

NON-BANK FINANCIAL INSTITUTIONS REGULATORY AUTHORITY (NBFIRA)

PENSIONS PRUDENTIAL RULES

In terms of Section 50 of the NBFIRA Act – Section 43 on Licensing

PFA 1

New License Application - Pension or Provident
Fund

Effective March 1, 2012

1. General Information

Fund Details

- 1.1. Name of the fund:
- 1.2. Income Tax Number:
- 1.3. Is the fund registered under the Income Tax Rules as a pension or a provident fund?
 Yes No
- 1.4. If YES, state the Income Tax Reference Number.....
- 1.5. State the type of fund
 New fund
 Existing fund
- 1.6. And the fund is a:
 Single-employer fund
 Multi-employer fund

Registered Office

- 1.7. Provide details of the fund's registered office:
Building.....
Road.....
Town.....
Country.....
Postal Address:.....
.....
.....
Telephone.....
Fax.....
Email.....

Principal place of business

- 1.8. If different to Registered Office, provide details of the fund's principal place of business:
Building.....
Road.....
Town.....
Country.....

Postal Address:.....

.....

.....

Telephone.....

Fax.....

Email.....

Details of the Sponsor of the Multi-employer Fund

[Only to be completed if the fund is registering as a multi-employer fund]

1.9. Provide details of the sponsor of the multi-employer fund (if applicable)

Name:

Certificate of incorporation:

Registered office:

Building.....

Road.....

Town.....

Country.....

Postal Address

.....

.....

Telephone.....

Fax.....

Email.....

Reliance on Other Parties

1.10. Provide the name of the persons who assisted in compiling this application (where applicable).

Name.....

Name.....

Name.....

[Contact details of these persons are provided in Appendix A]

Contact Details

1.11. Provide details of the contact person(s) for further enquiries regarding this application

Name.....
Qualification/ role.....
Postal Address.....
.....
.....
Telephone.....
Fax.....
Email.....

2. Governance

Key Persons

2.1. The trustees have been appointed/elected

Yes No

[If YES, complete Appendix A and Appendix D for each Trustee and attach with application. Please note that the Authority may refuse to register the fund until the Trustees have been appointed and these details have been supplied]

2.2. The Chairperson of the fund has been appointed

Yes No

[If YES, complete, Appendix A and attach with application]

2.3. The Principal Officer/ Representative has been appointed

Yes No

[If YES, complete Appendix A attach with application]

2.4. The following office bearers have been appointed:

Auditor	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
Actuary	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
Legal Advisor	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
Asset Manager	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
Administrator	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No

Custodian Yes No

[If YES, complete Appendix C and Appendix E for each service provider and attach with application. Please note that the Authority may refuse to register the fund until at least the auditor and actuary have been appointed. In particular the actuary will be required to certify the rules as financially sound and such certificate must accompany the application.]

Multi-employer Funds

2.5. The multi-employer fund will operate with:

Special rules for each participating employer

Same rules for each participating employer

2.6. If there will be special rules for each participating employer, what aspects of the rules may the special rules specify:

Contribution rates

Benefits on death and disability

Accrual rate (DB only)

Vesting scale

Normal retirement age

2.7. Will the fund be applying for exemption from having members elect half the board of trustees?

Yes

No

2.8. If NO, describe the process that will be used to implement this member election and when will the first member election be held:

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

2.9. If the fund will be applying for exemption from having members elect half the board of trustees, will at least half the board of trustees be independent¹ of the sponsor?

Yes

No

¹ In this context, "independent" means that the trustee is not an employee of the sponsor, has not been an employee of the sponsor for at least 2 years, and does not derive more than 5% of his/her annual remuneration from services provided to the sponsor or a company associated with the sponsor other than his/her services as an independent trustee.

3. Group Structure and Control
Commercial Multi-employer Funds

Group Structure

3.1. Attach a structural chart of the group of companies to which the commercial multi-employer fund belongs. Include the respective percentages of shareholdings.

4. Particulars of the Fund

4.1. State whether the fund is a defined contribution or a defined benefit fund

Defined contribution (DC)

Defined benefit (DB)

If other, specify.....

4.2. State whether fund membership is voluntary or compulsory

Voluntary

Compulsory

4.3. Contribution rates payable by the:

Members:

Employer: or (if DB only) balance of cost

4.4. Allocation of contributions (% of contribution):

Risk benefits:

Expenses:.....

Savings:.....

4.5. If DB, please state the accrual rate:

4.6. Normal retirement age:

4.7. Vesting formula:

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

Administration

4.8. The administration function of the fund will be performed internally

Yes No

[If YES complete and attach PFA2]

Asset Management

4.9. The asset management function of the fund will be performed internally

Yes No

5. Other

5.1. Is there any other information or documents that are relevant to this application? If so kindly specify the information and include the relevant documents with your application.

6. Declaration and Payment

I hereby enclose –

- a. Appendix A: Contact details of assisting parties
- b. Appendix B: Particulars of the key persons
- c. Appendix C: Particulars of service providers
- d. Appendix D: Questionnaire for trustees
- e. Appendix E: Questionnaires for service providers
- f. Appendix F: Schedule of participating employers
- g. Appendix G: Risk management plan
- h. Appendix H: Business plan (if applicable)
- i. Rules of the Fund
- j. Trustee's Code of Conduct
- k. Certification of the design and viability of fund by an Actuary (including the funding policy for defined benefit/hybrid funds)
- l. Certification that the fund rules and method of operation will meet the conditions for valuation-exemption by an actuary (DC funds if applicable).
- m. Investment policy
- n. Certification of suitability of investments
- o. Service level agreements (for every service provider)
- p. Application form for fund administrator (if applicable)
- q. Application form for fund asset Manager (if applicable)
- r. Certified copies of the certificate of incorporation of the sponsor

I hereby declare that the Pension and Provident Funds Act, Cap 27:03 and the Non-Bank Financial Institutions Regulatory Authority Act (2006) have been complied with and the statements contained herein and the documents submitted herewith are true and accurate to the best of my knowledge and

belief. Any alterations in particulars stated herein or in the said documents will be promptly communicated to the Regulatory Authority within a period not later than thirty days from the date of the alteration.

Signed on this day of

.....

Signature of Chairperson

Full Name:

Designation:

Signature of Principal Officer/ Representative of the Fund

Full Name:

Designation:

I hereby submit payment in respect of application for licensing of a pension fund as per section 4 of the Pension and Provident Funds Rules.

Amount paid :

Cheque No. :

Date Paid :

Paid By : (Full Names)

Signature :

Designation :

OFFICIAL DATE STAMP

APPENDIX A: Reliance on Other Parties

A.1. Provide the contact details of parties assisting with the application
[To be completed by every party assisting with the application]

Name.....

Qualification/ role.....

Physical Address:

Building.....

Road.....

Town.....

Country.....

Postal Address.....

.....

.....

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Telephone:.....

Fax.....

Email.....

APPENDIX B: Particulars of Key Persons

Name of Fund:

Key Person (Full Name)	Nationality	Role (e.g. Chairperson, Trustee or Principal Officer)	Primary Residential Address	Occupation	Date of Appointment	Representation in Board (e.g. employer, employee or independent) <i>Trustees only</i>

APPENDIX C: Particulars of Service Providers

Name of Fund:

	Name of firm	Income Tax Number	Address	Telephone & Email	Professional body to which partner/company is a member	Date of appointment
Auditor						
Actuary						
Administrator						
Custodian						
Legal Advisor						
Asset Manager						
Asset Manager						

Appendix D: Questionnaire for Trustees

D1. Contact details

Name:

Date of birth:.....

Personal ID number:.....

Primary residential address:

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

Postal address:

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.....
.....

Email address:

Home telephone number:.....

Business telephone number:.....

Mobile number:

Occupation:

D2. In what capacity are you being appointed as a trustee?

- | | |
|--------------------------|--------------------|
| <input type="checkbox"/> | Employer appointed |
| <input type="checkbox"/> | Member elected |
| <input type="checkbox"/> | Independent |

D3. Prior experience as a trustee:

Period	Name of the fund

D4. Have you signed acceptance as a trustee of the fund's code of conduct?

Yes No

D5. Prior experience in the financial services industry (such as working as an investment manager, administrator, banker, accountant, auditor, actuary, lawyer or trustee)

Period	Name of the fund or institution	Nature of your involvement

D6. Have you ever had a previous application to be a trustee of a fund refused or revoked?

Yes No

If YES, please give details:

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

D7. Have you ever been sentenced for fraud or dishonesty where the sentence has required a period of imprisonment of 6 months or more or payment of a fine as an alternative to such imprisonment?

Yes No

If YES, please give details:

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

D8. Have you ever been declared bankrupt?

Yes

No

If YES, please give details:

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

D9. Have you ever previously been a trustee of a fund, or have you ever been involved in the investment of assets for a fund, or the administration of a fund, where the fund has had to be deregistered as a result of any failure on the part of the trustees or the persons investing the assets of the fund or administering the fund, or where the Regulatory Authority has appointed a curator?

Yes

No

If YES, please give details:

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.....
.....

D10. Are you disqualified from holding office as a trustee by any law?

Yes

No

If YES, please give details:

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

D11. Do you have any actual or potential conflicts of interest which might interfere in the exercise of your fiduciary duties towards the fund? (Such conflicts might be employment by, or a financial interest in, the sponsor of the fund, one of the employers who participates in the fund, or an organisation that provides services to the fund.)

Yes No

If YES, please give details:

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

D12. Have you disclosed these potential or actual conflicts of interest to your fellow trustees²?

Yes No

D13. If you are appointed as an independent trustee:-

a. What proportion of your annual income is derived from services supplied to the sponsor and companies associated with the sponsor, with the exception of funds sponsored by that sponsor?

.....

b. List the other funds sponsored by the sponsor of this fund on which you serve as a trustee:

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

I certify that the above information is, to the best of my knowledge, correct and complete.

Signed:

Name in block letters

² Please note that the presence of an actual or potential conflict of interest is inevitable for any employer-appointed or member-elected trustee who is also an employee or director or partner of the employer and is therefore not a bar to appointment or election as a trustee. It is important that these conflicts be managed through proper disclosure to your fellow trustees, the regulator and other stakeholders.

APPENDIX E: Questionnaire for Service Providers

[ACTUARY, AUDITOR, LEGAL ADVISOR, ADMINISTRATOR, ASSET MANAGER, OR CUSTODIAN]

E1. Contact details

Business name:

Physical address of business:

.....

Postal address of business:

.....

Email address:

Business telephone number:

E2. Service to be offered to the pension fund:

	Auditor
	Actuary
	Legal advisor
	Asset manager
	Administrator
	Custodian

E3. Individual who will take responsibility for service delivery to the pension fund:

.....

E4. Qualifications and membership of professional bodies:

Qualification or membership of a professional body	Institution granting the qualification or professional body	Date granted

[Please note that evidence of professional and academic qualifications must be enclosed with the questionnaire]

E5. Has this individual ever been barred from entry to any profession or occupation?

Yes No

If YES, please give details:

.....

E6. Practising certificates from professional bodies of this individual:

Period	Certificate	Professional Body	Conditions on the certificate

E7. Has the application for a practising certificate ever been declined for this individual?

Yes No

If YES, please give details:

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

E8. Has this individual ever been dismissed or the subject of disciplinary proceeding by an employer?

Yes No

If YES, please give details:

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

E9. Prior experience of the individual in offering this sort of service to pension funds:

Period	Name of the fund	Nature of service provided

E10. Do you have a contract and service level agreement with the pension fund which complies with the standards laid down in the rules³?

Yes No

E11. Names of your directors (if a company) or your partners (if a partnership):

³ Please note that the NBFIRA may request sight of the contract and service level agreement.

Name	Primary residential address	Occupation

E12. Have you, or, if a company or partnership, any of your directors or partners, ever been sentenced for fraud or dishonesty where the sentence has required a period of imprisonment of 6 months or more or payment of a fine as an alternative to such imprisonment ?

Yes

No

If YES, please give details:

.....

.....

.....

NBFFIRA

E13. Have you or, if a company or partnership, any of your directors or partners, ever been declared bankrupt?

Yes No

If YES, please give details:

.....

E14. Have you or, if a company or partnership, any of your directors or partners, ever previously been a trustee of a fund, or have you ever been involved in the investment of assets for a fund, or the administration of a fund, where the fund has had to be deregistered as a result of any failure on the part of the trustees or the persons investing the assets of the fund or administering the fund, or where the Regulatory Authority has appointed a curator?

Yes No

If YES, please give details:

.....

E15. If you are a member of a professional body which has a disciplinary code, please identify the body and give details of any complaints against you which caused you to have disciplinary action taken against you? Please also complete this statement if you were such a member and had disciplinary action taken against you but you are no longer a member of that body (in Botswana or elsewhere)⁴.

Name of the professional body	Date, nature of the complaint against you, and nature of the disciplinary action taken against you

E16. Are you or, if a company or partnership, any of your directors or partners, disqualified from holding office as a trustee, manager, custodian or administrator by any law?

Yes No

⁴ Please note that the term “disciplinary action” will include a reprimand and must be stated even if you took remedial steps which avoided more serious disciplinary action.

If YES, please give details:

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

E17. Do you have any actual or potential conflicts of interest which might interfere in the exercise of your duties towards the fund⁵?

Yes No

If YES, please give details:

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

E18. Have you disclosed these potential or actual conflicts of interest to the trustees⁶?

Yes No

I certify that the above information is, to the best of my knowledge, correct and complete.

Signed:

.....
Name in block letters

⁵ Such conflicts might be a business association, cross shareholding or common holding company with any of the employers that participate in the fund, or any organisation that provides services to the fund.

⁶ Please note that the presence of an actual or potential conflict of interest is not a bar to appointment as a service provider to the fund. It is important that these conflicts be managed through proper disclosure to the trustees, the regulator and other stakeholders.

NBFIRA

APPENDIX F: Schedule of Participating Employers

Name (as reflected on the company register)	Physical Address	Postal Address	Contact person	Telephone number of contact person	Income Tax number	Total number of permanent employees in workforce	Number of potential members of the pension fund	Contribution rate payable by members	Contribution rate payable by the employer

APPENDIX G: Risk Management Plan

- G.1 Provide a Risk Management Plan that includes the information that follows below.
- G.2 An outline of the major risks to the fund, the likelihood and the potential consequences of these risks, including:
- a. Credit risk
 - b. Market and liquidity risk
 - c. Operational risk (systems failure, outsourcing and fraud and theft)
- G.3 A brief description of the measures and procedures in place to identify, monitor and manage the following:
- a. Governance and decision making
 - b. Financial position and solvency
 - c. Investment strategy (market and liquidity risk)
 - d. Credit risk
 - e. Operational risk
- G.4 A brief description of the measures and procedures in place to mitigate the following risks:
- a. Credit risk
 - b. Market and liquidity risk
 - c. Operational risk
- G.5 A description of the internal controls and risk control measures that will be implemented to ensure the proper functioning of the fund.
- G.6 A description of the use of internal reporting and audit mechanisms to manage the risks of the fund.

**APPENDIX H: Business Plan
(Commercial Multi-employer Funds)**

- H.1 If the fund is a commercial multi-employer fund provide a Business Plan including at least the information that follow below.
- H.2 List of participating employers
- H.3 The projected financial position of the fund over 3 years, including
 - a. Initial capital
 - b. Assumptions used
 - c. Initial start up costs
 - d. Projected business acquired
 - e. Operational expenses
 - f. Income from charges and other sources
 - g. Projected Income Statement
 - h. Projected cash flow statements
 - i. Projected Balance Sheet