REGIME OF SANCTIONS AND PENALTIES FOR NON-COMPLIANCE WITH THE URBRA REGULATIONS

The URBRA Act has the following regulations;

i. URBRA (Management and Operations) Regulations, SI No. 43 of 2020
ii. URBRA (Merger and Winding Up of Retirement Benefit Schemes) Regulations, SI No. 44 of 2020
iii. URBRA (Licensing of Retirement Benefits Schemes) Regulations, SI No. 72 of 2012
iv. URBRA (Licensing of Trustees) Regulations, SI No. 68 of 2012
v. URBRA (Licensing of Custodians) Regulations SI No. 70 of 2012
vi. URBRA (Licensing of Administrators) Regulations, SI No.69 of 2012
vii. URBRA (Licensing of Fund Managers) Regulations, SI No. 71 of 2012
viii. URBRA (Investment of Scheme Funds) Regulations of 2014
ix. URBRA (Financial Reporting and Disclosure Requirements) Regulations, SI No. 1 of 2016

Our stakeholders in the retirement benefits sector are mandated to adhere to the above listed regulations. In a bid to facilitate awareness of the said legal requirements under the respective URBRA regulations, a matrix has been created in order to highlight key areas of compliance.

This matrix only serves as a guideline and not a replacement of the law therefore, users should read this matrix in tandem with the abovementioned URBRA Regulations.

COMPLIANCE		**PENALTY FOR NON-COMPLIANCE**	
NO.	**COMPLIANCE ISSUES/OFFENCES CREATED UNDER THE URBRA REGULATIONS**	**MINIMUM COMPLIANCE**	**ADMINISTRATIVE /COURT SANCTIONS**
	GENERAL OFFENCES APPLICABLE TO TRUSTEES AND SERVICE PROVIDERS		
1.	Performing a function of the scheme without the permission of a liquidator Regulation 37 (1), URBRA (Merger and Winding Up of Retirement Benefit Schemes) Regulations 2020	Obtain the permission of a liquidator before performing the function of the scheme.	Upon conviction, a fine not exceeding seventy-five currency points or imprisonment for a term not exceeding one (1) year or both. Regulation 37, URBRA (Merger and Winding Up of Retirement Benefit Schemes) Regulations 2020

2.	Failure to comply with the requirements of the liquidator. Regulation 37 (2), URBRA (Merger and Winding Up of Retirement Benefit Schemes) Regulations 2020	Cooperation/compliance with the liquidator's requirements.	Upon conviction, a fine not exceeding seventy-five currency points or imprisonment not exceeding one year or both. Regulation 37 (2), URBRA (Merger and Winding Up of Retirement Benefit Schemes) Regulations 2020
3.	Making a false and misleading statement to a liquidator in a document given to a liquidator. Regulation 37 (3), URBRA (Merger and Winding Up of Retirement Benefit Schemes Regulations) 2020	All statements made in documents submitted to a liquidator of a scheme should be truthful.	Upon conviction, a fine not exceeding seventy-five currency points or imprisonment not exceeding one year or both. Regulation 37 (3), URBRA (Merger and Winding Up of Retirement Benefit Schemes Regulations) 2020
4.	Contravening any of the provisions in the URBRA (Management and Operations) Regulations. Regulation 40 (1), URBRA (Management and Operations) Regulations	To comply with these regulations.	Administrative Sanctions a. Caution for a first time offender. b. Cash penalties for a continuing offender i. A fine not exceeding seventy-five currency points ii. An additional penalty exceeding fifty currency points in respect of every day on which the contravention continues iii. Penalty not exceeding one hundred and fifty currency points in respect to second or

			subsequent contravention c. Suspension of the license of the offender d. Revocation of the license of the offender e. Prohibition of the scheme from admitting new members f. Declaration that a particular trustee of the scheme is not fit and proper g. Suspension or removal from office of the erring offender
5.	Making a false or misleading statement in a material document given to the liquidator. Regulation 37 (3), (Merger and Winding Up of Retirement Benefit Schemes Regulations) 2020	To make true statements in respect to a document given to a liquidator.	Upon conviction, a fine not exceeding seventy-five currency points or imprisonment for one year or both.
6.	Contravention of any provision of the URBRA (Merger and Winding Up of Retirement Benefit Schemes) Regulations Regulation 37 (4), URBRA (Merger and Winding Up of Retirement Benefit Schemes Regulations) 2020	Trustees and service providers should comply with all provisions of the URBRA (Merger and Winding Up of Retirement Benefit Schemes Regulations) 2020	a. Upon conviction, a fine not exceeding seventy-five currency points or imprisonment for one year or both. b. In case of continuous contravention, an additional fifty currency points in respect to each day for which the contravention continues. c. Where the contravention is committed by a body corporate and the officers of

			the body corporate had knowledge of the commission of offence upon conviction they shall be liable to seventy-five currency points and or imprisonment of one year or both and an additional penalty for continued contravention.
7.	A fund manager or a trustee who contravenes the URBRA (Investment of Scheme Funds) Regulations Regulation 18(1), URBRA (Investment of Scheme Funds) Regulations 2014	Trustees and fund managers should comply with all the provisions URBRA (Investment of Scheme Funds) Regulations.	a. Upon conviction a fine not exceeding seventy-five currency points; and b. In case of a continuing contravention an additional penalty of fifty currency pints in respect to each day on which the offence continues. c. The fund manager shall be surcharged with the loss incurred.
8.	Loss as a result of the late submission of the investment report. Regulation 18 (2), URBRA (Investment of Scheme Funds) Regulations 2014	Fund manager should not make losses as a result of delayed submission of the investment report to URBRA.	Fund manager shall be surcharged with the loss incurred. Regulation 18 (2), URBRA (Investment of Scheme Funds) Regulations 2014
9.	Non-compliance with any provision of the URBRA (Investment of Scheme Funds) Regulations Regulation 19, URBRA (Investment of Scheme Funds) Regulations	Comply with all provisions of these regulations.	Administrative sanctions on any person that does not comply with the regulations. Regulation 19, URBRA (Investment of Scheme Funds) Regulations

10.	There shall be lending or borrowing of the securities of a scheme for speculative investment or any other purpose. Regulation 14 (1), URBRA (Investment of Scheme Funds) Regulations	Trustees to ensure that the scheme's securities are not lent out or borrowed for any speculative investment or any other purpose.	a. Administrative sanctions imposed by the Authority on the person who contravenes this regulation. -Regulation 19, URBRA (Investment of Scheme Funds) Regulations b. Fund manager or trustee who contravene this regulation upon conviction are liable to a fine not exceeding seventy-five currency points and in case of continuing contravention an additional penalty of fifty currency points in respect of each day on which the offence continues. – Regulation 18 (1), URBRA (Investment of Scheme Funds) Regulations c. In addition to the above penalty, if there is a loss as a result of the investment, the fund manager shall be surcharged with the loss. – regulation 18 (2), URBRA (Investment of Scheme Funds) Regulations
11.	The securities of a scheme shall not be used as collateral for any borrowing.	Trustees and service providers shall not use securities of the scheme as collateral for any borrowing.	a. Administrative sanctions imposed by the Authority on the person who contravenes this regulation. -Regulation

	Regulation 14 (2), URBRA (Investment of Scheme Funds) Regulations		19, URBRA (Investment of Scheme Funds) Regulations b. Fund manager or trustee who contravene this regulation upon conviction are liable to a fine not exceeding seventy-five currency points and in case of continuing contravention an additional penalty of fifty currency points in respect of each day on which the offence continues. – Regulation 18 (1), URBRA (Investment of Scheme Funds) Regulations c. In addition to the above penalty, if there is a loss as a result of the investment, the fund manager shall be surcharged with the loss. – regulation 18 (2), URBRA (Investment of Scheme Funds) Regulations
12.	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. Regulation 15, Regulation 14 (2), URBRA (Investment of Scheme Funds) Regulations	Submit a report in writing of the investments to the trustees and the Authority within thirty days.	i. Administrative sanctions imposed by the Authority on the person who contravenes this regulation. -Regulation 19, URBRA (Investment of Scheme Funds) Regulations ii. Fund manager or trustee who contravene this regulation upon conviction

			are liable to a fine not exceeding seventy-five currency points and in case of continuing contravention an additional penalty of fifty currency points in respect of each day on which the offence continues. – Regulation 18 (1), URBRA (Investment of Scheme Funds) Regulations iii. In addition to the above penalty, if there is a loss as a result of the investment, the fund manager shall be surcharged with the loss. Regulation 18 (2), URBRA (Investment of Scheme Funds) Regulations
13.	Retirement benefits schemes shall pay the prescribed compulsory annual levy as prescribed in Schedule eleven within four months after the end of the financial year. Regulation 23 (2), URBRA (Licensing of Retirement Benefit Schemes) Regulations	Licensed scheme should pay an annual levy of; i. Voluntary contributions- 0.025% of the total asset value in the statement of financial position of the scheme for the previous financial year. ii. Mandatory contributions- 0.05% of the total asset value in the statement of financial position of the scheme for the previous financial year.	The scheme will be required to pay the compulsory levy and an additional fine of 25% per annum of the levy for the period the levy remains unpaid. Regulation 23 (3), URBRA (Licensing of Retirement Benefit Schemes) Regulations

OFFENCES APPLICABLE TO TRUSTEES			
1.	Annual general meeting of the scheme Regulation 10, URBRA (Management and Operations) Regulations	i. Trustees should convene an AGM of the scheme not later than one hundred days from the end of the financial year of the scheme. ii. Submission of a notice of the AGM to the Authority and members of the scheme thirty days before the AGM. iii. Trustees to submit a copy of the minutes of the AGM to the Authority not later than thirty days from the date of the meeting.	Upon conviction, imprisonment of not more than three years or a fine not exceeding seventy-five currency points. Regulation 40 (1), URBRA (Management and Operations) Regulations
2.	Annual evaluation of the scheme. Regulation 5 (6), URBRA (Management and Operations) Regulations	Trustees should submit a copy of the annual evaluation repot of the scheme, key officers and service providers within thirty days from the conclusion of the evaluation exercise.	Upon conviction, imprisonment of not more than three years or a fine not exceeding seventy-five currency points. Regulation 40 (1), URBRA (Management and Operations) Regulations
3.	Board of trustee meetings. Regulation 7, URBRA (Management and Operations) Regulations	Trustees should hold quarterly meetings and minutes of proceedings maintained.	Upon conviction, imprisonment of not more than three years or a fine not exceeding seventy-five currency points. Regulation 40 (1), URBRA (Management and Operations) Regulations
4.	Minimum share capital for corporate trustee.	Minimum share capital shall not be less than two thousand five hundred currency points, during	Upon conviction, imprisonment of not more than three years or a fine

	Regulation 14, URBRA (Management and Operations) Regulations	the duration of the license period of the corporate trustee.	not exceeding seventy-five currency points. Regulation 40 (1), URBRA (Management and Operations) Regulations
5.	Review of scheme policies. Regulation 5 (4), URBRA (Management and Operations) Regulations	Trustees should ensure that all the policies of the scheme are reviewed after every three years.	Upon conviction, imprisonment of not more than three years or a fine not exceeding seventy-five currency points. Regulation 40 (1), URBRA (Management and Operations) Regulations
6.	Contravening any provision of the regulation by a person. Regulation 40, URBRA (Management and Operations) Regulations	A person to comply with a provision the Management and Operations Regulations.	Upon conviction, imprisonment of not more than three years or a fine not exceeding seventy-five currency points. Regulation 40 (1), URBRA (Management and Operations) Regulations
7.	Submission of quarterly investment report within thirty days after the end of the quarter. Regulation 16, URBRA (Investment of Scheme Funds) Regulations	Trustees should ensure that they submit an investment report within thirty days after the end of the quarter.	Upon conviction a fine not exceeding seventy-five currency points or to imprisonment for one year. Regulation 18(1), URBRA (Investment of Scheme Funds) Regulations
8.	Submission of audited financial statements to URBRA. Regulation 3, URBRA (Financial Reporting and Disclosure Requirements) Regulations 2016	Trustees should ensure that financial statements are submitted to the Authority within four months after the end of the financial year of the scheme.	i. Upon conviction, a fine of seventy-five currency points. ii. In case of a continuing contravention, an additional penalty of fifty currency points in respect of each day

			on which the offence continues. Regulation 12, URBRA (Financial Reporting and Disclosure Requirements) Regulations
9.	Submission of a report of the contributions to the scheme indicating the contributions that are remitted in the previous and current reporting period and contributions that are outstanding for the previous and current reporting period. Regulation 4, URBRA (Financial Reporting and Disclosure Requirements) Regulations	Trustees should ensure that a report of the contributions remitted into the scheme is submitted to the Authority within thirty days after the end of the quarter.	i. Upon conviction, the trustee(s) is liable to a fine not exceeding seventy-five currency points. ii. In case of a continuing contravention, an additional penalty of fifty currency points in respect of each day on which the offence continues. Regulation 12, URBRA (Financial Reporting and Disclosure Requirements) Regulations
10.	Publication of audited financial statements Regulation 6, URBRA (Financial Reporting and Disclosure Requirements) Regulations	i. Trustees should exhibit throughout the year the audited financial statements of the scheme. This should be exhibited in a conspicuous place. ii. If the scheme membership is open to the public, the trustees shall ensure that the audited financial statements are published in a newspaper of wide circulation. This should be done within four months	i. Upon conviction, the trustee(s) is liable to a fine not exceeding seventy-five currency points. ii. In case of a continuing contravention, an additional penalty of fifty currency points in respect of each day on which the offence continues. Regulation 12, URBRA (Financial Reporting and Disclosure Requirements) Regulations

		after the end of the scheme's financial year. iii. In addition, the trustees of the scheme with membership that is open to the public shall ensure that the audited financial statements are published on the scheme's website. iv. Trustees of the scheme whose membership is not open to the public shall ensure that the audited financial statements are displayed on the website of the scheme or the sponsor. v. Trustees to ensure that each member of the scheme is issued with a summary of the scheme's audited financial statements.	
11.	Issuance of benefit statements Regulation 7 (1), URBRA (Financial Reporting and Disclosure Requirements) Regulations	Trustees of the scheme shall ensure that members/beneficiaries of the scheme to receive within one month after receipt of the audited financial statements of the scheme.	i. Upon conviction, the trustee(s) is liable to a fine not exceeding seventy-five currency points. ii. In case of a continuing contravention, an additional penalty of fifty currency points in respect of each day on which the offence continues. Regulation 12, URBRA (Financial Reporting and Disclosure Requirements) Regulations

12.	Non-compliance with any provisions of the Financial Reporting and Disclosure Regulations. Regulation 12, URBRA (Financial Reporting and Disclosure Requirements) Regulations	Trustees should ensure that they comply with all the provision of the URBRA (Financial Reporting and Disclosure Requirements) Regulations.	i. Upon conviction, the trustee(s) is liable to a fine not exceeding seventy-five currency points. ii. In case of a continuing contravention, an additional penalty of fifty currency points in respect of each day on which the offence continues. Regulation 12, URBRA (Financial Reporting and Disclosure Requirements) Regulations
13.	Contravention of any provision in the Licensing of Trustees Regulations. Regulation 10, URBRA (Licensing of Trustees) Regulations 2012	Trustees should ensure that they comply with the provisions of the said regulations.	Upon conviction, a penalty equivalent to seventy-five currency points and in case of continuing contravention, fifty currency points for each day that the offence continues. Regulation 10, URBRA (Licensing of Trustees) Regulations 2012
OFFENCES APPLICABLE TO SPONSORS			
1.	Prohibition of sponsor from getting involved in the management and operation of the scheme. Regulation 41 (2), URBRA (Management and Operation) Regulation	A sponsor shall not get involved in the operation or management of the scheme.	i. A fine not exceeding seventy-five currency points in case of a fist time offender. ii. A penalty not exceeding one hundred and fifty currency points in respect of a second or subsequent contraventions.

			iii. An additional penalty not exceeding fifty currency points in respect of every day on which the offence continues. Regulation 41 (3) (a), (b) and (c), URBRA (Management and Operation) Regulation
OFFENCES APPPLICABLE TO CUSTODIANS			
1.	Contravention of any provision of the URBRA (Licensing of Custodians) Regulations Regulation 10, URBRA (Licensing of Custodians) Regulations	Custodians should comply with all provisions of the Licensing of Custodians regulations.	i. Penalty equivalent to seventy-five currency points. ii. In case of continuing contravention, fifty currency points for each day that the offence continues. Regulation 10, URBRA (Licensing of Custodians) Regulations
OFFENCES APPLICABLE TO ADMINISTRATORS			
1.	Contravention of any of the provisions in the Licensing of Administrators Regulations. Regulation 11, URBRA (Licensing of Administrators) Regulations	Administrators should adhere to all the provisions of the Licensing of Administrators Regulations.	Upon conviction, penalty equivalent to seventy-five currency points and in case of continuing contravention, fifty currency points for each day that the offence continues. Regulation 11, URBRA (Licensing of Administrators) Regulations

OFFENCES APPLICABLE TO FUND MANAGERS			
1.	Contravention of any of the provisions in the Licensing of Fund Managers Regulations. Regulation 10, URBRA (Licensing of Fund Managers) Regulations	Fund managers should comply with all the provision of the said regulations.	i. Penalty of seventy-five currency points. ii. In case of continuing contravention, fifty currency points for each day that the offence continues. Regulation 10, URBRA (Licensing of Fund Managers) Regulations