

A white, three-dimensional spiral graphic, resembling a spring or a coiled wire, set against a blue background. It is positioned on the right side of the top banner.

29 August 2014

## The Private Pension Schemes (Returns) Rules 2014

**From 1 September 2014, all private pension schemes in Mauritius will be required to provide certain information about the scheme to the Financial Services Commission (FSC) on an annual basis.**

The exact format of this 'scheme return' is specified in the Rules which will come into force on 1 September 2014. This means that schemes whose financial year ends on or after that date will have six months after the close of their financial year to complete this submission. For example, a scheme whose financial year ends on 31 December 2014 will have to submit its first scheme return by 30 June 2015.

### **What type of information should be submitted?**

Basic details about the sponsoring employer(s), the governing body, the actuary, the administrator, the investment manager, audit committee and sub-committee members and the external auditor are to be provided.

Details about the pension scheme, its membership (including reconciliation of movements over one year) and expenses paid over the last two years are to be provided. An income and expenditure breakdown for the current year and the previous year is also to be provided.

In addition, the return will need to provide details about the assets of the scheme (including the major asset classes in which these are invested) plus a more detailed breakdown by each asset class to show the exact nature of each asset. This will enable the FSC to monitor whether the investment rules, in particular any concentration limits, are complied with.

The annual return will also include the scheme's technical provisions at the end of each year.

### **Our comments**

Generally, we expect that the governing body of the scheme will be responsible to complete the necessary forms but this task could be delegated to the pension scheme administrator. However, it is to be noted that the return needs to be signed by the chairperson and vice-chairperson of the governing body of the scheme as well as the signing partner of the scheme's auditor.

Whilst the 'scheme return' can be a useful information gathering tool for the FSC, a lot of the information is already available in other documents of the scheme. For example, membership and asset details are usually included in the scheme audited report and accounts every year. The scheme's technical provisions are generally updated every three years following an actuarial valuation and so it remains to be seen whether the FSC will require annual updates of the scheme's technical provisions for the purpose of the return.

We believe that the idea of a pension scheme return is not unsound in itself but a lot of the details could have been simplified to avoid repetition and too much paperwork. It is therefore likely that private pension schemes may incur additional costs to comply with these FSC rules. An online version of the submission would also have been a better way of collecting the information to avoid some of the paperwork.

It is unfortunate that, as independent actuaries and pension consultants, we were not consulted on the details of these rules (as we have been for other rules made under the Private Pension Schemes Act 2012).

Further details on the FSC rules can be obtained at:

<http://www.fscmauritius.org/legal-framework/rules-and-regulations.aspx>

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