 3

**THE UGANDA RETIREMENTS BENEFITS REGULATORY AUTHORITY
ACT, 2011, ACT No.15 OF 2011**

**THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
(LICENSING OF ADMINISTRATORS) REGULATIONS, 2012.**

APPLICATION FOR LICENCE OF ADMINISTRATOR OF A RETIREMENT BENEFITS SCHEME

*(Under regulation 3 of the Uganda Retirement Benefits Regulatory Authority
(Licensing of Administrators) Regulations, 2012)*

Provide the following -

A. PARTICULARS OF APPLICANT

- (i) Name of applicant.....
- (ii) Registered office.....
- (iii) Date and place of incorporation
- (iv) Tax Identification Number.....
- (v) Physical address of principal place at which the business of the
applicant is to be carried
on.....
- Telephone
- Fax
- Email.....
- (vi) Citizenship.....

B. MANAGEMENT

- (i) Particulars of Directors in case of administrator (Appendix A)
- (ii) Particulars of the Key officer of administrator (Appendix B)
- (iii) Bankers and Auditors (Appendix C)

(iv) List the retirement benefits schemes the applicant has provided administrator services to within the period of three years ending as at the date of application. *(Incase of insufficient space provide separate attachment).*

.....
.....
.....

C. ATTACHMENTS.

Please attach the following where applicable -

- (i) certified copies of latest audited report and accounts;
- (ii) certified copies of certificate of incorporation (if applicant is a body corporate);
- (iii) certified copies of memos and articles of incorporation (if applicant is a body corporate);
- (iv) evidence of the ability of the applicant to perform the functions of an administrator; and
- (v) a statutory declaration supporting the application.

I am aware of the provisions of section 52 (1) (a) of the Act relating to false statements made in relation to the application.

I hereby declare that the information contained herein and the documents submitted herewith are true and accurate to the best of my knowledge and belief.

Signed on this day of.....

Signature.....
Full name
Designation

Signature.....
Full name
Designation

APPENDIX A

PARTICULARS OF THE BOARD OF DIRECTORS

**Name of the
Administrator.....**

<i>Director (full name)</i>	<i>Nationality</i>	<i>Physical Address</i>	<i>Occupation</i>	<i>Date of Appointment</i>

APPENDIX B
PARTICULARS OF KEY OFFICERS OF THE ADMINISTRATOR

Name of Administrator

<i>Full name</i>	<i>Designation</i>	<i>Nationality</i>	<i>Physical Address</i>	<i>Date of Appointment</i>	<i>Academic and professional qualifications</i>

APPENDIX C

PARTICULARS OF AUDITORS AND BANKERS

Name of Administrator.....

	<i>Name of firm/institution</i>	<i>Tax Identification Number</i>	<i>Physical address Telephone and fax address</i>	<i>Affiliated Professional body</i>
Auditors				
Bankers				

SCHEDULE THREE

Regulation 5(2)

**THE UGANDA RETIREMENTS BENEFITS REGULATORY AUTHORITY
ACT, 2011, ACT No.15 OF 2011**

**THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
(LICENSING OF ADMINISTRATORS) REGULATIONS, 2012.**

LICENCE OF ADMINISTRATOR

*(Under regulation 5(2) of the Uganda Retirement Benefits Regulatory Authority
(Licensing of Administrators) Regulations, 2012*

LICENCE NO.....

This is to certify that.....(administrator) is licensed
and authorised to act as an administrator of a retirement benefits schemes
subject to the provisions of the Uganda Retirement Benefits Regulatory
Authority Act,2011, the regulations made under the Act and the
conditions endorsed hereon.

CONDITIONS

Given under my hand and seal of the Uganda Retirement Benefits
Regulatory Authority thisday of.....

.....
Chief Executive Officer

.....
Secretary to the Board

SCHEDULE FOUR

Regulation 5(5)

THE UGANDA RETIREMENTS BENEFITS REGULATORY AUTHORITY
ACT, 2011, ACT No.15 OF 2011

THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
(LICENSING OF ADMINISTRATORS) REGULATIONS, 2012.

NOTICE OF REFUSAL TO GRANT LICENCE OF ADMINISTRATOR

*(Under regulation 5(5) of the Uganda Retirement Benefits Regulatory Authority
(Licensing of Administrators) Regulations, 2012)*

To

.....

.....

RE:

TAKE NOTICE that upon consideration of your application for a licence to act as an Administrator of a retirement benefits scheme in accordance with the provisions of the Uganda Retirement Benefits Regulatory Authority Act, 2011 and the regulations made under the Act, the Authority has found your application unsuccessful and consequently refused to license you due to the following reasons:-

.....

.....

.....

.....

Yours faithfully,

.....

Chief Executive Officer

Uganda Retirement Benefits Regulatory Authority

SCHEDULE FIVE

Regulation 7 (3)

THE UGANDA RETIREMENTS BENEFITS AUTHORITY ACT 2011, ACT
No.15 OF 2011

THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
(LICENSING OF ADMINISTRATOR) REGULATIONS, 2012.

APPLICATION FOR RENEWAL OF LICENCE OF AN ADMINISTRATOR.

*(Under regulation 7(2) of the Uganda Retirement Benefits Regulatory Authority
(Licensing of Administrators) Regulations, 2012)*

1. Application is made for the renewal of a licence for an administrator
and the following statements are made in respect of the applicant-

(a) applicant's name:

(b) licence No:

(c) expiry date of licence:

2. Please complete the following-(Answer "Yes" or "No" in space provided.
If "Yes" attach annexure giving all relevant particulars.)

(a) Since the last application-

(i) Has there been a change in the applicant's key officers?
.....

(ii) Has the applicant or the applicant's key officers been suspended from
membership of any professional body?
.....

(iv) Has the applicant been an administrator of any retirement benefits
scheme other than that/those referred to in the last application?
.....

(v) Has the applicant taken any disciplinary action against any of its
representatives?

.....
(vi) Has the applicant received any complaint against any of its representatives?
.....

....
(vii) Has the applicant undertaken to conduct any material new administrator function?
.....

....
If so, state the nature of function.....

(b) Please furnish details of any other event which has occurred which is likely to have a significant effect on the applicant's functions during the currency of the licence if granted (including any legal claim against the applicant.)

3. Since the last application, has any of the applicant's key officers- (Answer "Yes" or "No" in space provided. If "Yes" attach annexure giving all relevant particulars.)

(a) been suspended from membership of any professional body?

(b) been convicted of any offence other than a traffic offence in Uganda or elsewhere or are there any proceedings now pending which may lead to such a conviction?
.....
.....

(c) had judgment including findings in relation to fraud, misrepresentation or dishonesty given against the key officer in any civil proceedings, in Uganda or elsewhere? (If "Yes": using an annexure, give full details, including whether judgment is unsatisfied.)
.....
.....

(d) been declared bankrupt or compounded with or made an arrangement for the benefit of his or her creditors in Uganda or elsewhere?
.....

(e) been engaged as a trustee of any retirement benefits scheme other than one referred to in the last application?
.....

(f) undertaken to conduct any new trustee function? If so, state the nature of the fuction.....

(g) been disciplined by any professional body or other membership body?
.....

4. I am/We are* aware of the provisions of section 52 (1) (a) of the Uganda Retirement Benefits Regulatory Authority Act 2011 relating to false statements in applications.

5. I/We* declare that all information given in this application and in the attached annexure (if any) is true and correct.

Made this.....day of.....

Signature.....

Full name of applicant.....

Designation.....

SCHEDULE SIX

Regulation 8 (2)

THE UGANDA RETIREMENTS BENEFITS REGULATORY AUTHORITY
ACT, 2011, ACT No.15 OF 2011

THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
(LICENSING OF ADMINISTRATORS) REGULATIONS, 2012.

**NOTICE OF INTENTION TO REVOKE LICENCE OF
ADMINISTRATOR**

*(Under regulation 8(2). of the Uganda Retirement Benefits Regulatory Authority
(Licensing of Administrators) Regulations, 2012)*

To

.....

.....

RE:

TAKE NOTICE that the Authority intends to revoke your licence for the
following reasons:-

.....

.....

.....

TAKE FURTHER NOTICE that you may make your representations in
writing to the Authority in regard to the said intention within the next
thirty days from the date of this notice which representations the
Authority shall consider in accordance with the provisions of the Uganda
Retirement Benefits Regulatory Authority Act, 2011 and the regulations
made under the Act before finally making its decision on the said
intended revocation.

Yours faithfully,

.....

Chief Executive Officer

c.c. Trustee of the scheme

SCHEDULE SEVEN

Regulation 10(2)

THE UGANDA RETIREMENTS BENEFITS REGULATORY AUTHORITY
ACT 2011, ACT No.15 OF 2011

THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
(LICENSING OF ADMINISTRATORS) REGULATIONS, 2012.

**NOTICE REQUIRING COMPLIANCE WITH GUIDELINES OF
AUTHORITY**

*(Under regulation 10(2) of the Uganda Retirement Benefits Regulatory Authority
(Licensing of Administrators) Regulations, 2012*

To

RE:

TAKE NOTICE that pursuant to an inspection made and report thereof
written and furnished on the Authority, particular matters arise out of the
said report which require urgent correction.

Consequently the Authority hereby requires your compliance of the
following guidelines:

.....
.....

TAKE FURTHER NOTICE that you are required to comply with the said
guidelines within the next..... days from the date hereof or by the
..... day of

Yours faithfully

.....

Chief Executive Officer

Uganda Retirement Benefits Regulatory Authority

SCHEDULE EIGHT

Regulation 12

THE UGANDA RETIREMENTS BENEFITS REGULATORY AUTHORITY

ACT, ACT No.15 OF 2011

THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
(LICENSING OF ADMINISTRATORS) REGULATIONS, 2012.

FEES

*(Under regulation 12 of the Uganda Retirement Benefits Regulatory Authority
(Licensing of Administrator) Regulations, 2012)*

No.	Item	Amount of fees
1.	Application fee for a licence of administrator of a retirement benefits scheme	10 currency points
2.	Annual Licence fees	100 currency points

MARIA KIWANUKA

Minister of Finance Planning and Economic Development

**THE UGANDA RETIREMENT BENEFITS REGULATORY
AUTHORITY (LICENSING OF FUND MANAGERS) REGULATIONS
2012. STATUTORY INSTRUMENT NO. 71 OF 2012 (*As amended in
2014*)**

**ARRANGEMENT OF REGULATIONS
PART I – PRELIMINARY**

1. Title
2. Interpretation

PART II- LICENSING OF FUNDMANAGERS

3. Application for licence
4. Mode of application
5. Grant of licence or refusal to grant licence of fund manager
6. Licence fees of fund manager
7. Validity, display and renewal of licence
8. Revocation of licence
9. Guidelines
10. Penalty
11. Fees

SCHEDULES

- | | |
|------------------|--|
| Schedule One - | Currency point |
| Schedule Two- | Application for a licence of a fund manager |
| Schedule Three - | Licence of Fund Manager |
| Schedule Four - | Notice of Refusal to Grant Licence |
| Schedule Five - | Application for Renewal of Licence of Fund Manager |
| Schedule Six - | Notice of Revocation of licence |
| Schedule Seven - | Notice requiring Compliance with Guidelines |
| Schedule Eight - | Fees |

STATUTORY INSTRUMENTS

2012 No.

The Uganda Retirement Benefits Regulatory Authority (Licensing of Fund Managers) Regulations, 2012.

(Under section 54, 55, 91(1) and (2) (c) of the Uganda Retirement Benefits Regulatory Authority Act 2011, Act No.15 of 2012.)

IN EXERCISE of the powers conferred on the Minister by section 91(1) and 2 (c) of the Uganda Retirement Benefits Regulatory Authority Act, 2011, these Regulations are made this day of 2012.

PART I - PRELIMINARY

1. Title.

These Regulations may be cited as the Uganda Retirement Benefits Regulatory Authority (Licensing of Fund Managers) Regulations, 2012.

2. Interpretation

In these Regulations unless the context otherwise requires-

“Act” means the Uganda Retirement Benefits Regulatory Authority Act, 2011;

“Authority” has the meaning given to it under the Act;

“currency point” has the meaning given to it under Schedule 1;

“fund manager” has the meaning given to it under the Act;

“licence” means a licence issued in accordance with the Act and these Regulations;

PART II- LICENSING OF FUND MANAGERS

3. Application for a licence of fund manager

An application for a licence of a fund manager of a retirement benefits scheme shall be in the form prescribed in Schedule 2 and shall state-

- (a) the name and physical address of the applicant;
- (b) the citizenship of the applicant;
- (b) the date of incorporation of the applicant and particulars of the names and qualifications of the directors of the fund manager ;
- (c) the applicant’s ability to perform the functions of a fund manager;

- (d) the physical address of a place in Uganda for the service on the applicant of any notice or document required or authorised to be served on the applicant under the Act or these Regulations and the physical address or addresses of the applicant over a period of the last five years;
- (e) whether at the date of the application, the applicant has been convicted in or is subject to any pending or present criminal proceedings ;
- (f) whether the applicant is the subject of any insolvency or bankruptcy proceedings in any country; and
- (h) any other information that the Authority may require for the purpose of determining the application;

4. Mode of application.

- (1) An application for a licence of a fund manager of a retirement benefits scheme shall be accompanied by –
 - (a) the prescribed application fee;
 - (b) a certified copy of the certificate of incorporation;
 - (c) a certified copy of the memorandum and articles of association of the fund manager;
 - (d) a statutory declaration sworn by the applicant verifying the facts set forth in the application; and
 - (j) certified copies of certificates or any other documents which the applicant may submit as evidence of qualifications, professional skills and experience relevant for performing the functions of a fund manager.

(2) An applicant shall be notified of the decision of the Authority within ninety days from the date of receipt of the application.

5. Grant of licence or refusal to grant licence of a fund manager

(1) The Authority may grant a licence to an applicant who complies with the requirements of the Act and these Regulations.

(2) A licence to act as a fund manager of a retirement benefits scheme shall be in the form prescribed in Schedule 3.

(3) The Authority may, in granting a licence, attach such conditions to the licence as it may deem necessary.

(4) Where the Authority refuses to grant a licence to an applicant the Authority shall notify the applicant of its decision and specify the reasons for the refusal.

(5) The notice referred to under sub-regulation (4) shall be in the form prescribed in Schedule 4.

6. Licence fee of fund manager

(1) An applicant for a licence to act as a fund manager shall pay to the Authority a prescribed licence fee.

(2) A successful applicant shall furnish the Authority with proof of having obtained a fidelity bond prior to licensing.

(3) The licence fee shall become due and payable by a successful applicant within thirty days after notification of the decision to grant a licence.

7. Validity, display and renewal of licence

(1) A licence issued to a fund manager shall be valid for one year and may be renewed annually upon payment of the prescribed licence fee.

(2) A fund manager shall at all times, display a valid licence in a conspicuous place at the registered office of the fund manager, and copies of the licence shall be similarly displayed in a conspicuous place at each of the fund manager's branch offices.

(3) An application for the renewal of a licence shall be in the form prescribed in Schedule 5 and shall be accompanied by the prescribed fee.

8. Revocation of licence of fund manager

(1) The Authority may revoke the licence of a fund manager in accordance with section 59 of the Act.

(2) The notice referred to under section 59(2) of the Act shall be in the form prescribed in Schedule 6.

9. Guidelines

(1) The Authority shall issue guidelines to ensure compliance with the provisions of the Act and these Regulations.

(2) Where the Authority has reasonable cause to believe that a fund manager is not complying with the guidelines issued in accordance with the Act and these Regulations, the Authority shall issue a notice in the form prescribed in Schedule 7 requiring the fund manager to comply with the guidelines of the Authority.

10. Penalty

A fund manager who contravenes any provision in these Regulations commits an offence and is liable to a penalty equivalent to seventy five currency points and in case of continuing contravention, fifty currency points for each day that the offence continues.

11. Fees

The fees payable under these Regulations are prescribed in Schedule 8.

SCHEDULE ONE

CURRENCY POINT

Regulation 2

One currency point is equivalent to twenty thousand shillings

SCHEDULE TWO

Regulation 3

THE UGANDA RETIREMENTS BENEFITS REGULATORY AUTHORITY
ACT, 2011 ACT No.15 OF 2011

THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
(LICENSING OF FUND MANAGERS) REGULATIONS, 2012.

APPLICATION FOR LICENCE OF A FUND MANAGER OF A RETIREMENT BENEFITS SCHEME

*(Under regulation 3 of the Uganda Retirement Benefits Regulatory Authority
(Licensing of Fund managers) Regulations, 2012)*

Provide the following -

A. PARTICULARS OF APPLICANT

- (i) Name of applicant.....
- (ii) Registered office.....
- (iii) Date and place of incorporation
- (iv) Tax Identification Number.....
- (v) Physical address of principal place at which the business of the
applicant is to be carried on.....
- Telephone
- Fax
- Email.....

B. CAPITAL STRUCTURE

Details of capital structure -

- (i) Authorised capital, Ug.Shs.....
- (ii) Paid up capital, Ug. Shs.....
- (iii) Types of shares issued.....

C. MANAGEMENT

- (i) Particulars of Directors. (Appendix A)
- (ii) Particulars of the Key officers of fund manager (Appendix B)

(iii) Bankers and Auditors. (Appendix C)

(iv) List the retirement benefit schemes the applicant has provided fund management services to within the period of three years ending as at the date of application. *(Incase of insufficient space provide separate attachment).*

.....
.....

D. ATTACHMENTS.

Please attach the following where applicable -

- (i) certified copies of latest audited report and accounts;
- (ii) certified copies of certificate of incorporation;
- (iii) certified copies of memos and articles of incorporation;
- (iv) evidence of the ability of the applicant to perform the functions of a fund manager of a retirement benefits scheme; and
- (vi) a statutory declaration supporting the application.

I am aware of the provisions of section 59 (1) (a) of the Act relating to false statements made in relation to the application.

I hereby declare that the information contained herein and the documents submitted herewith are true and accurate to the best of my knowledge and belief.

Signed on this day of.....

Signature.....

Full name

Designation

Signature.....

Full name

Designation

Signature.....

Full name

Designation

APPENDIX A

PARTICULARS OF THE BOARD OF DIRECTORS

Name of the Fund

Manager.....

Director (full name)	Citizenship	Physical Address	Occupation	Date of Appointment	No. of shares held

APPENDIX B

PARTICULARS OF KEY OFFICERS OF THE FUND MANAGER

Name of Fund Manager.....

Executive (full name)	Designation	Nationality	Physical Address	Date of Appointment	Academic and Professional qualifications	Years of experience

If any of the officers has been convicted of a criminal offence, please give the name of the officer, the date and particulars of the offence.

.....

.....

.....

** (The Chief Executive and his core team)*

APPENDIX C

PARTICULARS OF AUDITORS AND BANKERS

Name of Fund Manager

	Name of firm/institution	Tax Identifica tion Number	Physical address Telephone and fax Email	Affiliated Profession al body	Date of appointment
Auditors					
Bankers					

SCHEDULE THREE

Regulation 5(2)

**THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
ACT, 2011 ACT No. 15 OF 2011**

**THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
(LICENSING OF FUND MANAGERS) REGULATIONS, 2012**

LICENCE OF FUND MANAGER OF A RETIREMENT BENEFITS SCHEME

*(Under regulation 5(2) of the Uganda Retirement Benefits Regulatory Authority
(Licensing of Fund managers) Regulations, 2012)*

LICENCE NO.....

This is to certify that.....(fund manager) is
licensed and authorised to act as a fund manager of a retirement benefits
scheme subject to the provisions of the Uganda Retirement Benefits
Regulatory Authority Act, 2011, the regulations made under the Act and
the conditions endorsed hereon.

CONDITIONS

Given under my hand and seal of the Uganda Retirement Benefits
Regulatory Authority thisday of.....

.....
Chief Executive Officer
Uganda Retirement Benefits Regulatory Authority

SCHEDULE FOUR

Regulation 5(5)

THE UGANDA RETIREMENTS BENEFITS REGULATORY AUTHORITY
ACT, 2011, ACT No.15 of 2011

THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
(LICENSING OF FUND MANAGERS) REGULATIONS, 2012.

NOTICE OF REFUSAL TO GRANT LICENCE OF FUND MANAGER

*(Under regulation 5(5) of the Uganda Retirement Benefits Regulatory Authority
(Licensing of Fund managers) Regulations, 2012)*

To

RE:

TAKE NOTICE that upon consideration of your application for a licence to act as a fund manager of a Retirement Benefits Scheme; in accordance with the provisions of the Uganda Retirement Benefits Regulatory Authority Act, 2011 and the regulations made under the Act, the Authority has found your application unsuccessful and consequently refused to license you due to the following reasons:-

.....
.....
.....

Yours faithfully,

.....
Chief Executive Officer
Uganda Retirement Benefits Regulatory Authority

SCHEDULE FIVE

Regulation 7 (3)

THE UGANDA RETIREMENTS BENEFITS AUTHORITY ACT, 2011, ACT
No.15 OF 2011

THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
(LICENSING OF FUND MANAGERS) REGULATIONS, 2012.

APPLICATION FOR RENEWAL OF LICENCE OF A FUND MANAGER.

*(Under regulation 7(2) of the Uganda Retirement Benefits Regulatory Authority
(Licensing of Fund Managers) Regulations, 2012)*

1. Application is made for the renewal of a licence for a fund manager and
the following statements are made in respect of the applicant-

(a) applicant's name:

(b) licence No:

(c) expiry date of licence:

2. Please complete the following-(Answer "Yes" or "No" in space provided.
If "Yes" attach annexure giving all relevant particulars.)

(a) Since the last application-

(i) Has there been a change in the applicant's key officers?
.....

(ii) Has the applicant or the applicant's key officers been suspended from
membership of any professional body?
.....

(iv) Has the applicant been a fund manager of any retirement benefits
scheme other than that/those referred to in the last application?
.....

(v) Has the applicant taken any disciplinary action against any of its representatives?
.....

(vi) Has the applicant received any complaint against any of its representatives?
.....
....

(vii) Has the applicant undertaken to conduct any material new fund management function?
.....

If so, state the nature of the function.....

(b) Please furnish details of any other event which has occurred which is likely to have a significant effect on the applicant's functions during the currency of the licence if granted (including any legal claim against the applicant.)

3. Since the last application, has any of the applicant's key officers- (Answer "Yes" or "No" in space provided. If "Yes" attach annexure giving all relevant particulars.)

(a) been suspended from membership of any professional body?

(b) been convicted of any offence other than a traffic offence in Uganda or elsewhere or are there any proceedings now pending which may lead to such a conviction?
.....

(c) had judgment including findings in relation to fraud, misrepresentation or dishonesty given against the key officer in any civil proceedings, in Uganda or elsewhere? (If "Yes": using an annexure, give full details, including whether judgment is unsatisfied.)
.....

(d) been declared bankrupt or compounded with or made an arrangement for the benefit of his or her creditors in Uganda or elsewhere?
.....

(e) been engaged as a fund manager of any retirement benefits scheme other than one referred to in the last application?
.....

(f) undertaken to conduct any new fund management function? If so,
state the nature of the fuction.....

(g) been disciplined by any professional body or other membership body?
.....

4. I am/We are* aware of the provisions of section 59 (1) (a) of the Uganda
Retirement Benefits Regulatory Authority Act 2011 relating to false
statements in applications.

5. I/We* declare that all information given in this application and in the
attached
annexure (if any) is true and correct.

Made this.....day of.....

Signature.....

Full name of applicant.....

Designation.....

*Delete whichever is inapplicable

SCHEDULE SIX

Regulation 8(2)

THE UGANDA RETIREMENTS BENEFITS REGULATORY AUTHORITY
ACT 2011, ACT No.15 OF 2011

THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
(LICENSING OF FUND MANAGERS) REGULATIONS, 2012.

**NOTICE OF INTENTION TO REVOKE LICENCE OF FUND
MANAGER**

*(Under regulation 8(2) of the Uganda Retirement Benefits (Licensing of Fund
managers) Regulations, 2012)*

To

RE:

TAKE NOTICE that the Authority intends to revoke your licence for the
following reasons:-

.....
.....

TAKE FURTHER NOTICE that you may make your representations in
writing to the Authority in regard to the said intention within the next
thirty (30) days from the date of this notice which representations the
Authority shall consider in accordance with the provisions of the Uganda
Retirement Benefits Regulatory Authority Act and the regulations made
under the Act before finally making its decision on the said intended
revocation.

Yours faithfully,

.....

Chief Executive Officer

Uganda Retirement Benefits Regulatory Authority

c.c. Trustee of the Scheme
cc. Scheme Sponsor

SCHEDULE SEVEN

Regulation 9(2)

THE UGANDA RETIREMENTS BENEFITS REGULATORY AUTHORITY
ACT, 2011, ACT No. 15 OF 2011

THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
(LICENSING OF FUND MANAGERS) REGULATIONS, 2012.

**NOTICE REQUIRING FUND MANAGER TO COMPLY WITH
GUIDELINES OF AUTHORITY**

*(Under regulation 9(2) of the Uganda Retirement Benefits (Licensing of Fund
managers) Regulations, 2012)*

To
.....

RE:

TAKE NOTICE that pursuant to an inspection made and report thereof
written and furnished on the Authority, particular matters arise out of the
said report which require urgent correction.

Consequently the Authority hereby requires your compliance of the
following guideline:

.....
.....
.....

TAKE FURTHER NOTICE that you are required to comply with the said
guidelines within the next..... days from the date hereof or by the
..... day of

Yours faithfully

.....
Chief Executive Officer
Uganda Retirement Benefits Regulatory Authority

SCHEDULE EIGHT

Regulation 11

THE UGANDA RETIREMENTS BENEFITS REGULATORY AUTHORITY

ACT, ACT No.15 OF 2011

THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
(LICENSING OF FUND MANAGERS) REGULATIONS, 2012.

FEES

*(Under regulation 11 of the Uganda Retirement Benefits Regulatory Authority
(Licensing of Fund managers) Regulations, 2012)*

No.	Item	Amount
1.	Application fee for a licence of a fund manager of a retirement benefits scheme	25 currency points
2.	Annual Licence fees	100 currency points

*Corrected
by
amendment
of 2014*

MARIA KIWANUKA
Minister of Finance Planning and Economic Development

STATUTORY INSTRUMENTS SUPPLEMENT

to The Uganda Gazette No. 68 Volume CV dated 21st December, 2012

Printed by UPPC, Entebbe, by Order of the Government.

S T A T U T O R Y I N S T R U M E N T S

2012 No. 70.

**THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
(LICENSING OF CUSTODIANS) REGULATIONS 2012**

ARRANGEMENT OF REGULATIONS

Regulation

PART I—PRELIMINARY

1. Title
2. Interpretation

PART II—LICENSING OF CUSTODIANS

3. Application for licence of custodian
4. Mode of application
5. Grant of licence or refusal to grant licence of custodian
6. Licence fees of custodian
7. Validity, renewal and display of licence
8. Revocation of licence
9. Guidelines
10. Penalty
11. Fees

SCHEDULES

Schedule One—Currency point

Schedule Two—Application for a licence of a Custodian of a Retirement Benefits Scheme

Schedule Three—Licence of a Custodian of a Retirement Benefits Scheme

Schedule Four—Notice of Refusal to Grant Licence of custodian
Schedule Five—Notice of Intention to Revoke licence of custodian
Schedule Six—Notice Requiring Compliance with Guidelines of Authority
Schedule Seven—Fees

STATUTORY INSTRUMENTS

2012 No. 70.

The Uganda Retirement Benefits Regulatory Authority (Licensing of Custodians) Regulations, 2012.

(Under sections 34, 35 and 91(1) and (2)(c) of the Uganda Retirement Benefits Regulatory Authority Act 2011, Act No. 15 of 2011.)

IN EXERCISE of the powers conferred on the Minister by section 91(1) and (2) (c) of the Uganda Retirement Benefits Regulatory Authority Act 2011, these Regulations are made this 14th day of December, 2012.

PART I—PRELIMINARY

1. Title.

These Regulations may be cited as the Uganda Retirement Benefits Regulatory Authority (Licensing of Custodians) Regulations, 2012.

2. Interpretation.

In these Regulations unless the context otherwise requires—

“Act” means the Uganda Retirement Benefits Regulatory Authority Act, 2011;

“custodian” has the meaning given to it under the Act;

“licence” means a licence issued in accordance with the Act and these Regulations.

PART II—LICENSING OF CUSTODIANS

3. Application for licence of custodian.

An application for a licence of a custodian of a retirement benefits scheme shall be in the form prescribed in Schedule 2 and shall state—

- (a) the name of the financial institution;

- (b) a physical address of a place in Uganda for the service on the applicant of any notice or document required or authorised to be served on the applicant under the Act or these Regulations and the physical address or addresses of the applicant over a period of the last five years;
- (c) whether at the date of the application, the applicant has been convicted in or is subject to any pending or present criminal proceedings ;
- (d) whether the applicant is the subject of any insolvency proceedings in any country;
- (e) information to prove that the applicant has adequate professional, technical and operational systems to perform the functions of a custodian of a retirement benefits scheme; and
- (f) any other information that the Authority may require for the purpose of determining the application.

4. Mode of application.

(1) An application for a licence to act as a custodian of a retirement benefits scheme shall be accompanied by—

- (a) the prescribed fee;
- (b) a certified copy of a licence of the financial institution issued under the Financial Institutions Act, 2004;
- (c) a certified copy of the Certificate of Incorporation of the financial institution;
- (d) a certified copy of the Memorandum and Articles of Association of the financial institution;
- (e) a certified copy of a No objection letter issued by the Bank of Uganda to offer custodial services;
- (f) a statutory declaration sworn by the applicant verifying the facts set forth in the application.

(2) An applicant shall be notified of the decision of the Authority within ninety days from the date of receipt of the application.

5. Grant of licence or refusal to grant licence of custodian.

(1) The Authority may grant a licence to an applicant who complies with the requirements of the Act and these Regulations.

(2) A licence of a custodian of a retirement benefits scheme shall be in the form prescribed in Schedule 3.

(3) The Authority may, in granting a licence, attach such conditions to the licence as it may deem necessary.

(4) Where the Authority refuses to grant a licence to an applicant the Authority shall notify the applicant of its decision and specify the reasons for the refusal.

(5) The notice referred to under sub-regulation (4) shall be in the form prescribed in Schedule 4.

6. Licence fee of custodian.

(1) The applicant shall pay to the Authority a prescribed licence fee.

(2) The licence fee shall become due and payable by successful applicants within thirty days after notification of the decision to grant a licence.

7. Validity, renewal and display of licence of custodian.

(1) A licence issued to a custodian shall be valid for one year and may be renewed annually upon payment of the prescribed fee.

(2) An application for the renewal of a licence shall be in the form prescribed in Schedule 5.

(3) A custodian shall at all times, display a valid licence in a conspicuous place at the head office of the custodian, and copies of the licence shall be similarly displayed in a conspicuous place at each of the custodian's branch offices.

8. Revocation of licence of custodian.

(1) The Authority may revoke the licence of a custodian in accordance with section 38 of the Act.

(2) The notice referred to under section 38(2) of the Act shall be in the form prescribed in Schedule 6.

9. Guidelines.

(1) The Authority shall issue guidelines to ensure compliance with the provisions of the Act and these Regulations.

(2) Where the Authority has reasonable cause to believe that a custodian is not complying with the guidelines issued in accordance with the Act and these Regulations, the Authority shall issue a notice in the form prescribed in Schedule 7 requiring the custodian to comply with the guidelines of the Authority.

10. Penalty.

A custodian which contravenes any provision in these Regulations commits an offence and is liable to a penalty equivalent to seventy five currency points and in case of continuing contravention, fifty currency points for each day that the offence continues.

11. Fees.

The fees payable under these Regulations are prescribed in Schedule 8.

SCHEDULE 1

Regulation 2

CURRENCY POINT

One currency point is equivalent to twenty thousand shilling

SCHEDULE TWO

Regulation 3

THE UGANDA RETIREMENTS BENEFITS REGULATORY AUTHORITY ACT 2011, ACT No. 15 OF 2011

THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY (LICENSING OF CUSTODIANS) REGULATIONS, 2012.

APPLICATION FOR A LICENCE OF A CUSTODIAN

*(Under regulation 3 of the Uganda Retirement Benefits Regulatory Authority
(Licensing of Custodians) Regulations, 2012)*

Provide the following—

A. PARTICULARS OF APPLICANT

- (i) Name of applicant.....
- (ii) Date and place of incorporation
- (iii) Tax Identification Number.....
- (iv) Physical address of principal place at which the business of the
applicant is to be carried on.....
Telephone
- Fax
- Email.....
- (v) Citizenship.....

B. MANAGEMENT

- (i) Particulars of Directors of applicant. (Appendix A)
- (ii) Particulars of the Key officer of applicant (Appendix B)
- (iii) Particulars of Auditors (Appendix C)

- (iv) List the retirement benefits schemes the applicant has provided custodial services to within the period of three years ending as at the date of application. *(Incase of insufficient space provide separate attachment).*

.....
.....
.....

C. ATTACHMENTS.

Please attach the following—

- (i) certified copies of latest audited report and accounts;
- (ii) certified copy of the applicant’s licence as a financial institution issued under the Financial Institutions Act, 2004;
- (iii) certified copies of memorandum and articles of applicant;
- (iv) evidence of the ability of the applicant to perform the functions of a custodian;
- (v) a certified copy of a No objection letter issued by the Bank of Uganda to offer custodial services; and
- (vi) a statutory declaration supporting the application.

I am aware of the provisions of section 38 (1) (a) of the Act relating to false statements made in relation to the application.

I hereby declare that the information contained herein and the documents submitted herewith are true and accurate to the best of my knowledge and belief.

Signed on this day of

Signature.....
Full name
Designation

Signature.....
Full name
Designation

Signature.....
Full name
Designation

APPENDIX A

PARTICULARS OF THE BOARD OF DIRECTORS OF CUSTODIAN

Name of the custodian

<i>Director (full Name)</i>	<i>Nationality</i>	<i>Physical Address</i>	<i>Occupation</i>	<i>Date of Appointment</i>	<i>No. of Shares held</i>

APPENDIX B

PARTICULARS OF KEY OFFICERS OF THE CUSTODIAN

Name of custodian.....

<i>Executive (full name)</i>	<i>Designation</i>	<i>Nationality</i>	<i>Physical Address</i>	<i>Date of Appointment</i>	<i>Academic and Professional qualifications</i>	<i>Years of experience</i>

SCHEDULE THREE

Regulation 5(2)

**THE UGANDA RETIREMENTS BENEFITS REGULATORY
AUTHORITY ACT 2011, ACT No.15 OF 2011**

**THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
(LICENSING OF CUSTODIANS) REGULATIONS, 2012.**

**LICENCE OF A CUSTODIAN OF A RETIREMENT
BENEFITS SCHEME**

*(Under regulation 5(2) of the Uganda Retirement Benefits Regulatory
Authority (Licensing of Custodians) Regulations, 2012)*

LICENCE No.....

This is to certify that.....(custodian)
is licensed to act as a Custodian of retirement benefits scheme subject to the
provisions of the Uganda Retirement Benefits Regulatory Authority Act, 2011,
the regulations made under the Act and the conditions endorsed hereon.

CONDITIONS

Given under my hand and seal of the Uganda Retirement Benefits Regulatory
Authority this.....day of.....

.....
Chairperson

.....
Chief Executive Officer

.....
Secretary to the Board

SCHEDULE FOUR

Regulation 5(5)

**THE UGANDA RETIREMENTS BENEFITS REGULATORY
AUTHORITY ACT 2011, ACT No.15 OF 2011**

**THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
(LICENSING OF CUSTODIANS) REGULATIONS, 2012.**

NOTICE OF REFUSAL TO GRANT LICENCE OF CUSTODIAN
*(Under regulation 5(5) of the Uganda Retirement Benefits Regulatory
Authority (Licensing of Custodians) Regulations, 2012)*

To

RE:

TAKE NOTICE that upon consideration of your application for a licence to act as a custodian of a Retirement Benefits Scheme in accordance with the provisions of the Uganda Retirement Benefits Regulatory Authority Act, 2011 and the regulations made under the Act, the Authority has found your application unsuccessful and consequently refused to license you due to the following reasons:-

.....

.....

.....

Yours faithfully,

.....

Chief Executive Officer
Uganda Retirement Benefits Regulatory Authority.

SCHEDULE FIVE

Regulation 5(5)

THE UGANDA RETIREMENTS BENEFITS REGULATORY AUTHORITY ACT 2011, ACT No.15 OF 2011

THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY (LICENSING OF CUSTODIANS) REGULATIONS, 2012.

APPLICATION FOR RENEWAL OF LICENCE OF A CUSTODIAN.

*(Under regulation 7(2) of the Uganda Retirement Benefits Regulatory
Authority (Licensing of Custodians) Regulations, 2012)*

1. Application is made for the renewal of a licence for a custodian and the following statements are made in respect of the applicant—
 - (a) applicant's name:
 - (b) licence No:
 - (c) expiry date of licence:
2. Please complete the following-(Answer "Yes" or "No" in space provided. If "Yes" attach annexure giving all relevant particulars.)
 - (a) Since the last application—
 - (i) Has there been a change in the applicant's key officers?
.....
 - (ii) Has the applicant or the applicant's key officers been suspended from membership of any professional body?
.....
 - (iv) Has the applicant been a custodian of any retirement benefits scheme other than that/those referred to in the last application?
.....
 - (v) Has the applicant taken any disciplinary action against any of its representatives?
.....

- (vi) Has the applicant received any complaint against any of its representatives?
.....
- (vii) Has the applicant undertaken to conduct any material new custodial function?
.....

If so, state the nature of the function.....

- (b) Please furnish details of any other event which has occurred which is likely to have a significant effect on the applicant's functions during the currency of the licence if granted (including any legal claim against the applicant.)

3. Since the last application, has any of the applicant's key officers—
(Answer "Yes" or "No" in space provided. If "Yes" attach annexure giving all relevant particulars.)

- (a) been suspended from membership of any professional body?
- (b) been convicted of any offence other than a traffic offence in Uganda or elsewhere or are there any proceedings now pending which may lead to such a conviction?
.....
- (c) had judgment including findings in relation to fraud, misrepresentation or dishonesty given against the key officer in any civil proceedings, in Uganda or elsewhere? (If "Yes": using an annexure, give full details, including whether judgment is unsatisfied.)
.....
- (d) been declared insolvent or compounded with or made an arrangement for the benefit of its creditors in Uganda or elsewhere?
- (e) been engaged as a custodian of any retirement benefits scheme other than one referred to in the last application?
.....
.
- (f) undertaken to conduct any new custodial function? If so, state the nature of the function
.....
- (g) been disciplined by any professional body or other membership body?
.....

4. I am/We are aware of the provisions of section 38(1) (a) of the Uganda Retirement Benefits Regulatory Authority Act 2011 relating to false statements in applications.
5. I/We declare that all information given in this application and in the attached annexure (if any) is true and correct.

Made this.....day of.....

Signature.....

Full name of applicant.....

Designation.....

Signature.....

Full name of applicant.....

Designation.....

SCHEDULE SIX

Regulation 8(2)

**THE UGANDA RETIREMENTS BENEFITS REGULATORY
AUTHORITY ACT, 2011 ACT No.15 OF 2011**

**THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
(LICENSING OF CUSTODIANS) REGULATIONS, 2012.**

NOTICE OF INTENTION TO REVOKE LICENCE OF CUSTODIAN
*(Under regulation 8(2) of the Uganda Retirement Benefits (Licensing of
Custodians) Regulations, 2012)*

To

RE:
TAKE NOTICE that the Authority intends to revoke your licence for the
following reasons:-

.....
.....
.....
TAKE FURTHER NOTICE that you may make your representations in writing
to the Authority in regard to the said intention within the next thirty (30) days
from the date of this notice which representations the Authority shall consider
in accordance with the provisions of the Uganda Retirement Benefits
Regulatory Act, 2011 and the regulations made under the Act before finally
making its decision on the said intended revocation.

Yours faithfully,

.....
Chief Executive Officer
Uganda Retirement Benefits Regulatory Authority

c.c. Trustees of the scheme
cc. Scheme Sponsor

SCHEDULE SEVEN

Regulation 9(2)

**THE UGANDA RETIREMENTS BENEFITS REGULATORY
AUTHORITY ACT, 2011 ACT No. 15 OF 2011**

**THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
(LICENSING OF CUSTODIANS) REGULATIONS, 2012.**

**NOTICE REQUIRING COMPLIANCE OF GUIDELINES OF
AUTHORITY**

*(Under regulation 9(2) of the Uganda Retirement Benefits (Licensing of
Custodians) Regulations, 2012)*

To

RE:

TAKE NOTICE that pursuant to an inspection made and report thereof written and furnished on the Authority, particular matters arise out of the said report which require urgent correction.

Consequently the Authority hereby requires your compliance of the following guidelines:

.....
.....
.....

TAKE FURTHER NOTICE that you are required to comply with the said guidelines within the next..... days from the date of this notice or by the day of

Yours faithfully

.....

Chief Executive Officer

Uganda Retirement Benefits Regulatory Authority

SCHEDULE EIGHT

Regulation 11

THE UGANDA RETIREMENTS BENEFITS REGULATORY AUTHORITY ACT, ACT No.15 OF 2011

THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY (LICENSING OF CUSTODIANS) REGULATIONS, 2012.

FEES

*(Under regulation 11 of the Uganda Retirement Benefits Regulatory Authority
(Licensing of Custodians) Regulations, 2012)*

<i>No.</i>	<i>Item</i>	<i>Amount</i>
1.	Application fee for a licence of a custodian of a retirement benefits scheme	25 currency points
2.	Annual Licence fees	100 currency points

MARIA KIWANUKA,
Minister of Finance Planning and Economic Development.

STATUTORY INSTRUMENTS SUPPLEMENT

to The Uganda Gazette No. 8 Volume CVII dated 10th February, 2014

Printed by UPPC, Entebbe, by Order of the Government.

S T A T U T O R Y I N S T R U M E N T S

2014 No.

**THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
(INVESTMENTS OF SCHEME FUNDS) REGULATIONS, 2014**

ARRANGEMENT OF REGULATIONS

PART I—PRELIMINARY

Regulation

1. Title
2. Interpretation

**PART II—INVESTMENT POLICY STATEMENT OF A
RETIREMENT BENEFITS SCHEMES**

3. Contents of investment policy statement of a retirement benefits scheme
4. Preparation investment policy statement
5. Review of investment policy statement
6. Circumstances to consider in preparing or reviewing a scheme's investment policy statement
7. Investment policy statement of defined benefits scheme
8. Investment of scheme funds and assets

**PART III—ASSET CLASSES AND PERCENTAGES FOR
INVESTING OF SCHEME FUNDS**

9. Asset classes and percentages for investing of scheme funds
10. Variation of percentages
11. Allocation to take into account liquidity requirements

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PART IV—RESTRICTIONS ON INVESTMENT OF SCHEME FUNDS

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Schedule 1—Currency Point

Schedule 2—Asset Classes and Percentages for Investing of scheme funds

STATUTORY INSTRUMENTS

2014 No.

The Uganda Retirement Benefits Regulatory Authority (Investments of Scheme Funds) Regulations 2014

(Under sections 67, 68(1) (g) and 91(1),(2) (g) of the Uganda Retirement Benefits Regulatory Authority Act 2011, Act No.15 of 2011.)

IN EXERCISE of the powers conferred on the Minister by section 67, 68 (1) (g) and 91(1), (2) (g) of the Uganda Retirement Benefits Regulatory Authority Act, 2011, these Regulations are made this 30th day of January, 2014.

PART I—PRELIMINARY

1. Title.

These Regulations may be cited as the Uganda Retirement Benefits Regulatory Authority (Investment of Scheme Funds) Regulations, 2014.

2. Interpretation.

In these Regulations, unless the context otherwise requires—

“Act” means the Uganda Retirement Benefits Regulatory Authority Act, 2011;

“Actuary” has the meaning given to it under the Act;

“Authority” means the Uganda Retirement Benefits Regulatory Authority;

“benchmark” means a standard against which the performance of an investment can be measured;

“collective investment scheme” has the meaning given to it in section 3 of the the Collective Investment Schemes Act 2003;

“currency point” has the value given to it in Schedule 1 to these Regulations;

“fair value” has the meaning given to it in International Financial Reporting Standards

“fund manager” has the meaning given to it under the Act;

“investment policy statement” means a document containing principles governing decisions on investment of scheme funds, a description of a scheme’s general investment philosophy and objectives as determined by the scheme’s liability profile and risk appetite;

“private equity” means an asset class consisting of equity securities in operating companies that are not publicly traded on a stock exchange;

“scheme” has the meaning given to retirement benefits scheme under the Act.

PART II—INVESTMENT POLICY OF A RETIREMENT BENEFITS SCHEME

3. Contents of investment policy statement of a retirement benefits scheme.

(1) The Board of trustees of a retirement benefits scheme shall cause to be prepared and maintained a written investment policy statement of the scheme in accordance with the Act and these Regulations.

(2) The investment policy statement shall contain -

- (a) the investment objectives;
- (b) the types of investments to be held by the scheme;
- (c) the percentages of the total fair value of the assets of the scheme invested in accordance with the asset classes and percentages prescribed in Schedule 2.
- (d) the level of risk and volatility of returns which the Board of trustees considers appropriate in connection with the investments of the scheme;

- (e) the desired level of liquidity for the retirement benefits scheme;
- (f) the realisation of investments;
- (g) asset liability matching;
- (h) the desired investment outcome for the retirement benefits scheme;
- (i) the performance benchmarks for the returns that the Board of trustees seeks to achieve;
- (j) the diversification to be made within asset classes and between asset classes;
- (k) any restrictions and prohibitions on investing in a particular asset class;
- (l) any restrictions on the retirement benefits scheme holding investments in a single entity or group;
- (m) any minimum liquidity standards for a particular category of investments;
- (n) the criteria used to monitor and review the performance of the fund manager;
- (o) the procedures adopted to monitor the investments of the retirement benefits scheme and actions taken accordingly;
- (p) the procedures adopted to prepare or review the investment policy of the retirement benefits scheme;
- (q) any factors which are peculiar to the retirement benefits scheme; and
- (r) any other matters as may be prescribed by the Authority.

(3) The investment policy statement of a scheme shall not require that a decision to make an investment shall be subject to the consent of the sponsor.

(4) The investment policy statement shall be signed by all the trustees of the retirement benefits scheme.

(5) A certified copy of the investment policy statement of the scheme shall be submitted to the Authority.

4. Preparation of investment policy statement

The investment policy statement shall be prepared in such a way that –

- (a) it is capable of being clearly communicated to the members or prospective members of the scheme;
- (b) the members or prospective members of the scheme are able to understand the objectives set for the fund manager and to reconcile these objectives with the overall investment policy set by the Board of trustees; and
- (c) the members or prospective members can understand the manner in which the investment performance and management of the scheme is measured.

5. Review of investment policy statement

(1) The investment policy of the scheme shall be reviewed at least once every three years, and submitted to the Authority.

(2) Notwithstanding subregulation (1), the Board of trustees may review the investment policy of the scheme on an annual basis where there is a material change to the scheme or in anticipation of a major change, or, - where such change does not occur.

(3) For the purpose of subregulation (2), a material change to the scheme may result from-

- (a) a significant change in the membership of the scheme;

- (b) a significant change in the benefit structure;
- (c) a significant change in the asset or liability values caused by market movements;
- (d) the transfer or amalgamation of assets or liabilities between schemes; or
- (e) a change in the actuarial-valuation assumptions which results in a material change to the actuarial values of either the assets or the liabilities of the retirement benefits scheme.

6. Circumstances to consider in preparing or reviewing a scheme's investment policy statement.

The Board of trustees shall, in preparing or reviewing the scheme's investment policy statement-

- (a) seek and take into account the professional advice of a qualified actuary or financial analyst; and
- (b) take into account all the circumstances of the retirement benefits scheme including-
 - (i) the risk involved in making, holding and realising investments of the retirement benefits scheme;
 - (ii) the likely returns from the retirement benefits scheme's investments having regard to its objectives and its expected cash flow requirements;
 - (iii) the funding methods used in the scheme, including, in the case of a defined contribution scheme, any smoothing of investment returns accrued to individual member accounts;
 - (iv) the composition of the retirement benefits scheme's investments as a whole including the extent to which the investments are diverse or involve the scheme being exposed to risks from inadequate diversification;

- (v) the liquidity of the retirement benefits scheme's investments having regard to its expected cash flow requirements;
- (vi) the ability of the scheme to discharge its existing and prospective liabilities;
- (vii) the membership profile of the retirement benefits scheme including the age distribution of the members;
- (vii) the reasonable expectations of the members;
- (viii) the nature and expected timing of the members' entitlements;
- (ix) the size of the retirement benefits scheme;
- (x) tax considerations affecting the scheme;
- (xi) the likelihood of future support from employers, where appropriate;
- (xii) any limitations and constraints on investments imposed by the Act, these Regulations, the trust deed or the scheme's rules;
- (xiii) any reports from experts or other qualified professional advisers;
- (xiv) disclosure of any actual or potential conflict of interest involving the trustees, the fund manager or an associate of the trustee or the fund manager; and
- (xv) disclosure of any benefit that will be derived as a result of the actual or potential placement of the investments of the scheme.

7. Investment policy statement of a defined benefits scheme.

(1) An investment policy statement for a defined benefits scheme shall be prepared on the advice of an actuary, in accordance with the Act and these Regulations.

(2) An actuary of a defined benefits scheme shall issue a written confirmation that the investment policy statement is consistent with the objectives of the scheme.

8. Investment of scheme funds and assets.

(1) The fund manager of a retirement benefits scheme shall ensure that all the investments of the scheme are made in accordance with the scheme's investment policy statement.

(2) The Board of trustees shall monitor the performance of the fund manager to ensure compliance with the scheme's investment policy statement.

(3) Where the investments of a retirement benefits scheme cease to be consistent with the scheme's investment policy statement, the fund manager shall as soon as possible but not later than three months, notify the trustees and the Authority.

**PART III – PERCENTAGES AND ASSET CLASSES FOR INVESTING OF
SCHEME FUNDS**

9. Asset classes and percentages for investment of scheme funds.

(1) The funds and assets of a scheme shall be invested, in accordance with the percentages and asset classes prescribed in Schedule 2 or any other investment approved by the Authority.

(2) The Authority may, in writing, give a new scheme a grace period of twenty four months to enable the scheme to comply with the asset classes and percentages prescribed in Schedule 2 to these Regulations.

(3) Any scheme which is unable to comply with subregulation (1) may apply to the Authority for guidance on a remedial plan to enable the scheme to comply with the asset classes and percentages prescribed in Schedule 2 to these Regulations.

(4) All the funds and assets of a scheme may be invested in a collective investment scheme or a pooled fund, which complies with the asset classes and percentages prescribed in Schedule 2.

10. Variation of percentages

(1) The percentages imposed in Schedule 2 may, with the approval of the Authority, be temporarily varied for the purposes of asset revaluation.

(2) Notwithstanding subregulation (1), where such variation results from market appreciation in the value of securities or any other factors, the trustees and fund manager shall within three months notify the Authority.

11. Allocation to take into account liquidity requirements

The actual allocation of scheme funds or assets, shall make allowance for the liquidity requirements necessary to meet the maturing obligations of the scheme.

Part V - Restrictions on Investment of Scheme Funds

12. Restriction on investment in certain activities

(1) The Authority may from time to time impose restrictions on investment in particular activities.

(2) Where a decision is made under subregulation (1), the Authority shall publish a list of the restricted activities in the Gazette and a newspaper of wide circulation.

(3) The Authority may, in writing, give a scheme a grace period not exceeding twelve months to enable the scheme to comply with subregulation (1).

(4) Any scheme which is unable to fulfil the requirements of this regulation may apply to the Authority for guidance on a remedial plan to enable the scheme to comply.

13. Sale, purchase or disposal of scheme assets to be at arm's length

The sale, purchase or disposal of scheme assets shall be in a manner that is fair, transparent, at arm's length and in the best interest of the scheme.

14. Restrictions on borrowing and lending of securities

(1) There shall be no borrowing or lending of the securities of a scheme either for speculative investments or any other purpose.

(2) The securities of a scheme shall not be used as collateral for any borrowing.

15. Requirement to report large exposures

Where 10% or more of the value of the scheme's assets consists of investments in a single entity or a single group, the fund manager for the retirement benefits scheme shall make a report in writing of the investments to the trustees and the Authority within thirty days.

16. Report on investments of the scheme

The trustee shall within thirty days after the end of each calendar quota, submit to the Authority a report of the investments of the scheme indicating –

- (a) the split of assets of the scheme in the asset classes and percentages prescribed in Schedule 2 to these Regulations and indicating the geographical location of the assets;
- (b) an explanation in case the asset composition is not in accordance with the scheme's investment policy;
- (c) the performance of the investments stating whether the investments are being managed in accordance with the scheme's investment policy, including a confirmation that the trustees are monitoring the performance of the fund managers;

- (d) additions to and withdrawals from the assets during the period;
- (e) the value of the assets at the beginning and end of the period;
- (f) an attribution of performance analysis and an investment summary;
- (g) confirmation that the trustees prepared or reviewed the scheme's investment policy together with the scheme's fund manager; and
- (h) confirmation that the Board of trustees has ascertained that the fund manager complied with the scheme's investment policy statement.

17. Disclosure of investment policy to scheme members

The Board of trustees of a retirement benefits scheme shall cause to be prepared an accurate written summary of the retirement benefits scheme's investment policy and performance of investments to be included in the annual report of the scheme to members or prospective members.

18. Penalty for non-compliance

(1) A fund manager or a trustee who contravenes these Regulations commits an offence and is liable on conviction to a fine not exceeding seventy five currency points and in case of a continuing contravention, an additional penalty of fifty currency points in respect of each day on which the offence continues.

(2) In addition to the penalty specified under subregulation (1) if there is a loss as a result of the investment, the fund manager shall be surcharged with the loss.

19. Administrative sanctions

The Authority may impose administrative sanctions on any person who contravenes these Regulations.

SCHEDULE 1

Regulation 2, 18 (1)

CURRENCY POINT

One currency point is equivalent to twenty thousand Uganda shillings.

SCHEDULE 2

Regulations 9, 10(1), 16(1)

ASSET CLASSES AND PERCENTAGES FOR INVESTING OF SCHEME FUNDS

Item	Categories of Assets Classes	Maximum percentage of aggregate market value of total assets of funds of the scheme
1.	Cash and demand deposits in institutions licensed under the Financial Institutional Act 2003 or other similar institutions licensed in East African Community.	5%
2.	Fixed deposits, time deposits and certificates of deposits in institutions licensed under the Financial Institutions Act 2003 or other similar institutions licensed in the East African Community.	30%
3.	Commercial paper, corporate bonds, mortgage bonds and asset backed securities and collective investment schemes approved by the Capital Markets Authority.	30%
4.	Government securities in the East African Community	80%
5.	Shares of companies quoted in a stock exchange in East Africa and collective Investment Schemes approved by the Capital Markets Authority.	70%
6.	Immovable property in Uganda, real estate investment trusts and property unit trust approved by the Capital Markets Authority.	30%
7.	Private equity in the East African Community	15%
8.	Any other assets classes approved by the Authority	5%

FRED J. OMACH,
Minister of State for Finance Planning and Economic Development
(General Duties) &
Holding the Portfolio of the Minister of Finance, Planning
and Economic Development.

STATUTORY INSTRUMENTS SUPPLEMENT

to The Uganda Gazette No. 2 Volume CIX dated 8th January, 2016

Printed by UPPC, Entebbe, by Order of the Government.

S T A T U T O R Y I N S T R U M E N T S

2016 No. 1.

**THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
(FINANCIAL REPORTING AND DISCLOSURE REQUIREMENTS)
REGULATIONS, 2016**

ARRANGEMENT OF REGULATIONS

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4. Reports of contributions of schemes
5. Report of investments of schemes

PART III—DISCLOSURE REQUIREMENTS OF SCHEMES

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7. Issuance of benefit statements
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PROSPECTIVE MEMBERS

S T A T U T O R Y I N S T R U M E N T S

2016 No. 1.

The Uganda Retirement Benefits Regulatory Authority (Financial Reporting and Disclosure Requirements) Regulations, 2016

(Under sections 5 (1) (a), (e), 61 (a) and 91(1), (2)(e) of the Uganda Retirement Benefits Regulatory Authority Act 2011, Act No. 15 of 2011).

IN EXERCISE of the powers conferred on the Minister by section 91(1) and (2)(e) of the Uganda Retirement Benefits Regulatory Authority Act, 2011, these Regulations are made this 14th day of July 2015.

PART I—PRELIMINARY

1. Title.

These Regulations may be cited as the Uganda Retirement Benefits Regulatory Authority (Financial Reporting and Disclosure Requirements) Regulations, 2016.

2. Interpretation.

In these Regulations, unless the context otherwise requires—

“Act” means the Uganda Retirement Benefits Regulatory Authority Act, 2011;

“auditor” means a person registered as a practicing accountant under the Accountants Act, 2013 and approved by the Authority;

“Authority” means the Uganda Retirement Benefits Regulatory Authority;

“currency point” has the value given to it in Schedule 1;

“scheme rules” means the rules specifically governing the constitution, administration and management of a retirement benefits scheme;

“trustee” has the meaning given to it in the Act.

PART II—FINANCIAL REPORTING BY SCHEMES TO THE AUTHORITY

3. Annual reports of schemes.

(1) The trustees of a scheme shall, within four months after the end of the financial year of the scheme, submit to the Authority the annual report of the scheme containing—

- (a) a detailed narrative of the activities of the scheme for the financial year including any changes relating to the scheme such as, its membership, the trust deed of the scheme or the scheme rules; and
- (b) the audited financial statement of the scheme.

(2) For the purposes of regulation (b), the financial statements of the scheme shall be prepared in accordance with the internationally accepted accounting and auditing standards adopted by the Institute of Certified Public Accountants of Uganda, and guidelines issued by the Authority.

(3) The trustees shall, in addition to the annual report required under subregulation (1), submit Forms 1, 2, 3, 4, 5 and 6 in Schedule 2.

4. Reports of contributions of schemes.

(1) The trustees of a scheme shall submit a report of the contribution of the scheme indicating the contributions that are remitted in the previous and current reporting period and the contributions that are outstanding for the previous and current reporting period.

(2) The report on the contributions of a scheme shall be submitted using Part I of Schedule 3.

(3) The report required under this regulation shall, in a financial year, be for a period of three months and shall be submitted to the Authority within thirty days after the end of the three months period.

5. Reports of investments of schemes.

(1) The trustees of a scheme shall submit a report of the investments of the scheme to the Authority.

(2) The report of the performance of the investments of the scheme shall be in accordance with the requirements of regulation 16 of the Uganda Retirement Benefits Regulatory Authority (Investment of Scheme Funds) Regulations, 2014 and shall indicate the information prescribed in Part II of Schedule 3.

(3) The report required under this regulation shall, in a financial year, be for a period of three months and shall be submitted to the Authority within thirty days after the end of the three months period.

PART III—DISCLOSURE REQUIREMENTS OF SCHEMES

6. Publication of audited financial statements.

(1) The trustees shall exhibit, throughout the year, in a conspicuous place at the offices of the scheme, the audited financial statements of the scheme.

(2) A scheme whose membership is open to the public shall within four months after the end of each financial year, publish in newspapers of wide circulation, in such form as the Authority may by notice in writing prescribe, a copy of its annual financial statements and the report of the auditor.

(3) A scheme whose membership is open to the public shall, in addition to publishing its audited accounts in accordance with subregulation (2), display its audited accounts on the website of the scheme.

(4) A retirement benefits scheme whose membership is not open to the public shall display its audited accounts on the website of the scheme or of the sponsor.

(5) The trustees of a scheme shall provide each member and beneficiary of the scheme with a summary of the audited financial statements of the scheme.

7. Issuance of benefit statements.

(1) The trustees of a scheme shall cause a member and a beneficiary of the scheme to receive, within one month after receipt of the audited financial statements of the scheme, the benefits statement of the member.

(2) The benefits statement of the member shall contain the information prescribed in Schedule 4, Part I or Part II, as may be applicable to the scheme.

8. Members to receive trust deed and the scheme rules.

(1) Each member of the scheme shall be provided with a summarised version of the trust deed of the scheme and the scheme rules.

(2) A member who requires a copy of the trust deed of the scheme or the scheme rules shall, in writing, request for it, from the trustees.

(3) The trustees of a scheme shall inform the members and beneficiaries of the scheme of any material amendment to the trust deed of the scheme or the scheme rules, within one month after the amendment.

9. Disclosure to prospective members.

A scheme shall provide to a prospective member of the scheme, a summary of the trust deed of the scheme and the scheme rules containing the information specified in the Schedule 5.

10. Information on benefits payable.

(1) Where benefits become payable to a member or a beneficiary, the trustees shall provide to the member or beneficiary, as the case may be, the information that is relevant for the payment including the date the benefits become payable.

(2) Where benefits become payable as a result of the death of a member or beneficiary, the trustees shall provide to the person entitled to the benefits, the information relevant for the payment including the date on which, the benefits shall become payable to that person.

(3) Where a member ceases to contribute to a scheme as a result of retirement from employment, the trustees shall provide to the member—

- (a) the value of the accrued benefits of the member, on the date the member ceases to contribute to the scheme; and
- (b) the information specified in Schedule 4, Part I or Part II, as may be applicable.

11. Information to members where licence of scheme is revoked.

Where the licence of a scheme is revoked under section 32 of the Act, the trustees shall—

- (a) inform the members and the beneficiaries of the revocation, giving the reasons for the revocation and stating the name and address of the trustee or the administrator of the scheme to whom any further enquiry about the scheme are to be directed;
- (b) inform the members and beneficiaries of the scheme of their accrued benefits and an indication of the extent to which, if any, the benefits are to be reduced; and
- (c) provide the members and beneficiaries with information concerning the payment of the benefits due to them and the options for payment that are available to them.

PART IV—GENERAL

12. Penalty for non-compliance.

A trustee who contravenes any provision of these Regulations commits an offence and is liable on conviction to a fine not exceeding seventy five currency points and in case of a continuing contravention, an additional penalty of fifty currency points in respect of each day on which the offence continues.

SCHEDULES

SCHEDULE 1

Regulation 2

CURRENCY POINT

One currency point is equivalent to twenty thousand Uganda shillings

SCHEDULE 2

FORMS

Regulation 3(3)

FORM 1

PARTICULARS OF SCHEME

Name of scheme.....

Financial year ended

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1 Address of head office

--

2 Mailing address (if different)

--

3 Key officer

Name

--

Title

--

Telephone number

--

Fax number

--

Email address

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5 Trustees

7 Auditor

Name of auditor/ audit firm
Managing partner
Address
Telephone number
Fax number
Email address

8 Actuary (if applicable)

Name
Address
Tel
Fax
Email

Signature (on behalf of
trustees)
Date:

Signature (on behalf of trustees)
Date:

FORM 2

Regulation 3 (3)

PARTICULARS OF MEMBERS OF SCHEME

Name of scheme.....

1 Financial year ended

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2 Members of scheme

- (a) Number of members at start of reporting period
Number of members admitted to scheme during the period
- (b) Number of members retired during the period
- (c) Number of members deceased during the period
- (d) Number of other members who leave scheme during the period

Female	Male

Total number of members at end of period

3 Members of scheme who retire from employment

- (a) Number of members who are retired from employment at start of the period
- (b) Number of members who retire from employment during the period

Female	Male

Total number of members who are retired from employment at end of the period

Signature (on behalf of trustees)

Date:

Signature (on behalf of trustees)

Date:

FORM 3

Regulation 3 (3)

STATEMENT OF INCOME AND EXPENDITURE OF SCHEME

Name of scheme.....

Financial year ended

1	Previous Year - 1	Previous Year
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2 Income		
Employer contributions		
Employee contributions		
Additional voluntary contributions		
Insurance proceeds (including proceeds from death and disability)		
Other income (specify)		
Total income		

3 Benefits paid		
Death benefits paid		
Disability benefits paid		
Retirement benefits paid		
Pensions payments made		
Withdrawal benefits paid		
Other benefits paid (specify)		
Total benefits paid		

4 Operational expenses		
Payments for salaries and benefits of employees		
Payments for remuneration for trustees		
Payments for other expenses of the trustees		
Payments for insurance premiums		
Administration fees paid		
Audit fees paid		

Actuarial fees paid
License fees paid
Tax expenses
Rental expenses
Other payments (specify)

Total expenses

--	--

Net income

--	--

Signature (on behalf of trustees)

Date:

Signature (on behalf of trustees)

Date:

FORM 4

Regulation 3 (3)

STATEMENT OF INVESTMENTS OF SCHEME

Name of scheme.....

1 Financial year ended

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2 How asset are invested

Investment by fund managers
Collective investment schemes
Insurance policies
Other (specify)

Yes	No

**3 Details of fund managers,
collective investment schemes and
insurers**

Address (including email address and telephone number)	Value of assets managed

Signature (on behalf of trustees)

Date:

Signature (on behalf of
trustees)

Date:

FORM 5*Regulation 3 (3)***STATEMENT OF INCOME FROM INVESTMENTS OF SCHEME****Name of scheme.....****Financial year ended...****1**

Previous year - 1	Previous year
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2 Source of income

Interest income

Dividends

Rental income

Realized capital gains or loss

Unrealized capital gains or loss

Other (specify)

Total income

--	--

3 Expenses

Professional fees

Fund management fees

Custody fees

Transaction costs

Bank charges

Other (specify)

Total expenses

--	--

4 Tax

Income tax

--	--

Net income from investments

--	--

Signature (on behalf of trustees)

Date:

Signature (on behalf of trustees)

Date:

FORM 6

Regulation 3 (3)

STATEMENT OF FINANCIAL STATUS OF SCHEME

Name of scheme.....

Financial year ended

.....

1

Previous year - 1	Previous year
-------------------	---------------

2 **Value of assets**

Value of investment property

Value of plant and equipment

Value of financial assets

Value of contributions and other receivables

Cash and cash equivalents

Other (specify)

Total value of assets

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3 **Value of liabilities**

Accounts payable

Other (Specify)

Net value of assets

--	--

4 **Member accounts/reserves**

Account/reserve 1

Account/reserve 2

Account/reserve 3

Signature (on behalf of trustees)

Date:

Signature (on behalf of trustees)

Date:

SCHEDULE 3

Regulation 4(2) and 10(3)

REPORT ON CONTRIBUTIONS AND INVESTMENTS OF SCHEME

PART I

REPORT ON REMITTED AND OUTSTANDING CONTRIBUTIONS OF SCHEME

Name of scheme.....

Reporting period.....

	Previous reporting period	Current reporting period
Remitted contributions		
Employer contributions		
Employee contributions		
Additional voluntary contributions		
Total		
Outstanding contributions		

Employer contributions		
Employee contributions		
Additional voluntary contributions		
Total		

1. Briefly state the reasons for the non-remittance of the outstanding contributions.

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2. State the measures which the scheme is undertaking to ensure remittance of the outstanding contributions?

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PART II

REPORT OF INVESTMENT OF FUNDS OF SCHEME

Name of Scheme.....

Reporting period.....

Class of asset	In Uganda		In the East African Community (excluding Uganda)		Other (specify)		Total	
	Previous reporting period	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period	Current reporting period
Cash								
Demand deposits in institutions licensed under the Financial Institutional Act 2003 or in similar institutions licensed in the Partner States of the East African Community.								
Fixed and time deposits in institutions licensed under the Financial Institutional Act 2003 or in similar institutions licensed in the Partner States of the East African Community.								

Commercial paper, corporate bonds, mortgage bonds and asset backed securities approved by the Capital Market Authority, issued by- (a) commercial banks or other deposit taking institutions (b) Other financial corporations (non-deposit taking) (c) Nonfinancial corporations								
Shares in collective investment schemes approved by the Capital Market Authority								
Government securities								
Shares in companies quoted in a stock exchange in a Partner State of the East African Community.								
Private equity								
Investment immovable property								
Real estate investment trusts approved by the Capital Market Authority								
Property unit trust approved by the Capital Market Authority								
Any other assets approved by the Authority								
Total assets invested								

Additional information:

- 1. State whether the allocation of the assets is consistent with the percentages prescribed in the Uganda Retirement Benefits Regulatory Authority (Investment of Scheme Funds) Regulations 2014, Statutory Instrument No.44 of 2014.

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- 2. Where applicable, explain the reason for the inconsistency stated in paragraph 1

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- 3. State whether the management of the assets is consistent with the schemes’ investment policy statement?

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- 4. Where applicable, explain the reason for the inconsistency stated in paragraph 3.

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5. What measures are being undertaken to ensure compliance with the investment regulations and the schemes investment policy statement?

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Signed by

Fund manager of the scheme

Verified by

Trustee (On behalf of trustees)

SCHEDULE 4

Regulation 4(2) and 10 (3)

CONTENTS OF BENEFITS STATEMENT

PART I- CONTRIBUTIONS

1. Name of the scheme.
2. Date of the statement.
3. Date on which the member joined the scheme.
4. Details (name, date of birth, gender, marital status) of the member and any beneficiary nominated by the member, where applicable.
5. The normal retirement date of the member.
6. The contributions of the member and the employer for the last financial year of the scheme, where applicable.
7. The additional voluntary contributions of the member for the last financial year of the scheme, where applicable.
8. The accumulated contributions of the member and the employer including the interest, other income and capital appreciation or depreciation, where applicable.
9. The accumulated additional voluntary contributions of the member, including the interest, other income, capital appreciation or depreciation, where applicable.
10. The accrued benefits in accordance with the scheme rules, including, where applicable, the transfer value of the accrued benefits.

PART II – BENEFITS

1. Name of the scheme.
2. Date of the statement.

3. Date on which the member joined the scheme.
4. Details (name, date of birth, gender, marital status) of the member and any beneficiary nominated by the member, where applicable.
5. The service period used for the calculation of the benefits.
6. The normal retirement date of the member.
7. The pensionable earnings of the member.
8. The contributions of the member and the employer for the last financial year of the scheme, where applicable.
9. The accrued benefits, including the transfer value of the accrued benefits, where applicable.
10. The projected benefits of the member at retirement.

SCHEDULE 5

Regulation 9

MINIMUM REQUIREMENTS FOR DISCLOSURE OF CONTENT OF SUMMARY TRUST DEED AND SCHEME RULES TO PROSPECTIVE MEMBERS

1. The names and functions of the trustees of the scheme.
2. The names, telephone numbers, physical and postal addresses of the trustees.
3. The name and address of the different service providers of the scheme.
4. The criteria and conditions of eligibility for membership.
5. The benefits payable under the scheme and the circumstances under which members and beneficiaries are to be entitled to benefits.
6. The contribution rate payable by the member and where applicable, by the employer.
7. The mandatory retirement age from the scheme, and the conditions for early retirement from the scheme.
8. The rights and benefits of the members and the beneficiaries, including the rights that arise upon termination of membership or winding up of the scheme.
9. The circumstances under which the trustees or employer may reduce the benefits of the members and the beneficiaries, if applicable.
10. The circumstances under which the board of trustees or employer expect the benefits payable to a member or beneficiary of the scheme to be less than the contributions made, if applicable.
11. Whether the scheme provides for any increase to benefits after they become payable.

12. Any arrangement for the preservation of the accrued benefits of members whose employment or whose service terminates before they reach their retirement age.
13. Whether the scheme allows members to pay additional voluntary contributions and any provision concerning these contributions.
14. The licensing details and nature of the scheme.
15. A statement that the scheme is regulated by the Authority under the Act and that the rights of members and beneficiaries are protected under the Act.
16. Whether, and the circumstances in which, the scheme shall accept transfers out of the scheme and whether such acceptance is subject to the discretion of the trustees of the scheme.
17. The details of any benefit guaranteed by insurance policies.
18. The procedures set out by the scheme for the resolution of disputes or for handling of complaints and the names, telephone numbers, physical and postal addresses of the persons who administer these procedures for the scheme.
19. The procedure for obtaining copies of the trust deed of the scheme and the scheme rules.
20. The procedure for obtaining further information on the scheme, including the name and address of the person to whom enquiries about the scheme or about individual entitlement to benefits are addressed.
21. Any other relevant information required under the Act or any Regulations made under the Act.

MATIA KASAIJA (MP),
Minister of Finance Planning & Economic Development



HANDBOOK ON TRUSTEES' DUTIES AND RESPONSIBILITIES

This handbook is not a legal document nor does it substitute the provisions of the Uganda Retirement Benefits Regulatory Authority Act 2011 and the Regulations made thereunder. The handbook should be read together with the URBRA Act 2011 and the Regulations made thereunder.

ISSUED ON THE 15TH DAY OF DECEMBER, 2016

Uganda Retirement Benefits Regulatory Authority (Handbook on Trustees' Duties and Responsibilities) Guideline No. 1 of 2016

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Uganda Retirement Benefits Regulatory Authority (Handbook on Trustees' Duties and Responsibilities) Guideline No. 1 of 2016

1. Introduction

A trustee of a retirement scheme established in Uganda has duties and responsibilities under trust law, under the Uganda Retirement Benefits Regulatory Authority Act 2011 and the Regulations made thereunder ("the Act") and other relevant legislation. This practice note gives concise guidance notes on trustee duties and responsibilities and includes some definitions that may be helpful to trustees.

This practice note is not intended to be comprehensive, neither is it intended to override the provisions of the law. Trustees are under an obligation to refer to the Act and the regulations which make specific provision on all duties and responsibilities required of them.

2. Retirement Benefits Schemes

Section 2 of the URBRA Act defines a retirement benefits scheme as a legally binding agreement or arrangement other than a contract for life assurance whether established by a written law or by any other instrument, under which members are entitled to benefits in the form of annuity or a lump sum payable upon retirement, or upon death, termination of service or upon the occurrence of an event specified in the written law, agreement or arrangement.

Under the provisions of the URBRA Act, a Retirement Benefits Scheme (the scheme) is a trust. A trust in its simplest form is an arrangement under which a person or a group of people hold and look after property on behalf of others who are called *beneficiaries*. The person who holds and looks after the property is called a *trustee*.

A retirement benefits scheme is a good example of a trust. The properties held in the trust fund are assets of the scheme. The trustees hold and look after these assets for the benefit of *members* and their beneficiaries. Although the assets are held in the name of the trustees, they do not belong to them unless they are also members of the scheme.

The terms of the trust under which the scheme is set up are detailed in a legal document called the *trust deed* and *rules*. The provisions of the trust deed and rules must at all time comply with the provisions of the law. The trust deed and rules set out procedures of scheme administration and management, the rights and obligations of members such as who can join the scheme, benefits and contributions rates and how they are paid.

There are two basic types of retirement schemes:

Defined Benefit Schemes in which the retirement benefits are defined and known using a set formula in the

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scheme rules. The benefits formula uses parameters such as years of service; salary which may be final or average and a pension factor. Under this arrangement, the sponsor of the scheme assumes the investment risk of scheme assets.

Defined Contribution Schemes which pre-defines the contributions into the scheme but does not define the amount of benefits to be received. *The* retirement benefits paid to each *member* depends on the amount of contributions paid in and the investment returns earned on those contributions. Members of the scheme assume the investment risk of scheme assets.

Trustees should know which type of scheme they have responsibility for, as there are different requirements under the Act in respect of each type of scheme.

3. Appointing and Removing Trustees

a. Who Can Be A Trustee?

Generally under trust law, anyone aged 18 years and over, and legally capable of holding property, is eligible to be a trustee. But under the section 43 of the Act some people are specifically excluded from being trustees of retirement benefits scheme, including:

- anyone convicted and imprisoned by a court of competent jurisdiction for period of six months;
- an adjudged bankrupt;
- anyone previously involved in scheme mismanagement leading to its deregistration
- Anyone disqualified under law to hold office of trustee or his/her holding office of trustee is deemed by Authority to be detrimental to the scheme.
- Any person not approved by the Authority to be a trustee of a scheme

The Act requires scheme rules to make provision for the manner of appointing or electing scheme trustees. The URBRA(Licensing of Retirement Benefits Schemes) Regulations of 2012 (*As amended*) provide for the number of trustees to be not less than 3 for a voluntary scheme and not less than 5 for a mandatory scheme except when the sponsor appoints a corporate trustee. The scheme rules shall also make provision for the grounds and manner of removing trustees including the procedures for conducting their meetings.

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b. Before accepting trusteeship

Trustees are always liable individually and severally for breach of trust. It is thus important that before accepting the office of trustee the trustee considers the following:

- i. the **trust deed** and rules to understand the duties, powers and discretions a trustee is taking on.
- ii. past administration status and reports of the scheme because as so long as a person accepts to be a trustee, such trustee may become liable for existing breaches of trust even though they may have arisen before the appointment.

- The sponsor or the other existing trustees are under obligation to provide sufficient information to new trustees to enable them consider the state of the scheme. In particular the new trustees need to consider the following records before they assume the office of trustee: minutes of the trustees' meetings and the annual reports prepared by the trustees, and
- Actuarial valuation reports to ascertain the funding level of the scheme

- Audited financial statements of the scheme and take note of any qualifications and cost of administration of the scheme
- Investments reports of the assets of the scheme and in particular evaluate the prudence of investment and compliance with investment regulations as provided in the law.

A new trustee should be in position to ask the following questions

- Who are the current trustees and how were they appointed?
- Why is there a need for a new trustee?
- How often do the trustees meet and what is the voting procedure?
- Who are the scheme service providers?
- Who actually carries out the scheme day to day administration?
- Where are the scheme records kept?
- Are the records up to date?
- Are the accounts up to date and who is the scheme auditor?
- How are the assets of the scheme invested?

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- Who is the scheme custodian and scheme fund manager?
- Have there been any complaints from members and have they been sorted out?
- Is the scheme compliant with provisions of the Act, e.g. on licensing, funding requirements, collection of contributions and appointment of service providers?

c. How is a Trustee Appointed?

As earlier stated the trust deed and scheme rules make provision for the manner of appointing or electing scheme trustees and the number of trustees subject to the provisions of the Act and regulations made thereunder.

The Regulations provide for a scheme to have both member and sponsor nominated trustees. A Board of trustees should consist of at one third of the trustees nominated by the members and at least one third of the trustees nominated by the sponsor.

Normally, the trust deed gives the sponsor of the scheme the power to appoint trustees. The first trustees to the scheme are named in the trust deed. Later

appointments are usually made by an amending deed or deed of appointment. Both of which must be filed with the Authority.

The sponsor nominated trustees as a formality will be appointed by the employer and their names included in the trust deed under a deed of amended signed by the employer and trustees.

The scheme rules must provide for the procedure for nominating member-nominated trustees but without giving the details.

Based on the power in the scheme rules, trustees should develop the detailed nomination procedure which should be presented at the Scheme's Annual General Meeting and discussed by members, trustees and the employer and adopted as an acceptable procedure for nominating member-nominated trustees.

d. Removing Trustees from Office of Trusteeship

The scheme rules should make provision for the grounds and manner of removing trustees including the procedures for conducting their meetings.

Some of the grounds that may be a basis for removal of a trustee from office include:

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- Imprisonment for a period exceeding six months
- Adjudged bankrupt
- Failure to attend particular number of trustee meetings
- Conflicts of interest which are not disclosed
- Breach of trusteeship
- Inability to discharge duties of the trustee
- Is removed from office by a court of competent jurisdiction.
- Is not capable of carrying out the duties of trustee because of a mental disorder or incompetence
- Is a company which has gone into liquidation

Other reasons for removal from office include:

- Resignation
- Death
- Expiry of term of trusteeship
- Under terms and conditions set out in the scheme rules.

Upon removal from office, trustees must fill and sign formal transfer forms of have all property, such as land, amongst its assets, one may need to sign formal transfer forms to transfer ownership of the property to whoever takes over as trustee.

e. Licensing of trustees

The Act requires a trustee of a scheme to be licensed by the Authority.

Requirements for an individual trustee

- Particulars of applicant.
- Nationality.
- Tax Identification Number.
- Physical address of applicant.
- Two passport size photographs and a resume of the applicant.
- Certified copies of academic or professional qualifications of the applicant.
- Evidence of the ability of the applicant to perform the functions of a trustee of a retirement benefits scheme.
- A statutory declaration supporting the application.
- Curriculum Vitae of the applicant
- Two recommendation letters from the referees of the applicant.
- Application fee of 2.5 currency points (Fifty thousand Uganda shillings)
- Licence fee of 10 currency points (Two Hundred Thousand Uganda Shillings)

Requirements for corporate trustee

- Name of applicant

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- Physical address of a place in Uganda for service on the applicant of any notice or document
 - Registered office
 - Tax Identification Number
 - Particulars of Directors
 - Certified copy of certificate of incorporation
 - Particulars of key officers of trustee
 - A copy of the Memorandum and articles of association
 - Certified copies of the latest audited report and accounts
 - Particulars of Auditors
 - Particulars of Bankers
 - Certified copies of professional, technical knowledge or experience of key officers
 - Evidence of applicant's operational ability to perform functions of a trustee
 - Statutory Declaration
 - Application fee (12.5 currency points (two hundred and fifty thousand Uganda shillings)
 - Licence fee of 50 currency points (One million Uganda Shillings)
- the terms of the trust deed and rules
 - act in the best interests of beneficiaries
 - act fairly between beneficiaries
 - act prudently and diligently
 - act jointly
 - exercise care and utmost good faith in carrying out your duties
 - seek professional advice as necessary
 - supervise those to whom functions have been properly delegated
 - not profit from the trust
 - be aware of possible conflicts of interest and disclose them

A trustee, who is negligent, does not act in good faith or does something which is contrary to provisions of a valid deed and rules of the scheme can be sued by the members or beneficiaries. In this case the trustee can be held to be personally liable for the whole of the amount of any loss which occurs.

A trustee must be very careful to ensure that the information he or she receives as a trustee is treated in the strictest of confidence and is only used for the purposes for which it has been received.

A trustee has no power to negotiate or to vary the terms of the scheme except in accordance with the provisions of the Act. The Trustee can **ONLY** carry out the terms of the trust

4. Trust Law

Trustees have duties under trust law which includes the following:

- to carry out the trust in accordance with the law and

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deed and rules regardless of who appointed them. Trustees must not act as representatives of the employer or the members.

5. Duties under the URBRA Act 2011

The Act brought together and set down clearly the duties and responsibilities of scheme trustees. There is a high degree of overlap between trustees' duties under the general principles of trust law and their duties as prescribed in the Act. The trustees' duties under the Act are:

a. To manage & oversee the operation of the scheme

The Act specifies that trustees are responsible for managing and overseeing the operation of the scheme in accordance with the Act and regulations made under the Act.

The Act prohibits the operation or establishment of a scheme without a licence issued by the Authority. This imposes a duty on the trustees to ensure that their scheme is licensed by the Authority.

All schemes that were in existence before the URBRA Act was enacted are required to be licensed. In the same spirit, new schemes established after the enactment of the URBRA Act should be licensed in accordance with

the Act and Regulations made under the Act.

A scheme administrator or consultant associated with the establishment of the scheme will usually make the necessary arrangements for the licensing of the scheme on the trustee's behalf. However, it is the responsibility of the trustees to ensure that their scheme is licensed by the Authority.

Requirements for Licensing a Retirement Benefit Scheme.

- Name of the retirement benefits scheme including reference to any prior change of name
- Physical address and location of the registered office of the scheme in Uganda
- Tax Identification Number
- Trust deed and scheme rules (Which will be drafted in a format prescribed under the licensing regulations of the URBRA Act)
- Evidence of minimum deposit maintained by the scheme (*Applicable to a scheme which receives mandatory contributions*)
- Funding policy of the scheme
- Particulars of Sponsor
- Particulars of Trustee
- Particulars of Custodian
- Particulars of Administrators

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- Particulars of Fund Manager
- Particulars of Auditors
- Particulars of key officers of the scheme
- Organogram of the scheme
- Business plan (*Applicable to a scheme which receives mandatory contributions*)
- Investment Policy Statement
- List of members
- Description of the scheme's investment portfolio
- Benefits that accrue to members
- Status of members i.e. active/inactive
- Certified copies of audited accounts for the previous year
- Management accounts (*Incase the audited accounts are not recent*)
- Certified copy of the Certificate of Incorporation
- Copy of the name reservation form
- Latest actuarial report
- Fund management agreement
- The latest scheme fund investment reports
- Certified copy of the insurance policy document
- Any other information relating to the viability of the proposed retirement benefits
- Application fees;
 - the application fee for a scheme which receives voluntary contributions is 10 currency points (Two hundred thousand Uganda shillings).
 - the application fee for a scheme which receives mandatory contributions is 50 currency points (One million Uganda shillings)
- License fees
 - The licence fee for a scheme which receives voluntary contributions is 50 currency points (One million Uganda shillings).
 - The licence fee for a scheme which receives mandatory contributions is 250 currency points (Five million Uganda shillings).

b. Appointment of service providers

Trustees must appoint service providers including administrator, custodian, fund manager, auditor or any other professional required for the effective operation of the scheme.

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The Act prohibits a trustee from acting as an administrator, custodian, actuary, auditor or fund manager of the same retirement benefits scheme. This is aimed at enhancing clear separation of roles.

c. Day-to-Day Administration of Schemes

In most schemes the trustees do not by themselves actually carry out the day-to-day business of the scheme. Trustees may appoint a person within the company to look after the day-to-day running of the scheme on their behalf, or appoint a professional scheme administrator to carry out daily scheme administration on their behalf. The former are referred to as internal administrators and the latter external administrators. Generally both are referred to as scheme administrators.

Scheme administration includes a wide variety of activities:

- i. Carrying out daily administration of scheme affairs in accordance with provisions of the Act, scheme rules, relevant laws and legal documents in force relating to the scheme.
- ii. Liaising with external authorities such as the Uganda Retirement Benefits Regulatory Authority, Uganda Revenue Authority and service providers
- iii. Submitting to the Authority amendments to the trust deed and scheme rules for approval within the stipulated statutory periods.
- iv. Computing and paying to the Authority the statutory levy within the period set out in the Act
- v. Offering advisory and training services to trustees, members and scheme sponsors on their respective rights, duties and obligations
- vi. Providing required data of the scheme to service providers to enable preparation of statutory returns
- vii. Submitting required statutory returns to the Authority
- viii. Keeping accurate record and data of members together with their interests in the scheme
- ix. Drawing agenda items of the Annual General Meetings which include: scheme audited accounts, changes in scheme design, trustees' remunerations and investment of scheme assets.
- x. Offering secretarial services to the board trustees, organizing trustee meetings, Annual General meetings, issuing notices and taking and keeping minutes of the meetings

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- xi. Ensuring that trustees hold meetings at least four times during the financial year
 - xii. Ensuring that managers are investing scheme assets in accordance with the provisions of the Act
 - xiii. Ensuring contributions are remitted by the employer before the fifteenth day of the following month
 - xiv. Contacting *members* and providing them with required information
 - xv. Advising trustees in good time of those members who are about to retire to enable early approvals by trustees for payment of benefits
 - xvi. Computing and paying benefits to members within the time limit set out in the law
 - xvii. Ensuring that a member's benefits are transferred to another licensed scheme within the prescribed time if requested by the member
 - xviii. Record keeping of all issues relating to the scheme
 - xix. Preparing and managing the financial budget of the scheme so as to ensure prudent financial management
 - xx. Initiating the preparation and submission scheme audited accounts, actuarial valuation reports and investment policies, records of contributions, quarterly investment and custody reports to the Authority within the stipulated period in the Act
 - xxi. Prepare and avail to the sponsor on quarterly basis reports on all affairs of the scheme
 - xxii. Furnishing members with annual membership statements and summarized audited scheme accounts
- When the day-to-day administration is delegated to others, the trustees are still responsible for the scheme. They must, therefore, ensure all the duties listed above and those set out in the Act and regulations are carried out.
- d. To Ensure that Contributions are Received***
- Trustees* shall ensure that the contributions payable by the employer and *members* of the scheme are received custodian on the 15th day of the following month. One way of successfully going about the above would be to agree with the employer on a set of procedures and a schedule of dates on which contributions would be paid so long as it is not later than the date stipulated in the law.
- An employer who fails to remit the contributions within the

prescribed time, commits an offence and is liable to make the remittance already due, and in addition pay a fine of not less than ten percent of the total contribution that remains unpaid for each month or part of each month the default continues.

e. Investments and Safe keeping of scheme assets

Trustees must prepare a prudent investment policy statement (IPS) to govern investment decisions of scheme funds. In preparing the IPS, trustees may engage the services of an investment advisor. The IPS must be submitted to the Authority and must be revised after every three years.

Once the IPS has been prepared, trustees must appoint under duly signed agreement a licensed fund manager to implement the investment policy.

The fund manager is charged with the day-to-day investment of scheme funds. Nevertheless, the trustees are fully responsible for monitoring the conduct of the investment manager and the overall performance of the scheme funds.

Duties of the Fund Manager

The fund manager is required under the Act to tactfully and professionally invest the funds within the permissible assets and limits prescribed under the Act; conduct research to make informed investments decisions submit to the trustees on a quarterly basis a report showing the investment performance of the scheme assets.

The trustees must submit the quarterly investment report to the Authority.

Trustees must appoint a licensed custodian under an agreement duly executed to hold all the assets of the scheme which include cash, securities and title documents.

Duties of the Custodian

It is the duty of the custodian to ensure that the scheme funds are credited to the scheme account within one working day once received.

The other duties of the custodian include settling all investment transactions received from the investment manager, receive all dividends, interest and income due to the scheme and also report to the trustees about the

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scheme transactions on quarterly basis.

f. To Make Arrangements for Paying the Benefits

The fundamental objective of a scheme is to ensure that vested benefits are paid out as and when required. Payments of retirement benefits are made upon attainment of retirement age, death, termination of service, ill health, disability or emigration.

A scheme may provide benefits in some or all of the following circumstances:

- At normal retirement age
- At early retirement age
- Leaving service on the basis of ill-health
- Upon the disability of a member
- Upon death of a member before retirement age
- Upon death in retirement
- On leaving service upon attaining the retirement age.

It is the statutory duty of trustees to make arrangements for the payment of benefits as provided for under the Act, Trust deed and rules of the scheme as and when the benefits become due.

The trust deed of the scheme prescribes the vesting period, when benefits fully vest in member fully. A member is however not encouraged to withdraw benefits while still in employment.

In practice, schemes appoint a scheme administrator to carry out this function or arrange for pensions or *annuities* to be bought from an Insurance company.

The trustee's duty would be to ensure that beneficiaries are paid regularly, and do not have to go through unreasonable steps in order to get their benefits. Benefits must be paid as soon as practicable days.

In some schemes, there are areas of discretion, where the trustees may have to decide the distribution and/or the method of payment of benefits in the event of death of a member. For example, the scheme may allow death benefits to be paid to the dependant named in the nomination form or to be split between several dependants if it is an equitable thing to do. In these circumstances the trustees must make full enquiries of the circumstances of the case before making a

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decision, and if in doubt, should seek advice. Trustees must record and keep the reasons justifying their reasons for declining to pay benefits in accordance with a member's written nomination.

the administration of the scheme (including collection of contributions) to scheme administrators. However, the overall responsibility of stewardship of the scheme's assets, transactions and record keeping rests with the trustees.

g. Keeping of Scheme Record

It is the duty of trustees to ensure up to date and proper keeping of membership and financial records of the scheme. Typically, membership records will include the members' names; gender; dates of birth, dates of joining service, and dates of joining the scheme; marital status; details of dependants and other beneficiaries; current and historic annual salary details; transfer values received and benefits granted; members' contributions and additional voluntary contributions.

It should be borne in mind that members may be active, deferred or pensioners and accurate records should be held in every case.

The precise nature and amount of information which must be kept will depend on the nature of the scheme and the types of benefit provided. Trustees frequently delegate

The financial records of the scheme include such matters as the trustee bank account for administration expenses, all financial transactions of the scheme and financial reports received from investment manager and custodian. The financial records of the scheme are also frequently kept on behalf of the trustees by a scheme administrator, who may also prepare the accounts for audit.

h. Opening bank accounts

The Act specifies that the trustees shall open and maintain bank accounts necessary for the exercise of the functions of the scheme.

i. To Preserve or Transfer Benefits

Where the trust deed & scheme rules provide for transfers in or out of the scheme, trustees must ensure that the necessary arrangements are made in the case of early leavers for the preservation or transfer of their benefits remaining in the scheme. Trustees have a duty to ensure that arrangements are made to preserve and (where appropriate) revalue the

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benefits of members who have left or to have a transfer payment of the benefits made. Trustees also have to accept transfers into their scheme on request.

j. To Ensure that the Funding Standard is Complied With

Trustees have a duty to ensure that contributions to the scheme as set out in the scheme rules are remitted to the scheme fund by the employer within the specified time. Trustees of a defined benefit scheme must ensure that their scheme complies with the minimum funding requirements specified in the trust deed. In defined benefit scheme at least the assets of the scheme should be 80% of the liabilities on an ongoing basis.

In order to ensure this funding requirement is sustained, trustees of a defined benefits scheme shall at least every 3 years ensure that an actuarial valuation of the scheme is carried out and actuarial report showing the funding level, among other things is filed with the Authority. The report should be submitted to the Authority within three months after the actuarial valuation.

The URBRA (Licensing of Schemes) Regulations 2012 make some provisions relating to the preparation of scheme actuarial valuation reports. It is important

that trustees have a good understanding of these provisions and this is an area that should be discussed in detail with the scheme actuary and/or the scheme advisers.

If the scheme does not satisfy the funding standard, a funding proposal (remedial plan) must be prepared and submitted to the Authority. This is a plan to restore the funding of the plan to the standard within an agreed period of time. This plan must be agreed with the employer, trustees and the actuary of the scheme. It will however be implemented upon approval by the Authority.

If the defined benefit scheme is being wound up or converted to a defined contribution scheme, then the funding requirement must be 100% of all the liabilities. The Authority shall not approve conversion or completion of winding up until all the liabilities are paid in full.

For defined contribution schemes without benefit guarantees, assets should be equal to liabilities at all times.

k. To Give Information

Trustees are responsible for how the scheme is run by ensuring that specified documents and information on the scheme and its

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operations are made available to scheme members and other interested persons. Trustees must ensure that necessary arrangements are put in place for the *members* to freely access information on:

- Details about the trust deed and *rules* of the scheme
- Certain basic information about the scheme and details of an individual's benefit entitlements under the scheme.
- Membership statements
- Scheme audited accounts
- Investment and custody reports
- Actuarial valuation reports
- Changes in scheme structure or the law relating to the scheme.
- Any other information relating to the scheme which may be requested for by a member.

The trustees may make an information booklet about the scheme and its rules and avail it to the members.

Trustees must also ensure that the information to be disclosed is provided within the period set out in the Act, Regulations and scheme rules.

l. To ensure equal treatment in the scheme (Treatment of Scheme Members)

The Act requires that trustees, as a fiduciary shall act with impartiality in respect of all members and beneficiaries of the scheme. There should not be discriminatory treatment of scheme members especially in eligibility to membership and application of pension factors. Pension factors can only be discriminatory on the basis of actuarial considerations or engagement of some members in hazardous occupations of the employer.

Trustees have an obligation to apply the principle of equal treatment. The tenet of equal treatment is that there should be no discrimination on any of the discriminatory grounds in respect of any *rule* of a scheme. This applies in relation to the *rules* governing such matters as-

- a). Access to membership in the scheme
- b). Contribution arrangements in respect of members
- c). Entitlement to and calculation of benefits
- d). Death benefits etc.

However, it does not constitute a breach of equal treatment on the grounds of age. Schemes can fix different

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ages for entitlement to benefits under the scheme, fix different ages for employees or groups or categories of employees, provided that these do not result in discrimination on the gender ground or employees in the same group or category.

A member who claims not to be receiving equal treatment may seek redress by filing a complaint with the Authority. Trustees should have their scheme *rules* examined with a view to identifying *rules* which may result in differences in treatment for *members* and which are contrary to the principle of equal treatment.

m. To apply the Resources of the Scheme in case of Winding-Up

Trustees may resolve to wind up the scheme on a voluntary basis. The resolution to wind up a scheme must comply with the Act, regulations and powers of trustees in the trust deed and shall not be effective unless approved by the Authority.

The resolution to wind up the scheme shall include the appointment of a liquidator. Upon approval of the resolution and the liquidator, The Authority shall direct the liquidator on the process of

liquidation in accordance with the provisions of the Act and regulations made under the Act. The liquidator shall be expected to apply the resources of the scheme in discharging its liabilities without undue delay. During liquidation, the liquidator shall act as a trustee of the scheme and shall be accountable to members and the Authority.

The decision to wind up the scheme must be notified to members within a reasonable time. The liquidator will have a duty to ensure that *members'* pension rights are secured and the wind-up is completed without undue delay. *Members* must also be informed as soon as practicable, of their benefit rights and options under the winding-up Regulations; how benefits will be paid or transferred; the contact address for enquiries; and how any surplus or deficit in the scheme fund has been dealt with.

After the liquidator has prepared a preliminary report of the scheme status and member balances, members will be given up to 30 days to examine the report. Any dispute regarding the report must be filed with the Authority within the same

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time otherwise it becomes invalid. Those members who shall not have attained retirement age will be required to select in writing a scheme to which their accrued benefits will be transferred to.

n. Prepare Financial statements and levy payment

Trustees have a duty to manage scheme assets and prepare scheme financial statements which must be audited by an independent auditor approved by the Authority. The scheme fund auditors are appointed by trustees and approved by the Authority.

Trustees must ensure that all books and records of account of income, expenditure and scheme assets are properly kept. While this responsibility may be delegated, trustees are ultimately accountable.

Within four months after the end of the financial year of the scheme, trustees must prepare scheme accounts which must be audited. By the 4th month the audited accounts must be submitted to the Authority together with the annual retirement benefits levy.

o. Submission of statutory returns

Schemes are regulated under statutory provisions. The Act requires returns to be made to the Authority as a process of supervision. Those returns which must be filed to the Authority are:

- Quarterly record of contributions and member details
- Quarterly investment returns
- Quarterly custodian reports
- Annual audited accounts
- Annual retirement benefits levy
- Actuarial valuation reports after every three years
- Investment policy after every three years
- Any deed of amendment of scheme rules within thirty days of the date of amendment resolution.

p. Meaning of a Fiduciary

The Act defines a fiduciary as any person who is responsible for-

- the control, administration or management of a

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retirement benefits scheme.

- The application or interpretation of scheme rules in the determination of benefits of members or beneficiaries
- The management of assets or investment of funds of a scheme.

The definition of a fiduciary includes trustees, administrators, fund managers and custodians.

Duties of a fiduciary

A fiduciary shall –

- act with due care, skill, diligence, good faith and prudence, and shall avoid misleading and deceptive acts or representations.
- act in the best interest of the scheme members and beneficiaries
- ensure that all decisions regarding the scheme comply with scheme rules made under the Act.
- act with impartiality in respect of all members and beneficiaries of the scheme.

q. Reporting to the Authority (Whistle blowing)

As fiduciaries, trustees, fund managers, custodians or administrators

- have an obligation to ensure that the scheme is managed at all times in accordance with the law and scheme rules;

- scheme management is carried out in the best interest of the members;
- they report to the Authority any occurrence likely to jeopardize members' interests; and
- report any contributions that remain due to the scheme for a period of more than thirty days reason.

Trustees and scheme service providers therefore, who have reason to believe that material misappropriation or fraudulent conversion of a scheme's resources

- has occurred,
- is occurring, or
- is to be attempted,

he or she must report in writing to the Authority of the particulars of the misappropriation or conversion as the case may be. The duty to report is absolute. Anyone who makes a report in good faith in accordance with this duty is protected by law from liability for any breach of confidentiality or other duty which may necessarily occur.

Although not under an obligation to do so, any persons, whether or not they are interested persons, may make a report to the Authority on any matter concerning the state and conduct of a scheme.

6. Complaints desk

The Authority established a complaints desk to address any complaint raised by a member of a

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retirement benefits scheme against the scheme trustees or any service provider.

It is advisable that before matters are submitted to the Authority alternative dispute resolution mechanisms be explored to avoid simple complaints from being presented to the Authority for a decision. Complaints should be filed with the Authority in prescribed forms which are available at the Authority's website and at the reception.

7. Retirement Benefits Appeals Tribunal

The Act establishes a tribunal to hear and determine appeals against the decisions of the Authority which a party to a scheme may feel aggrieved about. The decision of the tribunal is binding on parties to the appeal and any aggrieved party with the tribunal's decision may appeal to the High Court.

The Act empowers the Minister in consultation with the Judicial Services Commission to make rules for the effective operation and management of the tribunal.

8. Penalties/Sanctions for Non-Compliance

The Act prescribes various penalties/sanctions for failure to comply with

the provisions of the Act. *For the criminal sanctions see list on page 24.*

The other sanctions provided for in the Act include:

- Removal of trustees from office,
- Placing the scheme under interim statutory administration,
- Appointment of an inspector to prepare a report on the status of the scheme,
- Application of interest on unpaid levy, and
- Recovery of unpaid levy through civil proceedings in court.

In order to avoid penalties enforceable under the Act, Trustees are urged to ensure compliance with the URBRA Act and regulations made thereunder.

9. Trustee Training

This handbook has shown that being a trustee entails wide range of duties and responsibilities. A trustee should ensure that-

- ✓ In case of an individual trustee, he or she obtains the relevant trustee training from recognized training institutions; and
- ✓ In case of a corporate trustee, the directors of a corporate trustee or any person acting in

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any other capacity of performing the roles of a trustee, obtains the relevant trustees training from recognized training institutions.

The Authority shall take into consideration the relevant knowledge and understanding acquired by a trustee in the renewal of the licence of a trustee.

Trustees could probably benefit from the free trustee training programs offered by the Authority. Interested trustees need to contact the Authority so that they can be slotted in the training program.

10. URBRA

The Uganda Retirement Benefits Regulatory Authority was established in 2011 under the Act and became fully operation in December 2012. The functions of the Authority are -

- To regulate and supervise the establishment, management and operation of retirement benefits schemes in Uganda, in both the public and private sectors ;
- To license retirement benefits schemes in Uganda;
- To license custodians, trustees, administrators and fund managers of retirement benefits schemes;
- To approve an actuary or auditor of any retirement benefit scheme;
- To protect the interests of members and beneficiaries of retirement benefits schemes including the promotion of transparency and accountability;
- To improve understanding and promote the development of the retirement benefits sector;
- To promote the stability and integrity of the financial sector through ensuring stability and security of retirement benefits schemes;
- To ensure sustainability of the retirement benefits sector with a view to promoting long term capital development;
- To advise the Minister on all matters relating to the development and operation of the retirement benefits sector;
- To implement Government policy relating to retirement benefits schemes;
- To promote public awareness of the retirement benefits sector; and
- To perform any other function conferred upon it under the Act.

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Glossary of Terms

Act

Act means the Uganda Retirement Benefits Regulatory Authority Act 2011 and the Regulations made thereunder.

Active Member

A member of a scheme who is currently in the employment of the scheme sponsor and who is participating in the scheme for purposes of saving for a retirement benefit.

Actuarial Valuation

An investigation by the actuary into the ability of a scheme to meet its benefit promise.

Actuary

A professional expert on the funding and solvency of pension schemes from an institution recognized under the Act.

Additional Voluntary Contributions (AVCs)

Additional contributions paid by a member of an occupational pension scheme in order to secure benefits over and above those set out in the rules of the scheme.

Annuity

A series of payments made at stated intervals until a particular event – usually the death of the person receiving the annuity occurs. It is normally secured by the payment of a single premium to an insurance company.

Beneficiaries

A person entitled to benefits under a pension scheme or who will become entitled on the happening of a specified event (e.g. on the death of a member).

Currency point

One currency point is equivalent to twenty thousand Uganda Shillings.

Deferred Member

A person entitled to a payment of benefits at a future date. Normally this would be an early leaver but the term is sometimes used to describe someone whose retirement is being postponed.

Defined Benefit Schemes

Schemes in which the benefits are calculated according to a set formula. The benefits may be related to service completed and/or earnings prior to retirement.

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Defined Contribution Schemes

Schemes in which the retirement benefits paid to each member depend on the amount of contributions which have been paid in for that member and the investment returns earned on those contributions.

Dependant

A person who is financially dependent on a member or pensioner or was so at the time of death or retirement of the member or pensioner. For example, a child of the member or pensioner may always be regarded as dependent until he or she reaches the age of eighteen or ceases to receive full-time education or vocational training, if later. A spouse of a member or pensioner may always be regarded as a dependent.

Key officers in a scheme

Refers to individuals in a scheme or in a company who are in a decision making position in the scheme or company.

Member

A person who has been admitted to membership of a retirement benefits scheme and who is entitled to specified service;

Service Provider

Refers to an individual, a company or a financial institution appointed by

benefits under the scheme. This will include active members, pensioners, deferred members and persons entitled to claim under the Act.

Normal retirement age

The age on which a member of a retirement benefits scheme normally becomes entitled to receive his or her retirement benefits.

Occupational Pension Scheme

A scheme established by an employer for the benefit of employees including schemes established under a written law.

Pensioner

A person who is currently receiving payment of a pension from a pension scheme.

Scheme Rules

The detailed provisions of a scheme normally set out in a formal way usually given authority by a trust deed.

Service level agreement

Refers to an agreement entered into between the trustees of scheme and a service provider for provision of a

the trustees to offer services to a scheme. These include administrators, fund managers, custodians, auditors custodians, auditors, lawyers or any other individual or entity providing a

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service to a scheme.

Trust Deed

The legal document executed in the form of a deed, which establishes, regulates or amends a trust.

Trustee

Refers a person responsible for managing a retirement benefits scheme in accordance with the scheme rules and legal requirements under the Act.

A trustee may be an individual or a company which alone or jointly becomes the legal owner of property to be administered for the benefit of

someone else (the beneficiaries), in accordance with the provisions of the document creating the trust and the provisions of trust law generally and the Act.

Trust Law

Trust law has evolved primarily in relation to family and charitable settlements and is not always easy to apply to the different circumstances of pension schemes. Much of it is embodied in the Trustee Act and in law which has arisen over many hundreds of years in cases decided in the courts. This case law is often known as equity, broadly meaning that which is fair and naturally just.

Date: 15TH DECEMBER, 2016

Signed



David Nyakundi Bonyi
CHIEF EXECUTIVE OFFICER



CODE OF CONDUCT FOR TRUSTEES OF A RETIREMENT BENEFITS SCHEME

Disclaimer

This handbook is not a legal document nor does it substitute the provisions of the Uganda Retirement Benefits Regulatory Authority Act and the Regulations made thereunder. The handbook should be read together with the URBRA Act, 2011 and the regulations made thereunder.

ISSUED ON THE 15TH DAY OF DECEMBER, 2016

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FOREWORD

Over the years, the role of pension fund / retirement benefits scheme trustees in managing private and institutional pension assets and investment landscape for the benefit of participating members and beneficiaries has increasingly gained importance. The conduct of persons who manage / govern these pension plans significantly impact the lives of those who depend on those savings for retirement. It has therefore become apparent that the trustees of the pension and retirement benefits scheme need to adhere to high standards of professional conduct in accordance with fundamental ethical principles of honesty, integrity, independence, fairness, openness, and competence, hence this trustee code of conduct. This voluntary adherence to high standards of ethical conduct that goes beyond the minimum requirements of the law, is the most effective and efficient form of market regulation.

This trustees' code of conduct is a set of guidelines outlining the responsibilities of, or proper practices for, an Individual Trustee or Corporate Trustee.

i. Application of this trustee code of conduct.

This code provides guidance to those overseeing the management of the scheme regarding their individual duties and responsibilities but is not meant to replace the overall policies and procedures established for the governance of the pension scheme. However, to reflect best ethical practice, incorporating the fundamental ethical principles embodied in this code will enhance those policies and procedures.

Generally, this code is applicable to all trustees irrespective of the nature and size of funds under their management and whether they are member or sponsor nominated trustees. This benchmark code provides a best practice framework to guide the activities of the trustees and provides beneficiaries and members an added sense of confidence that the trustees are working for their best interest.

This code of conduct details what is expected of scheme / fund trustees, thus;

1. Act in good faith and in the best interest of the scheme participants and beneficiaries.
2. Act with prudence and reasonable care.
3. Act with skill, competence, and diligence.
4. Maintain independence and objectivity by, among other actions, avoiding conflicts of interest, refraining from self-dealing, and refusing any gift that could reasonably be expected to affect their loyalty.
5. Abide by all applicable laws, rules, and regulations, including the terms of the scheme documents.
6. Deal fairly, objectively, and impartially with all participants and beneficiaries.
7. Take actions that are consistent with the established mission of the scheme and the policies that support that mission.
8. Review on a regular basis the efficiency and effectiveness of the scheme's success in meeting its goals, including assessing the performance and actions of scheme service providers, such as Fund managers, Administrators, Custodians, Auditors and actuaries.
9. Maintain confidentiality of scheme, participant, and beneficiary information.
10. Communicate with participants, beneficiaries, and supervisory authorities in a timely, accurate, and transparent manner

1. Trustee code of conduct

i. Act in good faith and in the best interest of the scheme members and beneficiaries.

RBS trustees have a primary duty to act for the benefit of the scheme members and beneficiaries by safeguarding and growing the assets of the pension scheme to provide maximum benefit to the scheme participants and beneficiaries.

To act in the members' and beneficiaries' best interest, an effective trustee should

- Often engage in a delicate balancing act of taking sufficient risk to generate long-term returns high enough to support real benefit increases for active members who will become future beneficiaries while avoiding a level of risk that jeopardizes the safety of the payments to existing pensioners.
- Place the benefit of the scheme members and beneficiaries above that of the sponsor of the pension scheme even if the trustee is employed by or appointed to the board of the pension scheme by the scheme's sponsor.
- Consider whether the position of the scheme is enhanced by any investment or action and will not be swayed by other considerations, such as the interests of the employer sponsor of the pension or other external institutions (e.g., trade unions or political parties).

However, trustees who exclusively seek to enhance the position of members and beneficiaries cannot discount additional considerations, such as the effect of the trustees' decisions on the financial health and viability of the scheme sponsor or their impact on scheme investments. In addition to these considerations, trustees will;

- Consider the additional objectives of ensuring an adequate match between scheme assets and liabilities, maintaining stable funding costs over time, keeping management costs down, and paying benefits upon the death, disability, retirement, or other special circumstances of scheme members.

- Carry out the scheme activities in a way that does not impose an unnecessary financial burden on the scheme sponsor and serves the interests of scheme members well but without excessive burden to the sponsor.
- Consider the position of other stakeholders when carrying out their duties to the scheme / fund. It's important to consider how the decisions made (even for the benefit of members and beneficiaries) will affect the rest of the public, government, other industry participants, *inter alia*.
- Consider all relevant risk and value factors deemed appropriate when designing the scheme's investment strategy, such as environmental, social, and corporate governance issues.

ii. *Act with prudence and reasonable care.*

Effective trustees will exhibit the care and prudence necessary to meet their obligations to RBS scheme members and beneficiaries. The exercise of prudence requires acting with the appropriate levels of care, skill, and diligence that a person acting in a like capacity and familiar with such matters would use under the same circumstances.

In the case of scheme trustees, prudence requires;

- Acting in a judicious manner to avoid harming scheme members and beneficiaries.
- Acting in good faith, without improper motive or purpose.
- Exercising power and discretion consistently.
- Following the investment parameters set forth by the scheme documents and applicable regulation.
- Having appropriate knowledge and skill in balancing risk and return by seeking appropriate levels of diversification.

Trustees can rely on external third-parties or service providers and professional consultants provided that the trustees have made reasonable and diligent effort to;

- Determine that the service providers act with appropriate skill, competence, and diligence.

- Determine that such co-opted professionals are independent and free of conflicts of interest and have the proper incentives to act in the best interests of the fund participants
- Ensure that all decisions have a reasonable and adequate basis and that the decision process is adequately documented.

Trustees may also consider appointing expert or independent trustees and hiring internal staff with investment expertise who may act as an internal consultants.

However, although the delegation of certain trustee responsibilities to experts is a prudent option, the trustees retain the ultimate fiduciary duty and responsibility to monitor the experts and to ensure that the delegated responsibilities are carried out appropriately.

iii. Act with skill, competence, and diligence.

Skill and diligence require trustees to be knowledgeable about the matters and duties with which they have been entrusted. Ignorance of a situation or an improper course of action on matters for which the trustee is responsible or should at least be aware is a violation of this code.

Improper or ill-advised decisions can be costly to the scheme and detrimental to the scheme's members and beneficiaries. Prior to taking action on behalf of the scheme, effective trustees should analyse the potential investment opportunities and act only after undertaking due diligence to ensure they have sufficient knowledge about specific investments or strategies.

In exercising due diligence and competence, scheme trustees must have full knowledge of the following scheme documents;

- Trust deed and rules, or such other document setting up and governing the scheme.
- Scheme funding and liabilities.
- Internal scheme policies and rules
- The strategies in which the scheme is investing.

- Investment Policy statement, as well as the thoroughness of the analysis performed, the timeliness and completeness of the information, and the objectivity and independence of the source.
- The basic structure and function of the selected investments and securities in which the scheme invests.
- How investments and securities are traded, their liquidity, and any other risks (including counterparty risk).

The level of such analysis will depend on the investment style and strategy employed by the scheme. Certain types of investments, private equity, or more sophisticated derivative instruments, necessitate more thorough investigation and understanding than do fundamental investments, such as straightforward and transparent equity, fixed-income, or mutual fund products. Trustees may seek appropriate expert or professional guidance if they believe themselves lacking the expertise necessary to make an informed decision.

It is also important to note that;

- Trustees should not act—or fail to act—for the beneficiaries if lacking appropriate understanding or knowledge.
- Trustees are expected to take any training or educational opportunities necessary to ensure that their level of knowledge and understanding about pensions and investments remains current.
- Incumbent trustees and the scheme sponsor have a responsibility to ensure that new trustees receive proper training and education to fulfil their duties.

iv. Maintain independence and objectivity by, among other actions, avoiding conflicts of interest, refraining from self-dealing, and refusing any gift that could reasonably be expected to affect their loyalty.

Effective trustees must endeavour to avoid actual and potential conflicts of interest between their work with the pension scheme and other personal or outside interests. Conflicts of interest are many and varied, but the interests of scheme members and beneficiaries are paramount and this should always be the guiding factor.

Effective trustees

- Strive to avoid even the appearance of impropriety. Outside duties or responsibilities should not influence decisions because the trustee acts primarily for the beneficiaries and members of the scheme.
- Take great care to put their duties to the scheme before their loyalty to the sponsoring entity that appointed them
- Do not solicit political contributions from service providers to the fund, either personally or on behalf of another

v. Abide by all applicable laws and regulations plus scheme rules

The trustees, having been vested with the power to manage and administer the scheme, are responsible for ensuring adherence to the terms of their engagement, statutes, bylaws, contracts, trust instrument, or other associated governing documents. As a general matter, schemes operate in a complex, varied, and rapidly changing regulatory environment. Generally, trustees are not expected to master the nuances of technical, complex law or become experts in compliance with pension regulation. The trustees however, in ensuring compliance with the set laws, regulations and scheme's established codes should;

- Consult with professional advisers retained by the scheme to provide technical expertise on applicable law and regulation.

- Regularly investigate and ensure that the pension scheme has adopted and updated compliance policies and procedures designed to maintain compliance with laws and regulations that govern the pension scheme.
- Report any suspected illegal, unethical, or financial irregularities to the appropriate parties, including the scheme's internal auditor.

Policies and procedures are critical tools to ensure that schemes meet their legal and ethical requirements. Specific policies and procedures of the pension scheme supplement the fundamental principle-based ethical concepts embodied in this code.

Documented compliance procedures will assist trustees in fulfilling the responsibilities enumerated in this code

vi. Deal fairly, objectively, and impartially with all members and beneficiaries.

It is important for the members of the scheme to have utmost confidence in the scheme and the people they entrust with their savings. To maintain the trust that beneficiaries of the scheme place in them, trustees in dealing with the affairs of the scheme should deal with all scheme members and beneficiaries in a fair and objective manner, not giving preferential treatment to members or beneficiaries within a particular class of members or otherwise favour one class over the others.

Many schemes have different types of participants:

- Active members who are making contributions and accruing benefits
- Deferred members who have left employment but have not transferred their assets and will draw future benefits when reaching retirement age
- Retirees, including spouses of deceased members, who are currently drawing retirement benefits.

Effective trustees balance the interests of all types of members, treating each category of member fairly

vii. Take actions that are consistent with the established mission of the scheme and the policies that support that mission.

Another important responsibility of scheme trustees is to develop and implement comprehensive written investment policies that set forth the mission, beliefs, and strategic investment plans that guide the investment decisions of the scheme. In drafting the investment policies, trustees should include a discussion of risk tolerances, return objectives, liquidity requirements, liabilities, tax considerations, and any legal, regulatory, or other unique circumstances, and have provision to review such policies in the period as the circumstances of the scheme and retirement benefits or investment environment may demand

Trustees, in making investment decisions of the scheme will be guided by the investment policies approved and will take into account;

- The suitability of investments given the needs of the scheme, its future (or projected) liabilities, risk tolerance, and diversification goals.
- Investment options within the context of the stated mandates or strategies and appropriate asset allocation.
- Policy frameworks within which to allocate risk for both asset mix policy risk and active risk as well as frameworks with in which to monitor performance of the asset mix policies and the risk of the overall pension fund.
- Work to achieve the proper investment blend to reflect the sometimes competing interests among the different classes of scheme members while focusing on long-term stability and growth.
- Carrying out the terms of the scheme while abiding by any supplemental legal or regulatory requirements

viii. Review on a regular basis the efficiency and effectiveness of the schemes success in meeting its goals,

including assessing the performance and actions of scheme service providers, and consultants.

Trustees should have the knowledge and understanding to critically review and verify the performance of the scheme's fund managers.

Trustees

- Develop disciplined decision rules for hiring, firing, and retaining scheme service providers whilst ensuring growth of the scheme, reduced cost and financial burden on the scheme members and beneficiaries.
- Hiring and firing decisions should be made by considering well-reasoned criteria that may include performance, organizational or operational strength, personnel quality, and other considerations.
- Ensure that service providers and consultants retained by the scheme adopt and comply with adequate compliance and professional standards.
- Ensure that the pension scheme has in place proper monitoring and control procedures for service providers.
- Review service providers' performance assessments relative to the scheme's policies on a regular basis, generally quarterly but at least annually.
- Trustees may delegate the selection and monitoring of service providers to a committee or professional staff as long as the trustees maintain essential oversight and policy-setting responsibilities

ix. Maintain confidentiality of scheme, member, and beneficiary information.

Effective trustees hold strictly confidential all information communicated to them in the context of their duty to the scheme, and they take all reasonable measures to preserve this confidentiality. This confidentiality applies to information related to individual scheme members and beneficiaries as well as any information that may affect the scheme's competitive ability (e.g., detailed security transactions,

investment holdings, private equity transactions, and merger and acquisition information).

Effective trustees ensure that the scheme has in place a privacy policy that addresses how confidential scheme information will be collected, used, stored, and protected and should ensure that this policy extends to external agents and delegates

x. Communicate with members, beneficiaries, and pensions regulator in a timely, accurate, and transparent manner.

Full and fair disclosure of relevant information is a fundamental ethical principle of the retirement benefits / pension sector. Developing and maintaining clear, timely, and thorough communication practices is critical to providing high-quality financial services to scheme members and beneficiaries.

Trustees have a responsibility to

- Ensure that the information they provide to scheme members and beneficiaries is accurate, pertinent, and complete.
- Not misrepresent any aspect of their services or activities in any communications, including oral representations, electronic communications, or written materials (whether publicly disseminated or not).

Effective trustees work to ensure that all communications with scheme participants and beneficiaries are timely, relevant, complete, and accurate. If the scheme is considering significant changes, such as mandating a later retirement age, lowering the percentage of future benefits or closing the scheme to new members, trustees will communicate this information well in advance to allow affected parties the opportunity to provide input.

Among other disclosures, trustees have a duty to present performance information that is a fair representation of the scheme's investment record and that includes all relevant factors. Trustees have a

responsibility to comply with the scheme's disclosure policies by submitting any requested information in a timely manner. To be effective, disclosures of information must be made in plain language and in a manner designed to effectively communicate the information.

It is also important the scheme trustees disclose and communicate information to the regulator, Uganda Retirement Benefits Regulatory Authority (URBRA) in accordance with the Act and set regulations and in the prescribed format. This kind of accountability will foster growth of the schemes as well as the growth sector as a whole.

Conclusion

This code of conduct, which is based on international best practice in prescribing the code of conduct of members of schemes' governing bodies (Board of Trustees or corporate trustees), provides guidance on the factors that need to be considered by trustees in the course of executing their trustee duties. This code is applicable to all trustees irrespective of the nature of the scheme they manage. It provides a level operating landscape so as to oversee the activities of the broad spectrum of stakeholders of the retirement benefits sector. This code can also be incorporated in the internal procedures of the different schemes so as to ensure accountability to the scheme members and beneficiaries, increasing competence of trustees and integrity of the schemes, ultimately, strengthening protection and growth of the sector.

Signed



Date: 15TH DECEMBER, 2016

David Nyakundi Bonyi

CHIEF EXECUTIVE OFFICER

***The Uganda Retirement Benefits Regulatory Authority
(Members' Rights Guide Booklet) Guideline No.3 of 2016***



MEMBERS' RIGHTS GUIDE BOOKLET

Disclaimer

This handbook is not a legal document nor does it substitute the provisions of the Uganda Retirement Benefits Regulatory Authority Act and the Regulations made thereunder. The handbook should be read together with the URBRA Act, 2011 and the regulations made thereunder.

ISSUED ON THE 15TH DAY OF DECEMBER, 2016

The Uganda Retirement Benefits Regulatory Authority (Members' Rights Guide Booklet) Guideline No.3 of 2016

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INFORMATION TO MEMBERS OF RETIREMENT BENEFITS SCHEMES

1. INTRODUCTION

Members of retirement benefits schemes (schemes) are entitled to certain rights under both statutory and applicable common law of trusts. Most members of schemes do not know those rights and it is incumbent on both the sponsor and the trustees of schemes to clearly communicate and inform members their rights. Further, members of schemes are entitled to information relating to their schemes.

This members' rights guiding booklet provides information which trustees and sponsors must provide to the members of their schemes and also identifies some rights members are entitled under a retirement benefits schemes.

2. GENERAL INFORMATION ABOUT SAVING FOR RETIREMENT

Potential sponsors of schemes and trustees of existing schemes need to inform potential members and members of schemes about the importance of saving for retirement. Old age income security is important when regular earnings in form of salary or business earnings cease. Retirement savings are meant to replace regular earnings, which cease upon retirement from active employment. In order to maintain a good standard of living in old age all retirees require retirement benefits. Taxpayers may not be able to pay retirement benefits to all retired citizens and therefore there is need for those with an earning during their active economic life to plan and save for retirement.

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Employers and other institutions may on a voluntary basis establish a retirement benefits scheme, which upon being licensed by Uganda Retirement Benefits Regulatory Authority (URBRA) may register employees as members or invite members of the public to register as members respectively, to commence saving for retirement.

3. INFORMATION ABOUT THE TYPE OF SCHEME AND IMPLICATION

- a) Members need to be informed about the type of their retirement benefits scheme. There are various types of schemes. There are schemes designed as defined benefits schemes, a hybrid schemes or defined contribution schemes. Some schemes are mandatory and some are voluntary. Most schemes are work-based or occupational schemes while few others are individual saving schemes often targeting the self-employed persons and the informal sector workers. National mandatory schemes are often established under statute by government covering formal workers while most occupational schemes and individual are established under irrevocable trusts.
- b) National Social Security Fund is a mandatory scheme established under a statute. There are other statutory schemes set up by legislation and provide benefits for employees in the public sector or semi-state bodies. A trust is a legal arrangement used to establish a retirement benefits scheme under which trustees hold the assets of the scheme in a trust fund for the benefit of the members of the scheme and their dependants, and for the purpose of providing income in retirement.
- c) The implications of participating in a mandatory scheme and a voluntary scheme need to be communicated to members. At the

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same time the implications of being a member of a defined benefit scheme, defined contribution scheme or a hybrid scheme need to be simplified in a booklet and availed to a member.

- d) Under a defined benefit schemes members are guaranteed benefits determined by an accrual factor, period of service and either final salary or career average earnings. The sponsor who promises the benefit in advance is required to guarantee the payment of the benefits. Accordingly, the sponsor assumes the risks associated with market performance of the scheme assets as well as funding of the scheme. The scheme requires regular actuarial valuations to ascertain its funding solvency.
- e) Under a hybrid scheme, which comprises both the aspect of contributions from the sponsor and members, as well as the promise of a guaranteed benefit at the time of retirement, the contributions of the members and sponsor will constitute the benefit and the members may assume the risk of investment but not below a set floor, which the sponsor guarantees. The risk of investment is shared between the sponsor and the member. There is thus a level of guarantee of the benefits above the set investment performance underpins.
- f) Another form of a hybrid scheme would be in form of an underpin benefit guarantee. At retirement, the member receives a benefit based on whichever calculation provides the better result. The contributions may be shared equally between the sponsor and a member but with a benefit guarantee at retirement, which is already predetermined. The member will be paid a benefit which is not below the guaranteed benefit even when the accrued value of the member's account is below the guaranteed benefit.
- g) A hybrid scheme takes various forms but fundamentally it has

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features of a defined benefit and a defined contribution scheme. Because of that guarantee, like a defined benefit scheme, the funding of the scheme requires continuous actuarial valuation to ascertain the funding solvency of the scheme.

- h) The most common schemes in Uganda are defined contribution schemes. Under these schemes, benefits are promised and hence the sponsor does not guarantee benefits. The obligations of the sponsor are limited to the payment of contributions on behalf of a member which contributions are invested until retirement. The value of funds in a member's account at retirement will constitute the benefit. Under defined benefits schemes, members and not the employer assume the risk of investment performance.

4. MEMBERSHIP IN A SCHEME

- a) Employers and potential sponsors of retirement benefits schemes in Uganda are not under any statutory obligation to establish occupational schemes for workers. However, once established, the schemes is required to comply with the URBRA Act and Regulations.
- b) An employer of five or more employees is under a statutory obligation to register and contribute on behalf of their employees to the mandatory National Social Security Fund..
- c) Civil servants, the military and employees in local authorities are members of the public service pension schemes by virtue of statutory provisions.
- d) The rules of an occupational retirement benefits scheme should provide for eligibility for membership. Being a condition of employment it is expected that all workers

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should be eligible for membership in the scheme unless special and justifiable reasons are stated in writing why some workers may be excluded from membership.

- e) Membership in an individual saving scheme is voluntary and self-employed persons or workers in the informal sector are free to apply for membership on their own wish.

5. CONTRIBUTIONS AND FUNDING THE SCHEME

- a) Except the public service scheme, all other retirement benefits schemes are required under the law to be funded. The funding of the scheme is dependent on the type of scheme.
- b) For defined contribution schemes, like the majority of the occupational schemes and the mandatory National Social Security Fund, funding is dependent on the monthly contributions of the employer and employees.
- c) Members need to clearly know the rate of contributions made to the scheme, the regularity of those payments and the implications when contributions are not made on time or at to the scheme. The law requires contributions to be made by the 15th day of the following month. Under URBRA Act, it is an offence for an employer not to remit contributions to the scheme and besides a penalty interest charge of not less than 10% of the unpaid contributions applies.
- d) In the case of individual saving plans, members make their own contributions, which constitute the assets that will provide a benefit at retirement or as agreed in the scheme trust deed. The contributions made to the scheme pre-fund

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the benefits anticipated at the time of retirement.

- e) However for Hybrids and defined benefits schemes, where the sponsor guarantees benefits to the employees at the time of retirement, funding is critical as the sponsor is required to ensure that the scheme is fully funded to meet the obligations arising from the promised benefits.
- f) In the case of the Public Service Scheme, benefits are funded by general tax revenue of government. Government of Uganda shoulders the risk of funding of the scheme, and although no special fund is set aside for this purpose, benefits are assumed to be funded when they fall due.

6. INVESTMENT OF THE ASSETS OF THE RETIREMENT BENEFITS SCHEME

- a) Members are entitled to know how the scheme assets are invested. The scheme is required under section 67 of URBRA Act to develop a prudent investment policy. The trustees of the scheme being legal owners of the scheme assets shall develop an investment policy to guide the investment of scheme assets as if the assets were their own. In so doing trustees are expected to know the needs of the members and beneficiaries, regular income expectation, preservation of scheme assets and effectively manage risks associated with investments.
- b) Members are entitled to a summarized version of the investment policy besides the right to be furnished with a copy of the investment policy upon formal request.
- c) During annual general meetings of the scheme, the fund manager should make a clear presentation to members on

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the investment performance of the scheme in the past year and members are entitled to ask questions which the trustees or the fund manager should respond to. It should always be remembered that the views of members in an annual general meeting are only recommendations which trustees, in their meetings, may consider but they are legally binding on them. Prudence in processing members' views is expected from trustees.

- d) The fund manager is under a dual obligation to comply with the investment policy and also the provisions of the URBRA Act and the Investment guidelines under the act. In case of a conflict between the two, the Act and regulations take precedence.
- e) As the market develops, the need for member choice may arise. It is incumbent upon trustees to furnish all the information a member requires in order to make prudent decisions on these life cycle funds. The fund manager will then prudently invest the various funds within the scheme respecting choices of members.

7. COST OF SCHEME ADMINISTRATION

- a) Members of schemes are entitled to information relating to the cost of administering the scheme. Schemes incur costs on trustees allowance, service providers and investment transactions etc. There are statutory payments such as compulsory levies and taxes. Trustees must demonstrate to members that costs and charges are value for money. Trustees will be expected to provide members with a summary report during annual general meetings showing the features of the scheme, scheme's clear objectives and the cost

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intended to achieve those objectives.

- b) Disclosure of scheme administration costs has shown to build member confidence, which supports enhanced performance.

8. TAXATION OF PENSION FUNDS

Taxation policy of retirement benefits schemes does have an implication on the extent of participation in retirement savings by employers and members. Members need to be informed of the tax applicable to their contributions, investment income and benefits payment. Taxation policy can be an incentive or disincentive to saving for retirement. The need for member information on applicable taxes helps members to realistically plan for their retirement by either enhancing contributions or demanding for improved investment strategies to cover against the tax obligations at retirement.

9. BENEFITS PAYMENT PHASE

- a) The benefits payment phase is the core aim of a retirement benefits scheme. People save for long to secure an income in old age when other sources of income have ceased. The expectation of members approaching retirement is always high and trustees of a scheme should avail sufficient information relating to benefits accumulated, the various ways a member can access the benefits. Trustees should organize meetings with scheme members who are about to retire and share information on retirement and respond to anxieties retiring members may have related to their retirement.

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- b) The manner in which a member may access benefits upon retirement depends with the provisions of the scheme rules. Some schemes provide for pensions, which may be issued internally by the scheme or may require a member to buy an annuity from a provider of his or her choice. Some schemes provide for lump sum pay such as the mandatory NSSF and trustees need to help members on how to utilize the funds during retirement years.

10. DISPUTE RESOLUTION MECHANISM

Trustees should ensure that the scheme rules provide for the procedures of resolving disputes between parties to the scheme. The procedure should be accessible to all with least complications and fair. It is important that trustees inform members of the process of resolving disputed works.

11. MEMBER RIGHTS UNDER THE ACT

Uganda Retirement Benefits Regulatory Authority Act makes explicit rights to members and some rights are inferred from common law of trusts that to some extent applies in this jurisdiction.

- i. Members have a right to a booklet, which summarizes accurately the provisions of the trust deed and rules. This booklet should be regularly revised as the scheme rules are revised.
- ii. The obligation on trustees to comply with the Act and Regulations is for the benefit of members and members have a right to see that trustees are complying with the Act and Regulations.
- iii. It is a member's right for the investment of assets of the scheme to be executed prudently.

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- iv. The payment of benefits to members should be effected without delay and accurately.
- v. Member records and scheme financial records should always be kept properly and accurately.
- vi. Accrued member benefits are not liable for execution or attachment in the event of judgment order against the member.
- vii. Members have a right to annual membership statements and summary of scheme financial statements.
- viii. Members have a right to be furnished with accurate written summary of the scheme's investment policy and performance of scheme assets.

12. CONCLUSION

Trustees will contribute to building confidence in the pension system if they prudently govern retirement benefits schemes, make sufficient disclosures to members, protect member rights and furnish members with necessary scheme documents detailing the functioning of schemes. It is expected that trustees will provide regular information to members as part of good governance of their schemes.

Signed



Date: 15TH December, 2016

David Nyakundi Bonyi

CHIEF EXECUTIVE OFFICER

Uganda Retirement Benefits Regulatory Authority (Engagement of External Auditors) Guideline No. 1 of 2017



GUIDELINES ON ENGAGEMENT OF EXTERNAL AUDITORS OF RETIREMENT BENEFITS SCHEMES

TO: Retirement Benefits Schemes

These guidelines on External Auditors of retirement benefits schemes are issued pursuant to section 5 (1) (d) and 64(1) of the Uganda Retirement Benefits Regulatory Authority Act, 2011 for observance by retirement benefits schemes.

The aim of these guidelines is to ensure that the retirement benefits schemes have their financial statements prepared accurately and are free from material misstatement, whether due to fraud or error. This will create greater public confidence in the retirement benefits sector.

Accordingly, Uganda Retirement Benefits Regulatory Authority issues these guidelines on external auditors to be effective from January 1, 2017

These Guidelines are not a legal document nor do they substitute the provisions of the Uganda Retirement Benefits Regulatory Authority Act 2011 and the Regulations made thereunder. The Guidelines should be read together with the URBRA Act 2011 and the Regulations made thereunder.

Issued on the 24th day of May, 2017

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1.0 AUTHORIZATION

IN EXERCISE of the powers conferred by sections 93, 5(1) (d) and 64(1) of the Uganda Retirement Benefits Regulatory Authority Act, 2011(URBRA Act) the Uganda Retirement Benefits Regulatory Authority (herein referred to as URBRA) issues these Guidelines, for observance by all retirement benefits schemes licensed under the URBRA Act, 2011 in respect to the engagement and approval of external auditors.

2.0 INTRODUCTION

URBRA requires all retirement benefits schemes to have their audited financial statements prepared and submitted to the Authority four months after the end of each financial year in accordance with the URBRA Act, the Uganda Retirement Benefits Regulatory (Financial Reporting and Disclosure Requirements) Regulations, 2016; International Financial Reporting Standards (IFRS) and audited in accordance with the International Standards on Auditing (ISA). A qualified, independent external auditor is essential for accurate financial reporting of a retirement benefits scheme.

3.0 OBJECTIVES

The objective of these guidelines is to ensure that:

- i. Only suitable, fit and proper auditors audit retirement benefits schemes;
- ii. There is a reliable financial reporting process for both stakeholders and supervisory purposes;
- iii. There are clearly defined roles and responsibilities of trustees of retirement benefits schemes and the External Auditor in regard to the integrity of financial reporting;
- iv. With reasonable assurance, the financial statements of retirement benefits schemes are free from material misstatement, whether due to fraud or error.

4.0 GENERAL PRINCIPLES

4.1 Trustees to appoint qualified auditors

A person is regarded as being a qualified Auditor under circumstances where he or she:

- i. is a member of the Institute of Certified Public Accountants of Uganda (ICPAU)

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- ii. has been authorized by the Institute of Certified Public Accountants of Uganda to practice auditing for the relevant period;
- iii. has at least five years' experience in accounting and auditing at the level of a partner;
- iv. has at least two years' experience in retirement benefits schemes auditing at manager level in a firm; and
- v. Is not disqualified from acting as an auditor under any legislation or statutory body

4.2 Independence of auditors

- a) Trustees of a retirement benefits scheme shall ensure that the appointed auditor is independent and has no conflict of interest with respect to the retirement benefits scheme under their trusteeship.
- b) The auditor, or partners of an audit firm on an annual basis, shall be required to complete a formal independence and 'fit and proper' declarations which shall be submitted to URBRA by trustees of the retirement benefits scheme when seeking approval for the appointment of the auditor. (See Appendix for the declaration forms)
- c) Trustees of a retirement benefits scheme shall notify the Authority in writing if, at any, time it forms the opinion that its auditor is not independent or the auditor's license or that of the firm where the auditor is a partner, has been withdrawn by ICPAU.

4.3 Trustees' oversight role

Trustees of a retirement benefits scheme shall be required to carry out the following oversight functions:

- i. Oversee the preparation of the financial statements, financial reporting and disclosure processes; and agree on suitable accounting policies, to be applied consistently, making estimates and judgment on a reasonable and prudent basis.
- ii. Monitor whether the law, accounting policies and practices applicable to the retirement benefits scheme are being followed as required;
- iii. Oversee the audit process and review the auditor's plans and material findings;
- iv. Oversee the processes for hiring, removing and assessing the performance and independence of the external auditor and to ensure that the appointed

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auditor has the necessary knowledge, skills, expertise, integrity and resources to conduct the audit; and

- v. Investigate the circumstances relating to the resignation or removal of an external auditor, and ensure prompt actions are taken to mitigate any identified risks to the integrity of the financial reporting process.

4.4 Trustees to ensure an effective relationship with the external auditor

Trustees shall be required to safeguard and promote an effective relationship with the external auditor by ensuring that:

- i. The terms of engagement of the external auditor are clear and appropriate to the scope of the audit; estimate the resources required to conduct the audit and specify the audit fees to be paid;
- ii. The auditor undertakes a specific responsibility under the terms of engagement to perform the audit in accordance with applicable law and auditing standards;
- iii. There are adequate internal policies and a process to ensure the independence of the external auditor, including policies and processes that address the auditor's compliance with applicable ethical and professional standards, restrictions and condition for the provision of non-audit services which are subject to approval by the trustees, partner or firm periodic rotation as appropriate, and safeguards to eliminate or reduce to an acceptable level identified threats to the independence of the external auditor;
- iv. There is adequate dialogue with the external auditor on the scope and timing of the audit to understand the issues of risk, information on the scheme's operating environment which is relevant to the audit, and any areas in which the trustees may request for specific procedures to be carried out by the external auditor, whether as a part or an extension of the audit engagement;
- v. There is unrestricted access by the external auditor to information and persons within the scheme or service providers as necessary to conduct the audit; and
- vi. There is an evaluation of the effectiveness of the external audit process at the end of the audit cycle.

4.5 Auditor's responsibility

The auditor of a retirement benefits scheme is obliged to:

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- i. Audit the financial statements of a retirement benefits scheme and report to the trustees and URBRA in accordance with the law and International Standards on Auditing (ISA);
- ii. Certify the scheme's compliance with such obligations and matters as may be specified in the URBRA Act, Regulations and Guidelines;
- iii. Provide such certifications, confirmations or any other information specified by the URBRA in a written notice sent to the scheme and the auditor; and
- iv. Carry out such other duties as may be required of the auditor under the URBRA Act, Regulations and Guidelines.

5. SPECIFIC REQUIREMENT

- i. Trustees of a scheme shall seek formal approval from URBRA for the appointment of an auditor.
- ii. Trustees of a retirement benefits scheme shall be required to disclose any information required by the URBRA regarding the auditor that they intend to engage.
- iii. If an Auditor resigns or is replaced, trustees of the scheme shall notify URBRA and give the reasons for the resignation or replacement. Such a notification needs to include a statement from trustees on whether there were any disagreements with the former auditor over the content of the auditor's opinion.
- iv. URBRA may require trustees to replace an auditor when the auditor fails to adequately perform the required functions or duties, is subject to conflict of interest or no longer meets eligibility requirements.
- v. In relying on the audit evidence generated by the scheme's actuarial function, the auditor shall be required to:
 - a. Evaluate the competence, capabilities and objectivity of the actuarial function;
 - b. Obtain an understanding of the work of the actuarial function;
 - c. Evaluate the appropriateness of the work as evidence for the assertion.

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- vi. The auditor may consider incorporating a fellow of the actuaries or equivalent as would qualify to be an actuary in Uganda in the engagement team to provide him/her with reasonable assurance that actuarial evaluation carried out on the scheme has been performed in accordance with the generally accepted actuarial principles and forms a suitable basis for deriving audit conclusions.
- vii. The scope of consultation shall, at a minimum, include:
 - a. Verifying the quantum of reserves of the scheme and benefits using the generally accepted principles; and
 - b. Verifying the funding level of the scheme both for going concern and termination bases using the International Financial Reporting Standards.

6. AUDITORS TENURE WITH A RETIREMENT BENEFITS SCHEME

Auditors tenure with a retirement benefits scheme shall be determined on the following basis;

- a. Audit partners are permitted to be responsible for the audit of a specific scheme for a period of not more than three (3) consecutive years.
- b. Audit managers are permitted to support a partner for the audit of a specific scheme for a period of not more than three (3) consecutive years;
- c. An audit firm is permitted to carry out the audit for a specific scheme for a period of up to five (5) consecutive years;
- d. A scheme may replace an auditor at any stage; and
- e. A retirement benefits scheme shall not engage the replaced audit firm before expiry of a period of at least three (3) years.

7. REPORTING REQUIREMENTS

7.1 Annual report & Audited financial statements

- (1) Trustees shall submit copies of the annual report including the audited financial statements to URBRA within four (4) months of the end of the financial year. The annual report shall include a statement, signed by the trustee indicating-

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- a. whether the retirement benefits scheme has complied with the Act, and regulations made under the Act and other relevant laws;
- b. whether the retirement benefits scheme management has –
 - i. identified the key financial and operating risks of the retirement benefits scheme
 - ii. established systems to control and monitor those risks including, where appropriate, adherence to prudent policies and procedures, to reasonable operating limits and to adequate and timely reporting processes; and
 - iii. satisfied itself that those risk management systems are operating effectively and are adequate in regard to the risks they are designed to control; and
- c. a declaration as to whether actual or potential conflicts of interest exist with respect to the retirement benefits scheme's engagement with an external auditor which may compromise the independence of the auditor's performance;

7.2 Circumstances where an Auditor may report directly to URBRA

- (1) The Auditor shall report to URBRA directly and immediately in circumstances where the scheme has breached, or is likely to breach funding requirements including where contributions to the scheme have remained due for a period exceeding thirty (30) days.
- (2) The Auditor shall report to URBRA directly where the scheme trustees may have contravened the URBRA Act or any other law and the contravention may prejudice the interests of scheme members.
- (3) Where such a report is made directly to URBRA, the auditor is not under any obligation to disclose this to the trustees of the scheme if the Auditor:
 - a) considers that by doing so the interests of scheme members may be jeopardized; or
 - b) Has lost confidence in the trustees of the retirement benefits scheme

8. PROHIBITED ACTIONS

A trustee of a retirement benefits scheme shall not –

- a. appoint or engage an auditor or audit firm without the approval of the Authority;
- b. appoint or engage the same auditor for more than five (5) consecutive years;

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- c. appoint or engage an auditor who is a member, trustee, custodian, administrator or fund manager of the retirement benefits scheme;
- d. appoint or engage an auditor to provide advisory or consulting services to a retirement benefits scheme while that same auditor is engaged for services to conduct the retirement benefits scheme's annual audit and related services, except that services related to the preparation of a retirement benefits scheme's corporate tax return are not prohibited; or
- e. lend any money or other property to the external auditor, irrespective of terms and amount; or provide other services on preferential terms to its external auditor or audit firm; or
- f. enter into any other business arrangement on preferential terms regarding an auditor while such auditor is engaged to conduct a-retirement benefits scheme's audit or related services.

9. ENFORCEMENT

When URBRA determines non-compliance with the provisions of these guidelines, it may take any intervention measures or steps prescribed in URBRA Act and regulations made thereunder.

10. EFFECTIVE DATE

The effective date of these Guidelines is the date on which they are signed.

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Appendix

CONFIRMATIONS ON INDEPENDENCE FOR ENGAGEMENT TEAM MEMBERS

This confirmation of independence and compliance with ethical requirements is provided in respect of the audit of the financial statements of the *[Scheme name]* for the *[period/year]* ended *[insert year/period end date]*.

This form should be completed at the engagement planning stage by the professional staff of the Audit firm.

To [audit firm]

Threats to independence of an auditor

URBRA considers threats to the independence of an auditor to include -

1. A **“self-interest threat”** occurs when the Firm or a member of the Engagement Team could benefit from a Financial Interest in, or other self-interest conflict with, the client.
2. A **“self-review threat”** occurs when any product or judgment of previous Engagements needs to be re-evaluated in reaching audit conclusions, or when a member of the Engagement Team was previously a trustee or officer of the client, or was an employee in a position to exert direct and significant influence over the accounts being audited.
3. An **“advocacy threat”** occurs when a Firm, or a member of the Engagement Team, promotes, or may be perceived to promote, the **client’s position or opinion to the point that objectivity may be, or could be perceived to be, compromised.**
4. A **“familiarity threat”** occurs when, by virtue of a close relationship with the client or its trustees, officers, or employees, a Firm or a member of **the Engagement Team becomes too sympathetic to the client’s interests** or to the interests of its trustees, officers or employees.
5. An **“intimidation threat”** occurs when a member of the Engagement Team may be deterred from acting objectively and exercising professional skepticism by threats, actual or perceived, from the trustees, officers or employees of the client.

Confirmation of Independence of Auditor

I confirm that I am in compliance with the applicable independence rules with respect to *[Scheme Name]* and all of its related entities and that I have read and understood the independence rules, including the rules specified below: -

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1. I or my immediate family members (spouse, spousal equivalent, and dependents) do not have a direct or material indirect financial interest in this audit client or any related entity.
2. I or my immediate family members will not offer any other services to this client or any related entity for the duration of the engagement, which **starts at the beginning of the entity's fiscal year and ends when the audit** report for the year has been signed.
3. I or my immediate family members have not served as a trustee or as an executor over any interest that has or is committed to acquire a direct or material indirect financial interest in this audit client or any related entity.
4. I or my immediate family members are not the beneficiaries of any estate or trust which has a direct financial interest in this audit client or any related entity.
5. I or my immediate family members do not have a financial interest in any entity in which the audit client or any related entity also has a financial interest with significant influence.
6. I or my immediate family members do not have any existing financial interest, loans or guarantees to or from this audit client, any related entity or any significant shareholder in the sponsor of this client, officer or trustee thereof (none of which are financial institutions).
9. I or my immediate family members do not have a material financial interest in a joint venture, closely held business investment or business relationship (or commitment to do so) with the client or any related entity or any officer, trustee or other individual who performs senior managerial functions for this client thereof.
10. I do not have a close personal relationship with a trustee, officer or any employee of the client or related entity that is in a position to exert direct and significant influence over the financial statements.
11. No close family member is a trustee, officer or is in a position to exert direct and significant influence over the financial statements of this client or any related entity, or was employed in such a role during the financial period covered by the audit report.
12. I was not employed by this client or any related entity at any point during the audit or the financial period covered by the audit report.
13. I will not entertain an offer of employment with the client or a related entity where acceptance of such an offer would result in [Firm] having to resign as auditor under external independence standards.

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14.I further confirm that, should these circumstances change during the engagement period, I will notify the audit engagement partner responsible for the audit engagement of any such changes in a timely manner.

Signed by the Audit Team which includes-

Name of engagement team member	Designation/engagement role	Signature	Date

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ENQUIRY

Enquiries on any aspect of these guidelines should be referred to;

Address:

**Director Supervision and Compliance Directorate
Uganda Retirement Benefits Regulatory Authority
P.O. Box 7561 Kampala.
Tel. +256417304525
Email: urbra@urbra.go.ug**

Issued on the 24th day of May, 2017



Signed

**David Nyakundi Bonyi
CHIEF EXECUTIVE OFFICER**

Uganda Retirement Benefits Regulatory Authority (Preparation of Retirement Benefits Annual Report) Guideline No. 2 of 2017



GUIDELINES ON PREPARATION OF RETIREMENT BENEFITS SCHEMES' ANNUAL REPORT

TO: Retirement Benefits schemes

- 1.1 These guidelines on Preparation of Retirement Benefits Annual Report provide a template to be followed in preparation of the Annual Report of a Retirement Benefits Scheme (RBS) for purposes of Section 66 (2) of the URBRA Act 2011 including such other information required by the Authority.
- 1.2 The aim of these guidelines is to ensure that the retirement benefits schemes have their Annual Reports prepared in accordance with the Act, Regulations, the International Financial Reporting Standards and any guidelines issued by the Authority.
- 1.3 Accordingly, Uganda Retirement Benefits Regulatory Authority issues these guidelines on Preparation of RBS Annual Report to be effective from June 1, 2017

These Guidelines are not a legal document nor do they substitute the provisions of the Uganda Retirement Benefits Regulatory Authority Act 2011 and the Regulations made thereunder. The Guidelines should be read together with the URBRA Act 2011 and the Regulations made thereunder.

Issued on the 24th day of May, 2017

Uganda Retirement Benefits Regulatory Authority (Preparation of Retirement Benefits Scheme Annual Report) Guideline No. 2 of 2017

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Uganda Retirement Benefits Regulatory Authority (Preparation of Retirement Benefits Scheme Annual Report) Guideline No. 2 of 2017

1.0 AUTHORIZATION

IN EXERCISE of the powers conferred by sections 5(1) (d) and 66(2) of the Uganda Retirement Benefits Regulatory Authority Act, 2011(URBRA Act) the Uganda Retirement Benefits Regulatory Authority (herein referred to as URBRA) issues the Guidelines set out here below, for observance by all retirement benefits schemes registered under the URBRA Act, 2011 in respect to preparing the Annual Report.

2.0 INTRODUCTION

- 2.1 Section 66(2) of the URBRA Act requires trustee within four months after the end of each financial year, to submit to the Authority, an annual report on the transactions of the retirement benefits scheme during the preceding year, which shall include, among other things, an audited financial statement and such other information as the Authority may require.
- 2.2 The purpose of these guidelines is to provide a template for preparing the Annual Report of a Retirement Benefits Scheme (RBS) for purposes of Section 66 (2) of the URBRA Act 2011 including such other information required by the Authority.
- 2.3 In developing these Guidelines, the Uganda Retirement Benefits Regulatory Authority has avoided taking an overly prescriptive approach and has, instead, provided RBS with minimum requirements as to how it could achieve the prudential requirements of preparing an Annual Report.
- 2.4 Furthermore, these guidelines are not intended to be all encompassing, references to the International Financial Reporting Standards, URBRA Act

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and regulations made under the Act should always be taken into consideration.

3.0 OBJECTIVES

The objective of these guidelines is to ensure that:

- i. To provide a template for preparing the Annual Report of a Retirement Benefits Scheme (RBS) for purposes of Section 66 (2) of the URBRA Act 2011 including such other information required by the Authority.
- ii. To provided RBS with minimum requirements as to how to achieve the prudential requirements of preparing an Annual Report.

4.0 Financial statements of a Retirement Benefits Scheme

- (1) The trustee of a retirement benefits scheme shall ensure that financial statements prepared are in accordance with the Act, Regulations, the International Financial Reporting Standards and any guidelines issued by the Authority
- (2) The financial statements of a retirement benefits scheme shall include-
 - (a) statement of changes in net assets outlining the revenue and expenditure for the period;
 - (b) statement of net assets so as to be able to determine the total assets, the total liabilities and the net assets available for the payment of benefits of the retirement benefits scheme at the end of the period;
 - (c) statement of cash flow;
 - (d) Statement of changes in members Funds.
 - (e) a summary of the significant accounting policies adopted by the trustee for the scheme;

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(f) notes to the financial statements setting out other details as required by IFRS or by these guidelines;

(3) The financial statements shall be in English and Reporting currency shall be Uganda shillings.

(4) The financial statements shall be audited by an auditor authorised by the Institute of Certified Public Accountants of Uganda, appointed by the trustee and approved by the Authority.

5.0. Notes to the financial statements

(1) The notes to the financial statements shall disclose-

- (a) the value of each investment held at year end;
- (b) the change in fair value attributable to each investment;
- (c) the methods adopted for determining the value of each class of investments;
- (d) the dates of the last independent valuations of property investment together with the names and qualification of the valuers;
- (e) Details of investment in the Employer (if any)
- (f) investment expenses of the fund manager, including all fees, brokerage and commissions;
- (g) the individual remuneration paid to each trustee;
- (h) details of any trustee related entities;
- (i) details of any related party transactions with the trustee including the amounts involved;
- (j) details of income tax payable, deferred tax liabilities and benefits;
- (k) details of contingent liabilities and capital commitments;
- (l) details of any significant events occurring after the balance date;
- (m) details of financial instruments and exposures in respect thereto;

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- (n) depreciation of property, plant and equipment other than investment property;
- (o) details of investments that exceed 5% of net assets available for benefits;
- (p) the annual return on funds employed and the annual crediting rate;
- (q) details of the changes in members' funds disclosing-
 - (i) how the changes in net assets have been apportioned to members' accrued benefits and reserves;
 - (ii) interest credited or provided for crediting to members; details of contributions not yet allocated to members' accounts;
 - (iii) details of other funds not yet allocated to members' accounts; and
 - (iv) other changes in members' funds details which are to be provided;
- (r) in respect of any unallocated members' funds, the circumstances leading to the unallocated amount;
- (s) the balances of any reserve accounts and precise description of the reason for each such account;
- (t) a summary of the benefit payments by class of benefit;

(2) Other relevant disclosures shall also disclose-

- (a) the remuneration paid to the auditor for auditing the financial statements and for any other services;
- (b) in case of a defined retirement benefits scheme, details of the last actuarial report in respect of members' benefits setting out-
 - (i) the date of the report;
 - (ii) the name and qualifications of the actuary;
 - (iii) a description of the significant actuarial assumptions;
 - (iv) the method used to calculate the actuarial present value of the liabilities;

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- (v) any comments by the actuary in respect of the estimated surplus or deficit in assets compared with the liability for members' benefits; and
- (vi) the actuary's recommendation of the level of future contributions.

**TEMPLATE OF ANNUAL REPORT FOR
RETIREMENT BENEFITS SCHEMES**

XYZ RBS Trustees' annual report for the year ended
DD/MM/YY

Licence number RBS.XXXX

Uganda Retirement Benefits Regulatory Authority (Preparation of Retirement Benefits scheme Annual Report) Guideline No. 2 of 2017

Particulars of Trustees and advisers

a) Trustees

If a scheme appointed individual trustees, clearly specify between member and employer nominees, date of appointment or resignation.

If a scheme appointed corporate trustee, the names of directors of corporate trustees must be disclosed.

b) Fund manager

c) Administrator

d) Custodian

e) Auditor

f) Actuary (where applicable)

g) Principal Legal Advisor (where applicable)

h) Bankers etc.

From b)-h) provide names, physical and postal address, and telephone number.

Scheme offices

Provide scheme address and telephone number

Enquiries

The electronic address could be an email address, telephone or a website if it has the facility for asking questions. Provide mode of communication for members with enquiries about the Scheme, individual's entitlements, etc.

Uganda Retirement Benefits Regulatory Authority (Preparation of Retirement Benefits Scheme Annual Report) Guideline No. 2 of 2017

Trustees' Annual report

Example: The Trustees present their annual report on the XYZ RBS ('the Scheme'), together with the financial statements of the Scheme for the year ended DD/MM/YY.

Introduction

Constitution of the Scheme

Provide details of the establishment, nature and status of the RBS

Amendments to Trust Deed and scheme rules

Provide details of any amendments to the scheme Rules.

Amendment no.	Motivation and description of rule amendment	Date of Board of Trustees 's resolution	Effective date	Date of approval by URBRA

Transfers and Recent developments

Provide details of transfers from or to the scheme, new subscribers to or leavers from the umbrella scheme etc.

Management of the Scheme

Provide details on the following;

- *Board of Trustees who served during the year.*
- *Board Committees, Composition and their respective duties*
- *Meetings of the Board of trustees*

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Financial development of the Scheme

Provide a summary of the Scheme's financial performance highlights for a period of at least five years as set out in the table below.

XYZ RBS financial performance for the year ended DD/MM/YY

	Xx04	Xx03	Xx02	Xx01	Xx00
	'000	'000	'000	'000	'000
Contributions					
Member related payments					
Transfer to or from the scheme					
Net (withdrawals)/additions from dealings with members					
Net returns on investments					
Net increase/(decrease) in fund					
Net assets at start of year					
Net assets at the end of year					

Provide information on the scheme performance overview for a period of at least five years i.e. expense ratio, operation ratio, Return on investment.

Self-investment, breach of the Statement of Investment regulations and investment asset class allocations at year end.

Interest to members

Example: The board has declared an interest of xxx% to be credited into members account for the year ended DD/MM/YY.

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Membership

The change in membership during the year as set out below.

See example below.

MEMBERSHIP		
	Xx01	Xx00
<i>Contributing member</i>	181	171
<i>pensioners</i>	11	10
<i>Deferred members</i>	12	10
<i>Total members</i>	204	191
PENSIONERS		
<i>Start of the year:</i>	10	11
<i>Additional pensioner</i>	1	2
<i>Deceased pensioners</i>	(2)	(3)
<i>Pensioners at the end of the year</i>	11	10
CONTRIBUTING MEMBERS		
<i>Start of the year</i>	171	168
<i>Joiners</i>	29	10
<i>Less Leavers</i>	(10)	(5)
<i>Less deferred</i>	(5)	(2)
<i>Less Deceased</i>	(4)	-
<i>Contributory members at end of year</i>	181	171
DEFERRED MEMBERS		
<i>Start of the year</i>	10	8
<i>Leavers/new deferred members</i>	5	2
<i>Less active pensioner</i>	(3)	-
<i>Deferred members at end of year</i>	12	10

Due to the difference in the scheme designs and nature, “Deferred members” should be defined

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Actuarial review (DB schemes)

Provide details On the following:

- *Summary Objectives of Actuarial review*
- *Assumptions and methods used*
- *Funding status,*
- *For deficits provide recovery plans agreed between trustee and employer*

.....		
<signature>	<signature>	<signature>
CHAIRPERSON	BOARD MEMBER	BOARD MEMBER
<Insert name>	<Insert name>	<Insert name>
<insert date>	<insert date>	<insert date>

Notes: It is recommended that:

- *the chairperson signs the financial statements together with an employer appointed board member and a member elected board member.*
- *in the case a scheme has independent board members, one independent trustee must signs the financial statements together with the chairperson.*

Uganda Retirement Benefits Regulatory Authority (Preparation of Retirement Benefits Scheme Annual Report) Guideline No. 2 of 2017

Statement of Trustees' responsibilities for the Financial Statements

URBRA Act and Regulations require the Trustees to make available to scheme members and other parties, audited financial statements for each Scheme year which show a true and fair view, of the financial transactions of the Scheme during the reporting period and of the amount and disposition at the end of the Scheme year of the assets and liabilities.

It also requires the Trustees to ensure that the scheme keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the scheme and safeguarding the assets of the scheme.

Responsibilities

The trustees are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by URBRA Act and regulations, and for such internal control as trustees determined is necessary to enable the preparation of financial statements, whether due to fraud or error.

The Board of Trustees hereby confirm that, during the period under review, in the execution of their duties they have complied with the duties imposed by URBRA Act 2011, Regulations and the rules of the fund, including the following:

- ensured that adequate accounting records are kept inclusive of proper minutes of all resolutions passed by the Board of Trustees; and for taking such steps as are reasonably open to them to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities,
- ensured that proper internal control systems were employed by or on behalf of the fund;
- ensured that adequate and appropriate information was communicated to the members including their rights, benefits, duties in terms of the rules of the fund etc.
- took all reasonable steps to ensure that contributions, where applicable, were paid timely to the fund
- obtained expert advice on matters where they lacked sufficient expertise;
- ensured that the rules, operation and administration of the fund complied with the URBRA Act and all applicable legislations; and
- ensured that Scheme funds were invested and maintained in accordance with the fund's investment policy statement and Investment Regulations issued by URBRA.

Uganda Retirement Benefits Regulatory Authority (Preparation of Retirement Benefits Scheme Annual Report) Guideline No. 2 of 2017

Approval of the annual financial statements

The Board of Trustees accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with IFRS and scheme rules. The trustees are of the opinion that the financial statements give a true and fair view of the financial affairs of the scheme and its operating results.

These financial statements have been reported on by *<insert name of auditing firm>*, who were given unrestricted access to all financial records and related data, including minutes of all relevant meetings. The Board of Trustees believes that all representations made to the independent auditors in the representation letter during their audit were valid and appropriate. The report of the independent auditor is presented on page *<insert page no>*.

Notwithstanding the above-mentioned information, the Board of Trustees wish to draw attention to the following:

Specific instances of non-compliances	Remedial action taken

These financial statements:

- were approved by the Board of Trustees on **<insert date>**;
- are to the best of the Board of Trustees knowledge and belief confirmed to be complete and correct;
- fairly represent the net assets of the fund as at **<insert date>** as well as the results of its activities for the period then ended in accordance with IFRS.

We confirm that for the period under review, the **<insert name of fund>** has submitted all regulatory and other returns and any other information as required by the provision of the URBRA Act 2011 and to the best of my knowledge all applicable legislation except for the following (where applicable):

Uganda Retirement Benefits Regulatory Authority (Preparation of Retirement Benefits Scheme Annual Report) Guideline No. 2 of 2017

Nothing has come to the attention of the Trustees to indicate that the scheme will not be able to meet its obligations for the next twelve months from the date of this statement and the requirements of the URBRA Act.

.....

.....

.....

<signature>

<signature>

<signature>

CHAIRPERSON

BOARD MEMBER

BOARD MEMBER

<Insert name>

<Insert name>

<Insert name>

<insert date>

<insert date>

<insert date>

Uganda Retirement Benefits Regulatory Authority (Preparation of Retirement Benefits Scheme Annual Report) Guideline No. 2 of 2017

Independent Auditor's report to the Members of XYZ RBS

To the Trustees of the XYZ RBS

a) Report on the Audit of the Financial Statements

- Opinion on financial statements
- Basis for the opinion < Conduct of the audit and audit evidence, affirmative statement about the auditor's independence and fulfilment of relevant ethical responsibilities>,
- Material Uncertainty Related to Going Concern (if applicable)
- Emphasis of Matter (if applicable)
- Key Audit Matters include matters which were most significant during the Audit.
- Trustees' responsibilities for the financial statements
- Auditors' responsibilities for the audit of financial statements

b) Report on Other Legal and Regulatory Requirements

<signature>

CPA

<Date>

Uganda Retirement Benefits Regulatory Authority (Preparation of Retirement Benefits Scheme Annual Report) Guideline No. 2 of 2017

Statement of Changes in Net Assets or Fund Account for the period ended DD/MM/YY. (Ref. IAS 26)

	Notes	XX01 Shs'000	XX01 Shs'000
Contributions and benefits			
Contributions receivable	2		
Individual transfers in			
Group transfer in	3		
Benefits payable	4		
Individual transfers out			
Net (withdrawals)/additions from dealings with members			
Returns on investments			
Investment income	5		
Change in market value of investments	15(a)		
Gain/ loss on sale of investment	15(a)		
Foreign exchange loss/ gain (<i>specify between realized and unrealised</i>)	17		
Other income <specify>	10		
Total investments income			
Administrative expenses	8		
Provisions	13		
Other <specify>			
Surplus before tax			
Income Tax expenses	14		
Net increase/(decrease) in the fund during the year			

Uganda Retirement Benefits Regulatory Authority (Preparation of Retirement Benefits Scheme Annual Report) Guideline No. 2 of 2017
Statement of Net Assets available for Benefits as at DD/MM/YY

	Notes	XX01	XX00
ASSETS		Shs'000	Shs'000
Non-current Assets			
Investment assets: < maturing after 12 months>			
Equities	15		
Bonds & Bills	15		
Investment & owner occupied Property	7		
Pooled investment vehicles < provide a note>			
Associates < provide a note>			
Deposits with commercial banks < provide a note>			
Plant and equipment	6		
Others <specify>	11		
Current Assets			
Investment < maturing within 12 months>	15		
Contributions receivable	11		
Cash & bank balances			
Account receivables < provide a note>			
Total Assets			
Non-current Liabilities:			
Deferred tax	14		
Current Liabilities			
Benefits payable	12		
Transfers payable	3		
Other account payables < specify>	9		
Total Liabilities			
Net Assets			
Members Fund and Reserves			
Accumulated Members' funds	SCMFR		
Reserve account	SCMFR		
Total Members Fund and Reserves			
<signature>	<signature>	<signature>	
CHAIRPERSON	BOARD MEMBER	BOARD MEMBER	

Uganda Retirement Benefits Regulatory Authority (Preparation of Retirement Benefits Scheme Annual Report) Guideline No. 2 of 2017
Statement of Changes in Members' Funds and Reserves for the period ended DD/MM/YY

	Accumulated members' Fund	Reserve Account	Total
	000	000	000
Opening balance as at 1st Jan xxx1	Xxx	xxx	xxx
Net dealings with members	Xxx	-	
Interest declared	Xxx	xxx	xxx
Others <specify>	Xxx	xxx	xxx
At end of period 31st Dec xxx1	XXX	XXX	XXX
Opening balance as at 1st Jan xxx0	Xxx	xxx	xxx
Net dealings with members	Xxx	-	
Interest declared	Xxx	xxx	xxx
Others <specify>	Xxx	xxx	xxx
At end of period 31st Dec xxx0	XXX	XXX	XXX

Uganda Retirement Benefits Regulatory Authority (Preparation of Retirement Benefits Scheme Annual Report) Guideline No. 2 of 2017

Statement of Cash flows for the period ended DD/MM/YY

	Notes	XX01	XX00
Cash Flows from Operating Activities			
increase / (decrease) in net assets before tax			
Adjustments for non-Cash items:			
Depreciation			
changes in fair value of investment			
Unrealised forex loss/(gain)			
Other <Specify>			
Cash Flows from Operating Activities before changes in working capital			
Adjustments for changes in working capital			
changes in Receivables			
changes in Payables			
changes in inventories			
Others specify			
Net Cash from Operating Activities			
Cash from Investing Activities			
Maturity of investments < specify>			
Purchase of an asset < specify>			
Others specify			
Net Cash Used for Investing Activities			
Cash and Cash Equivalents for the year			
Cash and Cash Equivalents at the beginning of the year			
Cash and Cash Equivalents at the end of the year.			

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Notes (forming part of the Financial Statements)

1. PRINCIPAL ACCOUNTING POLICIES (*The following statements are examples only*)

Example <The following are the principal accounting policies have been applied consistently by the fund to all years presented, unless otherwise stated. The principal accounting policies applied in the preparation of these financial statements are set out below>.

a. Basis of preparation

<Insert a statement disclosing a framework used>

b. Basis of measurement

<Example: The financial statements are prepared on the historical cost and going concern bases, except where specifically indicated otherwise in the accounting policies >

c. Plant and equipment

- All plant and equipment are initially recorded at cost. Land and buildings are subsequently shown at market value, based on valuations by external independent valuers, less subsequent depreciation. The remaining plant and equipment is stated at historical cost less depreciation.*
- Depreciation is calculated on the straight-line method to write off the cost of each asset, or the re-valued amounts, to their residual values over their estimated useful life as follows:*

<i>Items</i>	<i>Useful life</i>
<i>Computer equipment and software</i>	<i>3 years</i>
<i>Office equipment</i>	<i>3 - 8 years</i>
<i>Furniture and fittings</i>	<i>10 years</i>

- Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Impairment losses are recognised.*
- Gains and losses on disposal of plant and equipment are determined by reference to their carrying amount and are taken into account in determining the net surplus or deficit.*

d. Financial instruments

- Measurement*
 - Financial instruments include cash and bank balances, investments, receivables, accounts payable etc.*

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- Financial instruments are initially measured at cost as of trade date, which includes transaction costs. Subsequent to initial recognition, these instruments are measured as set out below.
- **Investments** (Refer to IFRS 9)

Available for sale and held for trading investments are measured at fair value. The fair value of marketable securities is calculated by reference to the applicable Stock Exchange quoted selling prices at the close of business on the net assets date or selling prices ruling at the year-end date.

Describe valuation method for valuation of unlisted equities

e. Foreign currencies

Transactions in foreign currencies during the year are translated into Uganda shillings at the exchange rate ruling at the date of the transaction. Monetary asset and liabilities denominated in foreign currencies at a reporting date are translated into Uganda shillings at the rate ruling at the year-end date. Differences arising on investment balance translation are accounted for in the change in market value of investments during the year.

f. Contributions

Normal contributions are accounted for in the period in which they fall due.

Employer deficit funding contributions are accounted for on the due dates on which they are payable in accordance with the Remedial Plan under which they are being paid.

g. Payments to members

Benefits are accounted for in the period in which they fall due for payment. Where there is a choice, benefits are accounted for in the period in which the member notifies the Trustees of his decision on the type or amount of benefit to be taken or, if there is no member choice, they are accounted for on the date of retirement or leaving.

Individual transfers in or out are accounted for when paid or received which is normally when member liability is accepted/discharged.

Group transfers are accounted for in accordance with the terms of the transfer agreement.

h. Expenses

Expenses are accounted for on an accruals basis.

I. Investment property

Investment properties are held to earn rental income and appreciate capital value. Owner-occupied properties are held for administrative purposes. This distinguishes owner-occupied properties from investment properties.

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Investment properties are accounted under fair value model and are carried at market value determined annually by external independent professional valuers. Fair value adjustments are included in the statement of changes in net assets available for benefits.

J. Critical accounting estimates and judgements

Note: The scheme should disclose any accounting estimates and judgements used in applying accounting principles and reported amounts in relation to impairment losses on financial assets, fair value determination and financial risk management among others.

2. Contributions received and receivable

	Xx01	Xx00
	Shs'000	Shs'000

Employer:

Normal

Deficit Funding

Other (*specify*)

Members:

Normal

Additional Voluntary Contributions

Total contributions.

Deficit funding contributions are being paid by the Employer into the DB Scheme for a period in accordance with a recovery plan in order to improve the Scheme's funding position. The notes to the financial statements should explain for how long deficit funding contributions are payable

Umbrella Retirement Benefits Scheme should further disclose contributions relating to each participating employer.

Other contributions into the scheme should be clearly specified.

3. Group transfer in

The group transfer represents the assets transferred to the Scheme in respect of members of another Scheme. The bulk transfer can comprise of investment assets and cash.

Uganda Retirement Benefits Regulatory Authority (Preparation of Retirement Benefits Scheme Annual Report) Guideline No. 2 of 2017

4. Benefits paid and payable

	Xx01	Xx00
	shs'000	shs'000
Pensions		
Commutations and lump sum retirement benefits		
Purchase of annuities		
Lump sum death benefits		
Others <specify>		

5. Investment income

	Xx01	Xx00
	Shs'000	Shs'000
Dividends from equities		
Income from gov't bonds		
Income from corporate bonds		
rental income		
Interest on cash deposits		
income from gov't bills		
Income from pooled investment vehicles		
Other Income <specify>		

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6. Plant and equipment *< Provide details for current and previous periods>*

Computer equipment and software A	Furniture and fittings B	Other C	Total A+B+C
--	---	--------------------	------------------------

Gross carrying amount

At beginning of period
Additions
Disposals
Others <specify>

At end of period

**Accumulated depreciation &
impairment**

At beginning of period
Depreciation charges
Accumulated depreciation on
disposals
Impairment

**Net carrying amount at end of
period**

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7. Investment properties and Owner Occupied Investments

				A	B	C	D	E	A+B-C+ D+E
Instrument	Addresses	Valuation method	Date of last valuation	At beginning of period	Additions	Disposals	Fair value adjustment	Transfer to/from owner occupied properties or Investment properties	At end of period
Investment Properties (List)									
Owner Occupied Properties (List)									
TOTAL									

Note. Similar schedule for the previous year to be reproduced for comparison.

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8. Administration expenses

	Notes	Current period	Previous period
Actuarial fees			
Administrator fees			
Audit fees			
Custodial fees			
Fund manager fees			
Consultancy fees <specify the nature of services>			
Depreciation			
URBRA Levy			
Operating lease payments			
Penalties			
Principal Officer Expenses	8.3		
Staff expenses	8.2		
Board of Trustees expenses	8.1		
Other (<i>Provide details</i>)			
Total			

8.1 Board of Trustees expenses

	Current period	Previous period
Remuneration		
Meeting allowances		
Expenses		
Other payments <specify>		
Total		

Uganda Retirement Benefits Regulatory Authority (Preparation of Retirement Benefits Scheme Annual Report) Guideline No. 2 of 2017

8.2 Staff expenses

	Current period	Previous period
Remuneration (specify between salaries, wages, leave pay, gratuity etc.)		
Contributions to retirement fund (clearly specify for mandatory and voluntary contributions)		
Training expenses		
Staff medical insurance		
Other payments <specify>		
Total		

8.3 Principal Officer expenses

	Current period	Previous period
Remuneration		
Allowances		
Other payments		
Total		

9. Other Accounts payable

	Current period	Previous period
(Provide details)		

Uganda Retirement Benefits Regulatory Authority (Preparation of Retirement Benefits Scheme Annual Report) Guideline No. 2 of 2017

10. Other income

	Current period	Previous period
Bad debts recovered		
Other <i>(Provide details)</i>		

11. Contributions receivable

	Current period	Previous period
Contributions due for 30 days		
Contributions due for 60 days		

Contributions receivable should be classified according to period with which they have been outstanding i.e. due within 30 days, within 60 days, over 60 days or over one year.

12. Benefits Payable

	Current period	Previous period
Retirement income		
Death benefits		

Benefits payable should be classified according to period with which they have been outstanding i.e. due in 60 days, within 90 days. and over 90 days or over one year.

13. Provisions

	Current period	Previous period
<i>(Provide details)</i>		

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TOTAL

Note 13. Provisions should end with the movement which reconciles with losses that would have materialised during the period and included in the statement of changes in net asset. For each class of provision, disclose the following:

- Description of the underlying obligation and expected timing of the settlement thereof.
- Indication of uncertainties about the amount or timing of those settlements
- Amount of expected reimbursements

14. Tax

Details of tax computations clearly showing income tax payable, deferred tax liabilities and all the adjustments made.

15. Investment

Details of the values of investment by major class held by the fund at the end of the reporting period,

Funds with more than one fund manager should clearly separating investments as per portfolio held by a fund manager.

For investment measured at fair value, provide details on how fair value of financial instruments has been determined using the fair value hierarchy

15 (a) Investment reconciliation

Reconciliation of investments held at the beginning and the end of the year showing the fair value of each investment held at year end and the change in fair value attributable to each investment; purchase at cost and sales proceeds.

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

16. Prior period adjustment

	Current period	Previous period
<i>Provide details</i>		

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Example:

During the period, the fund changed its accounting policy with respect to (mention the specific standard or interpretation, *nature of change, amount of the adjustment for each financial statement line and reason for change*).

17. Foreign exchange gain/ (loss)

Provide details on the movement clearly categorising between realised and unrealised gains and loss

18. Financial risk management

Disclose information in relation to Scheme's exposures to certain investment risks and Trustees' approach to risk management. See IFRS 7.

19. Related party transactions

<The following are examples only>

<u>Related party</u>	<u>Relationship</u>	<u>Description</u>	<u>Transactions</u>
			UGX

The chairperson BOT owns the company, which provides consulting services to the fund. Consulting fees for XX01 amounted to Ugshs XXX (xx00: Ugshs XXX) (refer to note XX to the financial statements).

The employer purchased a property owned by the fund during the current period. The purchase price of ugshs XXX was a market related price. The profit on the sale of the property is reflected in note XX to the financial statements.

20. Contingencies and commitments

Provide details on whether there was contingent liabilities or capital commitment at the end of the reporting period. Examples of contingent liabilities include claims against the scheme or the costs of litigation.

21. Self-investment

The Scheme holds an investment of Ugshs xxx <number of shares> of the sponsors ordinary shares at the year end, the value of which represents 2% of the Scheme's net assets.

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The basic requirement is to disclose the percentage of the Scheme's resources invested in employer-related investments at the end of the year. Further disclosures are required if the percentage exceeds 5%

EFFECTIVE DATE

These guidelines are effective for annual reports for periods ending on or after **30th June 2017**

ENQUIRY

Enquiries on any aspect of these guidelines should be referred to;

Address:

**Director Supervision and Compliance Directorate
Uganda Retirement Benefits Regulatory Authority
P.O. Box 7561 Kampala.
Tel. +256417304525
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Issued on the 24th day of May, 2017



Signed

**David Nyakundi Bonyi
CHIEF EXECUTIVE OFFICER**

Uganda Retirement Benefits Regulatory Authority (Fit and Proper Criteria for Trustees, Fund managers, Custodians and Administrators of Retirement Benefits Schemes) Guideline No. 1 of 2018



GUIDELINES ON THE FIT AND PROPER CRITERIA FOR TRUSTEES, FUND MANAGERS, CUSTODIANS AND ADMINISTRATORS OF RETIREMENT BENEFITS SCHEMES

These guidelines on the fit and proper criteria for trustees, fund managers, custodians and administrator of retirement benefits schemes are issued pursuant to sections 5(1) (d), 41(1)(a), 42(1)(b) and 93 of the Uganda Retirement Benefits Regulatory Authority Act, 2011 for observance by retirement benefits schemes.

These Guidelines set out the fit and proper criteria applicable to all relevant persons in relation to carrying out the function of being a Trustee, Administrator, Fund manager or establishment of a retirement benefits scheme as regulated by the Uganda Retirement Benefits Regulatory Authority (URBRA) under any written Law [“relevant legislation”].

Issued on the 26th day of March 2018

These Guidelines are not a legal document nor do they substitute the provisions of the Uganda Retirement Benefits Regulatory Authority Act 2011 and the Regulations made thereunder. The Guidelines should be read together with the URBRA Act 2011 and the Regulations made thereunder.

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1.0 Authorization

IN EXERCISE of the powers conferred by sections 93, 5(1) (d) and 41(1)(a) and 42(1)(b) of the Uganda Retirement Benefits Regulatory Authority Act, 2011(URBRA Act) the Uganda Retirement Benefits Regulatory Authority (herein referred to as URBRA) issues these Guidelines, for observance by all retirement benefits schemes licensed under the URBRA Act, 2011 in respect to the fit and proper criteria for trustees, fund managers, custodian and administrators.

2.0 Objectives

The objective of these guidelines is to ensure that:

- (1) Only fit and proper persons are appointed on to the Board of trustees of a retirement benefits schemes.
- (2) All the service providers including fund managers, custodians and administrators are fit and proper persons.

3.0 Application of Guidelines.

- (1) These guidelines are applied upon submission of an application for a licence to the Authority or as may be otherwise required for purposes for conducting a fit and proper assessment on a in accordance with the URBRA Act 2011.
- (2) The Authority is mandated in Schedule 3 (II) of the URBRA Act, 2011, to determine the fitness and propriety of persons for purposes of establishing a retirement benefits scheme, acting as a Trustee, Administrator or Fund manager of a Retirement Benefits Scheme.
- (3) In determining the professional suitability of a person proposing to establish or operate a retirement benefits scheme, a person applying for a license to act as a trustee, administrator or fund manager of a

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retirement benefits scheme, the Authority shall have regard to the following qualities, in so far as they are reasonably determinable, of the person concerned;

- a) His or her general probity;
- b) His or her competence and soundness of judgement for the fulfilment of the responsibilities of the office in question;
- c) The diligence with which he or she is likely to fulfil those responsibilities; and
- d) His or her qualifications and experience.

(4) These Guidelines set out the fit and proper criteria applicable to all relevant persons in relation to carrying out the function of being a Trustee, Administrator, Fund manager or establishment of a retirement benefits scheme as regulated by the Uganda Retirement Benefits Regulatory Authority (URBRA) or under any written Law.

(5) These Guidelines provide URBRA with the assurance that the relevant person is willing and able to fulfil its or his/her obligations under any written law. This also underpins our requirements that the relevant person performs the activities regulated under the relevant legislation efficiently, honestly, fairly and acts in the best interests of its or his/her members and stakeholders.

(6) These Guidelines provide general guidance, and are not intended to be comprehensive nor replace or override any legislative provisions. They should be read in conjunction with the provisions of the relevant legislation, the subsidiary legislation made under the relevant legislation, as well as written directions, notices and other guidelines

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that URBRA may issue from time to time pursuant to the relevant legislation and subsidiary legislation.

4.0 Documents to be submitted

The following documents should be submitted to URBRA in order to assess the fitness and propriety of Trustees in case of:

- a) **Corporate trustee-** An application form prescribed in Part A of Schedule 2 of The Uganda Retirement Benefits Regulatory Authority (Licensing Of Trustees) (Amendment) Regulations, 2014.
- b) **Individual trustee-** An application form prescribed in Part B of Schedule 2 of The Uganda Retirement Benefits Regulatory Authority (Licensing Of Trustees) (Amendment) Regulations, 2014.
- c) URBRA Fit and Proper Assessment form accompanied by the attachments specified in the Appendix below.
- d) Any other information as the Authority shall request.

5.0 Fit and Proper Test

The criteria for considering whether a relevant person or a key officer is fit and proper to carry out any function as a trustee, fund manager, custodian or administrator include but are not limited to the following key considerations in the assessment of the relevant person or key officer's :-

- a) Fitness and Propriety i.e. honesty, integrity, fairness, reputation and good conduct;

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- b) Proficiency i.e. Competence, diligence, capability, soundness of judgment
- c) Financial soundness i.e details of financial records

(3) In these Guidelines relevant person means;

- a) An appointed trustee of a retirement Benefits scheme.
- b) A person nominated to act as a trustee of a retirement benefits scheme.

(4) In these Guidelines key officer means;

- a) A Director, Chief Executive Officer or an equivalent person of a legal entity or an equivalent person which applies for a licence under the URBRA Act; or
- b) A substantial shareholder or key officer of any legal entity which applies for a licence under the URBRA Act.
- c) Any other person, by whatever name described, who has responsibilities to carry on the business of the scheme or service providers and may have decision making power.

5.1 Assessing Fitness and Propriety

Propriety/Integrity is demonstrated generally through character, personal behavior and business conduct. The relevant person should have no record of criminal activities or adverse regulatory judgements that make a person unfit to uphold the Trustee office in the scheme.

(1) At a minimum, the objective of the fit and proper test is to prevent individuals without a sufficiently high level of honesty and integrity from being appointed to the Board of Trustees of retirement benefits schemes or being part of the key officers of a service provider to the retirement benefits sector.

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(2) The Authority expects schemes or service providers to assess the propriety, integrity and character, and knowledge, skills and experience, of individuals in key functions prior to their appointment. The Authority can then monitor how effectively a scheme or firm undertake such assessments and, where applicable, undertake our own supervisory assessments of key individuals and relevant persons.

(3) An assessment of a person on anything known against his/her honesty, integrity, fairness and reputation are qualities that are demonstrated over time. An individual can be considered of good repute if there is no evidence or reason to suggest otherwise. In principle, this should be an absolute test - either the relevant person is of good repute or is not. A relevant person should not be considered to be of good repute if his or her personal or business conduct gives rise to any material doubt about his or her ability to ensure that a scheme or service provider will be managed soundly and prudently, and that its members, stakeholders and clients will be treated fairly.

(4) In determining a person's good repute, consideration of the following appropriate factors, including, but not limited to: -

- a) Whether the person has been convicted of a criminal offence, particularly an offence relating to dishonesty, fraud or financial crime;
- b) Whether the person has been convicted or found guilty in any proceedings of a disciplinary or criminal nature;
- c) Whether the person has been the subject of any adverse findings or any settlement in civil proceedings, particularly in connection with banking or other financial business misconduct, or fraud;
- d) Whether the person, or any business in which the person is a controlling shareholder or has controlling interest or exercises

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significant influence, has been investigated and disciplined or suspended by a regulatory or professional body, a court or tribunal, whether publicly or privately;

- e) Whether the person has been the owner, manager or director of a company, partnership or other organization that has been refused registration, authorization, membership or a license to conduct trade, business or profession, or has had that registration, authorization, membership or license revoked, withdrawn or terminated;
- f) Whether, as a result of the removal of the license, registration or other authority, the person has been refused the right to carry on a trade, business or profession requiring a license, registration or other authorization;
- g) Whether the person has been a director, partner, or otherwise involved in the management of a business that has gone into receivership, insolvency, or compulsory liquidation while the person was connected with that organization or within a reasonably short period (e.g. one year) after the person's departure from the institution;
- h) Whether the person has been dismissed, asked to resign or resigned from employment or from a position of trust, fiduciary appointment or similar position because of questions about honesty and integrity;
- i) Whether the person has ever been disqualified from acting as a director or serving in a managerial capacity because of wrongdoing;
- j) Whether the person has not been fair, truthful and forthcoming in dealings with customers, superiors, auditors and regulatory authorities within the past ten years and has been the subject of any justified complaint relating to regulated activities; and

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- k) Whether the person demonstrates a readiness and willingness to comply with the requirements and standards of the regulatory system and other legal, regulatory or professional requirements and standards.
- l) No person may be appointed as trustee if there is material conflict of interest between the person's role as a trustee and his/her role in any other capacity, for example, conflict of interest may arise where a trustee is an officer or employee, or a shareholder of a company providing service to the retirement benefits scheme.

(5) All relevant information available for the assessment should be taken into account, regardless of the jurisdiction where any relevant events occurred.

Consideration should also be given to;

- a) The seriousness of any offence or action – minor misdemeanors should not necessarily result in a relevant person being considered as not reputable, although a series of otherwise minor incidents might be regarded as being cumulatively serious;
- b) The circumstances of breaches of regulatory requirements by schemes or service providers, or the failure of entities (schemes or companies), in which the individual has worked, and the role of the specific individual in these breaches or failures;
- c) Rehabilitation periods and measures – some offences might be regarded as being “spent” after a period of time has elapsed, or if an individual has undertaken remedial training and demonstrated good conduct since the offence. But in other cases, a relevant person might be considered to be barred from key roles in schemes or service

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providers for the rest of their working life, for instance, where a relevant person has stolen client funds or having been judged to have aided or directly been involved in gross misconduct.

- (6) The Authority may therefore have to exercise considerable judgement in assessing the propriety of relevant persons.

5.2 Proficiency and Capability

Proficiency is generally demonstrated through the level of the relevant person's professional or formal qualifications, knowledge, skills and experience in the relevant financial and retirement benefits sector commensurate with the intended activities of the scheme such as investment, accounting, risk management, applicable laws and benefits. Competence also includes having the appropriate level of commitment to perform the role.

Proficiency is assessed based on the knowledge, skills and experience of the relevant person, gained through both education, training and practical "on the job" experience gained in current and previous occupations. A person must demonstrate the competence and ability to understand the technical requirements of the retirement Benefits scheme, the inherent risks therein and the management processes required to conduct its operations effectively, with due regard to the interests of all members and beneficiaries.

In assessing the proficiency and competence of a person, all relevant factors should be considered, including, but not limited to: -

- 1) Education and Formal qualifications;

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- (a) the minimum qualification of a trustee for a mandatory retirement benefits scheme, will be a master's degree or its equivalent from a recognized University or institution.
 - (b) the minimum qualification of a trustee of a retirement benefits scheme which is not a mandatory scheme, will be an Advanced Level Certificate of Education or its equivalent from a recognized institution.
- 2) Experience of working in the retirement benefits sector, financial services and other previous occupations (taking into account the functions performed in previous employment and the nature, scale and complexity of the businesses in which the relevant person was employed);
- 3) Knowledge and experience in :
- Financial markets
 - Strategic and business planning
 - Risk management (identifying, assessing, monitoring, controlling and mitigating the main types of risk of a scheme or company)
 - Governance, oversight and controls
 - Financial information, controls, accounting and reporting
 - Regulatory framework and requirements
- 4) For applicants to key management positions of a service provider
- Previous experience in managerial positions
 - Scope of responsibilities and decision making powers
 - Managing conflicts of interest

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- 5) For independent Trustees, their assessment will take into account, but are not be limited to;
- Experience in governance, oversight and challenges of senior management;
 - Ability to commit sufficient time to the role, given other commitments;
 - The independence of the individual from the scheme, its Board of Trustees and from political interference;
 - The overall composition of the Board of Trustees – the collective knowledge and expertise required for the Board of Trustees to exercise effective oversight of scheme management.

5.3 Financial Soundness

There should be no record of declaration of personal bankruptcy or record of having been part of management of any scheme or company that was declared insolvent at any one time during his service time to that company or scheme.

In assessing a relevant person's financial soundness, the factors considered shall include but are not limited to, whether the relevant person;

- 1) Is or has been unable to fulfil any of its or his financial obligations, whether in Uganda or elsewhere;
- 2) Has made any arrangements with his creditors, filed for bankruptcy, been adjudged bankrupt, had assets confiscated, or has been involved in proceedings relating to any of the aforementioned.
- 3) Is subject to a judgement debt which is unsatisfied, either in whole or in part, whether in Uganda or elsewhere;

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- 4) Is or has been the subject of bankruptcy petition, whether in Uganda or elsewhere;
- 5) Has been adjudicated a bankrupt and the bankruptcy is undischarged, whether in Uganda or elsewhere;
- 6) In addition to (1) to (5), in the case where the relevant person is a corporation;
 - a) Is or has been the subject of a winding up petition, whether in Uganda or elsewhere;
 - b) Is in the course of being wound-up or otherwise dissolved, whether in Uganda or elsewhere;
 - c) Has been placed under receivership of another entity;
 - d) Is or has been subject to any other process outside Uganda that is similar to those referred to in sub-paragraphs (a) to (c).

(7) Notwithstanding the fact that a person may be of limited financial means will not, in itself, affect the person's ability to satisfy the financial soundness criteria.

6.0 Request for additional information

The Authority has the power to request for any other additional information and may interview some individuals when facts or circumstances raise doubts about the propriety, integrity or character of a relevant person (for example a person's decisiveness, strategic vision, judgement on risks, leadership, independence of mind, persuasive power, and the ability and willingness to engage in continuous learning and development), or in order to undertake a more thorough assessment of a person's knowledge, experience and skills and whether they relate to the role that person will be undertaking.

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The Authority will communicate the outcome of every assessment to the concerned party clearly and in a timely manner.

7.0 . Enforcement

When URBRA determines non-compliance with the provisions of these guidelines, it may take any intervention measures or steps prescribed in URBRA Act and regulations made thereunder.

8.0 . Effective Date

The effective date of these Guidelines is the date on which they are signed.

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APPENDIX - FIT AND PROPER ASSESSMENT FORM



FIT AND PROPER FORM FOR APPLICANTS FOR A LICENSE AS TRUSTEES, ADMINISTRATORS, CUSTODIANS AND FUND MANAGERS OF RETIREMENT BENEFITS SCHEMES

SPECIAL NOTES

1. Each proposed Trustee or key officer must satisfy the Authority's requirements that he or she is a fit and proper person to act as a trustee, Administrator or Fund Manager of a retirement benefits scheme. Accordingly, each individual applicant for a license and all directors and key officers of a service provider must complete this fit and proper form.
2. All information shall be provided in this form together with the attachments thereto.
3. All information will be treated with strict confidentiality and will not be disclosed or used for any other purpose than to assess the suitability of a proposed trustee, key officer or director of a scheme or service provider except in so far as it may be required and permitted by law.
4. This information will only be taken into account if it directly relates to the requirements of the position.
5. All the fit and proper forms must be accompanied with the following: –
 - i. Curriculum vitae
 - ii. Copies of certified certificates of college and university education
 - iii. Evidence of current membership in a professional body
 - iv. Current Tax clearance certificate from Uganda Revenue Authority
 - v. Certificate of Good Conduct from the Uganda Police Force
 - vi. A certified report from the Credit Reference Bureau Services indicating your debt profile and repayment history.

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FIT AND PROPER ASSESSMENT

To be completed by all individuals appointed to responsible person positions.

1. Entity, Position Title and Description

Name of Entity

Brief description of the duties and functions of the position

2. Personal Details of Appointee

Family Name

Given Name(s)

Date of Birth (dd/mm/yyyy)

Country and Town of Birth

Nationality

Country of Residence

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Gender (Male/Female)

Marital Status (Single/Married/Divorced)

Nationality

Country of Residence

Identification Number

Include a certified copy of identification

REF

Passport Number (if applicable)

Include a certified copy of passport

REF

Work Permit (if applicable)

Include a certified copy of Work Permit

REF

Direct Business Telephone Number/Mobile Number

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Email Address

Postal Address

Residential Address/Town/Area District

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3. Change of Name and address

Have you ever changed your name or used an alias?

YES	NO
-----	----

If "YES", please provide details below

Previous Family Name/ Alias

--

Previous Given Name(s)/ Alias

--

Date of Change (dd/mm/yyyy)

--

Have you changed your permanent address in the last 5 years?

YES	NO
-----	----

If "YES", please provide details below

Previous Residential Address/Town/ Area District

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4. Qualifications

Educational qualifications

Qualification	Year	Institution

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Professional qualifications

Professional Body	Year	Status

5. Other Directorship(s) or Trusteeships(s) held over the last 10 years

Organization	Date of appointment	Date of resignation

6. Significant shareholding(s) in financial institutions over the past 10 years (where significant shareholding is 10% or more of a class of shares or direct or indirect control of 10% or more of the voting stock - if interest has been relinquished note the date under "status", otherwise state "active")

Financial Institution	Nature of financial interest	Status

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7. Employment history for the last 10 years (start with the most recent)

Employer's Name	
Type of Business	
Address	
Contact Number	
Contact Email	
Position held and brief description	
Start date	
End date	

Employer's Name	
Type of Business	
Address	
Contact Number	
Contact Email	
Position held and brief description	
Start date	

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End date

--

Employer's Name

Type of Business

Address

Contact Number

Contact Email

Position held and brief description

Start date

End date

8. Fitness and Propriety Questionnaire (If the answer to a question is "YES", please provide additional explanations on a separate page with a reference provided)

a. Have you been disqualified under any legislation administered by Bank of Uganda, CMA, IRA or any other laws of Uganda or financial, corporate or similar laws in another jurisdiction?

b. Have you been, or are likely to be, removed or suspended, by order of a regulatory authority in Uganda or elsewhere, as a director, trustee, officer or significant owner of a regulated institution or related entity?

c. Have you contravened any provision of the Financial Institutions Act (2016) or any rule or order issued thereunder, or been guilty of gross negligence or willful or intentional misconduct as those terms contextually apply in the Financial Institutions Act or elsewhere under similar regulations?

d. Have you been a director, executive officer, manager or significant owner of a financial institution in Uganda or elsewhere, which has become insolvent, been under receivership, been wound up or liquidated?

YES	NO	REF
YES	NO	REF
YES	NO	REF
YES	NO	REF

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e. Have you, or any business in which you have had a controlling interest, been censured, prosecuted, and warned as to conduct, disciplined, or publicly criticized by, or made subject to a court order by any governmental department or agency, professional association, or regulatory body in Uganda or elsewhere?	YES	NO	REF
f. Have you ever been found guilty or convicted for any offense or had any administrative order served or been disqualified from serving as a director, trustee or holder of financial related licenses in Uganda or elsewhere, within the last 10 years?	YES	NO	REF
g. Are you now or do you expect to be engaged in litigation, in Uganda or elsewhere, which may have a material adverse effect on your resources?	YES	NO	REF
h. Have you within the last 10 years, failed to satisfy within one year a judgment of debt under a court order in Uganda or elsewhere?	YES	NO	REF
i. Have you ever been judged by a court, in Uganda or elsewhere, to be civilly liable for fraud, malfeasance, or any other misconduct?	YES	NO	REF
j. Have you ever been judged bankrupt by a court, in Uganda or elsewhere, or made any compromise or otherwise failed to satisfy your creditors in full within the last 20 years?	YES	NO	REF
k. Do you have any disputed obligations for taxes due and payable to the Uganda Revenue Authority or any other taxation authority in Uganda or elsewhere?	YES	NO	REF
l. Do you hold a government appointed or elected position in Parliament, or a regional or local authority in Uganda or in a foreign country, or are you an officer of a registered political party in Uganda or elsewhere?	YES	NO	REF
m. Have you ever been diagnosed as being mentally ill or unstable?	YES	NO	REF
n. Are you in default regarding any liability owed to any financial institution? (Please provide a report from a licensed credit reference bureau)	YES	NO	REF
o. Do you usually reside in Uganda? (If "NO, please describe how you intend to fulfill your obligations)	YES	NO	REF
p. Do you expect to have access to the financial, managerial, technological, intellectual and other relevant resources to be able to discharge satisfactorily the duties of the responsible person?	YES	NO	REF
q. If you are appointed as a trustee, have you read the Trustees' Code of Conduct and reasonably expect to be able to discharge your responsibilities in accordance with the Code?	YES	NO	REF
r. If you are appointed as a trustee, will you be able to undertake initial training and continued professional development or otherwise expect to receive an exemption from the Authority?	YES	NO	REF

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s. Do you have a real or potential conflict of interest in relation to the role of the responsible person? (This may include by you directly or close family members and if so, provide explanation).

YES

NO

REF

DECLARATION

I, the undersigned, hereby declare that:

(a) to the best of my knowledge and belief the statements made and the information supplied in this questionnaire and the attachments are correct and that there are no other facts that are relevant to the assessment of my fitness and propriety;

(b) I understand that (insert entity name as in 1 above) or the Authority may seek additional information from any third parties it deems necessary in view of assessing my fitness and propriety and I consent to their undertaking police checks and corporate searches as part of their due diligence; and

(c) I undertake to bring to the attention of (insert name of entity as in 1 above) any matter which may potentially affect my status as being someone fit and proper as and when they occur.

APPLICANT

Print

Name:

Signature:

Date:

-- / -- / ----

Issued on the 26th day of March 2018.

Signed

MARTIN A. NSUBUGA
AG. CHIEF EXECUTIVE OFFICER

***Uganda Retirement Benefits Regulatory Authority (Whistle Blowing)
Guidelines, Guideline No. 2 of 2018***



WHISTLEBLOWING GUIDELINES

These Whistle blowing guidelines are issued pursuant to sections 5(1) (d) and 93 of the Uganda Retirement Benefits Regulatory Authority Act, 2011 for observance by retirement benefits schemes.

These Guidelines provide practical guidance for reporting of breaches of the law and governance practices.

Issued on the 26th day of March 2018

These Guidelines are not a legal document nor do they substitute the provisions of the Uganda Retirement Benefits Regulatory Authority Act 2011 and the Regulations made thereunder. The Guidelines should be read together with the URBRA Act 2011 and the Regulations made thereunder

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1.0. Basis of Issuance

Uganda Retirement Benefits Regulatory Authority (URBRA) is mandated in section 5(2)(b) of the URBRA Act, as part of exercise of its functions to issue guidelines and other prudential norms for the proper management and operation of retirement benefits schemes. Section 93 of the URBRA Act empowers the Authority to issue guidelines for the better carrying out of its objects and functions under the Act.

These Guidelines provide practical guidance for reporting of breaches of the law and governance practices.

2.0. Purpose

The requirement to report is a vital part of the regulatory framework as whistleblowing reports will be a key source of information used by the Authority to fulfill its supervisory responsibilities.

It is a statutory requirement that parties to a Retirement Benefits Scheme report to the Authority in some specific circumstances; for example, changes in submitted information, failure to remit contributions due, certain failures in relation to funding of Defined Benefit schemes and other events or breaches concerning governance and administration of schemes.

The term “*Whistleblower*” is used to describe any person who may have a statutory duty to report or to whom the duty to report may not essentially apply but has an interest in a Retirement Benefits Scheme.

3.0. Scope

The duty to report applies to Retirement Benefits Schemes, parties thereto and service providers. There is a wide range of persons that the requirement to report applies to, these include;

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3.1. Trustees

The duty to report applies to each individual trustee or corporate trustee. In the case of a corporate trustee, the persons responsible for the execution of the trust function, the Directors of the body corporate and the body corporate itself shall be under a duty to report whether jointly or severally.

3.2. Members/beneficiaries

Reports could be made by a member(s) or an actual or potential beneficiary(ies) of a scheme who alleges that he or she has suffered financial loss or is aware of mismanagement by those responsible for the management and administration of the scheme.

3.3. Persons offering services to a scheme

- a) This covers those persons who provide services to Retirement Benefits Schemes. If a firm is appointed to provide relevant services to the Scheme; the duty to report falls on the persons responsible for the management of the firm. Where an individual is appointed to provide the service, the duty to report falls on the individual.

This category comprises of;

- i. Administrators, Fund Managers and Custodians;
- ii. A participating employer who assigns staff to carry out scheme administration tasks in-house (including performing payroll and similar functions as well as carrying out or helping with direct administration of the scheme);
- iii. Other professional advisers such as Pensions and Investment consultants, Actuaries and Auditors, Accountants, Legal advisers and independent financial advisers etc.

3.4. An employer participating in a scheme

In the case of an Umbrella Scheme, the duty to report applies to any participating

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employer or its agents who becomes aware of a breach regardless of whether the breach relates to or affects members who are its employees or those of other employers.

3.5. Persons with more than one role

There are other requirements for firms and organizations to report to other supervisory bodies. Where the duty to report to another body arises and a whistleblower concludes that there is a separate duty to report to the Authority, it would assist if the report to the Authority referred to the other report.

4.0. Reporting of breaches

While taking a decision to report a breach, two key considerations are to be made;

- a) Whether the whistleblower has reasonable cause to believe there has been a breach of the law, governance procedures or scheme rules;
- b) Whether the whistleblower believes the breach is likely to be of material significance.

4.1. Reasonable cause to believe

Having a reasonable cause to believe that a breach has occurred means more than merely having a suspicion that cannot be substantiated.

- a) Where the whistleblower does not know the facts or events around the suspected breach, he/she can check with the trustees or others who are in a position to confirm what has happened. However, it is not appropriate to check with the trustees/managers or others in cases of theft, fraud or any other serious offence if discussion with those persons might alert those implicated or impede actions of the Authority.
- b) If the whistleblower is unclear about the relevant legal provisions, they should satisfy their understanding of the law to the extent necessary to form a view.

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4.2. Material significance.

This depends on;

- a) Cause of the breach
- b) Effect of the breach
- c) Reaction to the breach
- d) Wider implications of the breach

4.2.1. Cause of the breach

- a) The breach is likely to be of material significance to the Authority where it was caused by;
 - i. Dishonesty including fraud, bribery and other corrupt practices;
 - ii. Misuse/misappropriation of assets or contributions;
 - iii. Poor governance;
 - iv. Inadequate controls resulting in deficient administration;
 - v. Failure to pay contributions and benefits correctly or promptly;
 - vi. Inappropriate decision making practices; or
 - vii. Acting or failing to act in deliberate contravention of the law, regulations, scheme rules, guidelines and rules issued or approved by the Authority.
- b) In forming a view on whether the breach is of material significance, whistleblowers should consider;
 - i. Other reported and unreported breaches they are aware of;
 - ii. The use of historical information with care, particularly if changes have been made to address previously identified problems.

4.2.2. Effect of the breach

A breach shall be of material significance if;

- a) It poses a risk to the scheme which may lead to loss of assets or contributions

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and or a likelihood that the scheme will not be able to deliver benefits promised in the long run.

- b) It adversely impacts on the functions of the Authority.

4.2.3. Reaction to the breach

The breach is likely to be of material significance where, after a breach is identified;

- a) No prompt and effective action is taken to remedy the breach;
- b) No attempt is made to identify and tackle its causes in order to minimize risk of recurrence;
- c) No corrective action is pursued to a proper conclusion; or
- d) No notification to members and beneficiaries who have been affected by the breach where it would have been appropriate to do so;

4.2.4. Wider implications of the breach

- a) The fact that the breach has occurred makes it appear more likely that other breaches might emerge in the future; or
- b) Other schemes may be affected if they are administered or managed by the same service provider/organization which may be responsible for the breach which has occurred; or
- c) The retirement benefits sector may get affected as a result of breaches in other closely correlated sector(s).

4.2.5. Types of reporting concerns

Trustees, members/beneficiaries, service providers and other Professionals should report about the following substantial failures considered to be elements of material significance;

- a) Possible fraud or misappropriation of scheme funds such as;

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- i. Authorization of loans from the scheme;
 - ii. Transferring part of the fund, documents of title or proceeds by the custodian respectively to a destination that does not appear to be another custodian and is not an authorized sale;
 - iii. Persistent or significant discrepancy in the investments carried out by a Fund Manager including divergence from the provisions of the Investment Regulations and guidelines issued by the Authority.
- b) Breaches carrying criminal penalty such as trading the assets of the fund in the individual names of Trustees, Fund Manager, or Directors etc.
- c) Persistent failure by the employer to remit contributions in accordance with the schedule of contributions and where they remain unpaid up to the 15th day of the following month or where the employer appears to be using the contributions instead of remitting them to the scheme.
- d) Breaches involving widespread and/or persistent administrative failures stemming from poor record keeping or inadequate controls, for example;
 - i Misallocation of contributions to members' accounts;
 - ii Accounting and auditing concerns;
 - iii Failure to carry out reconciliation of contributions received resulting in persistent discrepancies;
 - iv Failure to maintain and update records of members and beneficiaries, particularly those whose personal details have changed;
 - v Failure to pay benefits correctly or in a timely manner;
 - vi Failure to provide members and beneficiaries with accurate, clear and timely information.
- e) Inappropriate actions that manipulate or overstate the scheme's fund value

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and other breaches of the investment guidelines through dealing or implementation errors, for example;

- i Failure to invest contributions promptly in accordance with laid down procedures;
 - ii Failure by the trustees to take appropriate measures to recover all debts and monies due to the fund within a reasonable period of time;
 - iii Failure by the scheme to monitor and control fees and/or other expenses.
- f) Failure to comply with the URBRA Act and regulations or Trust Deed and Scheme Rules;
 - i. Trustees not acting in good faith and within the terms of the Trust Deed and Scheme Rules for the benefit of members and beneficiaries;
 - ii. Trustees acting in a way which is unfair or wrong to a reasonable and objective person, in breach of trust law.
- g) Breaches which stem from a systems or processes failure.
- h) Continuous provision of poor services by the scheme's service provider resulting in persistent or widespread non-compliance; despite the scheme's best efforts to comply with regulatory requirements.

Note: Examples of breaches listed above are not exhaustive.

5.0. Means of reporting

A whistleblower can report a breach by means of;

- a) Anonymous letter
- b) Email

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- c) Website (www.urbra.go.ug)
- d) Telephone
- e) Verbal communication
- f) Official statutory returns

6.0. URBRA investigation of the report

- a) The Authority will acknowledge receipt of reports within 5 working days.
- b) When the Authority receives a report of a breach, it has discretion to take action and, if so, what action to take. The decision will depend on;
 - i. The breach;
 - ii. Its circumstances;
 - iii. Material significance and;
 - iv. Any other information the Authority may be aware of.
- c) In exercising its discretion, the Authority shall take into account the following considerations;
 - i. The seriousness of the issues raised;
 - ii. The credibility of the concern; and
 - iii. The likelihood of confirming the allegation from relevant sources.
- d) The matters raised may;
 - i. be investigated internally;
 - ii. be referred to the police;
 - iii. be referred to the courts of law; or
 - iv. Form the subject of an independent inquiry.
- e) A range of measures by the Authority include;
 - i. Assisting or instructing trustees or service providers to achieve compliance;

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- ii. Providing guidance or training;
 - iii. Appointing interim administrator to help run the scheme;
 - iv. Removing trustees from office;
 - v. Freezing the scheme;
 - vi. Imposing special measures where the scheme funding requirements are not complied with;
 - vii. Ordering that the scheme's funding position be restored to the level before a breach or other detrimental event occurred; and
 - viii. Imposing fines where appropriate.
- f) The Authority will not generally keep a whistleblower informed of the steps it takes in response to a report of a breach. There are restrictions on the information the Authority can disclose. Additional information should be provided by the whistleblower if it may assist the Authority in exercising its functions.

7.0. Reporting

All reports on breaches shall be directed to any of the following offices as appropriate;

- a) CEO, URBRA
- b) Director Supervision and Compliance (DSC)
- c) Internal Audit Office
- d) Chairman, URBRA

8.0. Whistleblowing protection

- a) The Authority understands the potential impact of a report on the relationship between a whistleblower and their client or in the case of an employee and their employer.
- b) Uganda Whistleblowers Protection Act, 2010 provides for protection of a whistleblower making a disclosure to the Authority. A whistleblower shall not be liable to civil or criminal proceedings in respect

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of a disclosure that contravenes any duty of confidentiality or official secrecy law where the whistleblower acts in good faith.

- c) The Authority will seek to protect the identity of whistleblowers. Even if the Authority does not explicitly reveal the name of the whistleblower, their identity may become apparent in the course of an investigation.
- d) Whistleblowers should act carefully/conscientiously and honestly, and to take account of expert or professional advice where appropriate.

Issued on the 26th day of March 2018

Signed



**MARTIN A. NSUBUGA
AG. CHIEF EXECUTIVE OFFICER**