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S T A T U T O R Y I N S T R U M E N T S

2020 No. 43.

THE UGANDA RETIREMENT BENEFITS REGULATORY
AUTHORITY (MANAGEMENT AND OPERATION OF RETIREMENT
BENEFITS SCHEMES) REGULATIONS, 2020.

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S T A T U T O R Y I N S T R U M E N T S

2020 No. 43.

The Uganda Retirement Benefits Regulatory Authority (Management and Operation of Retirement Benefits Schemes), Regulations, 2020.

(Under section 46(1)(a), 91(1), (2)(e), (j) and (i) of the Uganda Retirement Benefits Regulatory Authority Act, 2011, Act No. 15 of 2011.)

IN EXERCISE of the powers conferred on the Minister responsible for finance by sections 46(1)(a), 91(1), (2) (e), (j) and (i) of the Uganda Retirement Benefits Regulatory Authority Act, 2011, these Regulations are made this 18th day of December, 2019.

PART I—PRELIMINARY

1. Title

These Regulations may be cited as the Uganda Retirement Benefits Regulatory Authority (Management and Operation of Retirement Benefits Schemes) Regulations, 2020.

2. Interpretation

In these Regulations, unless the context otherwise requires—

“Act” means the Uganda Retirement Benefits Regulatory Authority Act, 2011;

“accrued rights” means the total amount of the beneficial interest of every member in the retirement benefits scheme;

“administrator” has the meaning given to it in the Act;

“Authority” has the meaning given to it in the Act;

“company” has the meaning given to it under the Companies Act, 2012;

“corporate trustee” means a company licensed under the Act to perform the functions of a trustee;

“currency point” has the value assigned to it in Schedule 1 to these Regulations;

“custodian” has the meaning given to it under the Act;

“key officer” means a person in a decision making position in a retirement benefits scheme;

“member” has the meaning given to it under the Act;

“receiving scheme” means a scheme to which the accrued benefits of a member are to be transferred;

“scheme” means a retirement benefits scheme;

“service level agreement” means an agreement entered into between the trustees of a scheme and a service provider, for provision of a specified service to the retirement benefits scheme;

“service provider” means the administrator, fund manager, custodian, auditor or an individual or a company appointed by the trustees of a scheme to offer services to the scheme;

“sponsor” has the meaning given to it under the Act;

“transferring scheme” means a scheme from which the accrued benefits of a member are to be drawn;

“trustee” has the meaning given to it under the Act.

PART II—REQUIREMENTS FOR OPERATION AND MANAGEMENT OF SCHEMES

3. Prudential management of scheme operations

The trustees of a scheme shall—

- (a) establish internal control measures and procedures to facilitate adherence to the scheme trust deed and rules by the trustees, members and service providers;
- (b) ensure that there is clear identification and separation of the operational and oversight roles of all the officers and

the employees of the scheme, including clear identification of responsibilities of the trustees, key officers and service providers;

- (c) execute their functions in a manner that is consistent with the objectives of the scheme;
- (d) ensure compliance with the Act and regulations made under the Act by the scheme and all service providers under the scheme;
- (e) ensure that the scheme account into which contributions are made or into which funds are paid in respect of the members, is maintained by the custodian of the scheme; and
- (f) ensure that the account referred to in paragraph (e) shall be maintained separately from any other accounts that the scheme may have for any other purpose.

4. Scheme governance requirements

The trustees of a scheme shall—

- (a) establish adequate risk control mechanisms that address the governance, operational and investment risks of the scheme;
- (b) specify the rights of the members and the beneficiaries under the scheme;
- (c) prepare and approve the annual budget of the scheme;
- (d) ensure that the scheme has written out service level agreements;
- (e) engage an independent auditor who reports to the audit committee and the Board of trustees;
- (f) ensure effective and timely implementation of the recommendations of the independent auditor;

- (g) prescribe the nature and extent of transactions of the scheme with affiliate institutions and related parties
- (h) establish measures for dealing with feedback received from the members and other stakeholders of the scheme; and
- (i) ensure that the scheme complies with the disclosure requirements under the Act and the dissemination of accurate information about the scheme.

5. Policies and annual evaluation of scheme

(1) The trustees of the scheme shall be responsible for the governance of the scheme and development of policies for the scheme, including a policy on—

- (a) conflict of interest;
- (b) scheme outsourcing;
- (c) risk management; and
- (d) appointment and governance of the board of trustees.

(2) The policy referred to in subregulation (1)d) shall set out the following—

- (i) the composition of the board of trustees;
- (ii) the terms and conditions of appointment of the trustees;
- (iii) the qualifications for a trustee;
- (iv) the collective skills required of the board of trustees;
- (v) a succession plan for the board of trustees;
- (vi) the remuneration of the trustees;
- (vii) the remuneration structure of the trustees that supports the long term financial soundness of the retirement benefits scheme; and
- (viii) any other requirement necessary for the effective operation of the scheme.

(3) The trustees of a scheme shall annually, submit to the Authority a report indicating—

- (a) the tenure of every trustee;
- (b) the personal details of each newly appointed trustee;
- (c) all the changes in the personal details of every serving trustee;
- (d) the personal details of a preceding trustee whose term was terminated or whose appointment was not renewed for a reason specified in the Act, regulations or the trust deed;
- (e) the reason for termination or non-renewal of the term of office of the trustee referred to in paragraph (d); and
- (f) an annual evaluation of the scheme, the key officers and the service providers of the scheme and a copy of the evaluation reports.

(4) The trustees shall review all the policies of the scheme after every three years.

(5) The trustees of the scheme shall ensure that the scheme complies with all the governance requirements determined by the Authority from time to time.

(6) The trustees shall submit a copy of the evaluation report referred to in subregulation (3)f) to the Authority within thirty days from the conclusion of the evaluation exercise.

6. Delegation of function

(1) A trustee may delegate any function to a service provider or a key officer of the scheme, except the duty to appoint service providers.

(2) Every delegation of a function by a trustee, shall be in writing.

(3) A trustee shall not abrogate responsibility for the function that the trustee delegates.

(4) The trustees shall ensure that the scheme has proper reporting mechanisms for appropriate, timely and accurate flow of information.

7. Accountability

In exercise of the duty to account to members of a scheme and other stakeholders, the trustees shall—

- (a) hold management meetings at least once every quarter of the calendar year and keep a record of the proceedings of the meetings;
- (b) ensure that collective decision making takes place during the management meetings;
- (c) communicate the decisions taken during the management meetings to the affected scheme members and stakeholders;
- (d) report significant developments during the operation of the scheme to the Authority not later than fourteen days after the occurrence of the event; and
- (e) prescribe measurable time and quality targets for—
 - (i) service delivery to members of the scheme, beneficiaries and other stakeholders;
 - (ii) processing of contributions and payment of benefits;
 - (iii) resolving of queries and complaints from members; and
 - (iv) submission of reports to the Authority.

8. Scheme risk management policy

(1) The trustees of a scheme shall establish and maintain a risk management policy.

(2) The risk management policy shall—

- (a) classify the risks faced by the scheme and identify appropriate measures to mitigate the risks;

- (b) provide for periodic assessment of the performance of the scheme and the service providers involved in the operation and oversight of the scheme;
- (c) provide for regular review of the compensation mechanisms of the scheme;
- (d) provide for regular review of information processes, operational software systems, accounting and financial reporting systems of the scheme;
- (e) put in place rules prohibiting the misuse of privileged information;
- (f) provide for an adequate risk management system including an internal audit system;
- (g) prescribe mechanisms for regular assessment of the regulatory compliance systems of the scheme; and
- (h) safeguard the scheme funds, assets and interests of the members.

(3) The risk management policy referred to in subregulation (2), shall be reviewed after every three years.

9. Scheme outsourcing policy and service level agreement

(1) The trustees shall maintain an outsourcing policy that conforms to the outsourcing guidelines issued by the Authority.

(2) Every trustee that engages a service provider shall execute a service level agreement with the service provider.

(3) The service level agreement referred to in subregulation (2) shall include—

- (a) the obligations of each party to the agreement;
- (b) the acceptable standards of service delivery;
- (c) the mode of remuneration of the service provider;

- (d) the reporting requirements of the service provider to the trustees;
- (e) the duration of the service level agreement;
- (f) a commitment to adhere to ethical standards by each party to the agreement;
- (g) a provision for amendment of the agreement;
- (h) a termination clause and the obligations of every party to the agreement in the case of termination of the agreement;
- (i) a conflict resolution clause; and
- (j) any other provision considered necessary for the execution of the agreement.

(4) A service level agreement shall not consist of a clause intended to penalise a scheme financially or otherwise for termination of the agreement.

(5) The trustees shall submit a copy of every duly signed service level agreement to the Authority within fourteen days from the date of execution of the agreement.

10. Annual general meeting of scheme

(1) The trustees shall convene an annual general meeting of the scheme not later than one hundred days from the end of the financial year of the scheme.

(2) The trustees shall, at the annual general meeting, provide the members and beneficiaries of the scheme with—

- (a) information about changes in the trust deed and rules of the scheme;
- (b) information about changes in the benefits and contributions structure of the scheme;

- (c) a report about the remuneration and performance of the trustees;
- (d) a report about the performance and costs of every service provider engaged by the scheme;
- (e) a report of the audited accounts of the scheme;
- (f) a report about the investments of the scheme; and
- (g) any other information requested for by the members.

(3) The trustees shall submit a notice of the annual general meeting of the scheme to the Authority and the members of the scheme, thirty days before the annual general meeting.

(4) A representative of the Authority may attend the annual general meeting of the scheme.

(5) The trustees shall submit a copy of the minutes of the annual general meeting of the scheme to the Authority not later than thirty days from the date of the meeting.

(6) The copy of the minutes of the annual general meeting of the scheme referred to in subregulation (5) need not be a confirmed copy of the minutes.

(7) The trustees shall submit a signed copy of the minutes of the annual general meeting to the Authority after the minutes have been confirmed at the subsequent annual general meeting of that scheme.

11. Appointment of committees

(1) The trustees may appoint a committee to advise the trustees on any aspect of the scheme including investment, audit and risk management.

(2) Where the trustees appoint a committee referred to in subregulation (1), the trustees shall set out the terms and conditions of service of the committee.

PART III—RULES RELATING TO TRUSTEES, ADMINISTRATORS,
CUSTODIANS AND FUND MANAGERS

Rules for trustees

12. Rules for trustee

(1) For the purposes of section 41(1)(a) of the Act, the required professional, technical knowledge, experience or operational ability to perform the functions of a trustee, shall include—

- (a) acquaintance with the duties and responsibilities of a trustee prescribed in the Act and regulations made under the Act; and
- (b) possession of working knowledge of the governing documents of the scheme.

(2) The governing documents of the scheme referred to in subregulation (1)(b) shall include—

- (a) the trust deed;
- (b) the scheme rules;
- (c) the investment policy statement;
- (d) the conflict of interest policy;
- (e) the risk management policy;
- (f) the outsourcing policy;
- (g) the prevailing service level agreements; and
- (h) any other document relating to the administration and operation of the scheme.

13. Rules for corporate trustee

(1) Every corporate trustee shall have a minimum of three duly qualified key officers.

(2) Every key officer of the corporate trustee shall be a fit and proper person with a minimum experience of two years in financial matters, economics, administration, investment, insurance, law, banking and any other related discipline.

(3) Every key officer of the corporate trustee shall possess working knowledge of the governing documents of the scheme.

(4) The provisions of this regulation shall apply—

(a) to every corporate trustee formed to provide trustee services to a particular scheme; and

(b) to every corporate trustee formed to offer trustee services to several schemes.

(5) A function delegated by a corporate trustee shall be in writing.

(6) A corporate trustee shall not abrogate the responsibility for any function that the corporate trustee delegates.

(7) Notwithstanding the requirements under subregulations (1) to (6), a licensed corporate trustee shall conduct the management of the scheme in the same way as a board of trustees comprised of individual trustees of a scheme.

14. Minimum share capital for corporate trustee

Where the trustee of a scheme is a corporate trustee, the shareholder funds, the paid up share capital and the reserves of the corporate trustee, shall at all times, not be less than two thousand five hundred currency points, during the duration of the license period of the corporate trustee.

15. Qualifications of key officers of scheme

(1) The trustees of a scheme shall ensure that every key officer of the scheme is a fit and proper person and possesses the requisite skills necessary for the effective and prudent operation of the scheme; and

(2) For the purpose of this regulation, every key officer of the scheme shall—

- (a) possess the requisite professional, technical knowledge, experience and operational ability to perform his or her duties under the scheme; and
- (b) possess minimum experience of two years in financial matters, economics, administration, investment, insurance, law, banking and any other related discipline.

16. Training and continuous capacity development for trustees

(1) Every scheme shall have an orientation program for newly appointed trustees and refresher training for continuing trustees.

(2) A minimum of two trustees of the scheme, and in case of a corporate trustee, a minimum of three key officers of the corporate trustee, shall annually attend the trustee training programme approved by the Authority.

Rules for scheme administrator

17. Rules for natural person executing functions of scheme administrator

(1) Where the trustees appoint a natural person to execute the functions of a scheme administrator, the appointment shall be in writing and shall state the terms and conditions of service of the scheme administrator.

(2) A scheme administrator shall possess the relevant academic and professional qualifications in matters relating to administration, finance, law, accounts and any other relevant discipline.

(3) A scheme administrator shall ensure that the administration of the scheme is carried out in accordance with the Act and these regulations.

(4) The trustees of the scheme shall submit the personal details and qualifications of the administrator appointed under subregulation (1), to the Authority.

(5) A scheme administered by a natural person shall be subjected to the same supervision and inspection requirements as a scheme that is administered by a body corporate.

18. Rules for corporate scheme administrator

(1) Every corporate scheme administrator shall have a minimum of three duly qualified key officers.

(2) Every key officer of the corporate scheme administrator shall be a fit and proper person with a minimum experience of two years in financial matters, economics, administration, investment, insurance, law, banking and any other related discipline.

(3) Every key officer of the corporate scheme administrator shall possess working knowledge of the governing documents of the scheme.

(4) A function delegated by a corporate scheme administrator shall be in writing.

(5) A corporate scheme administrator shall not abrogate the responsibility for any function that the corporate administrator delegates.

(6) Notwithstanding the requirements under subregulations (1) to (5), a corporate scheme administrator shall conduct the management of the scheme in the same way as a board of trustees comprised of individual trustees of a scheme.

(7) The provisions of this regulation shall apply—

- (a) to every corporate scheme administrator formed to provide scheme administration services to a particular scheme; and
- (b) to every corporate trustee formed to offer scheme administration services to several schemes.

19. Minimum share capital for corporate scheme administrator

Where the scheme administrator is a body corporate, the minimum level of shareholder funds including the paid up share capital and reserves of the body corporate, shall not be less than two thousand five hundred currency points during the license period of the body corporate.

Rules for execution of the custodial function

20. Rules for custodian

(1) The custodian of a scheme fund shall be appointed by the trustees of the scheme on such terms and conditions of service determined by the trustees.

(2) The custodian shall have all the powers necessary for the performance of the functions of the custodian under the Act and these Regulations and shall—

- (a) deposit the contribution in an account maintained by the custodian on behalf of the scheme, not later than the first day of business following the day that the custodian receives the contribution;
- (b) notify the trustees and administrator about the contributions remitted into the scheme within twenty-four hours of receipt of the contributions;
- (c) hold the funds and assets of the scheme in safe custody and in trust for the members and beneficiaries of the scheme;
- (d) submit to the Authority a report of the assets of every scheme under its custody, every quarter of the financial year;
- (e) permit officers of the scheme and any duly authorised agents; to inspect the books, records and statements of the scheme, that are under its custody, during business hours;

- (f) deliver to the scheme or to such other person authorised by the trustees in writing, copies of notices, proxies and proxy soliciting materials, received in relation to all the securities held in the scheme account, all publicly available information, financial reports and stockholder communications that the custodian may receive from the issuers of securities and all information the custodian may receive in respect of an offer relating to exchange or tender offers, or other rights or offerings, agreed upon between the trustees and the custodian;
- (g) execute subscription, purchase rights or other rights of this nature represented by the securities subject to the receipt of proper instructions from the fund manager;
- (h) exercise the same standard of care and professionalism that the custodian would exercise over his or her own assets in holding, maintaining, servicing and disposing of property and in fulfilling any other obligations in the agreement; and
- (i) submit to the scheme, at intervals scheduled by the trustees, a written report in respect of all the funds and assets of the scheme, together with a full account of all the receipts and payments made and other actions that the custodian has taken.

(3) The funds of the scheme shall not form part of the assets or funds of the custodian.

(4) The funds and assets of the scheme including title deeds, securities and income accruing to the scheme, shall at all times be held and maintained by the custodian and registered in the name of the scheme.

21. Rules for custody of scheme funds

A custodian of the funds of a scheme shall—

- (a) have trained staff that are knowledgeable in matters of settlements and custody operations; and
- (b) have a functional system that handles the aspects of custody operations including—
 - (i) tracking of transactions from the point of input to the point of settlement;
 - (ii) maintenance of a register for custody of scheme assets and making reconciliations of the register;
 - (iii) segregation of assets of the members of the scheme from the assets of the custodian;
 - (iv) management of all the corporate operations of the custodian including rights issues, share splits and bonus issues;
 - (v) collection of income through settlement of transactions, collection of dividends, bonuses, commission and related activities of the scheme;
 - (vi) creation of a proxy account for every scheme investment and proxy voting and execution on behalf of the trustees;
 - (vii) preparation of quarterly reports relating to the transactions on its custody account; and
 - (viii) risk control measures that use aide memoirs and key risk assessments tools to undertake statistical analysis on the investments and returns on investments, in respect of the scheme fund under custody of the custodian.

Rules for fund management

22. Investment of scheme funds

(1) All funds of the scheme shall be invested in the name of the scheme in compliance with the Act and regulations made under the Act.

(2) All accrued investment income, commission, fees, direct and indirect gains from investment of the funds, shall be credited into the scheme account maintained by the custodian.

(3) A fund manager shall not engage the services of a property manager without the prior written approval of the trustees.

23. Fund manager to submit report

A fund manager shall, in every quarter of the financial year of the scheme, submit to the Authority and the scheme—

- (a) a valuation report of the funds of the scheme and all investments of the scheme, including the particulars of the cost of the investments and the estimated yields from the investments; and
- (b) a review of the investment activities and performance of the investment portfolios comprising the funds of the scheme, for the period following the date of the last report and the proposed investment of the funds of the scheme for the forthcoming period, as recommended by the Authority.

PART IV—COMPUTATION AND TRANSFER OF ACCRUED BENEFITS

24. Computation of accrued benefits

The accrued rights of a member of a scheme shall be computed—

- (a) in the case of a defined contribution scheme, by computing—
 - (i) the contributions made in respect of that member subject to the vesting period;
 - (ii) transfers into the scheme on behalf of that member;
 - (iii) the interest, dividend and other income earned by the scheme;
 - (iv) the capital appreciation realised by the scheme; and
 - (v) the capital depreciation, cost of insured benefits and other expenses incurred by the scheme; and

- (b) in the case of a defined benefits scheme, by computing—
 - (i) the monetary equivalent of the promise of the sponsor that is predetermined by a formula based on the contributions needed to meet the promise;
 - (ii) the previous earnings of the member;
 - (iii) the tenure of service of the member; and
 - (iv) the age of the employee.

25. Transfer rights of member

(1) A member of a scheme may elect to have his or her accrued benefits transferred to another scheme in accordance with these Regulations, the trust deed and the rules of the receiving scheme.

(2) A member of a scheme who wishes to transfer his or her accrued benefits from one employer to another employer may—

- (a) transfer the value of his or her vested accrued benefits from a scheme sponsored by the former employer to a scheme sponsored by the new employer or to another licensed scheme chosen by the member, in the case of a defined contributions scheme; and
- (b) transfer the value of his or her vested rights from a defined benefits scheme, sponsored by the former employer to a similar licensed scheme sponsored by the new employer in the case of a defined benefits scheme.

(3) The accrued benefits of a member of the scheme may be transferred—

- (a) to another licensed scheme to which the member is eligible to belong; or
- (b) to another account within the same scheme, where the trust deed and rules of that scheme permit that member to transfer his or her accrued benefits to such account.

(4) This regulation shall not apply to a member that chooses to—

- (a) leave his or her vested benefits under the scheme sponsored by the former employer; or
- (b) have his or her accrued benefits paid to him or her, in accordance with the scheme trust deed and rules.

26. Protection of transfer rights of members

(1) A member of a scheme who terminates services with an employer may transfer his or her benefits to another scheme of his or her choice, regardless of whether or not the termination was voluntary, involuntary or mutually agreed upon with the employer.

(2) The transfer rights of the member referred to in subregulation (1) shall not be restricted by the assessment of unreasonable transfer charges or fees.

(3) Every member of a scheme shall be informed about the charges or fees payable in respect of the transfer of his or her benefits.

(4) A member of a scheme who opts to transfer his or her benefits to another scheme shall not be penalised financially or otherwise.

27. Request to transfer accrued benefits

(1) A member of a scheme who opts to transfer his or her accrued benefits from one scheme to another scheme shall, submit a written application to the administrator of the scheme holding the accrued benefits of that member.

(2) The application to transfer the accrued benefits of the member shall state—

- (a) the personal details of the member, including details of his or her employment record and the period of his or her contribution to the scheme;
- (b) the name of the scheme holding the accrued benefits of that member;
- (c) the name of the proposed receiving scheme;

- (d) a written confirmation from the trustees of the scheme holding the accrued benefits of the member, that no part of the benefits of the member has been paid out; and
- (e) any other information described by the trustees and the scheme rules.

(3) A member that opts to transfer his or her accrued benefits shall bear all the costs related to the transfer of his her accrued benefits.

28. Application to transfer accrued benefits

(1) The application to transfer the accrued benefits referred to in regulation 27(2) shall be in the form prescribed in Schedule 2 to these Regulations, and shall be accompanied by the following documents—

- (a) a resolution by the trustees of the transferring scheme approving the application to transfer the accrued benefits;
- (b) a copy of the application to transfer the accrued benefits submitted by the member; and
- (c) a certificate confirming the transfer of the accrued benefits set out in Schedule 3 to these Regulations.

(2) The transferring scheme shall, provide the following information to the members of the scheme within thirty days from the date of submission of a duly completed application referred to in subregulation (1)—

- (a) the particulars required for completion of the benefits statement, set out in Schedule 4 of the Uganda Retirement Benefits Regulatory Authority (Financial Reporting and Disclosure Requirements) Regulations, 2016;
- (b) the reasons for the transfer of the accrued benefits; and
- (c) an explanation of how the benefits of the transferring scheme will be affected by the transfer by the transfer of the accrued benefits of the member.

(3) In the case of a transferring or a receiving a defined benefits scheme—

- (a) the certificates referred to in subregulation (1)(c) and (d) and signed by an actuary;
- (b) the actuary shall provide details on whether or not the requirements in regulation 24(b) have been satisfied, in light of the different actuarial methods and assumptions used by the transferring and receiving schemes;
- (c) before signing the certificates referred to in subregulations (1)(c) and (3)(a), the actuary shall satisfy himself or herself that the methods and assumptions used by the transferring and receiving schemes have complied with the requirements in paragraph (b) of this regulation.

(4) The receiving scheme shall issue a certificate of confirmation of receipt of the accrued benefits, set out in Schedule 4 to these Regulations, upon receipt of the accrued benefits.

29. Authority to approve transfer of benefits

The transfer of all or any part of the accrued benefits of a member of a scheme shall not be effected—

- (a) without the written approval of the Authority; and
- (b) where the accrued benefits to be transferred will be less after the effective date of the transfer than immediately before that date.

30. Grounds for approval of transfer by Authority

(1) The Authority shall not approve an application to transfer accrued benefits unless the Authority is satisfied that the transfer—

- (a) will not prejudice the interests of the member that has opted to transfer his or her accrued benefits; and
- (b) will result in the maintenance of a prudent level of funding for the transferring and receiving schemes.

(2) Upon approval of the transfer by the Authority—

- (a) the transferring scheme shall transfer the accrued benefits and corresponding assets to the receiving scheme within thirty days from the date of approval of the transfer by the Authority; and
- (b) the receiving scheme shall provide the Authority with documentary evidence of receipt of the accrued benefits and corresponding assets of the member;

(3) The transferring and receiving schemes shall provide to the Authority with documentary evidence of the accrued benefits transferred and received in respect of every member of the scheme within thirty days from the date of the transfer.

31. Effect of transfer

A member that applies to transfer his or her accrued benefits to another scheme shall cease to be a member of the transferring scheme and shall become a member of the receiving scheme, upon completion of the transfer of the accrued benefits and corresponding assets.

32. Timely transfer of benefits

Where a member of a scheme gives notice to the scheme administrator of his or her intention to transfer his or her benefits to another scheme, the scheme administrator shall within thirty days from the date of the approval of the application to transfer by the Authority, transfer all the benefits of the member to the scheme specified by the member in the application to transfer the benefits.

33. Actuarial and interest rate assumptions to be fair and reasonable

(1) Where a member opts to transfer his or her vested benefits from one scheme to another scheme, the actuarial and interest rate assumptions used to value the vested benefits, shall be fair and reasonable.

(2) The assumptions applied in valuing the vested benefits of an individual shall be availed, to the member transferring his or her vested benefits in writing.

34. Restriction on transfer of funds

(1) The trustees of a scheme may transfer the funds of the scheme into another scheme, where the transfer of the funds is in the best interest of the scheme.

(2) The trustees shall seek the approval of the Authority before transferring the funds of the scheme.

PART V—MISCELLANEOUS PROVISIONS

35. Fair hearing and rights of redress

(1) A member is entitled to a fair hearing where the member makes a claim in respect of his or her rights and benefits under a scheme.

(2) The trustees shall ensure that the procedure for making the claim—

- (a) is expeditious, transparent and easy to understand;
- (b) constitutes reasonable costs for the member claiming the rights and benefits under the scheme;
- (c) offers an independent in-house appeal mechanism to the member who wishes to appeal against the decision of the scheme administrator, fiduciary or sponsor; and
- (d) stipulates remedial measures for redress for the loss of rights or benefits, where the claim of the member is found to be valid.

36. Disclosure and availability of information to member

(1) Where the transfer of the accrued benefits is likely to result into a loss of benefits associated with the scheme from which the benefits originated, the trustees shall provide every member of the scheme with adequate information about the scheme rules associated with the transfer of the vested benefit accruals of the member or beneficiary.

(2) Every amendment or change in the trust deed or scheme rules that significantly impacts the rights and benefits of the members of a scheme, shall be disclosed to the members of the scheme in reasonable time and in a manner that the members and beneficiaries understand.

(3) Where the requisite contributions of the members or sponsors have not been remitted to the scheme, the trustees shall inform the members about the non-remittance of the benefits in reasonable time.

37. Equal treatment of members a scheme

Every member of the scheme shall receive equal treatment in respect of all rights associated with the scheme.

38. Guidelines

The Authority may issue guidelines for the effective implementation of these Regulations.

39. Remedial measures and administrative actions

(1) Where after inspection the Authority determines that a scheme is not in compliance with these Regulations, the Authority may impose any or all of the following remedial measures and administrative actions—

- (a) summon the trustees of the scheme and the administrator to explain the reasons for the non-compliance with the regulatory requirements; and
- (b) direct the trustees of the scheme and the administrator to ensure immediate compliance with these Regulations and to submit reports on the remedial action taken.

(2) In addition to the remedial measures referred to in subregulation(1), the Authority may impose administrative sanctions on the trustees, administrator, fund manager or the custodian of a scheme, that is not in compliance with these Regulations.

(3) The administrative sanctions referred to under subregulation (2) shall include—

- (a) caution for a first time offender;
- (b) cash penalties for a continuing offender;
- (c) suspension of the licence of the offender;

- (d) revocation of the licence of the offender;
- (e) prohibition of the scheme from admitting new members;
- (f) a declaration that a particular trustee of the scheme is not a fit and proper person for purposes of the Act;
- (g) a declaration that a particular service provider is not a fit and proper person for purposes of the Act; and
- (h) suspension or removal from office of the erring offender.

(4) The cash penalties referred to in subregulation (3)(b) shall include—

- (a) a fine not exceeding seventy- five currency points in the case of a contravention;
- (b) an additional penalty not exceeding fifty currency points in respect of every day on which the contravention continues, in the case of a continuing contravention; or
- (c) a penalty not exceeding one hundred and fifty currency points in respect of a second or subsequent contravention.

40. Penalty for non-compliance

(1) A person who contravenes a provision of these Regulations commits an offence and is liable, on conviction, to a fine not exceeding seventy-five currency points or to imprisonment for one year.

(2) Where the contravention of these Regulations is committed by a body corporate, the body corporate or the person purporting to act in the capacity of the body corporate but did not exercise due diligence to ensure compliance with these Regulations, shall be deemed to have committed an offence and shall be liable, on conviction, to a fine not exceeding seventy-five currency points or to imprisonment for one year.

(3) In the case of a continuing contravention, the person, body corporate or person purporting to act in the capacity of the body corporate shall, be liable to an additional penalty of fifty currency points in respect of every day on which the contravention continues.

41. Prohibition of sponsor in operation and management of scheme

(1) A sponsor shall, during the phase of establishing a scheme, be responsible for—

- (a) appointing the trustees of the scheme who shall be constituted as set out under the Uganda Retirement Benefits Authority (Licensing of Retirement Benefits Schemes) Regulations, 2012;
- (b) financing the initial start-up costs for the scheme for a period of not less than five years from the date of establishing the scheme or until such a time when the scheme is able to meet its costs; and
- (c) performing any other role necessary for the establishment of the scheme in accordance with the Act and the regulations made under the Act.

(2) Notwithstanding subregulation (1), a sponsor shall not get involved in the operations or the management of the scheme.

(3) A sponsor who contravenes this regulation commits an offence and is liable to—

- (a) a fine not exceeding seventy-five currency points in the case of a first contravention;
- (b) a penalty not exceeding one hundred and fifty currency points in respect of a second or subsequent contravention; or
- (c) an additional penalty not exceeding fifty currency points in respect of every day on which the offence continues in the case of a continuing contravention.

SCHEDULE 1

Regulation 2

CURRENCY POINT

A currency point is equivalent to twenty thousand shillings.

- (a) Telephone/mobile numbers of the member
- (vii) Personal Email address

B: DETAILS OF SPONSOR

Name of sponsor

Postal address of sponsor.....

Physical address of employer (L.C.1, sub-county, District)

.....

Telephone numbers of sponsor.....

Rank or title of the member at the time of exiting the scheme

.....

C: CONSENT OF MEMBER TO TRANSFER ACCRUED BENEFITS

I (*Name*) hereby consent to the transfer of my accrued benefits as stated above.

.....

Signature of the member *Date (DD/MM/YY)*

Please tick Box if you have transferred your accrued benefits within the calendar year.

NOTE: A request to transfer accrued benefits is not revocable after it has been approved by the Authority.

D: PARTICULARS OF RETIREMENT BENEFITS SCHEMES

Particulars of transferring scheme

- (i) Name of the transferring Scheme
-
-

- (ii) Physical address of the transferring scheme (L.C.1, sub-county, District)

- (c) Telephone numbers of transferring scheme
- (d) Amount of accrued benefits/balance of the member in the scheme.....
 as at the day of..... 20...

Authorised signatory of transferring scheme:

- (e) Name.....
- (f) Signature.....
- (g) Designation/position in the scheme.....
- (h) Date..... (DD/MM/YY)

Particulars of Receiving scheme

- (i) Name of the receiving Scheme.....

- (ii) Physical address of scheme (L.C.1, sub-county, District)

- (iii) Telephone numbers of receiving scheme
- (iii) Amount of accrued balance of benefits/balance of the member
 received in the scheme.....
 Date..... (DDMM/YY)

Authorised signatory of receiving scheme:

- (i) Name.....
- (ii) Signature.....
- (iii) Designation/rank in scheme
- (iv) Date..... (DD/MM/YY)

Please attach copies of the following—

- (i) the computation of the accrued benefits of the member.
- (ii) Document(s) indicating reason for exit.
- (iii) any other relevant information required for the successful completion of the transaction.

I am aware of the provisions of section 87 (1) (d) of the Act relating to false or forged documents or making a false statements with intent to deceive or mislead the Authority or any person authorised by the Authority.

I hereby declare that the information contained herein and the documents submitted herewith are true and accurate to the best of my knowledge and belief.

Signed on this day of (DD/MM/YY)

Name:.....Signature

Designation/title.....

SCHEDULE 3

Regulation 28(1)(c)

CONFIRMATION OF TRANSFER OF ACCRUED BENEFITS

(To be submitted by the transferring scheme)

Name of transferring Scheme.....

Physical address of scheme (L.C.1, Sub-county and District).....

.....

Telephone numbers of transferring scheme

This is to certify that

(Name of transferring scheme) has received an application from...

(name of member) to transfer his/her accrued benefits equivalent to

UGX.....

.....

(Write amount in both figures & words) to.....

(Name of receiving scheme)

Signed by the Authorised signatory—

Name

Signature.....

Designation/rank in the scheme

Date.....

SCHEDULE 4

Regulations 27 (1)(d) and (3)(a)

**CONFIRMATION OF RECEIPT OF ACCRUED BENEFITS
TRANSFERRED**

(To be submitted by the receiving scheme)

Name of receiving Scheme.....

Physical address of scheme (L.C.1, Sub-county and District)

.....

.....

This is to certify that

.....

.....*(Name of receiving scheme)* has received
accrued benefits equivalent to.....

.....

.....*(write amount in both figures & words)* transferred
from.....

.....

.....*(Name of transferring scheme)* belonging to

.....

(Name of member that applied for transfer of his or her accrued benefits)

Signed by the Authorised signatory of the receiving scheme—

Name.....

Signature.....

Designation.....

Date.....

Cross References

Companies Act, 2012

Uganda Retirement Benefits Regulatory Authority (Financial Reporting and Disclosure Requirements) Regulations, 2016

Uganda Retirement Benefits Authority (Licensing of Retirement Benefits Schemes) Regulations, 2012

HON. MATIA KASAIJA

Minister of Finance Planning & Economic Development.