URBRA
UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
Protecting your retirement benefits

In any correspondence on
this subject, please quote
Ref No.FAD.102/112.01

September 3, 2021

All Trustees and Service Providers of
Retirement Benefits Schemes

RE: SECTOR ROLL OUT OF RISK-BASED SUPERVISION FRAMEWORK

Uganda Retirement Benefits Regulatory Authority (URBRA) currently undertakes a mixture of Rule-Based and Risk-Based approaches in the supervision of all licensed entities in the Retirement Benefits Sector. However, in a bid to strengthen its prudential oversight and promote a well-functioning Retirement Benefits Sector, URBRA is upgrading its Risk-Based Supervision (RBS) Framework.

Risk-Based Supervision is a structured supervisory approach that focuses on the identification of potential risks faced by licensed entities and the assessment of the financial and operational factors in place to manage and mitigate those risks.

The upgraded RBS Framework comes with advantages including; maximization of the use of scarce regulatory resources; increasing the probability that significant problems will be spotted in a timely manner and remedied in the most efficient and effective way; and encouraging licensed entities to operate efficiently. The Framework will enable URBRA to re-focus its attention to those risks and entities which pose the greatest threat to the realization of its core mandate of protecting the interests of scheme members and beneficiaries and promoting stability, security, and good governance of the Retirement Benefits Sector.

The RBS Framework upgrade will allow for advanced data analytics, visualization, and validation checks for a more proactive and predictive risk and compliance monitoring and market surveillance.

Please note that since this RBS Framework upgrade requires the supervised entities to submit both qualitative and quantitative data, the Authority will subsequently engage the supervised entities to enhance and harmonize the data submission requirements to fit the Framework.

This circular therefore serves to notify the Retirement Benefits Sector stakeholders of the roll out the upgraded Risk-Based Supervision Framework and the planned implementation engagements with Trustees and Service Providers as highlighted below:

- Issuance of interrogatories to Schemes
- Engagements with service providers on data submission requirements
- Engagement of stakeholders on the Risk-Based Supervision Model, Guidelines, and Manuals
- Piloting and roll-out of the Risk-Based Supervision System

Martin A. Nsubuga
CHIEF EXECUTIVE OFFICER