



QUANTIFYING RISK, ENABLING OPPORTUNITY

The roles played by actuaries in the supervision of retirement funds in South Africa: challenges and opportunities identified by the registrar

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Role of actuaries in retirement fund supervision

- Professional standards
- Withdrawal of valuation exemptions?
- Notice re appointment of valuers
- Assessing the 'financial soundness' of rule amendments

Embedding TCF principles in regulatory instruments

- **Outcome 1:** ~~Customers~~ Consumers are confident that they are dealing with ~~firms~~ funds where the fair treatment of ~~customers~~ consumers is central to the ~~firm~~ fund's culture.
- **Outcome 2:** ~~Products and services~~ Retirement funds and their benefits marketed and sold in the retail market are designed to meet the needs of identified ~~customer~~ consumer groups and are targeted accordingly.
- **Outcome 3:** ~~Customers~~ consumers are given clear information and are kept appropriately informed before, during and after the time of ~~contracting~~ joining a retirement fund.

Embedding TCF principles in regulatory instruments

- **Outcome 4:** Where ~~customers~~ consumers receive advice, the advice is suitable and takes account of their circumstances.
- **Outcome 5:** ~~Customers~~ consumers are provided with products that perform as ~~firms~~ their retirement funds have led them to expect, and the associated service is both of an acceptable standard and what they have been led to expect.
- **Outcome 6:** ~~Customers~~ Consumers do not face unreasonable post-sale barriers to change ~~product~~ investment or benefit options, switch ~~provider~~-retirement funds, submit a claim or make a complaint.

TCF principles in new requirements

- The governance of retirement funds, particularly as the governance of a fund can have a material impact on the treatment of members (*‘TCF Outcome 1 - Fair treatment’*);
- Investment and benefit options that are appropriate to the fund’s members, or categories of the fund’s members (*‘TCF Outcome 2 – Fit for Purpose’*);
- The disclosure of correct and complete information to, and regular communication with, members and former members (*‘TCF Outcome 3 – Clear and regular information’*);

TCF principles in new requirements

- The provision of advice to members and other beneficiaries when they have decisions to make (*'TCF Outcome 4 – Suitable advice'*);
- The management of the performance of the fund and the freedom and obligation to timeously replace of providers of products and services when those products and/or services do not perform as expected, or to change retirement funds subject to compliance with employment and other contracts (*'TCF Outcomes 5 and 6 – Standards of Performance and Freedom of Choice'*); and

TCF principles in new requirements

- The handling of complaints by members, other beneficiaries and other stakeholders (*TCF Outcome 6 – Complaints handling*).

Promoting compliance, harmonisation, competition and consolidation

- Model rules and agreements?

In closing...

- Governance and closure of dormant funds;
- Treatment of unclaimed benefits