

FINANCIAL SERVICES BOARD

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ENQUIRIES:	Alta Marais	D. DIALLING NO.:	012 428 8065
OUR REF:	12/1/1	FAX:	012 346 6510
DATE:	31 January 2014	E-MAIL:	Alta.Marais@fsb.co.za

INFORMATION CIRCULAR PF 2 OF 2014

NOTIFICATION OF REGISTRAR'S INTENTION TO WITHDRAW VALUATION EXEMPTIONS IN TERMS OF SECTION 2(5)(b) OF THE PENSION FUNDS ACT, 1956

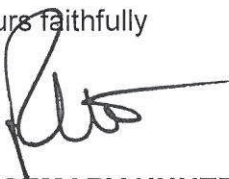
1. Section 2(5)(b) the Pension Funds Act, 1956 ('PFA') permits me to withdraw, wholly or in part and on any ground which I deem sufficient, any exemption granted under paragraph (a):

'The registrar may, subject to the Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000), at any time by notice on the official website withdraw, wholly or in part and on any ground which he or she deems sufficient, any exemption granted under paragraph (a)'

2. In Board Notice 61 of 2011 ('the notice'), published in the *Government Gazette* 35142 of 25 March 2011, the registrar prescribed '*conditions for exemption from the provisions of section 9A and 16 of the PFA*' in terms of section 2(5)(a), which are generally referred to as the conditions for valuation exemption for funds.
3. The registrar subsequently granted valuation exemptions to those funds which applied for valuation exemption and satisfied the registrar that they met the conditions in the notice. Paragraph 5.1 of the notice provides that a valuation exemption will remain valid until it is withdrawn by the registrar.

4. The registrar is currently reviewing the conditions for valuation exemption which were published in the notice and intends publishing revised conditions for valuation exemption. This review of the conditions for valuation exemption has become imperative due to:
 - 4.1 the implementation of the twin peaks regulatory framework; and
 - 4.2 the amendments to the PFA brought about by the Financial Services Laws General Amendment Act, 2013.
5. It is therefore necessary to withdraw the valuation exemptions that were previously granted to funds in terms of the notice. Funds which require valuation exemption must re-apply for valuation exemption and their applications will be assessed on the basis of revised conditions for valuation exemption, which will be published soon.
6. For each fund that is valuation exempt at the date of publication of the revised board notice which will replace the notice, the withdrawal of its valuation exemption will take effect at the end of the financial year that will enable a fund to be valuation exempt for a period not exceeding three years from the effective date from which the current valuation exemption was granted.
7. The registrar requests all interested and affected parties who want to comment on the proposed withdrawal of valuation exemption from all funds which are currently valuation exempt to do so by making submissions in this regard to Ms Alta Marais, Head: Pensions Research and Policy, (alta.marais@fsb.co.za) on or before the close of business on Friday 28 February 2014.

Yours faithfully



ROSEMARY HUNTER
DEPUTY REGISTRAR OF PENSION FUNDS