



October 20, 2025

CIRCULAR NO.4 OF 2025

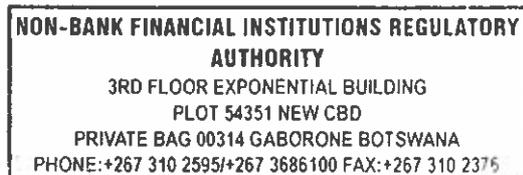
TO: All Principal Officers of Retirement Funds

CC: All Principal Officers of Fund Administrators

MINIMUM STANDARDS OF BOARD MEMBERS FOR RETIREMENT FUNDS

1. Reference is made to our Circular No.5 of 2024 dated November 4, 2024. *The Regulatory Authority* hereby withdraws this Circular with immediate effect.
2. However, following various feedback from stakeholders on the subject matter, *the Regulatory Authority* hereby issues Minimum Standards of Board Members for Retirement Funds, in terms of Section 14 (5) of the Retirement Funds Act, 2022.
3. The purpose of these standards is to further enhance the governance of retirement funds by prescribing the minimum level of educational qualification, skills, and training a Board Member shall attain to be deemed fit and proper, to serve in a Board of a Retirement Fund.
4. A Large Fund shall nominate up to 30 percent of the Board composition from employer/sponsor and membership, for critically required skill or critically required representation to serve in the Board; beside nominees subject to the minimum qualifications and work experience prescribed herein.
5. The minimum standards determined hereunder shall be implemented in conjunction with PFR10 Rules (Minimum Standards And Conduct Of Board Of Trustees) and the Fit and Proper Person Rules For Controllers And Key Persons issued by *the Regulatory Authority*.
6. The compliance date of Circular No.4 of 2025 shall not be later than **February 1, 2026**.

Verily Molatedi (Ms.)
ACTING CHIEF EXECUTIVE OFFICER



CIRCULAR No.4 OF 2025

MINIMUM STANDARDS OF BOARD MEMBERS FOR RETIREMENT FUNDS

1. A Large Fund is a retirement fund classified by *the Regulatory Authority* as having at least P500 Million Assets Under Management (AuM).
2. A large fund shall appoint subject to prior approval of *the Regulatory Authority*, an Employer/Sponsor Trustee and or a Member Trustee to its Board, who meets the requirements of the Fit and Proper Person Rules For Controllers And Key Persons and in addition to these minimum standards.

3. Employer/Sponsor Trustee / Member Trustee for a Large Fund

An Employer/Sponsor Trustee or Member Trustee shall possess:

a) Educational Qualifications

- i) A minimum educational qualification of a bachelor's degree in Business Administration, Business Management, Accounting, Auditing, Actuarial Science, Banking, Finance, Economics, Law, Insurance, Investment, Risk Management, Statistics.
- ii) Or other relevant professional qualifications such as Chartered Accountant, Chartered Finance Analyst, Fellow Risk Management and any other professional qualification recognised by *the Regulatory Authority*.
- iii) A large fund is required to appoint and maintain at all times, a Board composition that ensures that at least five Board members and at least seven Board members in a Board of seven and eleven members respectively, meet these standards determined by *the Regulatory Authority*, in accordance with Section 14 (5) of the Retirement Funds Act, 2022.
- iv) There shall be a balance of qualifications, skills and relevant work experience in the Board of Trustees to ensure that the Board collectively has suitably qualified trustees from a diverse and mixed backgrounds; to manage the fund in the best interest of its members, in terms of the fund Rules and financial service laws.

b) Work Experience

An Employer/Sponsor Trustee or a Member Trustee of a large fund shall possess;

- i) A minimum of five (5) years of work experience relating to insurance, retirement funds, investment or financial services.



- ii) Possess and demonstrate basic knowledge of Retirement Funds operations.

4. **Independent Trustee**

A retirement fund shall appoint subject to prior approval of *the Regulatory Authority*, an Independent Trustee to its Board, who meets the requirements of the Fit and Proper Person Rules For Controllers And Key Persons and in addition to these minimum standards. An Independent Trustee shall possess;

a) Educational Qualifications

- i) A bachelor's degree, preferably a master's degree in Investment Management, Risk Management, Actuarial Science or equivalent qualifications such as Chartered Accountant, Chartered Finance Analyst and Fellow Risk Management;
- ii) In addition, an independent trustee shall have a minimum of Certificate Qualification in Retirement or Insurance.

b) Work Experience

An Independent Trustee of a retirement fund shall possess;

- i) A minimum of five (5) years' managerial experience in the financial service sector, preferably specific experience in retirement funds sector.
- ii) Possess and demonstrate basic knowledge of the NBFIRA Act, Retirement Funds Act, Trust Act, financial services laws and any other relevant Acts.

end

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