



CONSULTATION REPORT

DRAFT FSCA PRUDENTIAL STANDARD [-] OF 2025 REQUIREMENTS RELATED TO REGULATORY REPORTING AND AUDITED FINANCIAL STATEMENTS FOR PENSION FUNDS

**PENSION FUNDS ACT, 1956 (ACT NO. 24 OF 1956)
FINANCIAL SECTOR REGULATION ACT, 2017 (ACT NO. 9 OF 2017)**

Consolidated comments and responses to public comments

June 2025



1. Purpose

- 1.1 Section 104 (1) of the Financial Sector Regulation Act, 2017 (Act No.9 of 2017) (the FSR Act) states that with each regulatory instrument, the maker must publish a consultation report which must include:
- (a) a general account of the issues raised in the submissions made during the consultation; and
 - (b) a response to the issues raised in the submissions.
- 1.2 The purpose of this document is to set out, as required in terms of section 104 of the FSR Act, a report on the consultation process undertaken in respect of the Prudential Standard – Requirements Related to Regulatory Reporting and Audited Financial Statements for Pension Funds.

2. Summary of public consultation process

- 2.1 On 9 November 2022, the Financial Sector Conduct Authority (FSCA) published the following documents in terms of section 101 of the FSR Act, with the comments due on 18 January 2023:
- (a) the draft Prudential Standard;
 - (b) the draft Statement of Need for, expected impact, and intended operation of the draft Prudential Standard (Statement) and
 - (c) the comments template providing the manner in which the comments must be submitted in accordance with the provisions of the draft Prudential Standard.
- 2.2 Following the public consultation process on the draft Prudential Standard, the FSCA received 498 individual comments from 10 different commentators.
- 2.3 A general account of the issues raised during the consultation process, the responses of FSCA, details of the commentators, as well as the full set of comments can be found in paragraph 3 and the Schedule below. Where appropriate, certain comments and/recommendations made by the commentators resulted in amendments effected on the Prudential Standard.

3. General account of the critical issues raised in the submissions made during the consultation process

The following critical issues raised during the consultation process are set out in the table below:

No	Issue	Summary of comments	FSCA response
1.	Commencement of the Standard – Commencement Date	In respect of the transitional period, there was a concern that the current effective date (i.e. effective within 6 months after publication does not provide adequate guidance as to which year ends are applicable viz. if its applicable to all year ends	The Authority appreciates the complexity posed by the commencement of a new regulatory instrument. The current version of the draft Standard makes provision for effective date of 1 January 2026. The auditing and reporting requirements for pension funds, are already an



No	Issue	Summary of comments	FSCA response
		beginning on/after 6 months after publication. It was further indicated that the Prudential Standard should be effective for year ends starting on/after a specific date that should be consistent with other regulatory bodies. Various commentators requested a transitional period for updating templates, reports and formats especially on the environmental, social and governance section, IT enhancement for such templates, reports and formats, implementation of specialised fund accounting systems, new requirements and comparatives not reported on previously relating to Cash at Bank and training to finance departments on the new and additional requirements on the Prudential Standard.	industry practice with a few exceptions. These requirements are contemplated in the specific Notices. This Standard seek to update these requirements. Notwithstanding, the Authority acknowledges that sufficient time will have to be allowed to implement the Standard, update templates, reports and formats and implementation of systems enhancements. As such, the Standard will take effect on 1 January 2026. What this (practically) means is the Standard will start to apply to a fund on its first year end after the effective date. If, for example, a fund's year end falls between the date of publication and the effective date, the Standard will not apply to that year end- it will only apply to next year's year end. In addition, extensions for compliance will also be considered on a case-by-case basis.
2.	Format of the Standard	It was suggested that the standard's scope is limited to setting out the principles rather than including the entire RRR template as Annexure B. Getting a standard changed is more difficult than releasing a new template. The Prudential Authority (PA)'s approach, whereby the principles are set out in the standard but the detailed reporting templates (and log-files to insist in interpretation) are in separate documents on the PA's website, may be more practical. The separate reporting template can be changed far more easily than trying to change a template embedded as an annexure to a standard. This is particularly applicable in rapidly evolving reporting areas such as the reporting on ESG investments where the information users of the RRR (including board members, fund members and the FSCA) want to see	The Authority acknowledges the practical difficulties in respect of having detailed requirements, Annexures, Notes and Schedules in the Standard instead of determining these separately. Accordingly, the Standard has been revised and detailed Schedules, Annexures and Notes will be issued in a separate determination. Please refer to revised draft Standard which is without Schedules and Notes to the Annual Financial Statement. The approach taken was to carve out the Annexure, Notes and Schedules which is the Prescribed Financial Statements Report that the Authority is prescribing as per section 15 of the PFA.

No	Issue	Summary of comments	FSCA response
		and is available, may change rapidly from one year to the next. It is suggested that the standard itself should not include a list of changes being made to the current RRR. It should only include what a person preparing or reviewing the fund's return in a few years' time would need to see. Example:"4. Financial Statements (1)" section is only useful to users updating reporting from the old version. This content should be in a communication from the FSCA - perhaps in a guidance note - but not in a standard. The extensive use of cross referencing to specific paragraphs in specific IFRS standards may also make this standard harder to keep up to date. Issuing Annexure B as a protected Excel file with a sheet per section and different cell colours to show where figures should be captured, link in from another schedule or are totals could assist users understand what is intended. A validation sheet would also assist users to understand what figures should cross check to other figures on the templates. This would assist understanding even if the Prescribed Annual Financial Statements were not submitted as Excel files.	The Authority acknowledges the request to provide an excel document that can be used to complete the various reports. This proposal will be considered taking into account the IT requirements and development of such processes as well as the available space within the FSCA internal IT developer schedules.
3.	Definitions and interpretation	Clarity and amendments effected on definitions. New definitions were also proposed.	Clarification was provided on definitions already defined. Amendments were effected on "additional voluntary contributions" and "reinsurance proceeds." The new definitions included were "hedge funds" and "private equity."
4.	Preparation of financial statements	Commentators strongly opposed the provision stipulating that the preparation of the financial statements were in accordance with the IFRS principles. This is so as this prudential framework sets out the requirements for financial reporting by retirement	The Standard was amended to provide that the financial statements must be prepared in accordance with the <i>"Regulatory Reporting Requirements for Pension Funds prescribed in the Standard read together with the Independent Regulatory Board of Auditors's South</i>

No	Issue	Summary of comments	FSCA response
		funds, and that although based on principles of IFRS, it does not comply with IFRS. Secondly, the audit opinion cannot refer to the financial statements being prepared in accordance with IFRS unless they comply fully with IFRS, which is not the case in this prudential framework.	<i>African Auditing Practice Statement, International Financial Reporting Standards, Conceptual Framework and International Accounting Standards</i>". Several of these are already contained in the current Board Notice 77 of 2014 albeit outdated and not specifically stated in the BN. The references aim to reduce the length of the draft Standard. Accordingly, the Standard has been revised to reflect the basis of preparation in line with the above statement.
5.	Removal of the audit exemption for funds with less than R6 million and the removal of the requirement that funds between R 6 million and R 50 million need a limited agreed-upon procedure audit.	Concerns expressed were that the removal of these requirements will: (i) result in complete full audits on an annual basis; (ii) impact materially on available resources; and (iii) result in additional operational costs.	The Authority and its erstwhile predecessor, engaged with industry for several years on these removals to allow a level playing field in the industry where all members have equal protection before the law whether they belong to a small or large fund. The Authority contends that it is imperative that the financial statements of all pension funds be audited to ensure that the Authority has better oversight on all funds irrespective of size. This is to ensure all pension funds consistently apply the recognition and measurement criteria contained in the revised accounting guide. Where funds lack the capacity and have assets that consist of unclaimed or surplus benefits, these funds are not precluded from joining a multi-employer arrangement on a voluntary basis or an umbrella fund. The Authority has in addition noted the risks and unsatisfactory client experiences with these funds which resulted in increasing its scrutiny and surveillance of members based on supervisory and regulatory experiences. Where appropriate and if full audit increase operational costs such as there are no assets or money

No	Issue	Summary of comments	FSCA response
			to pay for audits, the Authority may consider an exemption on a case-by-case basis i.e. the intention is to carve out terminating funds. It is proposed that funds with less than R6 million worth of assets, be subject to an AUP report. The concern with this issue is that an AUP must still be issued by an auditor. This means that funds must still appoint an auditor thus incurring additional costs.
6.	The membership reconciliation from the Board of the Fund report moved to the notes of the financial statements.	Commentators advised that this change is not part of the auditor's scope and will have to be audited thus resulting in increased audit costs and additional IT build costs.	The Authority agrees with this concern. The Standard has been amended for membership reconciliation to reflect on the financial statements. (insert: to revert back to the initial Schedule). It is crucial that membership is audited as this is fundamental to the purpose of funds for members. In addition, accurate member records are crucial to the day-to-day administration of funds. The Authority will consider for next revision of AFS in 3 years-time how to mitigate impact of this requirement.
7.	The accounting treatment was provided for only in respect of section 14(1) transfers.	Commentators requested clarity on the treatment of other transfers viz. (i) section 14(8); (ii) section 13A(5); and (ii) section 15.	The Authority agreed with this proposal. Accordingly, the Standard was expanded to include those transfers mentioned in Column 2 and its accounting treatment thereof.
8.	Schedule IB: Assets held in Compliance with Regulation 28 and Regulation 28(8) for Exclusions of Guaranteed or Partially Guaranteed Life Policies and look-through reporting exclusions.	Regulation 28(8)(b)(iii) has been repealed. This means that a retirement fund may no longer place reliance on the certificate issued by the Head of actuarial control function (previously the statutory actuary) which certifies that guarantee or partial guarantee is consistent with the guidance issued by the FSCA. The look-through reporting exclusions for guaranteed policies, contemplated in Regulation 28(8)(b)(iii), are also reconsidered.	It is correct that Regulation 28(8)(b)(iii) has been repealed. Therefore, this exclusion is no longer applicable in terms of the amended Regulation 28 which came into effect on 3 January 2023. The repeal and amendments of Regulations falls within the ambit of the policy makers and beyond the remit of the Authority. The policy rationale for removing the exclusion was stated in the communication accompanying the amendments to Regulation 28. It was stated that the exclusion was removed to enable regulators to collect important statistics on

No	Issue	Summary of comments	FSCA response
		From the above it is clear that FSCA requires full look through for guaranteed and partially guaranteed insurance policies held by a retirement fund or fund member, and by virtue of this requires the assets backing the guarantee and partially insurance to conform to the Regulation 28 asset classes limits. Look through to the underlying asset classes for a guaranteed policy, as now defined in the Insurance Act, is not possible as <u>it is a formula/calculation which determines the insurance obligations</u>, either stated in Rand terms or stated in or ascertainable from the insurance policy's terms. The concept of look-through to the underlying assets does not exist for guaranteed portfolios, as the <u>value of the policy is not derived from the performance of underlying assets and is derived in terms the formula/calculation which determines the insurance obligations</u>. The guarantee provides a level of protection against market fluctuations. Regulation 28 is in place to ensure members' assets are invested prudently. For guaranteed insurance policies the PA oversees that the insurer is capitalised well enough to deliver on the guarantees and therefore the member is prudently invested. The assets backing these policies are held on the insurer's balance sheet. These types of policies are adequately dealt with from a financial soundness perspective in terms of the Insurance Act framework and there should not be a requirement for an insurer to apply the Regulation 28 asset spreading requirements on these types of policies.	underlying exposures and to understand the linkages in the financial system and for a proactive supervision. The Authority acknowledges the concerns raised by commentators in respect of look-through reporting exclusions for guaranteed or partially guaranteed policies. The Authority is concerned that if the formula for calculating a guarantee policy or assets underpinning the guarantee policy, it is unclear what will be the difficulty in reporting on the asset classes under this category. If as the contention is that there are no ringfenced assets on which to report on, this will be a further area of concern. In some instances, guarantee policies are managed on a global basis, and that it may not be possible to pick apart those guaranteed, unlike unitized assets where there is an exact link to assets. With guarantee policies the premiums goes to an insurer who will invest as deem appropriate. It is this context where the Authority, with a mandate for client protection, must consider the look though exclusions and lift the 'corporate veil' as it were. The Authority acknowledges that an insurer has the balance sheet to meet the promise of a guarantee policy and that an insurer may be well capitalized enough to provide protection. However, if the Authority were to do away with a look through principle, then the regulatory risks such as risk of contagion, undue risky or "dodgy or

No	Issue	Summary of comments	FSCA response
		Commentators were of the strong view that the FSCA should grant an industry wide exemption, in terms of Act, for fully guaranteed and partially guaranteed policies issued to retirement funds, including fund member policies issued in respect of Retirement Annuity and Preservation funds, in that retirement funds may continue to place reliance on the certificate issued by the insurers head of actuarial control function that the guarantee or partially guaranteed policy constitutes such policy in terms of the Insurance Act.	toxic assets”, may be prevalent and affect fund members. Further, a life insurer operates on pooled basis, so there is a risk that if something goes wrong, is that the whole balance sheet will be on hook and other fund members (policyholders), may be negatively impacted. This may be so especially in cases of insurers with weak balance sheets, thus prejudicing the fund members. The Authority will consider an exemption, taking into account the regulatory concerns stated above as well as views of other stakeholder and policy makers. The conditions set out in directive 157.A.i may need to continue should the Authority contemplate an exemption. The Authority may also consider that grandfathered policies remain exempt in line with Reg 28(3)(c) subject to the conditions contained therein.
9.	Departure from IFRS and no indication of what approach will be followed.	Several commentators indicated that where there is a departure from IFRS, such departure should be specified in the Regulatory Reporting Requirements section of the Standard. In addition, the Standard must also specify what approach is followed as the approach is silent when there is a departure from IFRS. Some of the areas where commentators raised concerns on the application of IFRS is in the treatment and reporting on items such Investments; Housing Loan Facilities; Plant and Equipment; Impairments; Operating Leases; and Accounting Policies, Changes in Accounting Estimates and Errors.	The Authority acknowledges the concerns in respect of the application of IFRS. Accordingly, amendments and revisions have been made to the Standard to indicate where possible departure from IFRS and what approach to follow. However, these changes are not deemed material necessitating another round of comments i.e. they are included for the purposes of providing and expanding on the IFRS applicability and instances of departure. Accordingly, the Standard has been amended to provide, amongst others: In respect of investments, IFRS 9 will be applied in this section to the extent applicable to retirement funds, where

No	Issue	Summary of comments	FSCA response
			IFRS 9 cannot be applied then the approach is specified. In respect of Plant and Equipment, IAS 16 and IFRS 16 will be applied in this section to the extent applicable to retirement funds, where IAS 16 and IFRS 16 cannot be applied then the approach is specified. In respect of Impairments, Standard has been amended to provide that IAS 36 stipulates the criteria for recognition and measurement for impairment loss and reversal of impairment loss. In respect of Operating Leases, the Standard has been amended to provide that for the recognition and measurement, operating lease payments are recognised as an expense on a straight-line basis, unless another systematic basis is more representative of the time pattern of the user's benefit. Finally, in respect Accounting Policies, Changes in Accounting Estimates and Errors, the Standard has been amended to provide that for recognition and measurement, retirement funds must apply adjustment arising from changes in accounting policies and errors prospectively. The adjustment relating to a change in the accounting policy or error is therefore recognized in the current and future periods affected by the change.
10.	ESG & Infrastructure	Commentators were concerned that the reporting requirements on ESG & Infrastructure requires a significant amount of information. To what extent are funds required to look through their investments to answer those questions and what framework to employ. Further, some commentators were of the view that ESG	The Authority acknowledges that this area is evolving. The revised Regulation 28 required additional reporting requirements in relation to infrastructure assets and other amendments to the asset spreading requirements. IFRS S1 provides for reporting in respect of General Requirements for Disclosure of

No	Issue	Summary of comments	FSCA response
		considerations are complex and important. A more rigorous and much longer consultation process is required to determine what is sensible and achievable from a retirement funds perspective. In addition, a concern raised with regards to the interpretation difficulties with several of the terms associated with infrastructure and ESG investments and the complexity of determining whether investments should be classified as green assets / exposed to coal etc.	Sustainability-related Financial Information. IFRS S2 provides for reporting in respect of Climate-related Disclosures. Similar to the approach adopted in this Standard in respect of IFRS i.e. the Standard indicates where possible departure from IFRS and what approach to follow in this instance. Accordingly, it is proposed that the fund's auditors make use of IFRS S1 & S2 as a framework and guidelines for ESG and Infrastructure. In addition, where appropriate, the Authority may consider issuing a guidance notice to provide regulatory guidance in respect of ESG Infrastructure reporting requirements.
11.	Guidance on various matters.	Various commentators requested that the Authority provide guidance on the various matters. Some of the areas where guidance was requested <i>inter alia</i> include guidance on other income criteria; investments reporting; self-insurance reporting; guidance on categorisation and measurement; disclosures regarding offsetting and IFRS 7; treatment of individual transfers as contemplated in section 14; and the type of fees that would be considered and the expenses incurred in managing investments.	Providing guidance is beyond the scope of this Standard. Where appropriate the Authority may consider providing guidance in respect of some issues raised in this Standard. Any possible guidance will consider supervisory experiences, regulatory guidance, consistent application of these reporting requirements and so forth.

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Section A	List of Commentators
Section B	Comments on the draft Conduct Standard
Section C	Questions relating to the anticipated impact of the Conduct Standard
Section D	General Comments

SECTION A - COMMENTATORS

	Commentator	Acronym
1.	Alexander Forbes	AF
2.	Discovery	DIS
3.	Institute of Retirement Funds Africa	IRFA
4.	Momentum Metropolitan Life Limited	MML
5.	Old Mutual	OM
6.	OUTSURANCE LIFE	OUTL
7.	PricewaterhouseCoopers	PWC
8.	South African Institute of Chartered Accountants	SAICA
9.	Sentinel Retirement Fund	SRF
10.	Willis Towers Watson	WTW

SCHEDULE

FURTHER PUBLIC COMMENTS AND RESPONSES: PRUDENTIAL STANDARD REGULATORY REPORTING REQUIREMENTS FOR PENSION FUNDS

SECTION B – COMMENTS ON THE DRAFT PRUDENTIAL STANDARD				
No	Commentator	Section	Comment/Issue/Recommendation	FSCA response
1. DEFINITIONS				
1.	PWC	“additional voluntary contributions”	add the following to the definition of “additional voluntary contributions” “additional voluntary contributions” in relation to a contribution means any amount over and above a member’s normal monthly elected contribution that a member or employer effects to pay in order to secure additional benefits;	Agree. See revised wording on the Standard.
2.	SRF	“cost”	Clarity requested as definition refers to “paid” consideration. Accrual principle does not seem to be taken into account in this definition.	Disagree. The purpose of the accrual principles is to ensure that relevant transactions are correctly recorded taking into account the time period such transactions occurred.
3.	IRFA	“guaranteed policies”	a) This defined term is not used in the Prudential Standard. b) Item 5 of table 1 in Schedule 2 is in respect the life annuities class of business, which in the retirement fund context is limited to the	Agree. The definition has been removed from the Standard. This comments also impacts the revision work to be done on LT Directive 157Ai.

			instance where a retirement fund provides an 'In-fund annuities other than living annuities' as contemplated in PFA Regulation 39(4). c) There are also other classes of insurance business in Table 2 of the Insurance Act where a retirement fund may be invested in a guaranteed policy: (i) Item 6 (a) Individual Investment guarantee (fully or partially) - this a type of fund member policy, as defined in the LTI Act Regulations, in respect of underwritten Retirement Annuity and Preservation Funds. (ii) Item 7 (a) Fund Investment guarantee (fully or partially) - this a retirement fund investment policy, where the retirement fund is the policyholder, and the insurance benefits are provided for the purpose of funding in whole or in part the obligation of a fund to provide investment benefits to its members in terms of its rules, other than a policy relating exclusively to a particular member of the fund or to the surviving spouse, children, dependents or nominees of a particular member of the fund.	Also see General Comments above at item
4.	IRFA	"linked policies"	"Linked policies" are not limited to Item 6 of Table 1 to Schedule 2 of the Insurance Act, which is the individual investment class of insurance business. A retirement fund is also permitted to have a "fund investment" linked policy in terms of Item 7 (c) of Table 1 to Schedule 2 of the Insurance Act.	Agree. Linked policies encompass individual and fund investment policies. Accordingly, the definition for linked policies has been amended.
5.	PWC	"material", "materiality" and "materially"	In the definition of materiality "material", "materiality" and "materially" reference is made to users. Who would be considered the users as the financial statements are prepared for the FSCA?	As contemplated in the definition "users" are the Board and office bearers of the fund and members and stakeholders as defined in the Pension Funds Act, 1954 (Act No. 54 of 1956).
6.	SAICA	"material", "materiality" and "materiality"	The "materiality is a duplication, unless there is an omission, and it was meant to be expanded.	Note that the words in the definition are "material, materiality and materially". There is no

			The definition refers to “...influence the economic decisions taken by users based on the financial statements” and the document indicates that the funds are preparing financial statements for the Authority, kindly clarify who are the users and/or amend the section 2(4) under reporting concepts.	duplication with the word “materiality.” See response above at item 5.
7.	PWC	“reinsurance proceeds”	Definition of reinsurance proceeds to be updated as reinsurance proceeds are not paid to a member, they are income for a fund. Reinsurance proceeds are received by a fund as a result of death or disability of a member. The rules of the Fund determine what happens to these proceeds i.e. how they form part of the benefit due to a member/beneficiary.	Agree, see amendments made to the Standard.
8.	PWC	Hedge Fund and Private Equity	These definitions need to be included.	Agree. Definitions included in the Standard.
2. APPLICATION				
9.	IRFA	2	A method must be found to make the reporting in Annexure A (to provide funds with the necessary information) applicable to all asset managers /Insurers that hold a licence. Currently there is no prescribed format that applies to asset managers in respect of the data it must provide to retirement funds. We proposed that the FSCA should issue a Guidance Note to impose the data sharing requirements on the asset managers, including a standard format for the data sharing.	The Standard is applicable to all pension funds and not asset managers or insurers. Although the proposal is sound, such proposal is beyond the scope of this Standard. Where appropriate, the Authority may issue guidance or communication to highlight the importance of all service providers to share information with funds timeously and in a user-friendly format.
10	IRFA	2(3)	The statement "The financial statements of a fund must, unless indicated to the contrary herein, be prepared in accordance with IFRS." may cause confusion when read with the later statement in Annexure A, Regulatory Reporting Requirements for Retirement Funds, point 1 Financial Statements, point 1.1 which states:	Agree, see amendments made to the Standard. References to both IFRS and RRR is crucial as RRR expands in instances where IFRS is not applicable to funds. Therefore, the Standard has been revised to include the following words, “the Regulatory Reporting Requirements for Pension

			A fund must, in terms of section 15 of the Act, prepare and submit its financial statements within six months of its financial year to the Authority, in accordance with the Regularly Reporting Requirements for Pension Funds prescribed in this Prudential Standard read together with the IRBA's SAAP Statement, IFRS, CF and IAS. The latter approach is the correct approach as it makes clear that the primary requirement is to meet the RRR. The former sentence in italics should be aligned with the latter sentence in italics or removed.	Funds prescribed in this Prudential Standard read together with the IRBA's SAAP Statement, IFRS, CF and IAS". See item 11 below.
11	PWC	2(3)	a) The financial statements are not prepared in accordance with the requirements of IFRS as demonstrated in some of the comments below. Therefore, the statement: "The financial statements of a fund must, unless indicated to the contrary herein, be prepared in accordance with IFRS." is not accurate. It is recommended that the basis of preparation is clearly defined in the opening statements of the regulatory reporting document. We recommend that a statement is included to clearly indicate that this framework sets out the requirements for financial reporting by retirement funds, and although based on principles of IFRS, it does not comply with IFRS. b) Will the audit opinion be changed to refer to preparation to IFRS or will the audit opinion still be an ISA 800? opinion referencing to the "Requirements related to Regulatory Reporting and Audited Financial Statements for Pension Funds " (IRBA report needs to be updated with new reference - previous framework was just "Regulatory Reporting Requirements for Retirement Funds"). The audit opinion cannot refer to the financial statements being prepared in accordance with IFRS unless they comply fully with IFRS, which is not the case here.	Agree. See response above to comment 10. Please note that the Standard has been revised to include the following words, <i>"the Regulatory Reporting Requirements for Pension Funds prescribed in this Prudential Standard read together with the IRBA's SAAP Statement, IFRS, CF and IAS"</i>. Agree, see the revised wording of this clause. The AFS must be prepared in accordance with Regulatory Reporting Requirements read together with the relevant IFRS principles.

			c) The sentence states “unless indicated to the contrary herein”, but nowhere in the document is there an indication of which requirements are contrary to IFRS. d) The statement “in accordance with IFRS” is not accurate. The disclosure requirements of IFRS have not been included in the FSCA template AFS. e) Throughout the document there are references to specific paragraphs of various IFRS. Is the intention that only those paragraphs will be applied by the fund? If so, these specific paragraphs should be incorporated into the framework, and not only referred to, to ensure consistency of application between funds.	Disagree, paragraph 2(3) states that unless indicated to the contrary the AFS must be prepared in accordance with IFRS. The Standard as revised states which areas must be prepared in accordance with IFRS for an example see paragraphs 3 and 4 of the Standard which states that those items must be reported in line with IFRS 9. Correct the intention is that only those specific paragraphs will apply the IFRS principles. Therefore, the Standard has been amended to indicate the extent to which certain IFRS principles are applicable to the Standard.
12	SAICA	2(3)	a) The section refers to fund financial statements being prepared in accordance with IFRS whilst there are deviations from IFRS requirements. The statement “The financial statements of a fund must, unless indicated to the contrary herein, be prepared in accordance with IFRS.” should be amended. Although some elements of IFRS have been adopted to enhance reporting, the financial statements are prepared in accordance with a specific accounting framework adopted by the regulator i.e. Regulatory Reporting Requirements (RRR). b) Reference of the financial statements being prepared in accordance with IFRS will have a negative impact on the opinion provided by auditors should they note non-compliance with IFRS. This would potentially create a perpetual issue as the full IFRS is not applicable to retirement funds but rather a specific reporting framework.	Agree, Standard revised accordingly. Also see comments above at item 11.

13	SRF	2(3)	The requirement to prepare the financial statements in accordance with IFRS – does this mean that the fund must confirm that it has prepared the financial statements in accordance with IFRS – and that the auditor's report will also state the same?	See responses above at item 11.
3. REGULATORY REPORTING REQUIREMENTS FOR FUNDS				
14	OM	3	We are greatly concerned about the complete removal of the audit exemption for Funds with less than R6 million in assets, and the removal of the requirement that Funds between R6 million and R50 million only need a limited AUP audit. It is our understanding that removal of these requirements will result in these funds having to complete full audits on an annual basis. In our business, most of the funds falling in this category have assets that consist of unclaimed or surplus benefits which need to be paid to members and is in the process of being actioned. A requirement to conduct an full annual audit will substantially increase the operational costs of these funds, directly to the detriment of the beneficiaries as there are no assets / money to pay for audits. We note the suggestion that these Funds can move to an Umbrella Fund, however that is not an option for Funds that don't have active members. We recommend that the current audit exemption be retained for terminating Funds with assets under R50 million, provided that the Fund have no active members.	The FSCA and previously the FSB has been engaging industry for several years on the removal of the audit exemption to allow a level playing field in the industry where all members have equal protection before the law whether they belong to a small or large fund. Where funds lack the capacity this does not preclude them from joining a multi-employer arrangement The Authority acknowledges the concerns as in respect of audit costs for funds with unclaimed or surplus benefits. Also, that moving to an umbrella fund is not an option for non-active members. That full audit increases operational costs as there no assets or money to pay for audits. However, whistle-blower reports from auditors show that there are serious issues in the “soft middle” to R6 million funds. Also, that our recent assessments show many of the small funds are terminating or moving to multi-employer (umbrella) fund arrangements (although there are still many small funds to be deregistered in the next 12-18 months) However The section 15 factual findings report (AUP) will still apply to funds under R6 million. Although an AUP is not

				an audit although it is signed by an auditor meaning all funds must appoint an auditor in terms of section 9 of the of Act. Therefore, funds with < R6 million must do an AUP confirmation. Due to the potential risks and unfair customer outcomes in funds with > R6 million, there is need for stringent scrutiny. Further, if the above measures are insufficient a fund may apply for an exemption which with e Authority ma consider based on the relevant circumstances.
4. FINANCIAL STATEMENTS				
15	AF	4	The FSCA needs to increase file size for submission purposes - Suggested size to increase to 20MB. Electronic submission is problematic.	Comment noted. The Authority will consider how best to alleviate problems with electronic submissions.
16	AF	4(1)	Timing for implementation – please allow enough time for changes. The FSCA validations and xml schema is required before we can make the adjustment.	Agree. FSCA will endeavour to advise the relevant period and timing of implementation.
17	PWC	4(1)	The paragraph does not introduce the content of the table. The paragraph states that the following schedules need to be submitted, but the “details” in the table seem to deal with the changes from the previous version only and not "Details" of what is contained in each Schedule? Would suggest rather adding a proper description of what the information relates to in each Schedule or change introduction and this heading to indicate it reflects the changes from the previous RRR. a) What is the reference to the “Item” number in the table included here? It seems to be incomplete.	Agree. The Authority appreciates the practical difficulties in respect of having detailed requirements, Annexures, Notes and Schedules in a Standard. Accordingly, the Standard has been revised and detailed Schedules, Annexures and Notes will be issued in a separate determination. Please see revised Standard as well as the regulatory reports contemplated in Chapter 4 of the revised Standard.

			b) Reference is made to “revenue” in this paragraph? What would be considered revenue for a fund? Consider including a definition of revenue or rather referring to “Inflows” or “Income”.	Agree se revised Standard.
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ANNEXURE A. REGULATORY REPORTING REQUIREMENTS FOR FUNDS				
	ANNEXURE A			
18	PWC	Annexure A	The following line items in the financial statements are not dealt with in Annexure A: (i) Cash at Bank (ii) Member individual accounts (iii) Amounts to be allocated (iv) Accumulated Funds	Disagree, for example “Cash at Bank” is dealt with in Schedule F and G respectively. Further, there is a note for “amounts to be allocated” in the AFS and introducing a new Note for “cash at bank”. with regards to “accumulated funds” (DB) and “Member individual accounts” (DC) this classification will depend on the type of fund i.e. defined benefit or defined contribution fund.
19	PWC	Annexure A	We recommend that the following sub-sections are included in section 3 to 17 to make it clear to a user of the RRR which paragraph relate to which [principle: • Classification • Recognition and derecognition • Measurement • Presentation and Disclosure	Agree, see revised Standard, specifically the new Chapter 3 where appropriate headings in respect of Classification, Recognition and Measurement, have been included. Also, see comments above at item 11.
1. FINANCIAL STATEMENTS				
20	IRFA	1	Please consider specifying the areas of departure from IFRS, e.g. insurance standard for funds that e.g. self-insure. Cash flow statement is also not a separate statement (included in a note) and has been adapted for retirement funds – this needs to be documented and the disclosure	Please note that the Standard has been revised to include the following words, <i>“the Regulatory Reporting Requirements for Pension Funds prescribed in this Prudential Standard read</i>

			requirements explained in section 3. Not all disclosure as required by the financial instrument standards are required for retirement funds.	<i>together with the IRBA's SAAP Statement, IFRS, CF and IAS".</i> The AFS must be prepared in accordance with Regulatory Reporting Requirements read together with the relevant IFRS principles. See comments above at item 11.
21	AF	1(1)	Reference to 6 months is different to the expectation being created by COFI of 4 months. The 4-month turnaround time is a concern with the amount of additional regulatory requirements being added. New S15 reporting requirements and the additional requirements of the annual financial statements in a shorter timeframe is a concern. Auditing firms are currently battling with the turnaround times. Doing it in a shorter time might be a massive problem.	It is unclear to us what the issue is with regards to the 6-month period. This is so because as the commentator has alluded the 6-month period is more generous than that proposed by COFI. Also please note that the COFI Bill is not yet promulgated and is subject to change.
22	PWC	1(1)	Missing word "...and submit its financial statements within six months of its financial year end to the Authority..."	Agree, see amendments made to the Standard.
23	PWC	1(2)	Why is reference specifically made to the audit report and the factual findings report, but not to the report on Schedule IB?	Agree, the Standard revised to reflect "the reports of the independent auditors".
24	PWC	1(3)	What does the following statement mean? Should it read any pension fund registered with the Authority? ... to any regulatory instrument issued by the Authority. What is meant by "regulatory instrument"?	Applicability of this Prudential Standard is provided for in section 2(1) of the Prudential Standard. "Regulatory instrument" is defined in section 1 of the Financial Sector Regulation Act.
2. REPORTING CONCEPTS				
25	PWC	2(1)	In relation to the sentence below:	The regulatory reporting requirements include Chapter 3 of the Standard.

			“...If a conflict between these concepts and specific sections of the regulatory reporting requirements are....” Which portion of this Prudential Standard is being referred to as "regulatory reporting requirements". Is it from section 3 onwards? May you please be more specific.	
26	SAICA	2(1)	This section states that a specific section of the conduct standard prevails over any conflicting concepts, with the adaptation of some of the IFRS concepts and the sections not being detailed there is a potential of unintended consequences in deviating submission by industry due to the standard not being clear on the detail of disclosures to be included. This has been highlighted on some of the relevant sections such as those dealing with Investments.	Noted. For clarity, IFRS adaption has been referenced in the Standard.
27	PWC	2(3)	The first sentence makes reference to the “Board of the Fund”. All other pages refer to the Board of Fund. May you please update this sentence for consistency and refer to the Board of Fund.	Agree. The Standard revised to make reference to the Board of Fund by removing the word “the” from “Board of the Fund”.
28	PWC	2(4)	Please update this sentence as indicated in red below “To meet the objective, financial statements provide information about a fund’s assets, liabilities, funds and reserves and income and expenses (including fair value gains and losses).”	Noted and agree. The Standard revised to include the words “fair value” after the word “including”.
29	PWC	2(7)	The complete set as referenced in section 2(7) is not a complete set as required by IAS 1.10. Should this be noted as a deviation from IFRS?	It should be noted that section 2(7) specifies the applicable regulatory reporting requirements to pension funds and not all requirements as contemplated in IAS1.10. See response to comment 20 above.

30	PWC	2(8)	May you please update the last sentence to make clear what component parts refers to: “The component parts of the financial statements listed in section 2(7) interrelate because...”	Components are all parts that form financial statements. Noted and agree. The Standard is revised to remove the word “part” and a reference to section 2(7) was included.
31	PWC	2(9)	We recommend that the specific schedules to the financial statements are included and indicated as either subject to auditor engagement or not.	Annexure B of the Standard indicates all the Schedules that are not subject to audit. Note that at the end of the Contents to Annexure B the reader is directed to the bold note with an asterisk that indicates which Schedules are not subject to an audit engagement.
32	PWC	2(10)	Section 2(10) states:” in order to determine the acceptability of the financial reporting framework,”. Previously in the document it stated that it should be IFRS - are there other acceptable frameworks? If yes, the document should be updated to state which frameworks would be acceptable.	It is unclear to which previous document the commentator is referring to. No other acceptable framework except Conceptual Framework for Financial Reporting” issued by IASB effective March 2018.
33	PWC	2(10)(f)	Please update first sentence as indicated below “ a fund should not describe the financial statements as complying with the reporting requirements unless it complies with all the requirements of the regulatory reporting requirements.”	Agree, the Standard has been revised as proposed
34	PWC	2(11)	Sections in IFRS are referred to “paragraphs” instead of “sections” and sections in the CF are referred to “chapters”. May you please update this sentence as follows: The underlying assumption of accrual is set out in section paragraph 27 and 28 of IAS 1. The going concern underlying assumption is set out in section chapter 3.9 of the CF. This update should be done throughout the document.	Noted and agree. The entire Standard revised referencing IFRS provisions to “paragraph” and CF provisions to “chapter”.
35	PWC	2(12)	a) Section 2(12) states: “However, in the retirement funds environment where an event requires approval by the Authority, it must not be accounted for until the approval is obtained. The	See response to comment 20.

			Act will in all cases supersede the rules of the fund.” How will this be reported in the financial statements? An act can never supersede IFRS and then claim that the financial statements are in compliance with IFRS (as per Section 2(3) above). (b) Please update this sentence as follows so it reads better:” This characteristic stipulates that if information is to represent faithfully the transactions and other events it purports to represent, it must be necessary it must be accounted for and presented...”	IFRS will be applied where applicable. Where RRR is applied, the Act will supersede the rules of the Fund. Agree. See amendments made to the Standard.
36	PWC	2(13)	Paragraph (a) refers to the regulatory requirements which “stipulate the prior year figures or amounts must not be adjusted for changes in accounting policies and errors”. As this is a departure from IFRS, should it not rather be indicated as such?	This is a departure from IFRS. The approach has been specified in above comment 20. Also see item 35 above.
37	PWC	2(18)	Is there a specific reason why the derecognition component was not made reference to? We recommend that derecognition is also included here.	Agree, The Standard revised to make provision for derecognition.
3. INVESTMENTS				
38	PWC	3	a) The investments section in totality is difficult to understand by someone who is not familiar with funds. A mixed model between IFRS and the regulation is used and it is unclear when IFRS and when the regulation should be used. As an example: there are a lot of cross references to specific paragraphs within IFRS 9, which in themselves also refer to other paragraphs within IFRS for example IFRS 9.3.1.1 which have further consequences and then there are certain requirements for classification and disclosure that are specified by the FSCA in the regulation which is not in IFRS. Furthermore, there are also certain sections within IFRS which are not referred to, but are also not specifically excluded, which creates uncertainty regarding their applicability in this section. Refer to the comments below for specific items noted.	Comments noted. To eliminate the concerns raised herein paragraph 3 of the Standard has been revised to include clear references to IFRS 9. Further, sub-headings for Classification, Initial recognition, Measurement and Disclosure have been included in the revised Standard.

			b) It will assist users if the section includes sub-headings for Classification, Initial recognition, Measurement and Disclosure	
39	IRFA	3(1)	There is no reference to IFRS 7 which guides the disclosure of IFRS 9 instruments and appears no application of IFRS 9 paragraph 5.5. impairment requirements. Please confirm that IFRS 7 is not going to be adopted as there are extensive disclosure requirements.	IFRS 9 is relevant to the extent applicable to retirement funds. Where IFRS 9 cannot be applied then the approach is specified in the balance of the Standard.
40	PWC	3(1)	a) Section 3(1) states: “With regard to presentation and disclosure, investments are included under non-current assets in the statement of net assets and funds.” IAS 1.66 sets out the requirements of classification and if financial statements are compliant with IFRS the classification of investments as current/non-current should follow the guidance in IAS 1. We recommend that it is stated here this is a deviation from IFRS. b) We recommend that the following sentence is updated. Currently it gives the impression that the only important element of this note is just the valuation of the property. The note for investments is in the form of an investment summary which discloses the various categories of the Fund's investments as defined in section 1 of this Prudential Standard. It includes information on the valuation of the investment property and owner-occupied property. We also recommend that the specific categories of investments as required to be disclosed in the financial statements are specified, as well as the criteria that should be applied in determining the respective classifications. Also, on what basis are some bank accounts considered Investments and others considered “Bank and Cash?”	Agree, see amendments made to the Standard. Agree, see amendments made to the Standard. Agree, see amendments made to the Standard. Agree, see amendments made to the Standard. Agree, see amendments made to the Standard. Agree, see amendments made to the Standard.

			c) Regarding the disclosure of allocation between local and foreign assets, there have been different interpretations on this topic in the current Regulatory Reporting Requirement (RRR). We recommend that this sentence is updated to provide clarity and clear direction.	
41	SAICA	3(1)	Clarity is required as there is no reference to IFRS 7 which guides the disclosure of IFRS 9 financial instruments and there appears to be no application of IFRS 9 section 5.5. Impairment requirements. Therefore, there is an assumption that IFRS 7 is not going to be adopted as there is extensive disclosure requirements, this could cause varied industry interpretation and reporting deviations.	Disagreed. This is fit for purpose type of reporting and where possible stating IFRS deviations. Currently no changes to schedule F & G are proposed in the AFS format changes. Currently IFRS 7 relates to disclosure of investment performance. The RRR already make provision for this reporting. There is no need for IFRS 7 as the reporting format does not require disclosure in terms of IFRS 7. Regulation 28 clarifies that foreign assets means an asset that is deemed foreign by the SARB for its reporting purpose.
42	PWC	3(2)	a) Categorisation and measurement at either amortised cost or fair value is required to be disclosed, but no guidance is provided on how this categorisation and measurement should be done. b) No guidance is provided on the valuation of specific investments eg Insurance Policies, Collective investment schemes, Hedge funds and private equity funds, which would impact the accounting policies required in the financial statements.	Comments noted. Where appropriate Recognition and Measurement; Presentation and Disclosures; and Subsequent Measurements, have been included in the Standard.
43	SAICA	3(2)	Guidance is required on categorisation and measurement. Granted the blended reporting between IFRS and RRR we would recommend that the specific adopted IFRS disclosures be included in the framework to avoid interpretation differences by funds that could potentially result in deviating disclosures from each.	Agree, see revised Standard. Also see item 42 above.

44.	PWC	3(3)	a) The current RRR made it clear that the look-through principle does not apply to insurance policies and collective investment schemes line items. Is there a specific reason why that sentence has been removed. If the intention was to require the look-through principle to be applied, we recommend that this is indicated. b) Regarding the disclosure of allocation between local and foreign assets, there have been different interpretations on this topic in the current Regulatory Reporting Requirement (RRR). We recommend that this sentence is updated to provide clarity and clear direction. ie is the allocation between local and foreign assets performed based on the underlying instruments of the insurance policy/collective investment scheme or based on whether the asset manager is local/foreign. c) Specific mention is made that the totals should be shown for insurance policies and collective investment schemes. Should the same not be included for hedge funds and insurance policies. Also, for investments in participating employers?	The intention is to ensure that the look-through principle is applicable to all categories of investments except hedge funds and private equity specifically excluded from look through in regulation 28 since 2011 amendments. It was stated in the Statement of Need the look through reporting also needed to be reconsidered. Therefore, in our view there is no need to state the purpose of the Standard as suggested in this comment. Please refer to Regulation 28 on foreign assets definition and the classification thereof. Agreed. Wording has been amended to accommodate other investments. See new paragraph 3(12) of the Standard.
45	IRFA	3(4)	This may create confusion - there is no reconciliation from opening to closing balances for investments. Only for owner occupied property and investment in participating employer.	Agree, the Standard revised in paragraph 3(13) to include “property” after investments. Currently the format only contains comparative figures and not opening and closing balances.
46	PWC	3(4)	May you please update this sentence as follows: a) Reconciliations of the opening to the closing balance of investment property and owner-occupied property is disclosed in the notes. b) With reference to the sentence “The line item for transfer to or from owner occupied properties is used when the nature of the use of the property changes from an investment property to property, plant and equipment and vice versa”: When would such a transfer occur? A property	See revised Standard specifically paragraph 3(13). Also see comments above at 45. As per the norm a property will be considered PPE when it's useful life is less than the normal term.

			would either be an investment property or owner occupied? When would it be considered PPE?	
47	SAICA	3(4)	The statement “Reconciliations of the opening to the closing balance of investment and owner-occupied property is disclosed in the notes.” creates confusion as there is no reconciliation from opening to closing balances for investments, only for owner occupied property and investment in participating employer. Clarity is required as to when such reconciliation are required.	The Standard has been amended to provide for “owner occupied property and vice versa”. With regards to the balance of the comment, and where appropriate the Authority may provide guidance in respect of some issues raised in this Standard including reconciliations of investments.
48	PWC	3(5)	a) This paragraph refers to Section 3.1.1 as providing for trade date accounting. Paragraph 3.1.1 of IFRS 9 states that financial assets and liabilities should be recognised in the statement of net assets and funds when and only when the entity becomes party to the contractual provisions. The paragraph then refers the user to para 4.1.1 -4.1.5 (for classification of financial assets) and 5.1.1 - 5.1.3 (Measurement) as well as 4.2.1 and 4.2.2.(Classification of financial liabilities) Paragraph 3.1.2 of IFRS 9 provides that a regular way purchase or sale of a financial asset shall be recognised and derecognised using trade date accounting or settlement date accounting. It does not prescribe trade date accounting. If this is a specific requirement of the FSCA, ie that trade date accounting be applied, it would have to be specifically provided for in the RRR. (See comments below on lack of guidance of classification of financial instruments) b) Section 3.1.1. of IFRS 9 makes reference to paragraph 4.1.1 which is the classification of financial assets. One of the classifications referred to here is “Fair value through Other comprehensive income”. Funds do not have “other comprehensive income” and all fair value gains and losses are recognised in the statement of changes in net assets	Agree with comments. Please note that the Standard has been revised to clarify application of IFRS 9 and other IFRS principles. Further where appropriate the Authority may consider providing guidance in respect of some issues raised in this Standard including classification of financial instruments. Any possible guidance will take into account supervisory experiences, regulatory guidance and so forth See comments above. Comments noted. Further where appropriate the Authority may consider providing guidance in respect of some issues raised in this Standard including classification of financial assets. Any

			and funds. Guidance should be provided on the classification of financial assets to align to the reporting requirements for the FSCA.	possible guidance will consider supervisory experiences, regulatory guidance and so forth.
49	SAICA	3(5)	Section 3.1.1. of IFRS 9 makes reference to paragraph 4.1.1 which is the classification of financial assets. One of the classifications referred to here is “Fair value through Other comprehensive income”. Funds do not have “other comprehensive income” and all fair value gains and losses are recognised in the statement of changes in net assets and funds. Guidance should be provided on the classification of financial assets to align to the reporting requirements for the FSCA.	Comments noted. Guidance is beyond the scope of this Standard. Where appropriate the Authority may consider providing guidance in respect of some issues raised in this Standard including classification of comprehensive income. Any possible guidance will consider supervisory experiences, regulatory guidance and so forth.
50.	PWC	3(6)	Why is there reference to paragraph 3.3 of IFRS 9 here? Paragraph 3.3 of IFRS 9 is for Derecognition of financial liabilities.	Comment noted. Paragraph 3.3 has been amended and reference to paragraph 3.3 of IFRS 9, is deleted.
51	PWC	3(7)	IFRS 9 par 5.3 relates to liabilities and the para 3(7) deals with assets. It is recommended that either section 3(7) is updated to include the wording financial liabilities or that reference to IFRS 9.5.3 is removed. Furthermore, you need to classify an asset in terms of IFRS 9 par 4.1 before you can measure it in terms of IFRS 9.5. Therefore it is recommended that guidance/references are included to IFRS 9.4.1. (see comment under 9(2)) As the financial statements makes reference to financial assets at amortised cost it is recommended that reference to section 5.4 (amortised cost) and 5.5 impairment is included to adhere to IFRS. To adhere to	Agree, see amendments made to the Standard. This has been covered under 3(2). Reference to IFRS 4.1 to be included. The reference to IFRS 4.1 is not provided. Agree. Standard revised in section 3(7) and 3(8) indicates the requirement for impairment.

			IFRS, amortised cost instruments should be impaired using an expected credit loss methodology. If the incurred loss model is expected to be used by funds, instead of expected credit loss methodology, this should be noted in the prudential standard.	
52	PWC	3(8)	IFRS 7 requires disclosures regarding offsetting, however there is no referral to IFRS 7 and no guidance on how offsetting should be disclosed in the financial statements. It is recommended that disclosure guidance is provided.	Agree. Where appropriate the Authority may consider issuing guidance on offsetting and other related matters.
53	SAICA	3(8)	IFRS 7 requires disclosures regarding offsetting, however there is no referral to IFRS7 and no guidance on how offsetting should be disclosed in the financial statements. It is recommended that disclosure guidance is provided.	See comments immediately above at item 51.
4. HOUSING LOAN FACILITIES				
54	PWC	4	(a) This section should rather be split into 2, dealing with housing loans and guarantees separately in order to avoid confusion regarding treatment and disclosure requirements. (b) It will assist users if the section includes subheadings for Classification, Initial recognition, Measurement and Disclosure.	Agree with comments. The heading in the Standard has been amended to reflect to <i>“housing loan facilities and guarantees”</i> . There is a disclosure note under 3.2, qualitative information than quantitative information. The principles for recognition and measurement of housing loan facilities are expanded in section 3.1 and 5.1.1 to 5.2.3 of IFRS 9.
55	PWC	4(1)	Should this sentence not rather be updated as follows: “In terms of section 19(5) of the Act and the rules of the fund, a fund may grant a loan to a member or furnish a guarantee to a member for a housing loan obtained from a bank or other lending institution. ”	Agree, see amendments made to the Standard.
56	PWC	4(2)	a) It is unclear how these guarantees are accounted for? Under IFRS 9 or IFRS 17? If it is under 17, how will the fund transition to IFRS 17? If	The Standard makes it clear that housing loan guarantees, are recognized in terms of IFRS 9.

			under 9, it is recommended that more guidance is included in the document wrt measurement by either referring to the relevant para in IFRS 9 or to include the specific guidance. If it is the intention that housing loan guarantees are not accounted for, ie that they are only disclosed in the financial statements, this should specifically be noted in the prudential standard. b) What is meant by “for purposes of disclosure the member fund credit provided as surety should be considered and disclosed”?	Housing loans facilities and guarantees are only disclosed in the financial statements. The Standard has been revised to ensure how the guarantees are accounted for. The ordinary, grammatical, and conventional use of the word “surety” is applicable in this instance.
57	PWC	4(5)	Would housing loans not be measured at amortised cost and therefore IFRS 9.5.4 (effective interest method) and 5.5 (Modification of contractual cash flows) should be included? If it is the intention that this should not apply, it should be noted as such in the prudential standard.	Housing loans are measured at amortised cost using effective interest rate method. Paragraph 5.4 has been included in the Standard. There is no impairment for housing loans. Therefore 5.5 is not applicable. SPPI test, measurements whether Profit /or Loss or Other Comprehensive Income etc are applicable.
58	PWC	4(6)	a) Why non-current? A portion will be received by the Fund in the next 12 months so the loan should be split between current and non-current in accordance with IAS 1 b) The classification as non-current is a deviation from IFRS and should be indicated as such.	Disagree. This is a deviation from IFRS and presented in terms of the prescribed format.
59	PWC	4(7)	We recommend that further clarity is provided on this paragraph as follows: (i) Amounts defaulted on housing loans by active members and paid or accrued to a financial institution are recognised and	Agree. The Standard revised to reflect that in such instances housing loans and guarantees are derecognised. Housing loan guarantee do not directly affect the member’s accrued benefit unless the member

			disclosed as benefits in the statement of changes in net assets and funds. (ii) Also, would this only be applicable to housing loan guarantees? See comment 4 above regarding the recommendation to rather deal with guarantees and direct loans separately in this section.	exits the fund whilst he or she has a portion that is still payable.
60	PWC	4(8)	IFRS 7 requires additional disclosure on expected credit losses. It is recommended that the reconciliation makes provision for the expected credit losses on amortised cost home loans. If the FSCA requires the incurred loss model to be applied, this should be noted in the prudential standard to prevent confusion.	There is no credit losses expected.
61	PWC	4((9)	a) Please see comment 4(2) above. b) Please update as follows: With regard to housing loans guarantees granted to financial institutions, the following additional disclosures must be furnished: (i) Name of the financial institution; (ii) Total value of the guarantee and the guarantee facility at year end ; (iii) Expiry/renewal date of the guarantee facility; (iv) Number of guarantees at year end ; and (v) Total percentage of the member's benefit allowed to be granted at an individual level .	Agree. The Standard has been revised as proposed.
5. RESERVES				
62	PWC	5	It will assist users if the section includes subheadings for Classification, Initial recognition, Measurement and Disclosure.	Disagree with this comment. The relevant paragraph is self-explanatory. Adding the sub-headings will be superfluous. Where necessary sub-heading has been added, for example see item 38 above.

63	SAICA	5	It will assist funds if the section includes sub headings for Classification, Initial recognition, Measurement and Disclosure.	See comments above at item 61.
64	PWC	5(2)	What is the objective of this paragraph? Does paragraph 5(1) not address recognition and measurement of reserve accounts?	The first paragraph is an introduction and 5(2) is to provide for recognition and measurement. Section 5(1) does not address recognition and measurement but rather discusses how reserves are defined and its described in the Pension Funds Act and rules of the fund. Section 5(2) provides for recognition and measurement of reserve accounts.
65	PWC	5(4)	a) We recommend that this section is written as follows to make it easier to follow: Movement in reserve accounts are reflected under the appropriate reserve column with the corresponding line item. The total of all columns should agree with the gross total of all reserves in the statement of net assets and funds. The following line items represent the following: <i>(i) investment return allocated to reserve accounts represents the investment return that is allocated to the total of the reserve accounts.</i> <i>(ii) transfer between reserve accounts represents accounting entries in terms of the rules of the Funds.</i> b) Transfers between reserves accounts are not only used for accounting corrections and actuarial proposals. This would be any transfers which are allowed for in terms of the rules of the fund.	Agree. The Standard has been revised as proposed. Comment noted.

66	PWC	5(5)	Please update as follows: Details of all transactions—impacting—the various categories of reserves are disclosed in the notes.	Agree. The Standard revised as proposed.
6. SURPLUS				
67	PWC	6	a) It will assist users if the section includes subheadings for Classification, Initial recognition, Measurement and Disclosure b) Split the surplus section historical surpluses (15B) and current/future surpluses (15C).	Agree and to the extent required these sub-headings have been inserted. This distinction may be necessary e.g. based on historical and future surpluses. Therefore, this distinction may differ from funds to funds. The issues of future surplus e.g. 15B surplus is relative to specific funds as most of the section 15B surplus has been distributed to members. Also Note 21 makes provision for all types of disclosures including surplus.
68	SAICA	6	It will assist funds if the section includes sub headings for Classification, Initial recognition, Measurement and Disclosure.	See response above to item 67.
69	PWC	6(1)	This paragraph should clearly differentiate between 15B and 15C surplus. Reference to the “first statutory valuation of the fund” causes some confusion.	See response above to item 67.
70	SAICA	6(1)	This section only refers to section 15B surplus and there is no mention around how to account for Section 15C surplus. Clarity is required on how to deal with section 15C surplus.	See response above to item 67.
71	IRFA	6(2)	This section only refers to section 15B surplus. There is no mention around how to account for Section 15C surplus. Could there be a clear separation between section 15B and Section 15C (future surplus distributions).	See response above to item 67.

72	SAICA	6(2)	Not all surpluses are approved by the FSCA and thus mentioned, there should be a clear separation between section 15B and Section 15C (future surplus distributions).	See response above to item 67.
73	PWC	6(4)	At the end of this sentence, please insert a full stop and remove the colon.	Agree the Standard revised as proposed.
74	IRFA	6(7)	Please clarify the reason why there is not a separate note for employer surplus, its shown under non-current liabilities in the Statement of Net Asset and Funds and not included in the Fund and surplus accounts in the Statement of Net Assets and Funds. Currently it's only included in the reserves note.	It is unclear why the commentator requires an "Employer surplus" is a liability to the fund. All the reserve funds including Benefits, surplus, and contributions accounts these are unique to pension funds. There is also Note 21 including ESA.
75	PWC	6(9)	What about thereafter - when it has been allocated and utilised and it is clear that it will be depleted in the next year via a contribution holiday - should it then not be moved to current liabilities? We recommend that the following is added: The employer surplus account is disclosed under current liabilities once the period of utilisation has been established and it is within the next 12 months.	Disagree. Employer surplus account must be presented under non-current liabilities for funds which have prepared their financial statements on a going concern basis.
76	AF	6(10)	This is against the SCA ruling on Horters. The reference is also incorrect to Regulation 35(4). Fees are paid to administer these records as they still need maintenance and payments when required.	Noted and agree. Section 6(10) revised with incorrect reference to Regulation 35(4), removed.
77	IRFA	6(10)	How should this be disclosed in the AFS? Should it be split in the note to the unclaimed to separate normal unclaimed and surplus apportionment unclaimed?	Section 6(10) revised to indicate that the surplus benefits should be disclosed as "unclaimed benefits."
78	PWC	6(10)	The illustrative financial statements in Annexure B do not include "unclaimed surplus appointment benefits" as a separate line item to allow	Comment noted. The surplus benefits due to former members who cannot be traced, should be disclosed as normal unclaimed benefits. Therefore, we do not think there should be a

			for this required disclosure. We recommend that the illustrative financial statements include this line item with its related note. Having a separate line item and note will make it clear in the AFS that no expenses are deducted and that monies are not released except as a result of payment to a former member or as a result of crediting the Guardians Fund or some other fund established by law.	separate line item. The reporting format does not make a distinction. In any event the surplus apportionment will be transferred to the unclaimed fund within 12 months.
79	SAICA	6(10)	How is this disclosed in the AFS? do not see this clearly - should it be split in the note to the unclaimed to separate normal unclaimed and surplus apportionment unclaimed. For normal unclaimed benefits, the administrators deduct admin fees?	Should be disclosed as normal unclaimed benefits. See response above to item 78.
80	AF	6(11)	Is it the intention for an Expense reserve to be created for future surplus cases too? How do we deal with cases where it has already been decided that future surplus is being distributed (transition)?	See comments above at item 78. Further and future surpluses, will vary depending on the rules of the fund. Further, it is also impossible to have a generic approach to the question of future surplus. s15B. The expense reserve would apply to the extent that it is still applicable and relevant for future surplus scenario.
81	PWC	6(11)	The second sentence of this paragraph makes it seem these expenses only become payable at the end of the reporting period. We recommend that this sentence is updated as follows: These expenses which are payable at the end of the reporting period are disclosed as part of accounts payable under current liabilities.	Agree, the Standard revised as proposed.
82	IRFA	6(12)(a)	6(12)(a) Contribution holiday / employer surplus - Could there be a line item for contribution holiday as this would assist with entries that should not be passed in a reserve account?	The Standard has been revised. The request is a line item to be included for contribution holiday but rather we made an amendment to remove the word “reserves” and include the words “employer

				surplus account”. In instances of contribution holiday, Employers Surplus Account, will be best for the purposes of contribution holiday.
83	PWC	6(12)(a)	The employer surplus account is a non-current liability. With reference to the last sentence, utilisation of the employer surplus account cannot be a debit to “reserves” but should rather be a debit to the employer surplus liability.	Agree, see amendments made to the Standard.
84	PWC	6(12)(c)	We recommend that this paragraph is updated to be consistent with paragraph 6(10). This line item relates to the investment return that is allocated to the surplus benefits payable to former members and pensioners which have not been moved to unclaimed surplus apportionment benefits.	A decision made was to make no differentiation between unclaimed benefits and unclaimed surplus apportionment benefits. The latter should in most cases have been transferred to an unclaimed benefit fund, anyway.
85	PWC	6(12)(f)	We recommend that this paragraph is updated as follows: When the Authority approves the surplus apportionment scheme, surplus is allocated to the member surplus account and the employer surplus account (if applicable) . Surplus apportionment to the member surplus account and the employer surplus account are reflected as a surplus apportionment allocation.	Noted and agree. The Standard has been revised as proposed.
86	PWC	6(12)(g)	We recommend that this paragraph is updated as follows: This line item represents transfers between reserve accounts and the employer surplus account in accordance with the rules of the Fund .	Noted and agree. See amendments made to the Standard.
87	PWC	6(12)(h)	We recommend that this paragraph is updated as follows:	See response to comment 86.

			This line item represents transfers between reserve accounts and the member surplus account in accordance with the rules of the Fund.	
88	PWC	6(12)(o)	Paragraph 6(11) indicates that expenses are disclosed in the reserve account if there has been a reserve account created for these expenses. We recommend that this paragraph is updated as follows: Any administration expenses related to the surplus apportionment exercise are included in administration expenses. If the rules of the Fund have established a reserve account for such expenses, these administration expenses shall be allocated against that reserve account.	Noted and agree. See amendments made to the Standard.
89	PWC	6(14)(b)	We recommend that this sentence is updated as follows to be consistent with paragraph 6(10) Surplus allocated to former members or pensioners who cannot be traced will be included in the unclaimed surplus appointment benefits.	Disagree. In our view surplus apportionment for an unclaimed member, it remains as an unclaimed benefit. We do not make a distinction between normal unclaimed benefits and unclaimed surplus appointment benefits.
90	PWC	6(14)(d)	We recommend that this sentence is updated as follows: It is required to disclose these as a separate line item, in order for these expenses to be identified for allocation against the appropriate contingency reserve if applicable.	Disagree with the proposal. This is so as the Fund will not disclose anything that is not applicable to it. We submit that adding the words “if applicable” will be superfluous.
91	PWC	6(14)(f)	To avoid contradiction between total and line by line basis, we recommend that this sentence is updated as follows:	Noted and agree. See amendments made to the Standard.

			The total column of the combined reserves is included in the statements of changes in net assets and funds . Surplus accounts are included in the statement of changes in net assets and funds, on on a line-by-line basis.	
7. TRANSFERS				
92	PWC	7	It will assist users if the section includes sub headings for Classification, Initial recognition, Measurement and Presentation and Disclosure.	See amendments made to the Standard where headings for “Recognition” and “Disclosures” have been inserted to the Standard.
93	SAICA	7	It will assist funds if the section includes sub headings for Classification, Initial recognition, Measurement and Disclosure.	See comments above at item 92.
94	MML	7(1)	What about transfers to and from other funds after normal retirement date?	This is transfers between Funds and therefore does not distinguish according to prior or post-retirement.
95	PWC	7(4)	a) This section deals specifically with section 14(1) transfers. Please also include specific detail of when prospective (blanket) transfers should be recognised, as well as section 14(8) transfers as no section 14(1)(e) certificate would be provided in such a case. b) This section does not deal with the recognition of individual transfers (section 13A(5) transfers). The current RRR made reference to recognition on the earlier of date of receipt of the transfer documentation or receipt of the transfer.	Paragraph 7(4) refers to section 14(1) transfers. Section 14(8) is considered under paragraph 7(5) and it will be rectified regarding the recognition criteria. Prospective (blanket) are recognised on approval by the Authority (prospective blanket transfers where the number of members and amounts are not known at the effective date of section 14(1) application). Refer to Directive 6 para 11.1. Agree, recognition, measurement, presentation and disclosure of individual transfers have been added to the Standard.

				The transfer section has been amended to make provision for section 14(8) and 13A(5) transfers in relation to recognition, measurement, presentation and disclosure.
96	SAICA	7(4)	Clarity is required on the treatment of other transfers as this section deals specifically with section 14(1) transfers. Please also include specific detail of when 'other' transfers should be recognised, as well as section 14(8) transfers as no section 14(1)(e) certificate would be provided in such a case. Individual transfers are also not dealt with in the section, guidance is required on the treatment thereof.	See response to comment 95.
97	PWC	7(5)	Could you please clarify this sentence. It is not clear what is intended or required by this statement.	Section 14(8)(b)(iii) states that assets and liabilities are transferred within 180 days of the effective date of transfer and not within 60 days as stipulated by section 14(2)(b). Section 14(8) is recognised on the effective date of transfer hence the financials are prepared on the accrual basis. This paragraph is amended to reflect as "Section 14(8) transfers are recognised on the effected date of transfer".
98	PWC	7(6)	a) The second sentence states that section 14 transfers are recognised on approval by the Authority when the section 14(1) certificate is issued. This is a repetition of section (4) above, and also does not include reference to prospective blanket transfers and section 14(8) transfers. b) The second paragraph states that the transfers are measured at the values as per the section 14 application or the value of the transfer at effective date of transfer, adjusted for investment return or late payment interest.	Agree. See amendments made to the Standard. Reference to prospective blanket transfers and section 14(8) transfers has been incorporated to the Standard. Further, amendments have been made to the Standard to include section 14(1) transfers; section 14(8) transfers and section 13(A)5 transfers (individual). Also see comments above at item 95.

			(i) What about adjustments for members who exited the fund before approval of the transfer (ie they were part of the application, but will never be transferred) (ii) What about prospective blanket transfers? The transfer amount is not known in the section 14 application. In this case, the transfer is measured at the value of the assets transferred.	
99	PWC	7(8)	The second sentence refers to adjustments made to transfer amounts. Refer to previous comment raised under 7(6) for members who exited the fund before the transfer was approved.	The adjustment referred to here is for members on approval of the transfer. The members who exited are accounted as part of withdrawals. The withdrawals are no longer part of the transfers.
100	IFRA	7(10)	It states that the transfer value reconciliation should include the value approved per the application and any adjustments (other than MV adjustments) should be in the value transferred column. However the value transferred column is a “cash” column, and does not have an impact on the statement of changes in funds and net assets - if a member is no longer transferring as they exited prior to approval, it either needs to be adjusted in the value approved or the market value adjustment column, otherwise it will overstate the member liability/reserve value (i.e. we would recognise a liability value for members/reserve values that will not be a liability). To make the wording of this section clearer the transfer approved column could be the value approved for the members that actually transfer (i.e., excl the value approved for the members that exited). Also, it seems to be a general transfer matter, but then makes specific reference to the S15B application.	Agree, the referenced to section 15B has been deleted as it is not part of transfers for approvals. We will investigate further regarding section 15E and 15F. We do not think it is necessary to add further column that shows adjustments This is so as the Schedules show the requisite columns.
101	IRFA	7(11)	Kindly clarify how this relates to 11(b), and 11(b) as these are member numbers, but the sub-section (i – iv) seems to relate to values?	Comments noted. In order to address any possible confusion, we have amended sub-section (i – vi) to fall to paragraph 12 and provide guidance on transfer values and the current paragraph 12 will change to paragraph 13. Also

				see comments above regarding the revised instrument and the adopted approach.
102	PWC	7(11)	Please relook at numbering. The numbering currently does not make sense as a) to b) vi) as follows as some of the information relates to normal transfers and some to surplus transfers a) Effective date b) Number of members b) (i) Reconciliation of transfer of surplus b) (ii) Transfer approved to agree to the section 15B application b) (iii) return on surplus transfers b) (iv) assets transferred b) (v) transfer of surplus receivable or payable b) (vi) Transfers applied for not approved	
103	PWC	7(11)(a)	a) For section 14 and 15B transfers, is the effective date not the effective date as noted in the application documentation? b) It is not practical to disclose the effective date of each individual transfer into the fund. Currently the total amount for individual transfers is included in the transfers note. Please remove this disclosure requirement.	Noted, the effective date is stated on the application documentation from both the transferor and transferee fund, not when the application is made to the Authority. Disagree to the suggestion to remove disclosure requirements. In instances where it is not possible and onerous to include individual transfers, funds can do so by submitting consolidated data. In that instances there will be no effective date of each individual transfer into the fund.
104	PWC	7(11)(b)	The number of members for an individual transfer will always be 1, so not reconciliation is required. remove the reference to "...or to the recognition of transfer for an individual transfer." in the third sentence.	Disagree. The reconciliation on form G is required on s14 transfers.
105	PWC	7(12)	This does not align to note 5 and 7 of the financial statements, which indicates that details of the 10 largest transfers in and the 10 largest	Footnotes to Note 5 and 7 and this section revised to rectify the contradiction.

			transfers out should be disclosed. This section states that if there are more than 10, no details are provided. Please update as necessary.	
8. ACCOUNTS RECEIVABLE AND PAYABLE				
106	IRFA	8	There is no reference to IFRS 7 which guides the disclosure of IFRS 9 instruments, and it appears there is no application of IFRS 9 section 5.5. Impairment requirements.	This section revised to included reference to IFRS 9 to the extent that are applicable to pension funds.
107	PWC	8	It will assist users if the section includes subheadings for Classification, Initial recognition, Measurement and Disclosure.	Disagree, the relevant paragraph is self-explanatory. Where applicable sub-headings have been included. For example, see comments at items 38 and 62 above.
108	SAICA	8	It will assist funds if the section includes subheadings for Classification, Initial recognition, Measurement and Disclosure.	See response immediately above at item 107.
109	SAICA	8(1)	For IFRS 9 measurements, the framework does not require the application of section 5.5. impairment? Please confirm if this is correct.	Standard has been amended and Reference has been made to the application of IFRS 9 section 5.5 to the extent applicable. Please note that this Standard does not require strict adherence of IFRS principles.
110	PWC	8(2)	Please see comments above, financial assets and liabilities should first be classified under IFRS 9.4.1 before applying paragraph 5. Furthermore, Account receivable is usually measured at amortised cost and the measurement is described in section 5.4 and the impairment on the amortised assets in section 5.5.	See response to comment 99. Also, the Standard has been amended accordingly.
111	SAICA	8(2)	To confirm, similar to the comment raised above - For IFRS 9 measurements, the framework does not require the application of section 5.5. impairment? Clarity is required to avoid deviation in treatment by funds.	See response to comment 99. Also, the Standard has been amended accordingly
112	PWC	8(4)	Why is specific reference made here to the current portion of housing loans and the current portion of employer surplus, if in the respective	In instances where liability is settled within 12 months then it becomes a current liability.

		use	sections it states that housing loans and employer surplus are included as non-current assets/liabilities.	Therefore, this is a current liability. With regards to employer surplus the same will apply when the fund is terminating.
9. PLANT AND EQUIPMENT				
113	IRFA	9	This is disclosure specific to the revaluation model and judgment in reassessing the useful and residual lives is missing in the AFS. It seems not all disclosure requirements are met – it is suggested that FSCA consider to what extend this is required.	Reassessments for this will entail, inter alia, what are the specific disclosures, its extent and instances of deviation.
114	PWC	9	IAS 16 cannot be applied in its entirety as, per the framework, owner occupied property forms part of investments and not part of PPE. The disclosure requirements in the standard are also not aligned to the template AFS. The following is missing: (i) Date of revaluation (ii) independent valuator (iii) Carrying amount	See amendments made to the Standard. In addition, the Authority may provide guidance as to the establishment and determination of what specific disclosures to be considered and to what extend and instances of deviation. Also see response to comment 113 above.
115	SAICA	9	Disclosures specific to the revaluation model and judgment in reassessing the useful and residual lives are missing in the Annual Financial Statements. Not all disclosure requirements are included and the FSCA needs to consider to what extend they require these and provide specifics.	See response immediately above at item 114.
10. IMPAIRMENTS				
116	IRFA	10	Impairment disclosure overall is not included in the example statements. Could consideration be given for full compliance requirement to this standard and update the template or example AFS to demonstrate? - Or specific references to the sections require to be noted.	Note 1.7 in draft AFS provides disclosure template and paragraphs relating to disclosure as per IAS 36.
117	PWC	10	Refer to the general section for disclosure deficiencies noted.	See changes made to the revised Standard. The Note 10 in the RRR has been updated to include the IAS 36 and 7 disclosure requirements and provide more details relating to deviation.

11. PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES				
		11	No comments	
12. CONTRIBUTIONS				
118	MML	12	This section only deals with contributions to occupational funds, not contributions paid directly by members to retail funds such as retirement annuity and preservation fund or the fund's underwriting insurer. See for instance (1), (2) and (17) where reference is made to the employer, (7) which implies that late payment interest is always applicable.	The Standard refers to normal funds where contributions are received monthly. Retail and preservation funds do not receive monthly contributions.
119	PWC	12	It will assist users if the section includes subheadings for Classification, Initial recognition, Measurement and Disclosure.	To the extent appropriate, these amendments have been made to the Standard.
120	SAICA	12	It will assist funds if the section includes subheadings for Classification, Initial recognition, Measurement and Disclosure.	To the extent appropriate, these amendments have been made to the Standard.
121	PWC	12(5)	Please update as follows: Contributions received are apportioned between retirement funding and funding for risk and other expenses.	Agree, see amendments made to the Standard.
122	IRFA	12(11)	The contribution note h12 may need a line item "Contribution holiday" for future surplus and approval of surplus apportionment.	Comment noted. This can be included under the line item "Other" and provide detail thereof.
123	PWC	12(11)	Section refers to transfers from reserve accounts and specifically mentions contribution holiday funded from the employer surplus account. The employer surplus is a liability, not a reserve. Would this not be included on the line "contributions transferred from surplus accounts"?	Section 12(11) does not refer to employer surplus account as a reserve. Employer Surplus Account is a type of reserve account though word "reserve" not expressly stated in the Pension Fund Act. Also see Note 21 containing the movements in reserve accounts.
124	IRFA	12(12)	The section relates to contributions, and the interest on late paid contributions (i.e. S13A), however subsection c seems to refer to interest on transfers.	The late payment interest on contributions is dealt with in FSCA Conduct Standard 1 of 2022: <i>Pension Fund Contributions - Requirements related to the payment of pension fund</i>

			(a) Should this not form part of transfers, or, where the interest is for some reason not allocated to members, other income? (b) The main section of section 13 refers to interest rates as prescribed by the Authority from time to time. Is there a specific interest rate prescribed on transfers paid late? Usually either investment returns and/or bank interest is added (depending on where the monies were lying in the period between transfer effective date and the date the assets are transferred).	<i>contributions</i>. There is prescribed interest rate indicated that the prescribed rate is calculated as the prime rate plus 2 percent and subsection 5 of the Conduct Standard.
125	PWC	12(13)	Please add the word “on” at the end of the sentence.	Agree, see amendments made to the Standard.
126	PWC	12(13)(c)	Why is this included here, if this section deals with contributions, not transfers.	Agree, section 12(13)(c) has been deleted from the Standard.
127	PWC	12(18)	Please update as follows: Any amount of contributions that are funded from reserves will be a negative amount in the reserve accounts column of the fund and positive in the accumulated funds/member individual accounts column. This line caters for any contribution holiday before surplus apportionment.	Agree, see amendments made to the Standard.
128	PWC	12(20)	This is a duplicate of 12(9).	Disagree, this is not a duplicate. Section 12(9) refers to contribution as received by the fund.
129	PWC	12(21)	What is considered “net amount of contributions”?	Section 12(21) provides that net amount of contributions are,” ...showing contributions towards retirement plus contributions towards reinsurance and expenses, less contributions received during the period.”
13. BENEFITS				
130	PWC	13	a) It will assist users if the section includes subheadings for Classification, Initial recognition, Measurement and Disclosure b) The section deals with annuities only. We recommend that classification of the different types of benefits should be included upfront.	Disagree, where appropriate subheadings have been included to distinguish the various sub items dealt with in the paragraph. This paragraph is distinct from other sections where we have inserted subheadings, and it was deemed necessary to do so.

131	SAICA	13	It will assist funds if the section includes subheadings for Classification, Initial recognition, Measurement and Disclosure.	Comments noted. Where appropriated relevant headings have been included.
132	IRFA	13(2)	Formatting issue resulting in words being cut off – Scenario 3 statement of changes in net assets and funds second paragraph in cell 2.	Agree, see amendments made to the Standard.
133	AF	13(3)	Benefit scenario 1 (in-sourced) Clarity is to be provided here. Is this possibly for an Retirement Annuity Fund scenario? Insourced benefit – please provide clarity as to what this entails? This is a new definition? Referent to Circular PF100 – state what is required here. We don't think the reference addresses the requirement.	See comments above at items 17 and 48 regarding the revised Standard and the adopted approach. Scenario 1 refers to annuities purchased in terms of the rules of the Fund. This is an annuity purchased in the name of the fund and accounted for, within the Fund. Circular PF 100 indicates terms and conditions for a Fund to be released of all obligations towards a member on his or her retirement.
134	IRFA	13(3)	Could living annuities to be addressed as well? This is no reference made in the RRR relating to Living annuities as these are accounted for separately. "Income from investments if the cash flows through the fund bank account. Adjustment to the fair value of investments. Benefits and transfers out if the cash flows through the fund bank account." Kindly advise why is this important if flowing through fund bank account?	The scenario for annuities includes the living annuities and life annuities. Therefore, there is no need to have separate scenarios for it. Comment noted. See amendments made to the Standard. Reference to "bank account" has been deleted.

135	MML	13(3)	If the purpose of scenario 1 and scenario 2 is to distinguish between in-fund annuities and out-of-fund annuities, it must be specified as such. The difference between the two scenarios is currently not clear. The purchase of an annuity is not an investment as held in scenario 3, but rather an asset of the fund. Why should the policy of insurance be reflected as an investment if it is not an investment but rather an asset, under the statement of net assets and funds?	Title indicates insourced annuity (scenario 1) and outsourced annuity (scenario 2). As the annuity is purchased in the name of the Fund, it is viewed as an investment.
136	MML	13(3)	Benefits – (i) Remove the words “with this scenario” in the first paragraph under “Investment decision scenario 3” (ii) In the “Investment decision scenario 3” column, in the second paragraph under the heading “Statement of changes in net assets and funds” there seems to be a few words missing.	See amendments made to the Standard.
137	PWC	13(3)	a) Scenario 3 - The sentence in red below is incomplete. May you please update. Annuity purchased before or after retirement in the name of the fund. With this scenario. b) Scenario 3 - Statement of changes in net assets and funds - Please update this sentence as follows: Aadjustment to fair value should be reflected in the revenue account under adjustment to fair value of... c) Scenario 3 - Statement of changes in net assets and funds - What is the “revenue account”? No other references to this is made in the document. d) None of the scenarios deal with the payment of the pension from the fund i.e. at retirement the member elects a pension from the fund. His fund credit is transferred to a pensioner reserve and on a monthly	Agree. See response to comment 133. Comment noted. The various scenarios deal with the illustrations on the purchase of annuities.

			basis a pension is paid to the pensioner, which is disclosed in the benefits note as part of pension expense.	
138	SAICA	13(3)	a) Living annuities to be addressed as well. No reference is made in the RRR relating to Living annuities as these are accounted for separately. b) This line under Insourced benefits: “Benefits and transfers out if the cash flows through the fund bank account.” Why is this important if flowing through fund bank account?	The three annuity scenarios also includes living annuities. Agree, the Standard has been revised to remove “through the fund bank account” and included “through the fund”.
139	PWC	13(5)	Reference is made here to unclaimed benefits. Would it not be beneficial for unclaimed benefits to have its own section.	Comment noted. For better clarity, the Standard has been revised and a new paragraph 13(7) has been inserted to address unclaimed benefit presentation and disclosure on its own section for.
140	PWC	13(12)	a) Please update the following sentence as follows: (c) the investment return allocated to unclaimed benefits (which is disclosed as a separate line item in the statement of changes in net assets and funds and must agree with the investment policy, as disclosed in the report of the Board of Fund); b) In a previous section of the document it was noted that a separate category should be maintained for unclaimed surplus benefits. How will this be catered for in the disclosures as no reference is made for it here.	Agree, see amendments made to the Standard. Unclaimed surplus benefits to remain being disclosed as one line item of “ unclaimed benefits”.
14. INVESTMENT INCOME				
141	IRFA	14	Subsection (a) Please clarify what is deemed to be indirect dividends in a retirement fund context?	Indirect dividends come from indirect investment. It is a form of investment through the purchase of shares, share certificates, bonds, other valuable papers or a securities investment fund and

				through other intermediary financial institutions. Investors do not directly participate in the management of investment activities.
142	IRFA	14(1)	a) Subsection (b) It states this is recognised in net investment income, but are direct dividends now disclosed as dividends in the investment income note? Previously it was included in fair value adjustment.	Direct dividends are to be disclosed under net investment income.
143	IFRA	14(1)	b) Subsection (i) based on the note 1 added to the AFS note. Can we presume the requirement is now to split out the net investment management fees where it is included in the price (i.e. it is not on the investment reports). Please can this be clarified in the document as a request for this information from investment managers would be evident.	Investment management fees and investment consulting fees to be disclosed separately on the net investment income note.
144	MML	14(1)	@ (f): is the reference to “adjustment to the movement of the financial asset” the same as the “statement of changes in net assets and funds”?	The Standard has been updated. Income from investment policies with insurance companies is included in net investment note as a separate line item under “Income from investments”.
145	PWC	14(1)	The treatment of realised gains and losses is not dealt with in this section.	This is provided for in terms of section 14(1)(h) of the Standard.
146	AF	14(1)(a)	Indirect dividends Clarity on definition to be provided. CUM DIV/EX DIVIDENDS? This is currently not stipulated separately on the information received from investment managers. Will ASISA be requesting reporting by investment managers to now include this?	Disagree, there is no need to define the terms. Where a word has not been defined it takes its ordinary meaning.
147	PWC	14(1)(a)	What is meant by “indirect dividends”?	See response to comment 146.
148	PWC	14(1)(d)	Property expenses: Is the intention that this should be included in the net investment income note as a separate note or should a “net rental income” amount be disclosed. Please clarify.	Section 14(1)(d) of the Standard has been revised so that property expenses are included in Net Investment income note under “Other.”

149	PWC	14(1)(f)	Income from insurance policies: Does this mean that income from insurance policies should be included as part of the adjustment to fair value, and not included as a separate line in the net investment income note?	Section 14(1)(f) of the Standard has been revised so that income from investment policies is included under “Income from Investments” under “Other”.
150	PWC	14(1)(i)	Provide guidance on the type of fees that would be considered “expenses incurred in managing investments”.	Authority cannot provide guidance on what constitutes investment management expenses – It will depend on the investment product being managed by asset managers Only managers can elaborate and provide more details on these expenses.
15. OTHER INCOME				
151	PWC	15(1)	a) Self-insurance: The document is not clear on how an entity should recognise, measure and present self-insurance. Would a fund fall back on IFRS 17 or will guidance in the RRR be provided. It is recommended that guidance is provided to ensure consistency throughout the industry. b) If a fund is self-insured, would the reinsurance portion be included in other income? Would it not just be a transfer from the “risk reserve” to the Member individual accounts or a benefit paid from the risk reserve?	Fund rules will provide how this scenario, accrued liability and so forth. It is beyond the scope of this Standard to provide guidance. Where appropriate and based on supervisory experiences, the Authority may consider issuing guidance to address any uncertainties.
152	AF	15(2)	The heading for this section is “Other income”. Reinsurance proceeds is not included in other income, to be shown in separate line in Statement of Changes in Net assets and Fund.	Agree. See amendments made to the Standard. Section 15 heading of ‘Other Income’ has been revised to include the heading “Reinsurance proceeds”. This will cover paragraphs 15(3)-15(4).
153	MML	15(2)	Remove “in the” from this sentence so it reads “...reinsurance proceeds are received from the insurance company or...”	Agree, see amendments made to the Standard.
154	PWC	15(2)	a) Please update as follows: “When a reinsured benefit becomes payable, reinsurance	See response to comment 153.

			proceeds are received-from the insurance company” b) Reference is made to proceeds from the fund itself for self insured funds: If a fund is self insured, would the reinsurance portion be included in other income? Would it not just be a transfer from the “risk reserve” to the Member individual accounts or a benefit paid from the risk reserve?	See response to comment 151.
16. EXPENSES				
155	IRFA	16(2)	Subsection (a) seems to indicate that administration expenses relate to unclaimed benefits, perhaps the administration fees heading needs to be clarified to be administration fees on unclaimed benefits.	This comment is meant to be on 16(3)(a). Please see paragraph 16(3)(a) which has been amended to include other administration expenses.
156	IRFA	16(3)	The sentence starts with “These”, but it follows a general expense note. Could it rather start with “Unapproved reinsurance premiums...”	Section 16(3) of the Standard has been revised to deal with drafting concerns.
157	PWC	16(3)(a)	Why dealing specifically with the treatment of admin fees attributable to unclaimed benefits? Administration fees section should rather refer to paragraph 16(8) and then deal with the treatment of unclaimed benefit expenses that are recovered from unclaimed benefits. This section/paragraph should also deal with all the other expenses of the Fund.	See response above to item 155. Disagree, the Authority is concerned with the practice where there is a tendency to deplete unclaimed benefits in funds through unsuccessful tracing costs. <u>The intention of this requirement is to disclose ALL COSTS incurred by the fund.</u> Paragraph 16(3)(a) has been revised to include general administration fees and administration fees relating to unclaimed benefits. It also includes other expenses viz. reinsurance expenses, unapproved insurance premiums and other expenses.
158	IRFA	16(4)	Subsection (a) Other miscellaneous expenses – could the wording state these expenses may include tracing expenses.	Agree, section 16(4)(a) has been revised to include the following words “may include.”

			Or subsection 5's top line could change to "miscellaneous expenses attributable to unclaimed and surplus benefits or reserve accounts."	
159	PWC	16(4)	a) This should be a sub bullet of 16(3)(b)(ii) b) Alternatively remove b(ii) above and make "Unapproved reinsurance premiums" a heading for (4) - this would be better as including it under b above creates the impression that it is a valid reinsurance expense. c) If there is a delay in payment over period end from the employer, how would this be recognised? As the fund would have an obligation based on a past event to pay over the premium to the insurer. A payable would still need to be raised for this amount. Please make provision for such.	Agree. Section 16(3)(b)(ii) has been combined with section 16(4). Agree, the Standard has been amended by inserting a new heading under number (c) "Unapproved reinsurance premiums". Agreed, premium is paid in advance-therefore no obligation for the fund.
160	PWC	16(5)(b)	This is the same as 16(3)(a).	Please see comment above at item 159.
161	PWC	16(6)(c)	"probable that any future economic benefit associated with the item will flow to or from the retirement". If benefits flows to the fund it will be an income and not an expense. It is recommended that the wording is updated.	Agree, see amendments made to the Standard.
162	MML	16(9)	(i): A Principal Officer is not a board member.	Disagree, the principal officer can also be a board member of a fund. Refer to Directive 8 issued under the Pension Funds Act.
163	PWC	16(9)	a) Add in reference to the "deputy principal officer" b) Why would the Principal officer receive fees for services as a Board member?	Agree, see amendments made to the Standard. The principal officer can also be a board member. Refer to item 162 above.
164	PWC	16(11)	a) Expand on this note to explain the disclosure requirements in the template financial statements, ie that this needs to be disclosed per individual board member. b) "Board of Trustees" to be updated to refer to "Board of Fund	See amendments made to the Standard. See amendments made to the Standard.

			c) Why would a Board member receive payments for rendering services as a principal officer. Also if this is the case, would the same amounts not to be duplicated in 16(9) and 16(11)?	Section 16(11)(iv) has been revised to remove the part relating to the principal officer as this is covered in 16(8).
165	PWC	16(12)	Update to make reference to “surplus apportionment expenses ”.	Agree, see amendments made to the Standard.
17. OPERATING LEASES				
166	PWC	17	IFRS 16 changed the way a lessee accounts for leases. If the fund acts as a lessee there will not be a distinction between operating and finance lease however if the fund is a lessor there will be a distinction. It is recommended to make the note clear that all contracts that contain leases should be accounted for under IFRS 16. Furthermore, it is not clear why it is only up to para 70 of IFRS 16. Para 70 - 97 describes the accounting for a lessor which is required for the disclosure in section 1.3.	Agree, see amendments made to the Standard in terms of the latest IFRS 16. Where appropriate the extent of IFRS application to operating leases has been included in the Standard. The deviation from approach has also been incorporated in the Standard.
18. ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS				
167	IRFA	18	Per IFRS, errors may result in prior year AFS being restated. The RRR has always been that retirement funds do not revise previous AFS but account for the adjustment in the current year (this was one of the previous 4 deviations from IFRS). Cannot find such statement is made in this section so should errors still be corrected in the CY or is restatement of previous AFS now a requirement? No specific disclosure if there was a change in accounting policy, error, etc. Could consideration be given to add such an example?	Retirement funds apply adjustment arising from changes in accounting policies and errors prospectively. The adjustment is therefore recognized in the current and future periods by the change. This departure from IFRS has been clearly stated in the revised Standard, where appropriate.
168	PWC	18	This differs with Annexure A 2(13) which states: “The regulatory requirements stipulate the prior year figures or amounts must not be adjusted for changes in accounting policies and errors. Further that full disclosure should be given in the current year, where possible to facilitate comparability.”	See response to comment 437 below.

			It needs to be made clear what framework should be followed in respect of changes to accounting policies and correction of errors.	
169	SAICA	18	There is no specific disclosure if there were a change in accounting policy, error, etc. The FSCA to consider adding such an example.	This is covered in prior year adjustments note 15. Also see response to comment 168 above.
19. RELATED PARTIES				
170	IFRA	19	The example disclosure seems incomplete in the AFS – it is suggested more disclosure is required per IAS 24.	Agree, see amendments made to the Standard, where more detail has been provided and the departure from IAS 24 is stated.
171	SAICA	19	Example disclosure is incomplete in the Annual Financial Statements, more disclosure is required per IAS 24.	See comments immediately above at item 170.
20. EVENTS AFTER THE REPORTING PERIOD				
			No comments	
21. FAIR VALUE MEASUREMENT				
172	IFRA	21	Overall comment, incomplete example disclosure in terms of IFRS 13. IFRS 13 requires disclosure at various levels for example Level 1 - listed etc. The current disclosure and examples is not in line with IFRS 13 - is it the intension for the FSCA to align in full to this standard. If not, please could specific references be made to clarify the position.	Agree, see amendments made to the Standard. More details have been provided and the departure from IFRS 13 stated. Amendments were done in terms of IFRS 13. However, where IFRS cannot be applied, the approach is specified.
173	IRFA	General	Member individual accounts, living annuities and paid up members – Clarification on information is required.	Comment noted. Please see the revised Standard and comment above at 172.
174	PWC	21	The current fair value disclosures in the template financial statements are not aligned to IFRS13. It should be made clear what principles of this standard should be complied with.	See comments above at item 172. See comments made on the Standard regarding application of IFRS.
175	SAICA	21	a) Overall comment, the example disclosure in terms of IFRS 13 is incomplete. IFRS 13 requires disclosure at various levels for example Level 1 - listed etc. The current disclosure and examples is not in line with IFRS 13 – we would like to note for the attention for the FSCA to	See comments above at item 172.

			align in full to this standard. If not, please can specific references be made. b) There is missing information or clarity required in above for: member individual accounts, living annuities and paid up members.	
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A. Schedule A – Regulatory Information				
176	AF	Board Table	Race, Gender and CPD disclosure. Might cause client ambiguity. We are concerned about obtaining the information. Should we not just reference Trustee Toolkit? CPD can mean different hours for different qualifications. What would the requirement from the FSCA be?	Disagree. This information is imperative in fulfilling our regulatory mandate. The requirement for qualifications is available from time to time on the website of the Authority www.fsc.co.za .
177	AF	Board Table	Capacity* We will wait for the .xml schema and validations to see how the FSCA implements this.	Noted.
178	IRFA	Board Table	Board of Fund – Minimum skills & training obtained through CPD – should this only note CPD during the financial year? Board of Fund - this is a lot of information to include in one table, format may need to be assessed (e.g., e-mail address could be quite long plus the CPD requirement could include quite a bit of information.	The Authority acknowledges the practical difficulties posed by having detailed requirements in this Standard. Accordingly, the Standard has been revised and detailed Schedules, Annexures and Notes will be issued in a separate Determination. Please refer to Chapter 3 of the revised Standard which is a revised draft without Schedules and Notes to the Annual Financial Statement. The approach taken was to carve out the Annexures, Schedules, and Notes. For the balance of the comment, Authority agrees with the comments and the revised and separate Determination to be issued by the Authority, will incorporate the suggested changes.
179	MML	Board Table	Race and gender of trustees is personal information. It is not relevant to the fund's financial statements. This should therefore be deleted.	Disagree, see comments above at item 176.
180	OM	Board Table	A new column has been added under Board of Fund table asking for information on "Minimum skills and training obtained including CPD". No explanation has been provided of what should be included in this column.	The requirements for minimum skills and training including CPD is available from time to time on the website of the Authority at www.fsc.co.za .

			Will it suffice to provide a summary of each board of fund member's qualifications and number of years of experience as well as any training including CPD completed during the reporting period? Would reference to the completion of the Trustee Toolkit and additional modules need to be reflected as well?	
181	OUTL	Board Table	It is our submission that the required information on the board of funds in relation to their race, gender, minimum skills, training obtained etc. will not add any value in relation to the Financial Statements. We kindly request the Authority to advise the purpose of requiring this information.	See comments above at items 176 and 178.
182	SAICA	Board Table	Board of Fund – Minimum skills & training obtained through CPD – What exactly is meant to be included in here? Is it merely Yes/No or more details required? Board of Fund – Date appointed or re-appointed date (for all Board members) – Member “elected” members are elected as oppose to “appointed”. May you please update to make provision of elected members Date appointed/elected or re-appointed/re-elected date (for all Board members)	Details are required of minimum skills and training done which includes CPD. Also see comments above at item 176.
183	SRF	Board Table	Clarity is requested with regards to the minimum skills and training obtained including CPD hours. What is the Fund required to disclose here? Hours of training, qualifications, CPD hours during the year? For sign off – please clarify for umbrella funds – how many independent board members to sign off with the Chairperson?	See response to comment at items 176 and 178.
184	WTW	Board Table	Board of Fund” – some explanation is needed as to how “Minimum Skills and Training” should be completed. (If the detail required is substantial then much more space will be needed – perhaps this information could be provided in an appendix to Schedule A.) “Board of Fund” – we suggest using the term “Population Group” rather than “Race”.	See comments above items 178 and 180. See comments above at items 178 and 180.

			We are unsure what is meant by “Section 13B person” (p.31) – is this not the Benefit administrator?	
185	PWC	<i>Governance note schedule of meetings* held by the Board of Fund in terms of the rules of the fund</i>	<i>Below Table – “*Only meetings held by the Board of Fund and does not include meetings held by the sub-committees”. May you please also clarify if this schedule of meetings should include special Board of Fund meetings held?</i>	Special board of fund meetings are not included. Also see comments above at item 178.
186	SAICA	<i>Governance note schedule of meetings* held by the Board in terms of the rules of the fund</i>	<i>Table – “*Only meetings held by the Board of Fund and does not include meetings held by the sub-committees”.</i> May you please also clarify if this schedule of meetings should include special Board of Fund meetings held?	See response to comment 185.
187	PWC	Professional service providers. (Indicate the date of appointment/resignation of any service provider during the reporting period)	In addition to the service providers already listed below, some Funds have other service providers such as tracing agents. May you please provision for any other service providers used by the Fund to be disclosed in these sections.	Disagree, there is no need to make a differentiation between professional service providers and other professional service providers. Tracing agents will constitute a professional service provider.
188	SAICA	Professional service providers (Indicate the date of appointment/resignation of any service provider during the reporting period)	In addition to the service providers already listed below, some Funds have other service providers such as tracing agents. May you please provision for any other service providers used by the Fund to be disclosed in this sections.	See response to comment 187.
B. Schedule B – Statement of Responsibilities of the Board				
189	IRFA	Schedule B – Responsibilities	@ Bullet point 4 – “took all reasonable steps to ensure that contributions where applicable, were paid timeously to the fund and reported where necessary in accordance with section 13A and regulation 33 of the Pensions Funds Act”.	Agree, see amendments made to the Standard.

			Depending on the timing of this draft Prudential Standard, bullet point 4 will need to be updated to reference FSCA CONDUCT STANDARD 1 OF 2022 (RF) REQUIREMENTS RELATED TO THE PAYMENT OF PENSION FUND CONTRIBUTIONS, which is replacing Regulation 33.	
190	IRFA	Schedule B – Responsibilities	@ Bullet point 8 “ensured that investments of the fund were implemented and maintained in accordance with the fund’s investment strategy and in accordance with the provisions of Reg 28”. Going concern confirmation should be included as responsibility statement-please consider including a paragraph.	
191	MML	Schedule B – Responsibilities	The terminology should read “the Pension Funds Act”. Could consider adding “and other relevant legislation” / “and all applicable legislation” as used in bullet 6. Bullet 8 should refer to “the investments of the fund.” Should Conduct Standard 1 of 2022 (RF): Requirements related to the payment of pension fund contributions not be included in bullet 4 of the responsibilities of the Board of the Fund, dealing with the Board’s responsibility to ensure timeous payment and reporting of contributions in accordance with section 13A and regulation 33 of the Pension Funds Act?	(a) Agree. (b) Bullet 8 revised to include the word “the” (c) See comments above at item 189.
192	IRFA	Schedule B – Approval of the annual financial statements	The annual financial statements set out on pages <insert page no> to <insert page no> have been prepared for regulatory purposes in accordance with the <i>Regulatory Reporting Requirements for Retirement Funds in South Africa</i>, the rules of the fund and the Pension Funds Act.” Perhaps consider responsibility for other schedules as well? AFS only include the schedule E, F, G and HA. Should they not take responsibility for A, B IA and IB?	Agree, duties of the board is set out in the Pension Funds Act and regulated by the FSCA. Duties of auditors is set out in the Auditing Profession Act regulated by the IRBA. Therefore, the roles and responsibilities of the respective role players, are not the same.
193	PWC	Schedule B – Approval of the annual financial statements	The annual financial statements set out on pages <insert page no> to <insert page no> have been prepared for regulatory purposes in	Agree, see amendments made to the Standard.

			accordance with the <i>Regulatory Reporting Requirements for Retirement Funds in South Africa</i>, the rules of the fund and the Pension Funds Act.” Should this not refer to “Requirements related to Regulatory Reporting and Audited Financial Statements for Pension Funds?”	
194	SAICA	Schedule B – Approval of the annual financial statements	The annual financial statements set out on pages <insert page no> to <insert page no> have been prepared for regulatory purposes in accordance with the <i>Regulatory Reporting Requirements for Retirement Funds in South Africa</i>, the rules of the fund and the Pension Funds Act.” Should this not refer to “Requirements related to Regulatory Reporting and Audited Financial Statements for Pension Funds?”	See response to comment 193.
195	SAICA	Schedule B – Approval of the annual financial statements	The annual financial statements set out on pages <insert page no> to <insert page no> have been prepared for regulatory purposes in accordance with the <i>Regulatory Reporting Requirements for Retirement Funds in South Africa</i>, the rules of the fund and the Pension Funds Act.” Perhaps consider responsibility for other schedules as well? AFS only include the schedule E, F, G and HA. Should they not take responsibility for A, B IA and IB?	See response to 192.
196	MML	Schedule B – Instances of non-compliance	Not necessary to refer to “Acts, Legislation” because Acts and legislation. Legislation, in that sentence, should not begin with a capital letter. “fund” should only be capitalised when referring to a specific fund, otherwise it is always in small caps. This applies to every instance where it appears in the document. Insert a space under the sentence “These financial statements:” Substitute “Board members’ knowledge.” with “Board’s knowledge...” In the last sentence of Schedule B, remove “that” and replace it with a comma to read “... retirement annuity fund or preservation fund, at least one of the independent...”	Agree. The revised determination referred to above at item 178, will incorporate these changes.

197	PWC	Schedule B – Instances of non compliance	<i>“The annual financial statements set out on pages <insert page no> to <insert page no> have been prepared for regulatory purposes in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, the rules of the fund and the Pension Funds Act.”</i> Should this now refer to “Requirements related to Regulatory Reporting and Audited Financial Statements for Pension Funds.” <i>“These financial statements:</i> <i>(a) ...;</i> <i>(b) ...;</i> <i>(c) fairly represent the net assets of the fund at <insert date> as well as the results of its activities for the period then ended; and</i> <i>(d) ...”</i> Is reference to “fairly” relevant even though this is not a fully IFRS compliant set of AFS? Should this not also rather refer to the compliance framework, i.e. “have been prepared in accordance with the requirements related to Regulatory Reporting and Audited Financial Statements for Pension Funds.	See response to 193. In line with definition in IAS1. Further please note the comments above at item 178.
198	SAICA	Schedule B- Instances of non-compliance	<i>“These financial statements:</i> <i>(a) ...;</i> <i>(b) ...;</i> <i>(c) fairly represent the net assets of the fund at <insert date> as well as the results of its activities for the period then ended; and</i> <i>(d) ...”</i> Should this not also rather refer to the compliance framework, i.e. “have been prepared in accordance with the requirements related to Regulatory Reporting and Audited Financial Statements for Pension Funds.	Agree, see comments above at item 193. Further please note the comments above at item 178.

C. Schedule C- Statement of Responsibility by the Principal Officer				
199	MML	Schedule C – Statement of Responsibility by the Principal Officer	Put the words “to the best of my knowledge” immediately after the words “I confirm that” Add a comma between “legislation” and “except” to read “all applicable legislation, except for...”	Agree The revised determination referred to above at item 178, will incorporate these changes.
D. Schedule D – Report of Independent Auditor of the Fund to the Board of the Fund in relation to the Audit of the Financial Statements of a Fund				
No comments				
E. Schedule E – Report of the Board				
200	OM	Schedule E – Report of the Board of the Fund	There is requirement to provide a view of assets held in compliance with the guidance notice (Guidance Notice 1 of 2019 relating to sustainability of Investments and assets in the context of a retirement fund's IPS). However, it is not clear whether this should be a tabular format or whether a confirmation statement provided indicating compliance with the requirements. Also, to note that this information would already be included in the Investments note and further information provided in Schedule A.	A confirmation statement will be sufficient. Further please note the comments above at item 178.
201	MML	Schedule E – Report by Board	Description of the Fund Type of fund Remove the space between the regulation numbering to read “regulation 30(2)(t)(iii)”	Agree. The revised determination referred to above at item 178, will incorporate these changes.
202	PWC	Schedule E- Report by the Board 1. Description of the Fund	1.1 Type of fund <i>“In terms of regulation 30(2)(t (ii) of the Regulations to the Pension Funds Act, the umbrella fund is registered as a type A or B umbrella.”</i> Please indicate for a user of these illustrative AFS that this sentence should be deleted if the Fund is not an umbrella Fund. Recommended rephrase: The types of funds are funds under the Income Tax Act and in terms of Regulation 30(2)(t)(ii) of the Regulations to the Pensions Funds Act viz....	Agree. The revised determination referred to above at item 178, will incorporate these changes.

203	SAICA	Schedule E- Report by the Board 1. Description of the Fund	1.1 Type of fund <i>In terms of regulation 30(2)(t) (ii) of the Regulations to the Pension Funds Act, the umbrella fund is registered as a type A or B umbrella.”</i> Please indicate for a user of these illustrative AFS that this sentence should be deleted if the Fund is not an umbrella Fund.	Agree. The revised determination referred to above at item 178, will incorporate these changes.
204	MML	Schedule E- Report by the Board 1.2 Benefits	Which benefits is the heading under 1.2.3 titled “ Beneficiary benefits ” referring to? It must be clearly stated if these are approved risk benefits received by other family members upon the death of the member.	The “beneficiary benefits” are as defined and contemplated in terms of the registered rules of the Fund as per Regulation 30. Also see comments above at item 178.
205	WTW	Schedule E- Report by the Board 1.2 Benefits	Beneficiary Benefits Perhaps an explanation is needed here of which “beneficiaries” are being referred to (e.g. is this perhaps the beneficiaries of deceased members?).	See response immediately above to 204.
206	PWC	Schedule E- Report by the Board 1.2 Benefits	1.2.4 Paid-up members’ benefits Also add separate section for Deferred retirees or make it clear that this section refers to both paid up members (ie. pre-retirement age) and deferred retirees (post retirement age).	Disagree, we do not distinguish between the two.
207	SAICA	Schedule E- Report by the Board 1.2 Benefits	1.2.4 Paid-up members’ benefits Also add separate section for Deferred retiror make it clear that this section refers to both paid up members (ie. pre-retirement age) and deferred retirees (post retirement age).	See response to comment 206.
208	PWC	Schedule E- Report by the Board 1.3 Contributions	1.3.1 Description in terms of the rules of the fund 1.3.1.1Members’ contributions. <Rule number><Insert description from the rules pertaining to members’ contributions> <i>Example: Members contribute at a rate of 7,5% of pensionable salary.</i>	This requirement is only specific to this item.

			Is the intention to require the specific rule number to be included here? If so, should this reference to a specific rule number not be included for all the other sections as well. Such as employer contributions, benefits, etc?	
209	SAICA	Schedule E- Report by the Board 1.3 Contributions	1.3.1 Description in terms of the rules of the fund 1.3.1.1 Members' contributions. <Rule number><Insert description from the rules pertaining to members' contributions> <i>Example: Members contribute at a rate of 7,5% of pensionable salary.</i> Is the intention to require the specific rule number to be included here? If so, should this reference to a specific rule number not be included for all the other sections as well. Such as employer contributions, benefits, etc?	This requirement is only specific to this item. See response to comment 207.
210	PWC	Schedule E- Report by the Board 1.4 Rules/amendments	1.4 Rules/amendments 1.4.1 Amendments (period under review) Provide clear guidance that this includes all amendments approved and or submitted during the year under review.	As provided in the table in 1.4.1 these are the amendments that were registered by the Authority. Only registered amendments for the period under review.
211	SAICA	Schedule E- Report by the Board 1.4 Rules/amendments	1.4 Rules/amendments 1.4.1 Amendments (period under review) Provide clear guidance that this includes all amendments approved and or submitted during the year under review.	See response immediately above to comment 210.
212	IRFA	Schedule E- Report by the Board 2. Investments	2.1 Investment strategy 2.1.7 Derivative instruments FSCA to consider if the current disclosure sufficiently cover default reg 37 and 39. Also any disclosure required around in-fund living annuities and disclosure around drawdown rates etc? 2.2 Investment Policy Statement Consider including date of last review 2.3 Management of Investments – Can it be considered again to list the investments per asset manager?	The comment is noted. it is superfluous to impose this requirement as it will be onerous on funds. The funds are considered on an aggregated view. It wont make sense to require funds to provide data on draw downs. The Standard also does provide for default disclosure information under “benefits” items.

213	PWC	Schedule E- Report by the Board 2. Investments	2.1 Investment strategy Add section for Paid up members and deferred retirees investment strategy 2.1.1 General Please add a subsection for the Default Investment Strategy of the Fund in line with the requirements of Regulation 37 2.1.2 Individual member choice Please add a subsection for the Default Investment Strategy of the Fund in line with the requirements of Regulation 37 2.2 Investment Policy Statement 2.2.1 “The board of fund confirms that the fund has an Investment Policy Statement (IPS) in place and that it applies/ does not apply the principles stipulated in Regulation 28(2)(c) at all times.” Add a sentence for Funds to disclose the date of review and approval of the latest Investment Policy Statement.	See comments at item 206. Authority may consider this requirement in future. Item 1.2.4
214	SAICA	Schedule E- Report by the Board 2. Investments	2.1 Investment strategy Add section for Paid up members and deferred retirees investment strategy 2.1.1 General – Please add a subsection for the Default Investment Strategy of the Fund in line with the requirements of Regulation 37 2.1.2 Individual member choice – Please add a subsection for the Default Investment Strategy of the Fund in line with the requirements of Regulation 37	Please see comment above at item 178. The revised determination referred to above at item 178, will incorporate these changes.

			2.1.7 Derivative instruments – FSCA to consider if the current disclosure sufficiently cover default reg 37 and 39. Also any disclosure required around in fund living annuities and disclosure around drawdown rates etc? 2.2 Investment Policy Statement 2.2.1 “The board of fund confirms that the fund has an Investment Policy Statement (IPS) in place and that it applies/ does not apply the principles stipulated in Regulation 28(2)(c) at all times.” Consider including date of review “times” Add a sentence for Funds to disclose the date of review and approval of the latest Investment Policy Statement. “2.3 Management of Investments Example: “The funds:... on a fee basis...” Can it be considered again to list the investments per asset manager.	Please see comment above at item 178. The revised determination referred to above at item 178, will incorporate these changes.
215	WTW	Schedule E- Report by the Board 2. Investments	Investment Policy Statement The second paragraph of 2.2.2 reads <i>“To this, regard details, the board of fund includes the following information which is prudent to disclose where possible on the note”.</i> Some words appear to be missing. And which “note” is being referred to here? Perhaps some of the wording in 2.2.2 should be italicized, to indicate that these are matters the Board should consider dealing with under 2.2.2 (i.e. these are examples) – we are not sure if this intended to be prescribed wording or not. (If it is prescribed wording, it needs to be revised to make more sense.)	Please see comment above at item 178. The revised determination referred to above at item 178, will incorporate these changes.
216	AF	Schedule E- Report by the Board	Do we have to include the following notes even if it is not applicable to the fund as a ‘does/does not’ is included?	A fund may simply indicate <i>Not Applicable</i>. Also please see comment above at item 178. The

		2. Investments	2.1.7. Derivative Instruments: 2.1.8. Hedge funds 2.1.9. Private equity funds 2.1.10 Security lending transactions	revised determination referred to above at item 178, will incorporate these changes.
217	OUTL	Schedule E – Report by the Board Investments	Section 2.1.7, 2.1.8, 2.1.9; 2.2.2 of schedule E states the following “Complies with any other requirements of the Authority (except in the following instances...). We are of the opinion that this statement/requirement is broad and vague. We kindly request the Authority to consider amending this to be more specific. We further suggest the Authority adds the word “materially” to this sentence to also ensure a risk-based approach for only material matters required to be escalated. Therefore to read: “Complies materially with any other requirements of the Authority (except in the following instances...)”.	Noted, however the qualification is specified viz. complies with any other requirements of the Authority. Since provision is already made for a qualification there is no need to include the word “materially.” In addition, “materially” is not often a specific but rather a subjective one. Please see comment above at item 178. The revised determination referred to above at item 178, will incorporate these changes.
218	PWC	Schedule E – Report by the Board 4.Surplus Apportionment or Nil Scheme	Is the intention to only disclose this information in the year that the surplus apportionment or nil scheme was approved, or will it remain forever eventho some funds SA schemes were approved 15+ years ago? “Member surplus account (if applicable) <i>[Add a description of the movement in the Member surplus account]</i> <i>Example: Surplus to the amount of R xxx was allocated to xx active members and xx former members as at surplus apportionment date. Investment return of R xxx was added until the date of approval of the surplus apportionment scheme. Surplus of R xxx was transferred to benefits for former members. The remaining surplus of R xxx was allocated to active members and transferred to member individual accounts. During the period under review, the account was utilised for.....”</i> After the words “utilized for”..... include and add remaining balance (and comparative) at year end if applicable.	Surplus and apportionment have been addressed. We do not anticipate having surplus. Most of the surplus will be in respect of 15C surplus i.e. future surpluses. Only where it is still applicable i.e. future surplus.

			Employer surplus account <i>“[Add a description of the movement in the Employer surplus account]</i> <i>Example: The total surplus allocated to the Employer surplus account was R xxx as at surplus apportionment date. Investment return of R xxx was added until the date of approval of the surplus apportionment scheme. Surplus improperly utilised of R xxx was settled against the Employer surplus account. In addition the employer surplus account was utilised in terms of section 15E or section 15J for the following (list and state Rand amounts). The balance of the Employer surplus account was R xxx as at the end of the financial period.”</i> Relating to the last R xxx add comparatives.	Comparatives are disclosed in Schedule HA notes.
219	SAICA	Schedule E – Report by the Board 4. Surplus Apportionment or Nil Scheme	Is the intention to only disclose this information in the year that the surplus apportionment or nil scheme was approved, or will it remain forever even tho some funds SA schemes were approved 15+ years ago? Member surplus account (if applicable) <i>“Member surplus account (if applicable)</i> <i>[Add a description of the movement in the Member surplus account]</i> <i>Example: Surplus to the amount of R xxx was allocated to xx active members and xx former members as at surplus apportionment date. Investment return of R xxx was added until the date of approval of the surplus apportionment scheme. Surplus of R xxx was transferred to benefits for former members. The remaining surplus of R xxx was allocated to active members and transferred to member individual accounts. During the period under review, the account was utilised for....”</i> After the words utilized for include “and add remaining balance (and comparative) at year end if applicable”	See response to comment 218.

			Employer surplus account <i>“[Add a description of the movement in the Employer surplus account]</i> <i>Example: The total surplus allocated to the Employer surplus account was R xxx as at surplus apportionment date. Investment return of R xxx was added until the date of approval of the surplus apportionment scheme. Surplus improperly utilised of R xxx was settled against the Employer surplus account. In addition the employer surplus account was utilised in terms of section 15E or section 15J for the following (list and state Rand amounts). The balance of the Employer surplus account was R xxx as at the end of the financial period.”</i> Relating to last R xxx add comparatives.	
220	WTW	Schedule E – Report by the Board 4. Surplus Apportionment or Nil Scheme	We note that for the great majority of funds, the section 15B surplus apportionment date will be some 20 years in the past and so the 15B surplus apportionment is ancient history now. If this is so (i.e. if the fund's 15B surplus apportionment is now a closed book), then surely the comment in this section should be focused on any current or recent apportionment of surplus under section 15C.	See response above at item 218. Only where is still applicable (future surplus).
221	IRFA	Schedule E – Report by the Board 9. Shares or any financial interest in another entity	One of the other exclusions from IFRS previously was that, where the fund controlled another entity, consolidated AFS were not prepared – has this been stated anywhere?	Please note the issue of deviations. IFRS will be applied to the extent possible.
222	PWC	Schedule E – Report by the Board 9. Shares or any financial interest in another entity	<i>The fund did not acquire or hold shares or any other financial interest in another entity which resulted in the fund exercising control over that entity during the period. Where applicable, approval was first obtained from the Authority in terms of section 19(5D) of the Act.”</i>	Disagree, the word “control” is defined in the Companies Act.

			<i>“exercising control” – may need to define as what the Authority sees as “control”</i>	
223	SAICA	Schedule E – Report by the Board 9. Shares or any financial interest in another entity	<i>The fund did not acquire or hold shares or any other financial interest in another entity which resulted in the fund exercising control over that entity during the period. Where applicable, approval was first obtained from the Authority in terms of section 19(5D) of the Act.”</i> <i>“exercising control” – may need to define as what the Authority sees as “control.”</i>	Please see comment above at item 178. The revised determination referred to above at item 178, will incorporate these changes.
224	WTW	Schedule E – Report by the Board 9. Shares or any financial interest in another entity	@ Page 44 – numbering jumps from 6-9	Agree. Please see comment above at item 178. The revised determination referred to above at item 178, will incorporate these changes.
225	AF	Schedule E – Report by the Board 10. Cybersecurity	Will minimums be defined by the FSCA? Are we addressing cover for trustees/administrator? Are we addressing cover in place by the administrator?	(a) The Joint Standard 2 of 2024 - Cybersecurity and Cyber Resilience Requirements for Financial Institutions, prescribes minimum requirements and principles. (b) It is the responsibility of the administrator to ensure that cover is in place since IT systems are managed by the administrator.
226	IRFA	Schedule E – Report by the Board 10. Cybersecurity	Typo “of”	Agree, see amendments made to the Standard .
227	MML	Schedule E – Report by the Board 10. Cybersecurity	Fix the spelling errors in points 10 to 12 which read <i>“Requirements o the Authority”</i> .	Agree, see amendments made to the Standard.
228	PWC	Schedule E – Report by the Board 10. Cybersecurity	<i>“The Board of Fund has put in place appropriate controls to ensure compliance with the Requirements o the Authority.”</i>	See response to comment 225. Agree, see amendments made to the Standard.

			Should the controls relating to cybersecurity be wider, ie controls and governance processes etc. Include the letter f “Requirements of the Authority”	Agree, see amendments made to the Standard.
229	SAICA	Schedule E – Report by the Board 10. Cybersecurity	<i>“The Board of Fund has put in place appropriate controls to ensure compliance with the Requirements o the Authority.”</i> Should the controls relating to cybersecurity be wider, ie controls and governance processes etc. Include the letter f “Requirements of the Authority”	See response above to comment 225. Agree, see amendments made to the Standard.
230	SRF	Schedule E – Report by the Board 10. Cybersecurity	<i>Confirmation is requested that the requirements of the Authority have been communicated to the Funds formally in this regard.</i>	Agree, see amendments made to the Standard. See response above to comment 225.
231	WTW	Schedule E – Report by the Board 10. Cybersecurity	<i>The proposed wording implies that the Authority’s requirements have been, which is not the case today.</i>	This was correct at the time. However, the final Joint Standard has since been published.
232	AF	Schedule E – Report by the Board 11. Benefit Projections	(i) Will requirements be shared? (ii) In terms of which requirements should this be included? (iii) Is this for DB or DC funds? Or both?	The revised regulatory framework on benefit projections will be timeously communicated to all stakeholders.
233	IRFA	Schedule E – Report by the Board 11. Benefit Projections	Typo “of”	Agree, see amendments made to the Standard.
234	PWC	Schedule E – Report by the Board 11. Benefit Projections	<i>“The Board of Fund has put in place appropriate controls to ensure compliance with the Requirements o the Authority.”</i> Should the controls relating to benefit projections be wider, ie controls and governance processes etc. Include the letter f “Requirements of the Authority”	See response above to comment 232. Agree, see amendments made to the Standard.
235	SAICA	Schedule E – Report by the Board 11. Benefit Projections	<i>“The Board of Fund has put in place appropriate controls to ensure compliance with the Requirements o the Authority.”</i>	See response to comment 232.

			Should the controls relating to benefit projections be wider, ie controls and governance processes etc. Include the letter f “Requirements of the Authority”	Agree, see amendments made to the Standard and the revised draft Determinations.
236	SRF	Schedule E – Report by the Board 11. Benefit Projections	Confirmation is requested that the requirements of the Authority have been communicated to the Funds formally in this regard.	See response to comment 232.
237	WTW	Schedule E – Report by the Board 11. Benefit Projections	The proposed wording implies that the Authoritys requirements have been finalised and published, which is not the case today.	See response to comment 232.
238	AF	Schedule E – Report by the Board 12. Annuity Strategy	(i)Will requirements be shared? In terms of which requirements should this be included? (ii)Why is this disclosed here? Should this not be under investment strategy and fund benefit structure? Default Reg's? Not in the correct place?	The revised regulatory framework on living annuities, will be timeously communicated to all stakeholders.
239	IRFA	Schedule E – Report by the Board 12. Annuity Strategy	Typo “of”	Agree, see amendments made to the Standard and the revised draft Determinations.
240	PWC	Schedule E – Report by the Board 12. Annuity Strategy	“The Board of Fund has put in place appropriate controls to ensure compliance with the Requirements o the Authority.” Does the annuity strategy really need controls? Should it not refer to Board approving and monitoring an appropriate Annuity Strategy?	Agree, see amendments made to the Standard
241	SAICA	Schedule E – Report by the Board 12. Annuity Strategy	12. Annuity Strategy “The Board of Fund has put in place appropriate controls to ensure compliance with the Requirements o the Authority.”	Agree, see amendments made to the Standard. and the revised draft Determinations.

			Does the annuity strategy really need controls? Should it not refer to Board approving and monitoring an appropriate Annuity Strategy?	
242	SRF	Schedule E – Report by Board 12. Annuity Strategy	Confirmation is requested that the requirements of the Authority have been communicated to the Funds formally in this regard.	
243	PWC	Schedule E – Report by the Board	What is the logic for moving the reconciliation of membership into the audited AFS? Not IFRS requirement and will add additional unnecessary costs to audit. There is no guidance in the RRR on how this membership recon should be determined against which the numbers can be audited.	This addresses discrepancies between schedule HA (benefits, transfers etc) & Schedule E (membership) on the financial statements. The aim is to cross reference numbers on the membership recon with the actual amounts on benefits, transfers etc (i.e movements between the recon and benefits paid/accrued/transferred).
244	IRFA	Schedule F – Statement of Net Assets and Funds	Reassess whether there is a need for current/non-current split, if required, please move unclaimed benefits to current as they are due when a valid claim is received (ie. could be paid tomorrow)	An "unclaimed" benefit, as defined by legislation, is a benefit that has not been paid to or claimed by a member within 24 months from the date it became due for payment or claiming An entity shall classify a liability as current when (IAS 1 p.69): • it expects to settle the liability in its normal operating cycle; • the liability is due to be settled within twelve months after the reporting period; or • it does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period Therefore, unclaimed benefit cannot be classified under "current liabilities".
245	IRFA	Schedule F – Statement of Net Assets and Funds	FUNDS AND LIABILITIES Members Funds and Surplus account Members individual accounts	See comments immediately above at item 244.

			Consider a note that will reflect paid-up and living annuities and the MIA in the note to this. It is important to split this out. Non-current liabilities Unclaimed benefits In the framework there is a requirement to disclose unclaimed benefits surplus separately-where is this dealt with - perhaps the note should disclose this?	
246	PWC	Schedule F - Statement of Net Assets and Funds	ASSETS Non-current assets Investment and owner occupied properties) Can this be removed – makes schedule lumpy FUNDS AND LIABILITIES Reserves Revaluation reserve: Property, plant and equipment Why reference to property? Per framework would form part of investments? FUNDS AND LIABILITIES Reserves Revaluation reserve: Property, plant and equipment Why reference to property? Per framework would form part of investments? Non- current Liabilities Where would operating lease liability for the right of use of asset be included? Current portion would also need to be disclosed. Employer surplus account	Please see comment above at item 178. The revised determination referred to above at item 178, will incorporate these changes.

			What if the ER surplus account is being depleted in the next year? Should then be “current liabilities”. Retirement fund taxation Is this still applicable? Bank overdraft Funds are not allowed to have bank overdrafts.	
247	SAICA	Schedule F - Statement of Net Assets and Funds	ASSETS Non-current assets Investment and owner occupied properties) Can this be removed – makes schedule lumpy FUNDS AND LIABILITIES Members funds and surplus account Members’ individual accounts Consider a note that will reflect paid-up and living annuities and MIA in the note to this. It is important to split this out. Reserves Revaluation reserve: Property, plant and equipment Why reference to property? Per framework would form part of investments? FUNDS AND LAIBILITIES Reserves Revaluation reserve: Property, plant and equipment Why reference to property? Per framework would form part of investments?	Please see comment above at item 178. The revised determination referred to above at item 178, will incorporate these changes.

			Non- current Liabilities Where would operating lease liability for the right of use of asset be included? Current portion would also need to be disclosed. Employer surplus account What if the ER surplus account is being depleted in the next year? Should then be “current liabilities”. Unclaimed benefits In the framework there is a requirement to disclose unclaimed benefits surplus separately – where is this dealt with – perhaps the note should disclose this? Retirement fund taxation – is this still applicable? Bank overdraft Funds are not allowed to have bank overdrafts.	
G. SCHEDULE G – Statement of Changes in Net Assets and Funds				
248	PWC	Schedule G – Statement of Changes in Net Assets and Funds	Table Retirement fund taxation Is this still applicable?	Please see comment above at item 178. The revised determination referred to above at item 178, will incorporate these changes.
249	SAICA	Schedule G – Statement of Changes in Net Assets and Funds	Table Retirement fund taxation Is this still applicable?	Please see comment above at item 178. The revised determination referred to above at item 178, will incorporate these changes.
HA. SCHEDULE HA – Notes to the Financial Statements				

250	PWC	Schedule HA Notes to Financial Statements – Principal Accounting Policies –	The illustrative accounting policies will need to be relooked considering the amendments made in the Prudential Standard. The following illustrative accounting policies are outstanding: Member Surplus Employer Surplus Reserves Amounts to be allocated Benefits and related payables (including unclaimed benefits) Transfer payables and receivables Contributions payable and receivables Reinsurance proceeds Reinsurance premiums Administration expenses Since membership recon has moved to notes, an accounting policy is required for the basis of classification between the difference categories and citizenship. Since membership recon has moved to notes, an accounting policy is required for the basis of classification between the difference categories and citizenship.	Disagree. Please see comment above at item 178. The revised determination referred to above at item 178, will incorporate these changes.
251	SAICA	Schedule HA Notes to Financial Statements – Principal Accounting Policies	The illustrative accounting policies will need to be relooked considering the amendments made in the Prudential Standard. The following illustrative accounting policies are outstanding: Member Surplus Employer Surplus Reserves	Please see comment above at item 178. The revised determination referred to above at item 178, will incorporate these changes.

			Amounts to be allocated Benefits and related payables (including unclaimed benefits) Transfer payables and receivables Contributions payable and receivables Reinsurance proceeds Reinsurance premiums Administration expenses Since membership recon has moved to notes, an accounting policy is required for the basis of classification between the difference categories and citizenship.	
252	PWC	Schedule HA Notes to Financial Statements – Principal Accounting Policies – Purpose and Basis of preparation of financial statements	<i>“The financial statements are prepared in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, the rules of the fund and the provisions of the Pension Funds Act.”</i> Update for new name	Agree. Please see comment above at item 178. The revised determination referred to above at item 178, will incorporate these changes.
253	SAICA	Schedule HA Notes to Financial Statements – Principal Accounting Policies – Purpose and Basis of preparation of financial statements	<i>The financial statements are prepared in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, the rules of the fund and the provisions of the Pension Funds Act.”</i> Update for new name	Agree, see amendments made to the Standard.
254	IRFA	Schedule HA Notes to Financial Statements – Principal Accounting Policies – Purpose and Basis of	“...Land and buildings.” - Is this specific to pension funds? Or is this an accounting policy choice to show land and buildings at fair value because they use the revaluation method of measuring? Depreciation ...estimated useful...” Useful lives and residual values are judgements, and the standard requires reassessment thereof yearly.	Yes, see accounting framework, accounting policy applies to pension funds as well.

		preparation of financial statements Plant and Equipment	Need to make such statement that they have been reassessed and that the useful lives remain as determined. Depreciation is calculated... period of lease - This is not assumed. If the leasehold improvements have a longer useful life and can be used beyond the lease term it could have a longer useful life.	Noted. Re-assessments will have to be made and useful lives determined. Agree. See revised wording in the Standard for clarity on reasonable estimates used.
255	PWC	Schedule HA Notes to Financial Statements – Principal Accounting Policies – Purpose and Basis of preparation of financial statements Plant and Equipment	<i>All plant and equipment are initially recorded at cost. Land and buildings are subsequently shown at market value, based on triennial valuations by external independent valuers, less subsequent depreciation. The remaining plant and equipment is stated at historical cost less depreciation. Increases in the carrying amount arising on revaluation are credited to the revaluation reserve.</i> When would land and buildings be part of PPE? Owner occupied property is part of investments, and any other property would be investment property as part of investments as well. This “revaluation reserve” is not dealt with elsewhere in the RRR. This is not a reserve in terms of the rules of the fund.	See response immediately above at item 254
256	SAICA	Schedule HA Notes to Financial Statements – Principal Accounting Policies – Purpose and Basis of preparation of financial statements Plant and Equipment	<i>All plant and equipment are initially recorded at cost. Land and buildings are subsequently shown at market value, based on triennial valuations by external independent valuers, less subsequent depreciation. The remaining plant and equipment is stated at historical cost less depreciation. Increases in the carrying amount arising on revaluation are credited to the revaluation reserve.</i> When would land and buildings be part of PPE? Owner occupied property is part of investments, and any other property would be investment property as part of investments as well.	See response above at item 254.

			This “revaluation reserve” is not dealt with elsewhere in the RRR. This is not a reserve in terms of the rules of the fund. <i>Depreciation is calculated on the straight-line method to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful life as follows:</i> <i>Leasehold improvements - period of lease”</i> This is not assumed. If the leasehold improvements have a longer useful life and be used beyond the lease term it could have a longer life.	
257	IRFA	Schedule HA Notes to Financial Statements – Principal Accounting Policies – Financial Instruments	Measurement “Financial instruments are initially measured at cost as of trade date, which includes transaction costs...” Please consider this - reference 5.1.1 of IFRS 9 notes that on initial recognition a financial instrument is measured at fair value. Although cost might approximate fair value, the standard references fair value. This depends in the instance of a financial asset, how the asset is classified - refer to 5.1.1 of IFRS 9 - "... in the case of a financial asset or a financial liability not at fair value through profit or loss, transaction costs..."	Agree. Please see comment above at item 178. The revised determination referred to above at item 178, will incorporate these changes.
258	SAICA	Schedule HA Notes to Financial Statements – Principal Accounting Policies – Financial Instruments	Measurement <i>Financial instruments are initially measured at cost as of trade date, which includes transaction costs. Subsequent to initial recognition, these instruments are measured as set out below.”</i>	Please see comment above at item 178. The revised determination referred to above at item 178, will incorporate these changes.

			Please consider this – reference 5.1.1 of IFRS 9 notes that on initial recognition a financial instrument is measured at fair value. Although cost might approximate fair value, the standard references fair value. Regarding transaction costs this depends in the instance of a financial asset, how the asset is classified – refer to 5.1.1. of IFRS 9 – “ ... in the case of a financial asset or a financial liability not at fair value through profit and loss, transaction costs...”	
259	IRFA	Schedule HA Notes to Financial Statements – Principal Accounting Policies – Collective Investment Scheme	“Collective investment schemes are valued at the repurchase price. ” Is this fair value?	Please see comment above at item 178. The revised determination referred to above at item 178, will incorporate these changes.
260	SAICA	Schedule HA Notes to Financial Statements – Principal Accounting Policies – Collective Investment Scheme	“Collective investment schemes are valued at the repurchase price. ” Is this fair value?	Please see comment above at item 178. The revised determination referred to above at item 178, will incorporate these changes.
261	IRFA	Schedule HA Notes to Financial Statements – Principal Accounting Policies – Housing Loan	Housing loans are classified as loans originated by the fund and are measured at amortised cost ” Do all housing loans meet the SPPI test, that payments relating to the loan are only principal amounts outstanding and interest on the principal amount and does the interest only comprise of basic lending risk, time value of money and credit risk. Otherwise, if not, housing loans can also be measured at fair value either through OCI or PL depending on the classification criteria of IFRS 9.	Comment noted. Where a fund does not meet the SPPI test it should be measured at fair value because fair value will reflect changes in credit risk, interest rate risk and liquidity risk. Please see comment above at item 178. The revised determination referred to above at item 178, will incorporate these changes.
262	SAICA	Schedule HA	Housing loans are classified as loans originated by the fund and are measured at amortised cost.	See response at item 261.

		Notes to Financial Statements – Principal Accounting Policies – Housing Loan	Do all housing loans meet the SPPI test, that payments relating to the loan are only principal amounts outstanding and interest on the principal amount and does the interest only comprise of basic lending risk, time value of money and credit risk.	
263	IFRA	Schedule HA Notes to Financial Statements – Principal Accounting Policies – Other loans	Consider their business model and cash flow characteristics on how it will be classified and therefore accounted for.	Noted. The business model and cash flow characteristics will be considered for its classification.
264	SAICA	Schedule HA Notes to Financial Statements – Principal Accounting Policies – Other loans	Other loans are non-derivative financial assets with fixed or determined payments that are not quoted in an active market and are recognised when the asset is acquired using trade date accounting. Consider the business model and cash flow characteristics on how it will be classified and therefore accounted for.	See response above to comment 263.
265	MML	Schedule HA Notes to Financial Statements – Principal Accounting Policies – Insurance policies	What value is placed on the approved risk benefits provided through insurance policies? If they are “valued equivalent to the value certified by the insurer” then the contributions to such benefits are already covered under the 12 th heading titled “CONTRIBUTIONS”.	The value of insurance policy is as per policy document issued by the insurer and revised annually.
266	MML	Schedule HA Notes to Financial Statements – Principal Accounting Policies – Insurance policies	Pensioner annuity policies Remove the comma between “value” and “equivalent” so it reads “These policies are value equivalent to the market value...”	Agree. Please see comment above at item 178. The revised determination referred to above at item 178, will incorporate these changes.
267	PWC	Schedule HA Notes to Financial Statements – Principal	What about all other different classes/categories of investments, Cash, Commodities, debt instruments, equities, hedge funds, investments in participating employer.	Please see comment above at item 178. The revised determination referred to above at item 178, will incorporate these changes.

		Accounting Policies – Insurance policies	May you please include an illustrative accounting policy.	Further, including an illustrative accounting policy is beyond the scope of this Standard.
268	PWC	Schedule HA Notes to Financial Statements – Principal Accounting Policies – Investment Property	<i>Owner-occupied properties are held for administrative purposes.”</i> Add treatment of OOP. IP dealt with in next par. “Property and Land” <i>Property is initially recorded at cost. Land and buildings are subsequently shown at market value, based on triennial valuations by external independent valuers, less subsequent depreciation. The remaining property and plant is stated at historical cost less depreciation. Increases in the carrying amount arising on revaluation are credited to the revaluation reserve. Decreases that offset previous increases of the same asset are charged against the revaluation reserve; all other decreases are charged to the income statement. Each period the difference between depreciation based on the revalued carrying amount of the assets (the depreciation charged to the Statement of Changes in Net Assets and Funds) and depreciation based on the asset’s original cost is transferred from the revaluation reserve to accumulated funds. Depreciation is calculated on the straight-line method to write off the cost of each asset, or the re-valued amounts, to their residual values over their estimated useful life as follows:</i> <i>Buildings 25 – 40 years</i> <i>Land is not depreciated as it is deemed to have an indefinite life.</i>	Please see comment above at item 178. The revised determination referred to above at item 178, will incorporate these changes.

			<i>Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Impairment losses are recognised.</i> <i>Gains and losses on disposal of property and land are determined by reference to their carrying amount and are taken into account in determining the net surplus or deficit.</i> <i>Maintenance and repairs, which neither materially add to the value of assets nor appreciably prolong their useful lives, are charged against income.”</i> The various sections dealing with property are confusing to follow as some of the information is included under PPE and some under investments (owner occupied and investment property). Please ensure that the treatment of property is consistent between the RRR and the financial statements.	
269	SAICA	Schedule HA Notes to Financial Statements – Principal Accounting Policies – Investment Property	<i>Owner-occupied properties are held for administrative purposes.”</i> Add treatment of OOP. IP dealt with in next par. “Property and Land” <i>Property is initially recorded at cost. Land and buildings are subsequently shown at market value, based on triennial valuations by external independent valuers, less subsequent depreciation. The remaining property and plant is stated at historical cost less depreciation. Increases in the carrying amount arising on revaluation are credited to the revaluation reserve.</i> <i>Decreases that offset previous increases of the same asset are charged against the revaluation reserve; all other decreases are charged to the income statement.</i>	Please see comment above at item 178. The revised determination referred to above at item 178, will incorporate these changes.

			<i>Each period the difference between depreciation based on the revalued carrying amount of the assets (the depreciation charged to the Statement of Changes in Net Assets and Funds) and depreciation based on the asset's original cost is transferred from the revaluation reserve to accumulated funds.</i> <i>Depreciation is calculated on the straight-line method to write off the cost of each asset, or the re-valued amounts, to their residual values over their estimated useful life as follows:</i> <i>Buildings 25 – 40 years</i> <i>Land is not depreciated as it is deemed to have an indefinite life.</i> <i>Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Impairment losses are recognised.</i> <i>Gains and losses on disposal of property and land are determined by reference to their carrying amount and are taken into account in determining the net surplus or deficit.</i> <i>Maintenance and repairs, which neither materially add to the value of assets nor appreciably prolong their useful lives, are charged against income.”</i> The various sections dealing with property are confusing to follow as some of the information is included under PPE and some under investments (owner occupied and investment property). Please ensure that the treatment of property is consistent between the RRR and the financial statements.	
270	PWC	Schedule HA Notes to Financial Statements – Principal	<i>“ Owner occupied property”</i> <i>With owner occupied this was not clear in the Accounting Policy. Accounting policies should be updated to reflect the notes. As both in the</i>	Please see comment above at item 178. The revised determination referred to above at item 178, will incorporate these changes.

		Accounting Policies – Investment Property	investment note and the owner occupied note the building can be fair value. Furthermore, the RRR is silent on how the reservation reserve will be accounted for in the fund. It is recommended that guidance is provided, would a fund follow the document or IFRS IAS 16?	
271	PWC	Schedule HA Notes to Financial Statements – Principal Accounting Policies – Derivatives	<i>Derivative contracts are entered into mainly to hedge exposure to equities. The parameters are defined in terms of the investment policy statement approved by the Board of Fund .”</i> This does not give any details of the accounting treatment(policy) of derivatives?	The valuation of derivatives is contemplated in FSCA Conduct Standard 1 of 2022. It is also found in Note G1, G2 and G3.
272	SAICA	Notes to Financial Statements – Principal Accounting Policies – Derivatives	<i>Derivative contracts are entered into mainly to hedge exposure to equities. The parameters are defined in terms of the investment policy statement approved by the Board of Fund .”</i> This does not give any details of the accounting treatment(policy) of derivatives?	See response to comment 271.
273	PWC	Notes to Financial Statements – Principal Accounting Policies - Accounts receivable	• <i>Cash and cash equivalents</i> Should this not be in bold instead of having it as a subcategory of accounts receivable? • <i>Accounts payable</i> Should this not be in bold instead of having it as a subcategory of accounts receivable?	Agree. Standard revised to include that proposed. Please see comment above at item 178. The revised determination referred to above at item 178, will incorporate these changes.
274	SAICA	Notes to Financial Statements – Principal	<i>Cash and cash equivalents</i> Should this not be in bold instead of having it as a subcategory of accounts receivable?	See response to comment 273.

		Accounting Policies - Accounts receivable	• Accounts payable Should this not be in bold instead of having it as a subcategory of accounts receivable?	
275	PWC	Notes to Financial Statements – Principal Accounting Policies - Contributions	Contributions <i>Contributions are brought to account on the accrual basis except for voluntary contributions, which are recorded in the period in which they are received.</i> This is different to the RRR which provides those regular recurring contributions be raised on the accrual basis.	Please see comment above at item 178. The revised determination referred to above at item 178, will incorporate these changes.
276	SAICA	Notes to Financial Statements – Principal Accounting Policies - Contributions	Contributions <i>Contributions are brought to account on the accrual basis except for voluntary contributions, which are recorded in the period in which they are received.</i> This is different to the RRR which provides those regular recurring contributions be raised on the accrual basis.	See response to comment 275.
277	AF	Schedule HA Notes to Financial Statements – Principal Accounting Policies – Dividend income, insurance policy income, interest and rentals	Dividend income, insurance policy income, interest and rentals Gains and losses on subsequent measurement should be adjusted to refer to Adjustment to Fair values as per the rest of the AFS.	Please see comment above at item 178. The revised determination referred to above at item 178, will incorporate these changes.
278	PWC	Schedule HA Notes to Financial Statements – Principal Accounting Policies – Dividend income,	May you please include an accounting policy for: - interest on late payment of contributions - interest levied on surplus improperly utilized	Disagree. We do not think it is necessary to include an accounting policy for late payment of contributions. The balance of requirements for late payment of contribution is contemplated in FSCA Conduct Standard 1 of 2022.

		insurance policy income, interest and rentals		
279	SAICA	Schedule HA Notes to Financial Statements – Principal Accounting Policies – Dividend income, insurance policy income, interest and rentals	May you please include an accounting policy for: -interest on late payment of contributions -interest levied on surplus improperly utilised	See comments immediately above at item 278.
280	AF	Schedule HA Notes to Financial Statements – Principal Accounting Policies – Transfers to and from the Fund	Are we sure this sentence reads correctly? <i>“In terms of section 14(8) recognition of section 14(2)(b) must be complied with...”</i> How can it be in terms of S14(8) and Section 14 (2) (b)?	Agree. Please see comment above at item 178. The revised determination referred to above at item 178, will incorporate these changes.
281	IRFA	Schedule HA Notes to Financial Statements – Principal Accounting Policies – Transfers to and from the Fund	Individual transfers and section 14 transfers where both funds are valuation exempt are recognised when both funds agree to the transfer, these are not approved by the FSCA.	Agree. Please see comment above at item 178. The revised determination referred to above at item 178, will incorporate these changes.
282	MML	Schedule HA Notes to Financial Statements – Principal Accounting Policies – Transfers to and from the Fund	Fix the spelling error under the subheading “Transfers to and from the fund” to read “Section 14 and 15B transfers to or from the fund are...”	Disagree, transfers also relate to other sections as well i.e 15E, 15F etc.
283	PWC	Schedule HA Notes to Financial Statements – Principal	<i>Section 14 and 15B transfers to or form the fund are recognised on approval being granted by the Financial Sector Conduct Authority. Individual transfers are recognised when the individual member’s transfer</i>	Section 14(8)(b)(iii) states that assets and liabilities are transferred within 180 days of the effective date

		Accounting Policies – Transfers to and from the Fund	<i>is approved by the FSCA. In terms of section 14(8) recognition of section 14(2)(b) must be complied with and Conduct Standard 1 of 2019 or any regulatory instruments issued by the Authority in this regard. Legal form will prevail over substance in this regard. Complies with any other requirements of the FSCA.</i> Section 14(8) transfers are not approved by FSCA. When would these transfers be recognised? Individual transfers are not approved by the FSCA?	of transfer and not within 60 days as stipulated by section 14(2)(b) Section 14(8) is recognised on the effective date of transfer hence the financials are prepared on.
284	WTW	Schedule HA Notes to Financial Statements – Principal Accounting Policies - Transfers to and from the Fund	There is the statement that “ <i>Individual transfers are recognized when the individual member’s transfer is approved by the FSCA</i> ” – we are not sure what approval is being referred to here.	Please see comment above at item 178. The revised determination referred to above at item 178, where appropriate will incorporate these changes.
285	MML	Schedule HA Notes to Financial Statements – Principal Accounting Policies – Related Parties	Principal Officer fees should not be included under related party transactions as a Principal Officer should be independent	All related party transactions must be disclosed especially where the principal officer is not independent. This is crucial disclosure as the Authority must be able to determine if such related party interest e.g. principal officer is still remunerated by administrator e.g. under section 19(4A) of the Act.
286	PWC	Schedule HA Notes to Financial Statements – Principal Accounting Policies – Related Parties	“Related Parties <i>If there have been transactions between related parties, the Fund shall disclose the nature of the related party relationship as well as the following information for each related party relationship:</i> • <i>the amount of the transactions;</i> • <i>the amount of outstanding balances;</i> • <i>their terms and conditions, including whether they are secured, and the nature of the consideration to be provided</i>	See response to comment 285. Please see comment above at item 178. The revised determination referred to above at item 178, where appropriate will incorporate these changes.

			in the settlement; • details of guarantees given or received; • provisions for doubtful debts related to the amount of outstanding balances; and • the expense recognised during the year in respect of bad or doubtful debts due from related parties.” That in bold red is not applicable to retirement funds and never disclosed. Consider removing.	
287	SAICA	Schedule HA Notes to Financial Statements – Principal Accounting Policies – Related Parties	Related Parties <i>If there have been transactions between related parties, the Fund shall disclose the nature of the related party relationship as well as the following information for each related party relationship:</i> • <i>the amount of the transactions;</i> • <i>the amount of outstanding balances;</i> • their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in the settlement; • details of guarantees given or received; • provisions for doubtful debts related to the amount of outstanding balances; and • the expense recognised during the year in respect of bad or doubtful debts due from related parties.” That in bold red is not applicable to retirement funds and never disclosed. Consider removing.	See response to comment 285. See response to comment 285. Please see comment above at item 178. The revised determination referred to above at item 178, where appropriate will incorporate these changes.
288	SAICA	Notes to the Financial Statements	None of the notes includes comparatives for the movement in the prior year ie the Net changes in assets and Funds movement details. ie benefits show opening due to closing due but not the actual movement in the prior year	No need for changes, the note does show the prior year figures. Please see comment above at item 178. The revised determination referred to above at item

			etc. IFRS principles require comparatives for all disclosures. To be considered.	178, where appropriate will incorporate these changes.
289	IFRA	Schedule HA – Notes to Financial Statements – Table 1.Plant and Equipment 1.1 Current Period	Note 1 Other (provide details); <u>Description</u> <u>Net carrying amount at end of the period</u> <u>Eg. leasehold improvements, vehicles etc;</u> Items of different nature need to be disaggregated/	This information is for illustrative purposes. The fund must update the information accordingly.
290	PWC	Schedule HA – Notes to Financial Statements – Table 1.Plant and Equipment 1.1 Current period	Please see previous comments raised regarding the property. All property included in investments as either owner occupied or investment property.	
291	SAICA	Schedule HA – Notes to Financial Statements – Table 1.Plant and Equipment 1.1 Current Period	Please see previous comments raised regarding the property. All property included in investments as either owner occupied or investment property.	Please see comment above at item 178. The revised determination referred to above at item 178, where appropriate will incorporate these changes.
292	IRFA	Schedule HA – Notes to Financial Statements – Table 1.Plant and Equipment 1.1 Previous Period	Example: The impairment charge of RX for <insert asset class, e.g. office equipment) comprises RX relating to [insert type of asset, e.g. telephones] and RX relating to [insert type of asset, e.g. televisions] If there was an impairment or a reversal of an impairment there are many disclosures that are required to be made - please refer to IAS 36:30 - 37. The fair value of furniture and fittings is materially different from the carrying amount - What does this disclosure relate to in terms of IAS 16?	See response to comment 285. Please see comment above at item 178. The revised determination referred to above at item 178, where appropriate will incorporate these changes.

			The following asset classes have been pledged as security for liabilities / have a restriction on title - For revalued property (looking at the accounting policy - land and buildings) disclosure relating to IAS 16:77 is missing.	
293	SAICA	Schedule HA – Notes to Financial Statements – Table 1.Plant and Equipment 1.1 Previous Period	Example: The impairment charge of RX for <insert asset class, e.g. office equipment) comprises RX relating to [insert type of asset, e.g. telephones] and RX relating to[insert type of asset, e.g. televisions]. If there was an impairment or a reversal of an impairment there are many disclosures that are required to be made – please refer to IAS 36:30 – 37 The fair value of furniture and fittings is materially different from the carrying amount – What does this disclosure relate to in terms of IAS 16? The following asset classes have been pledged as security for liabilities/ have a restriction on title. For revalued property (looking at the accounting policy – land and buildings) disclosure relating to IAS 16:77 is missing.	See response to comment 285. Please see comment above at item 178. The revised determination referred to above at item 178, where appropriate will incorporate these changes.
294	OUTL	Schedule HA – Table 1.Plant & Equipment(subject to operating lease)1.3 Current period	It is our submission that the required information in respect of the Lessor is not currently a requirement in terms of IFRS. We kindly require clarity why this is proposed as an addition to calculate this as Lessor as we do not believe this will add any value.	The note indicates that the Plant and equipment is SUBJECT TO OPERATING LEASES, however we do not agree with the statement that the required information in respect of the Lessor is not currently a requirement in terms of IFRS. This is so as IFRS 16 paragraph 95 stipulates that “a lessor shall provide the disclosures required by IAS 16 for assets subject to an operating lease (by class of underlying asset) separately from owned assets held and used by the lessor”.
295	PWC	Schedule HA – Table 1.Plant and Equipment (subject to operating lease)	1. Plant and equipment - Is it a requirement to split it out separately?	Please see comment above at item 178. The revised determination referred to above at item 178, where appropriate will incorporate these changes.

		1.3 Current Period	<i>"The above table is applicable when the fund is the lessor..."</i> Add after lessor, "but excludes investment property"	
296	SAICA	Schedule HA – Table 1. Plant and Equipment (subject to operating lease) 1.3 Current Period	1. Plant and equipment - Is it a requirement to split it out separately? <i>"The above table is applicable when the fund is the lessor..."</i> Add after lessor, "but excludes investment property"	See response to comment 295.
297	OUTL	Schedule HA – Table 1. Plant & Equipment (subject to operating lease) 1.5 Previous period	It is our submission that the required information in respect of the Lessor is not currently a requirement in terms of IFRS. We kindly require clarity why this is proposed as an addition to calculate this as Lessor as we do not believe this will add any value.	Please see comment above at item 178. The revised determination referred to above at item 178, where appropriate will incorporate these changes.
298	IRFA	Schedule HA – Table 1.7 Impairments	Line item – Plant -change – no plant?	Comment noted.
299	PWC	Schedule HA – Table 1.7 Impairments	Refer to comments raised in the "General Comments section" of the Comment Document. It indicates : The current disclosure requirements are not in line with IAS 36.130- 132 as stated. The following disclosure has been omitted: IAS 36.130(e) requires an entity to disclose the method to determine the recoverable amounts FV-CTS or VIU If FV-CTS has been used then IAS 36.130 (f) requirements.	The disclosure requirements as per para 130 is not entirely applicable in the pensions industry. However, paragraph 130(f)(ii) applies. The project team that is going to look at the application of IFRS is to be established. In instances of departure, the Authority will indicate which requirements will apply.
300	SAICA	Schedule HA – Table 1.7 Impairments	Refer to comments raised in the "General Comments section" of the Comment Document. It indicates : The current disclosure requirements are not in line with IAS 36.130- 132 as stated. The following disclosure has been omitted: IAS 36.130(e) requires an entity to disclose the method to determine the recoverable amounts FV-CTS or VIU If FV-CTS has been used then IAS 36.130 (f) requirements	See response to comment 299.

			Line item – Plant -change – no plant?	
301	AF	Schedule HA – Notes to Financial Statements – Table 2. Investments – Notes to Financial Statements- Table 2.1. Investment summary	Column – “Categorised per Regulatory Framework” Please provide clarity on what is to be provided in this column?	Please see comment above at item 178. The revised determination referred to above at item 178, where appropriate will incorporate these changes.
302	WTW	Schedule HA – Notes to Financial Statements – Table 2. Investments – Notes to Financial Statements- Table 2.1. Investment summary	We are not sure what “Amortised cost Current period” and “Categorised per Regulatory Framework” mean – maybe an explanation is needed.	See response to comment 321 in so far as it relates to “categorised per regulatory framework”. In addition, please see comment above at item 178. The revised determination referred to above at item 178, where appropriate will incorporate these changes.
303	IRFA	Schedule HA - Notes to Financial Statements – Table 2. Investments – Notes to Financial Statements - Table 2.1. Investment summary	Please clarify whether schedule HA requires only the direct investments and classification of direct investments, look-through is done in schedule IA & IB (e.g. an insurance policy purchased from a South African insurer may have exposure to local and foreign products, in note 2.1 this is disclosed as a local insurance policy, only in schedule IA and IB is it split between the underlying local & foreign and the underlying products).	Please see comment above at item 178. The revised determination referred to above at item 178, where appropriate will incorporate these changes.
304	PWC	Schedule HA - Notes to Financial Statements – Table 2.1 Investment summary	The revised RRR does not address the classification of investments into the categories listed below. Classification principals will need to be included in the revised RRR.	Please see comment above at item 178. The revised determination referred to above at item 178, where appropriate will incorporate these changes.

			At column “Foreign” - Need clear guidance on what is interpreted as foreign, especially relating to insurance policies and CIS, ie is look through applied or not to determine local v foreign (for this note) At line item Equities (<i>including demutualisation shares</i>) ** - Can this rather be included in a footnote	
305	SAICA	Schedule HA - Notes to Financial Statements – Table 2.1 Investment summary	The revised RRR does not address the classification of investments into the categories listed below. Classification principals will need to be included in the revised RRR. At column “Foreign” - Need clear guidance on what is interpreted as foreign, especially relating to insurance policies and CIS, ie is look through applied or not to determine local v foreign (for this note) At line-item Equities (<i>including demutualisation shares</i>) ** - Can this rather be included in a footnote?	See response to comment 304 once finalised.
306	IRFA	Schedule HA - Notes to Financial Statements – Table 2.1 Investment summary	At Footnote - ** Unlisted equities must be disclosed - This is not clear? where must unlisted equities be disclosed? why only unlisted equities and no consideration for other unlisted instruments.	Disagree. See the information required is as per the IFRS standard IAS 36 paragraph 126,131 & 132.
307	SAICA	Schedule HA - Notes to Financial Statements – Table 2.1 Investment summary	At footnote - **Unlisted equities must be disclosed – This is not clear? – where must unlisted equities be disclosed? Why only unlisted equities and no consideration for other unlisted instruments?	See response to comments above at item 306.
308	WFW	Schedule HA - Notes to Financial Statements – Table 2.1 Investment summary	At footnote “ <i>Unlisted equities must be disclosed</i> ” – the word “separately” seems to be missing, perhaps? (Or does this just mean that they should be included with “Equities”? This maybe needs clarification, i.e. re-wording.)	See response to comment above at item 306.

309	IRFA	Schedule HA – Notes to Financial Statements - Table 2. Investments 2.2 Investment in participating employers/s	Please clarify whether these relate to direct investments, indirect investments (via CIS/insurance policies) are disclosed in schedule IB	These items relate to direct investments and indirect investments. Investments in participating employers relate to direct and indirect investments.
310	IRFA	Schedule HA 2. Investments -Notes to Financial Statements - Table 2.2 Investment in participating employers/s	Unlisted equities must be disclosed – This is not clear? – where must unlisted equities be disclosed? Why only unlisted equities and no consideration for other unlisted instruments?	If there are any other instruments such should be disclosed under “Other” the breakdown is provided under schedule IA.
311	SAICA	Schedule HA 2. Investments – Notes to Financial Statements - Table 2.2 Investment in participating employers/s	Unlisted equities must be disclosed – This is not clear? – where must unlisted equities be disclosed? Why only unlisted equities and no consideration for other unlisted instruments?	See response to comment 310.
312	PWC	Schedule HA 2. Investments – Notes to Financial Statements – Table 2.3 Investment Properties and Owner-Occupied Investments 2.3.1 Current period	@ Column - Revaluation reserve (note 6) The RRR provides that changes in fair value are recognised in the statement of changes in net assets and funds. When would the revaluation reserve be applicable to these properties?	This item is applicable when Fund holds direct investment in the properties (title of property in name of fund). See response above to comments on fair value.
313	SAICA	Schedule HA 2. Investments – Notes to Financial Statements – Table – Investment	@ Column - Revaluation reserve (note 6) The RRR provides that changes in fair value are recognised in the statement of changes in net assets and funds. When would the revaluation reserve be applicable to these properties?	See response to comment 312.

		Properties and Owner Occupied Properties 2.3.1 Current period		
314	PWC	Schedule HA 2. Investments – Notes to Financial Statements – Table – Investment Properties and Owner Occupied Properties 2.3.1 Current period	<i>@ Column E - Transfer to/from owner occupied properties or Investment properties</i> Please provide examples of what would be included here.	For an example a fund already owns the property, then changes its intention of use for the property in future.
315	SAICA	Schedule HA 2. Investments – Notes to Financial Statements – Table – Investment Properties and Owner Occupied Properties 2.3.1 Current period	<i>@ Column E - Transfer to/from owner occupied properties or Investment properties</i> Please provide examples of what would be included here.	See response to comment 314.
316	IRFA	Schedule HA 5. Transfers from other funds/transfers receivable – Notes to Financial Statements - Table	3. Regulatory reporting requirements for retirement funds, section 7 subsection 12 states that if there are more than 10 transfers, only a combined total is disclosed. Here it states the top 10 transfers need to be disclosed and a combined total for the rest. Please clarify and amend the necessary section. Same for Transfers out (Schedule HA note 7)	See response above on transfers and the revised wording. The notes to 5 “Transfers from other funds/transfers receivable” and 7. “Transfers to other funds/transfers payable” are amended as follows: (i) if ten or less transfers, then each must be disclosed; and (ii) if more than ten transfers then only the total of all transfers is to be disclosed.

317	IRFA	Schedule HA 5. Transfers from other funds/transfers receivable Notes to Financial Statements - Table	"Additional column for number of members that has been added" Please amend the column heading to make it clear that this column refers to the number of members at the end of the period.	Column refers to member movements during the period under review. The column to this table specifically refers to number of members at the beginning of the period, various movements during the period under review and at the end of the period.
318	PWC	Schedule HA 5. Transfers from other funds/transfers receivable Notes to Financial Statements - Table	<i>Provide details of 10 largest transfers in value. If more than 10 transfers were received during the period, the list must be available for inspection at the funds registered office."</i> The RRR states that if there are than 10, then only a total is shown, however this note states that the 10 largest must be disclosed. Please update to ensure consistency.	See response to comment 316.
319	SAICA	Schedule HA 5. Transfers from other funds/transfers receivable Notes to Financial Statements - Table	<i>Provide details of 10 largest transfers in value. If more than 10 transfers were received during the period, the list must be available for inspection at the funds registered office."</i> The RRR states that if there are than 10, then only a total is shown, however this note states that the 10 largest must be disclosed. Please update to ensure consistency.	See response to comment 316.
320	PWC	Schedule HA 6. Revaluation Reserve – Property, plant and equipment Notes to Financial Statements - Table	Refer to previous comments made on the revaluation reserve.	This item will be applicable when a fund holds direct investment in the properties. i.e. title deed to property.
321	SAICA	Schedule HA	Refer to previous comments made on the revaluation reserve. Find below <i>Plant and Equipment</i>	Please refer to the Regulatory Reporting Requirements item 16 which provides comprehensive reporting disclosures. Treatment of

		6.Revaluation Reserve – Property, plant and equipment Notes to Financial Statements - Table	<i>All plant and equipment are initially recorded at cost. Land and buildings are subsequently shown at market value, based on triennial valuations by external independent valuers, less subsequent depreciation. The remaining plant and equipment is stated at historical cost less depreciation. Increases in the carrying amount arising on revaluation are credited to the revaluation reserve.</i> When would land and buildings be part of PPE? Owner occupied property is part of investments, and any other property would be investment property as part of investments as well. This “revaluation reserve” is not dealt with elsewhere in the RRR. This is not a reserve in terms of the rules of the fund. Reserves Revaluation reserve: Property, plant and equipment Why reference to property? Per framework would form part of investments? Property and Land <i>Property is initially recorded at cost. Land and buildings are subsequently shown at market value, based on triennial valuations by external independent valuers, less subsequent depreciation. The remaining property and plant is stated at historical cost less depreciation. Increases in the carrying amount arising on revaluation are credited to the revaluation reserve. Decreases that offset previous increases of the same asset are charged against the revaluation reserve; all other decreases are charged to the income statement. Each period the difference between depreciation based on the revalued carrying amount of the assets (the depreciation charged to the Statement of Changes in Net</i>	revaluation reserves is referred to. Instead of applying the depreciation approach we follow the statement changes of assets and losses.
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			<i>Assets and Funds) and depreciation based on the asset's original cost is transferred from the revaluation reserve to accumulated funds. Depreciation is calculated on the straight-line method to write off the cost of each asset, or the re-valued amounts, to their residual values over their estimated useful life as follows: Buildings 25 – 40 years</i>	
322	PWC	Schedule HA 7. Transfers to other funds/transfers payable Notes to Financial Statements - Table	<i>Provide details of 10 largest transfers in value. If more than 10 transfers were received during the period, the list must be available for inspection at the funds registered office."</i> See comment raised on the transfer in note: Inconsistency regarding disclosure of total or top 10.	See response to comment 316.
323	SAICA	Schedule HA 7. Transfers to other funds/transfers payable Notes to Financial Statements - Table	<i>Provide details of 10 largest transfers in value. If more than 10 transfers were received during the period, the list must be available for inspection at the funds registered office."</i> See comment raised on the transfer in note: Inconsistency regarding disclosure of total or top 10.	See response to comment 316.
324	AF	Schedule HA 8. Benefits 8.1 Benefits – current members Notes to Financial Statements - Table	<i>@ Column "No of members" Please provide clarity whether it is simply the amount of new benefits for the year, so that it reconciles to the membership note?</i>	Yes, it pertains to the current period under review.
325	PWC	Schedule HA 8. Benefits 8.1 Benefits – current members	<i>@ Column - "No of members"</i> Guidance to be provided on what member numbers to be included here ie. paid vs exits vs payable.	This is in respect of benefits paid in the current period.

		Notes to Financial Statements - Table	<i>@ Column "Benefits for current period/ Return allocated"</i> No comparatives for these columns/numbers <i>@ Line item "Other (Provide details)"</i> Would lump sums after retirement be included as part of the "other"? Some funds pay a lump sum benefit on death of pensioner ie. after retirement?	Disagree, comparatives are in Schedule G under heading "Transfers and Benefits" and line item "benefits" Lump sums after retirement can be included under the line item "Other (Provide details)".
326	SAICA	Schedule HA 8 – Benefits 8.1 Benefits – current members Notes to Financial Statements - Table	<i>@ Column No of members"</i> Guidance to be provided on what member numbers to be included here ie. paid vs exits vs payable. <i>@ Column "Benefits for current period/ Return allocated"</i> No comparatives for these columns/numbers <i>@ Line item "Monthly pensions"</i> – Should this not split between normal pensions, living annuities and annuities purchased in the name of the fund? <i>@ Line item "Other (Provide details)"</i> Would lump sums after retirement be included as part of the "other"? Some funds pay a lump sum benefit on death of pensioner ie. after retirement?	See response to comment 325.
327	IRFA	Schedule HA 8.2 Benefits in terms of surplus apportionment Notes to Financial Statements - Table	"Additional column for number of members to be added" Please amend the column heading to make it clear that this column refers to the number of members at the end of the period.	The number of members relates to current period. There are columns that make specific reference to the beginning and end of the period. Columns need to be reamended in accordance with the correct alphabet.
328	IRFA	Schedule HA- 8.2 Benefits in terms of surplus apportionment	"Additional column for number of members that has been added" Please amend the column heading to make it clear that this column refers to the number of members at the end of the period.	See response to comment 327.

		Notes to Financial Statements – Table		
329	PWC	Schedule HA- 8.2 Benefits – Benefits in terms of surplus apportionment Notes to Financial Statements – Table	What members will be required to be disclosed in the “additional column”? Guidance to be provided to the preparer- Benefits paid during the year? Exits during the year? Benefits still due at the end of the year? Why is this additional information required?	Similar to the benefits Table – “No of members” inserted on first column.
330	AF	Schedule HA 8.3 Reconciliation of membership – Notes to Financial Statements - Table	@ Column “Deferred pensioners (<i>incl. paid up members</i>)” – why is paid up members not disclosed separately? @ Line item “ Transfers (from)/to pensioners/deferred pensioners (Note 8) Just to note this will not tie back to the note. @ Footnote “Non Citizens” <List countries> This is not possible from an admin perspective. We would need to confirm whether this check is available from ID documents. We cant identify country from a passport number.	Note that the definition in the Pension Funds Act for “Deferred Pensioners ” includes paid up members.
331	OM	Schedule HA 8.3 Reconciliation of membership – Notes to Financial Statements - Table	With regards to the new requirement to insert a reason for any significant movement in membership, we recommend that a definition of “significant” is provided (consideration can be given to apply a threshold, e.g. significant is defined as a movement of greater then x%). The additional reporting requirements, and specifically the adding of member numbers to the benefit note and then shifting the “membership reconciliation” from the trustee report to Schedule HA - 8.3 will have a significant impact on Old Mutual as well as on the auditors. Currently the Trustee Report isn't part of the auditors' scope – now this will have to be	Significant movement requires consideration from the funds on a case-by-case basis taking into account current prevailing circumstance during the period.

			audited, leading to increased audit costs. Furthermore, sponsored funds do currently have the required data available and transitional arrangements will be required to allow for additional IT build costs.	
332	PWC	Schedule HA 8.3 Reconciliation of membership Notes to Financial Statements – Table	What is the logic for moving the reconciliation of membership into the audited AFS? Not IFRS requirement and will add additional unnecessary costs to audit. There is no guidance in the RRR on how this membership recon should be determined against which the numbers can be audited.	It is to address discrepancies between schedule HA (benefits, transfers etc) & Schedule E (membership) on the financial statements. The aim is to cross reference numbers on the membership recon with the actual amounts on benefits, transfers etc (i.e movements between the recon and benefits paid/accrued/transferred.
333	PWC	Schedule HA 8.3 Reconciliation of membership – Notes to Financial Statements - Table	Including the membership movement in the audited section will require additional audit effort and costs. Is there a specific reason for moving it here instead of including it in the Board of Fund report? @ Column “Deferred pensioners (<i>incl. paid up members</i>)” – why is paid up members not disclosed separately? @ <i>Line item Transfer in (Note 5)</i> – The member numbers in this recon will not in all cases agree to the amounts disclosed in the notes eg a member might have joined the fund in the prior year so was shown as an addition. In the current year, the members transfer value is received, but this member will not be included in the transfer in number on member recon as he is already included in the opening membership. @ <i>Line item Transfer out (Note 7)</i> - The member numbers in this recon will not in all cases agree to the amounts disclosed in the notes eg a member might have joined the fund in the prior year so was shown as an addition. In the current year, the members transfer value is received, but	See response above to item 332. Agree, but the fund need to consider including a footnote explaining any differences in the membership numbers due to timing differences. Recognition of members transfers in to be looked at, effective date vs approval date of Authority. Recognition only taken on approval of transfer out therefore no membership recon difference – Yes. Members should have proof of identification (ie. SA I.D or Passports) on record. Used for statistical purposes and could help funds ensure improved record keeping.

		this member will not be included in the transfer in number on member recon as he is already included in the opening membership. <i>@ Line item Number at end of period (South African citizen) – Is this still a requirement? What is the use of this? Need clear guidance on what information need to be used to determine SA or non- SA citizen to ensure consistency.</i> <i>@ Line item Number at end of period (non-South African citizen) - Is this still a requirement? What is the use of this? Need clear guidance on what information need to be used to determine SA or non- SA citizen to ensure consistency.</i> <i>@ Foot note Non citizens</i> <i><List countries> - Carryn Drummond – PWC – I am not sure funds will have this information in all cases. And even if they do, how would we audit this?</i>	Yes. Members should have proof of identification (ie. SA I.D or Passports) on record. Used for statistical purposes and could help funds ensure improved record keeping. Members should have proof of identification (ie. SA I.D or Passports) on record which can be verified during audit testing. (Refer to comment 350. response in this relation).
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334	SAICA	Schedule HA 8.3 Reconciliation of membership – Notes to Financial Statements – Table	Including the membership movement in the audited section will require additional audit effort and costs. Is there a specific reason for moving it here instead of including it in the Board of Fund report? @ Column “Deferred pensioners <i>(incl. paid up members)</i>” – why is paid up members not disclosed separately? @ <i>Line item “Transfer in (Note 5)</i> – The member numbers in this recon will not in all cases agree to the amounts disclosed in the notes eg a member might have joined the fund in the prior year so was shown as an addition. In the current year, the members transfer value is received, but this member will not be included in the transfer in number on member recon as he is already included in the opening membership. @ <i>Line item Transfer out (Note 7)</i> - The member numbers in this recon will not in all cases agree to the amounts disclosed in the notes eg a member might have joined the fund in the prior year so was shown as an addition. In the current year, the members transfer value is received, but this member will not be included in the transfer in number on member recon as he is already included in the opening membership. @ <i>Line item Number at end of period (South African citizen)</i> – Is this still a requirement? What is the use of this? Need clear guidance on what information need to be used to determine SA or non- SA citizen to ensure consistency. @ <i>Line item Number at end of period (non-South African citizen)</i> - Is this still a requirement? What is the use of this? Need clear guidance on what information need to be used to determine SA or non- SA citizen to ensure consistency.	See response to comments at item 332.
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			@ Foot note Non citizens <List countries> - Carryn Drummond – PWC – I am not sure funds will have this information in all cases. And even if they do, how would we audit this?	
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335	WTW	Schedule HA 8.3 Reconciliation of membership – Notes to Financial Statements – Table	We have a minor preference that this table should be left in the Trustees' Report (Schedule E) where it will be more prominent. If moving it to Schedule HA implies that it should be audited, then so be it.	Comment noted.
336	PWC	Schedule HA 9. Unclaimed benefits Notes to Financial Statements Table	Where would unclaimed surplus apportionment benefits be disclosed? Per the Prudential Standard this should be a separate category of unclaimed benefits.	Please see comment above at item 178. The revised determination referred to above at item 178, where appropriate, will provide guidance on this reporting requirement.
337	PWC	Schedule HA 9. Unclaimed benefits Notes to Financial Statements Table	What members will be required to be disclosed in the “additional column”? Guidance to be provided to the preparer- Benefits paid during the year. Exits during the year. Benefits still due at the end of the year. Why is this additional information required?	Please see comment above at item 178. The revised determination referred to above at item 178, where appropriate, will provide guidance on this reporting requirement.
338	SAICA	Schedule HA 9. Unclaimed benefits Notes to Financial Statements Table	Where would unclaimed surplus apportionment benefits be disclosed? Per the Prudential Standard this should be a separate category of unclaimed benefits.	Please see comment above at item 178. The revised determination referred to above at item 178, where appropriate, will provide guidance on this reporting requirement.
339	SRF	Schedule HA 9. Unclaimed benefits Notes to Financial Statements Table	Please clarify if a full reconciliation of member numbers between beginning and end of period should be performed?	Please see comment above at item 178. The revised determination referred to above at item 178, where appropriate, will provide guidance on this reporting requirement.
340	PWC	Schedule HA 11. Retirement Fund Taxation (if applicable)-	Should this Table still be kept?	See comments above at item 339.

		Notes to Financial Statements Table		
341	SAICA	Schedule HA 11. Retirement Fund Taxation (if applicable) Notes to Financial Statements Table	Should this Table still be kept?	See comments above at item 339.
342	PWC	Schedule HA 12. Contributions Notes to Financial Statements Table	@ Column "Towards Retirement" - No comparatives for these columns @ Column "Towards reinsurance and expenses" – No comparatives for these columns	See comments above at item 339.
343	SAICA	Schedule HA 12. Contributions Notes to Financial Statements Table	@ Column "Towards Retirement" No comparatives for these columns @ Column "Towards reinsurance and expenses" – No comparatives for these columns	See comments above at item 339.
344	IRFA	Schedule HA 13. Net investment income Notes to Financial Statements Table	Seems that Other income (note 13.1) now needs to be included in this note (i.e. other income included here with a breakdown of other income provided in note 13.1), however both investment income and other income is still on the statement of changes in funds and net assets, should other income not be removed from there? Expenses in managing investments – no specific mention is made of this in section 14 of the regulatory reporting requirements (other than it being recognised as the service is rendered) – based on the note 1 added to this section can it be presumed that funds are now required to split out the net investment management fees where it is included in the price (i.e. it is not on the investment reports)? Can this be clarified in the document as funds	Please see comment above at item 178. The revised determination referred to above at item 178, where appropriate, will provide guidance on this reporting requirement.

			would need to request this information from investment managers and would need factual proof that this is a requirement. Expenses in managing investments – confirm, investment consulting fees – these would previously have been included in administration expenses. Would this now be reallocated to net investment income?	
345	PWC	Schedule HA 13. Net investment income Notes to Financial Statements Table	Where would finance costs associated with right of use assets be included? @ Line item adjustment to fair value “(provide details)” – What sort of details are expected here? @ Line item Other income (13.1) Why would this other income be included in investment income. The total of this note is not going to reconcile in the statement of changes in net assets and funds because there are separate lines for net investment income and other income. @ Line item “Investment Consulting Fees” – Provide guidance as to the different type of investment fees in 14(1)(i) @ Line item “Fees for Investment Managers” - Provide guidance as to the different type of investment fees in 14(1)(i)	Please see comment above at item 178. The revised determination referred to above at item 178, where appropriate, will provide guidance on this reporting requirement.
346	SAICA	Schedule HA 13. Net investment income Notes to Financial Statements Table	Where would finance costs associated with right of use assets be included? @ Line item “Adjustment to fair value “(provide details)” – What sort of details are expected here? @ Line item Other income (13.1) Why would this other income be included in investment income. The total of this note is not going to reconcile in the statement of changes in net	See response to comments at item 345.

			assets and funds because there are separate lines for net investment income and other income. <i>@ Line item “Investment Consulting Fees”</i> – Provide guidance as to the different type of investment fees in 14(1)(i) <i>@ Line item “Fees for Investment Managers”</i> - Provide guidance as to the different type of investment fees in 14(1)(i)	
347	WTW	Schedule HA 13. Net investment income Notes to Financial Statements Table	Presumably Investment Consulting Fees would only be disclosed here in cases where they are netted off against the returns credited to members (or on the assets backing other liabilities of the fund) – otherwise we suggest they should be disclosed in Note 14.5.	Agree.
348	PWC	Schedule HA 14. Administration expenses Notes to Financial Statements Table	<i>@ Line item “Depreciation – at cost”</i> – Where would depreciation on right of use on assets be included? <i>@ Line item “Operating lease payments”</i> – If IFRS 16 is being applied, there will be no operating lease payments, unless one exemption is applied. <i>@ Line item “Principal officer expenses”</i> – Add a line Deputy Principal Officer expenses and reference to 14.4	The Standard has been amended to include “right of use assets” under “plant and equipment”. Agree. See revised amendment to include Deputy principal officer expenses as 14.4. Please see comment above at item 178. The revised determination referred to above at item 178, where appropriate, will provide guidance on this reporting requirement.
349	SAICA	Schedule HA 14. Administration expenses Notes to Financial Statements Table	<i>@ Line item “Depreciation – at cost”</i> – Where would depreciation on right of use on assets be included? <i>@ Line item “Operating lease payments”</i> – If IFRS 16 is being applied, there will be no operating lease payments, unless one exemption is applied. <i>@ Line item “Principal officer expenses”</i> – Add a line Deputy Principal Officer expenses and reference to 14.4	See response to comment 348.

350	WTW	Schedule HA 14.Administration expenses Notes to Financial Statements Table	@ Line item “Other (Provide details)” following Legal costs may be an error (since “Other expenses (Provide details)” also appears at the end of the note 14 list).	Please see comment above at item 178. The revised determination referred to above at item 178, where appropriate, will provide guidance on this reporting requirement.
351	PWC	Schedule HA 14.1 – Board expenses – Current Period and Previous Period	<i>“Trustee A, Trustee B, Trustee C”</i> - May you please clarify if the actual names of the Board of Fund members should be disclosed here or should it be disclosed separately?	The names of the Board of Fund members should be disclosed here.
352	SAICA	Schedule HA – 14.1 – Board expenses – Current Period and Previous Period	<i>Trustee A, Trustee B, Trustee C”</i> - May you please clarify if the actual names of the Board of Fund members should be disclosed here or should it be disclosed separately?	See response to comments at item 351.
353	SRF	Schedule HA – 14.1 Board of fund expenses	Is the intention from the Authority for the Fund to list each trustee by name? If this is so, the Fund welcomes this proposal in view to promote transparency. However, guidance is requested from the Authority with regards to the industry-wide benchmark remuneration. The concern is that this (due to various discrepancies between Funds) may create a problem with current remuneration of trustees if found to be too low compared to other Funds. We request the Authority to reconsider this disclosure and provide additional guidance.	Comments noted. The guidance sought is beyond the scope of this Standard and may be considered with other future regulatory developments.
354	WTW	Schedule HA 14.1 – Board of Fund expenses – Current Period and Previous Period	We note that splitting some expense items down to individuals may not be a simple task. (E.g. if a training session is arranged for 8 trustees but only 6 attend, is it necessary to allocate the training cost across the 6 who attended? We suggest that some approximation should be permitted in such cases.)	Agree.
355	AF	Schedule HA 14.4 Deputy principal officer expenses	Create line item on the main administration expenses note.	Agree. Standard revised to include Deputy principal officer expenses as 14.4.

356	PWC	Schedule HA 14.4 Deputy principal officer expenses	Principal Officer and deputy Principal Officer expenses – is it required per individual or can both be combined?	See response to comment 355.
357	SAICA	Schedule HA 14.4 Deputy principal officer expenses	Add a line Deputy Principal Officer expenses and reference to 14.4.	See response to comment 355.
358	SRF	Schedule HA 14.4 Deputy principal officer expenses	Is the Fund required to disclose this information where the incumbent is primarily appointed in another role, but serves as a deputy principal officer when the principal officer is not available? The Fund requests clarity in this regard.	Note 14 is in respect of Administration expenses and specifically on 14.4 Deputy principal officer expenses and expenses incidental to this appointment of Deputy principal officer.
359	IRFA	Schedule HA 14.5 Consulting Fees	What type of details are required here? Type of consulting provided or fees per consulting house (in umbrella funds each participating employer appoint their own consultant). Do funds need to split it out per type? Some are based on a deduction from contributions, others are based on assets under management.	See response above.
360	PWC	Schedule HA 16. Financial Liabilities and provisions 16.2 Provisions – Notes to Financial Statements Table	The recon needs to be provided for each provision – so columns should rather be for the name of the provision, and the full table should be duplicated for current year end and comparatives.	See response above.
361	SAICA	Schedule HA – 16.2 Provisions- Notes to Financial Statements	The recon needs to be provided for each provision – so columns should rather be for the name of the provision, and the full table should be duplicated for current year end and comparatives.	See response to comment 380.
362	AF	Schedule HA 24. Cash at Bank	a) Waiting for the xml schema and validations to see what amount is required where and what it needs to tie back to.	a) New taxonomy will be shared with industry for XBRL. Caseware and Magic software will be updated.

		Notes to Financial Statements	b) Cash in transit might be a concern. Think about payments over month-end where instruction has been sent to investment manager, but money has not reached the bank account as yet. c) Reserve account activity would also need to be taken into account.	b) Cash in transit will already be accrued and will be part of the recon. c) Note 21 provides for reserve account activities.
363	IRFA	Schedule HA 24. Cash at Bank Notes to Financial Statements Table	a) Why only bank movements? What about funds where there is no bank account? b) The Cash inflows should have line items such as transfer between call and current accounts as well as disinvestments received from Asset Managers/ this should not be shown under other	Noted, some funds do not have a bank account. Underwritten Funds, we will have to verify.
364	OM	Schedule HA 24. Cash at Bank Notes to Financial Statements Table	This note is new and requires comparative information for the prior year. Do preparers need to insert a note explaining that this is now a regulatory reporting requirement as auditors would not have audited the prior year information and would view this as a restatement? As there may be other instances where there are new requirements and comparatives not being reported on previously, will there be transitional arrangements regarding comparatives for new requirements?	.
365	OUTL	Schedule HA 24. Cash at Bank Notes to Financial Statements Table	It is our submission that we will only be able to provide information relating to Cash at Bank for current periods and we will not be in a position to provide historic data in this regard. We kindly request the Authority to reconsider the requirement for the Previous period for at least the first round of submissions.	In order to allow sufficient time for the implementation of these requirements, Appropriate transition measure will be provided.
366	PWC	Schedule HA 24. Cash at Bank Notes to Financial Statements Table	Has this been applied in practice to determine if there is sufficient detail to perform this reconciliation? Should the amounts in this recon agree to the respective notes? Expenses and reinsurance costs do not have a "paid" amount to cross reference to, so this will not agree to the amount per the respective note.	See comments above at item 364.

			@ Line item “Investment Portfolios” – Investments can also have cash inflows into the bank. @ Sub heading “Adjustments for accruals” – This would be expected to be included as AP, AR, Inv etc if material payment in process? Why include in this note? @ Line item “Other: Specify” Is the same thought process for cash applied in funds as for IFRS? If yes, it is recommended that guidance is included regarding what is cash and cash equivalents.	Cash is treated in the funds as defined in IFRS. It is recommended that the definition be included in the accounting policies section for cash and cash equivalents.
367	SAICA	Schedule HA 24. Cash at Bank Notes to Financial Statements Table	Has this been applied in practice to determine if there is sufficient detail to perform this reconciliation? Should the amounts in this recon agree to the respective notes? Expenses and reinsurance costs do not have a “paid” amount to cross reference to, so this will not agree to the amount per the respective note. @ Line item “Investment Portfolios” – Investments can also have cash inflows into the bank. @ Subheading “Adjustments for accruals” – This would be expected to be included as AP, AR, Inv etc if material payment in process? Why include in this note?	See response to comment at item 366.
368	WTW	Schedule HA 24. Cash at Bank Notes to Financial Statements Table	Cash at bank – we welcome the inclusion of a cashflow statement in the financials	Comment noted.
Schedule HB – Report of the Valuator (when the Fund is not valuation exempt)				
No comments				

Schedule I – Report of the Independent Auditors of Factual Findings to the Authority				
369	PWC	Schedule I Report of the Independent Auditors of Factual Findings to the Authority	Make reference to section 15 instead of section 5 “Hyperlink to the IRBA website for the section 15 agreed upon procedures reports for different types of funds”	
Schedule IA – Investment Schedule				
370	PWC	Schedule IA Investment Schedule Investment Table	@ Column “Reconciling items between Schedule IB and IA” – Where will investments that are financial liabilities be incorporated in the recon, in order to reconcile the amount per the investment note to the amount per Schedule IB?	Please see comment above at item 178. The revised determination referred to above at item 178, where appropriate, will provide guidance on this reporting requirement.
371	SAICA	Schedule IA Investment Schedule Investment Table	@ Column “Reconciling items between Schedule IB and IA” – Where will investments that are financial liabilities be incorporated in the recon, in order to reconcile the amount per the investment note to the amount per Schedule IB?	Please see comment above at item 178. The revised determination referred to above at item 178, where appropriate, will provide guidance on this reporting requirement.
372	AF	Schedule IA –Investment Schedule Investment Table	Column B (Collective Investment Schemes) and C (Insurance policies) needs to indicate that this is only non compliant investments. Include “non-compliant” wording to this table. Line items for insurance policies – linked insurance policy AND insurance policies – Non-linked policy- Why are these line items still here if full look – through is provided?@ Column Regulation 28(9) Investments – can we still keep it split in the 3 sections?	Please see comment above at item 178. The revised determination referred to above at item 178, where appropriate, will provide guidance on this reporting requirement.
373	IRFA	Schedule IA Investment Schedule Investment Table	Please correct the spelling of “policies” in the heading (column C)	Noted. The typo has been rectified on the Standard.
374	IRFA	Schedule IA	Is this only for segregated investments?	Yes.

		Notes to Investment Schedule F – Securities Lending Table		
375	OM	Schedule IA- Notes to Investment Schedule F- Securities Lending	Need some more detail as to what Initial and Variation margin mean.	
376	OUTL	Schedule IA- Notes to Investment Schedule F- Securities Lending Table	We are unfortunately unable to view the complete table on the proposed template of the Draft Prudential Standard. There are columns cut off. We kindly request the complete table to be made available for consultation. At the end of the table it indicates <i>‘The fund complied with the Authority requirements as prescribed except in the following instances.’</i> We are of the opinion that this statement/requirement is broad and vague. We kindly request the Authority to consider amending this to be more specific. We further suggest the Authority adding the word “materially” to this sentence to also ensure a risk-based approach for only material matters required to be escalated. Therefore, to read: “The fund complied materially with the Authority requirements as prescribed except in the following instances...”	Please see comment above at item 178. The revised determination referred to above at item 178, where appropriate, will provide guidance on this reporting requirement.
377	PWC	Schedule IA- Notes to Investment Schedule F- Securities Lending Table	Guidance to be provided to the preparers of the financial statements for Schedule IA to ensure consistency.	The guidance sought is beyond the scope of this Standard and may be considered in future where appropriate.
378	SRF	Schedule IA- Notes to Investment Schedule F- Securities Lending Table	Margin accounts not applicable to security lending, minimum collateral is determined by regulation.	Agree.

379	WTW	Schedule IA- Notes to Investment Schedule F- Securities Lending Table	Note that the r.h. column heading is not visible. Also (with reference to the note at the foot of p.96), note that the Authority's requirements have not been finalized and published at this stage. It may be preferable to revert here and elsewhere to the wording " <i>List all non-compliance(s) with applicable Standards</i> " (or something similar).	See response to comment 231. Amended to indicate " <i>The fund complied with the Authority requirements as prescribed except in the following instances</i> "
Schedule G – Direct Derivative Market Instruments				
380	IRFA	Schedule IA Notes to Investment Schedule G Direct Derivative Market Instruments G1 Derivative positions without residual risk	Is this only for segregated investments?	Yes.
381	OUTL	Schedule IA Notes to Investment Schedule G Direct Derivative Market Instruments G1 Derivative positions without residual risk	At the end of the table it states the following ' <i>The fund complied with the Authority requirements as prescribed except in the following instances</i> '. We are of the opinion that this statement/requirement is broad and vague. We kindly request the Authority to consider amending this to be more specific. We further suggest the Authority adds the word "materially" to this sentence to also ensure a risk-based approach for only material matters required to be escalated. Therefore to read: "The fund complied materially with the Authority requirements as prescribed except in the following instances..."	See response to comment 216.
382	PWC	Schedule IA Notes to Investment Schedule G Direct Derivative Market Instruments G1 Derivative positions without residual risk	Guidance to be provided to the preparers of the financial statements for Schedule IA to ensure consistency. Provide guidance on the classification of derivatives as "with" and "without" residual risk	See comment above at item 377.

		Table		
383	SAICA	Schedule IA Notes to Investment Schedule G Direct Derivative Market Instruments G1 Derivative positions without residual risk Table	Provide guidance on the classification of derivatives as “with” and “without” residual risk	See response to comment 382 when finalised.
384	WTW	Schedule IA Notes to Investment Schedule G Direct Derivative Market Instruments G1 Derivative positions without residual risk	– Again, the Authority’s requirements have not been prescribed yet.	See response to comment 231.
385	IRFA	Schedule IA Notes to Investment Schedule G Direct Derivative Market Instruments G1 Derivative positions with residual risk Table	Is this only for segregated investments?	Yes.
386	PWC	Schedule IA Notes to Investment Schedule G Direct Derivative Market Instruments	Guidance to be provided to the preparers of the financial statements for Schedule IA to ensure consistency. Provide guidance on the classification of derivatives as “with” and “without” residual risk,	See comment above at item 377.

		G1 Derivative positions with residual risk Table		
387	WTW	Schedule IA Notes to Investment Schedule G Direct Derivative Market Instruments G1 Derivative positions with residual risk Table	The column heading Residual Risks the last column on this page (p.98).	Comment noted.
388	IRFA	Schedule IA Notes to Investment Schedule J. Hedge funds Table	Is this only for segregated investments? This would require a look-through into hedge funds to determine the initial margin and variation margin. Please confirm if this is the intention.	Yes
389	OM	Schedule IA Notes to Investment Schedule J. Hedge Funds Table	Need some more detail as to what Initial and Variation margin mean.	Comment noted.
390	PWC	Schedule IA Notes to Investment Schedule J.Hedge Funds Table	Guidance to be provided to the preparers of the financial statements for Schedule IA to ensure consistency.	As inconsistencies of Schedule IA are not furnished the Authority cannot provide such guidance.
391	SRF	Schedule IA Notes to Investment Schedule	Margin accounts not applicable at fund level. Term of contract and period into not applicable.	Comment noted.

		J.Hedge Funds Table		
392	WTW	Schedule IA Notes to Investment Schedule J.Hedge Funds Table	Should there be a “Current value of commitment” column as the last column of this table (p.100)? And with reference to the note at the foot of p.100, where are the Authority’s requirements prescribed – in Regulation 28(3), but nowhere else, we think?	Agree. Requirements are stipulated for conditions for investment in hedge funds on draft Conduct Standard [-] of 2020 (RF) the ‘new’ definition will be linked to a “hedge fund” regulated under the Collective Investment Schemes Act, 2002 (Act No. 45 of 2002) (“CISCA”).
393	OUTL	Schedule IA Notes to Investment Schedule M. Regulation 28 Non Compliant Investments	Schedule IA – Under the Investments section on Page 89, the word ‘non-compliant’ has been removed from Collective Investment Scheme, Insurance Policies and Regulation 28(9) Investments. However, on Schedule IA – Section M – The word ‘non-compliant’ is still included in the headings. It is our submission that we consider removing it from this section as well for consistency.	Please see comment above at item 178. The revised determination referred to above at item 178, where appropriate, will provide guidance on this reporting requirement.
394	PWC	Schedule IA Notes to Investment Schedule M. Regulation 28 Non Compliant Investments Table	Since a look through needs to be applied on all CIS and insurance policies, there is no longer a need to disclose separately compliant and non-compliant CIS and IPs. This heading needs to be updated. Possibly. Pooled Investments @ Heading “M1 – Total Non- compliant Collective Investment Schemes” - Since a look through needs to be applied on all CIS and insurance policies, there is no longer a need to disclose separately compliant and non-compliant CIS and IPs. This heading needs to be updated. Possibly. @ Heading “M2 – Non -compliant insurance policies” – Delete @ Total Non-compliant Insurance Policies” - Delete	Please see comment above at item 178. The revised determination referred to above at item 178, where appropriate, will provide guidance on this reporting requirement.

395	SAICA	Schedule IA Notes to Investment Schedule M. Regulation 28 Non Compliant Investments Table	Since a look through needs to be applied on all CIS and insurance policies, there is no longer a need to disclose separately compliant and non-compliant CIS and IPs. This heading needs to be updated. Possibly. Pooled Investments <i>“M1 – Total Non- compliant Collective Investment Schemes” – The heading needs to be updated – Possibly Collective Investment Schemes</i> <i>@ Heading “M2 – Non -compliant insurance policies” – Delete</i> <i>@ “Total Non-compliant insurance policies” - Delete</i>	See response to comments at item 394.
396	AF	Schedule IA Notes to Investment Schedule O. Entity/ Counterparty exposure Table	Overall limit for all instruments per entity/issuer – Clarity needs to be provided around this requirement.	Please see comment above at item 178. The revised determination referred to above at item 178, where appropriate, will provide guidance on this reporting requirement.
397	PWC	Schedule IA Notes to Investment Schedule O. Entity/ Counterparty exposure Table	<i>@ last line item</i> <i>“Overall limit for all instruments per entity/issuer (local and or foreign)(excluding debt instruments issued by, and loans to, the government of the Republic and any debt or loan guaranteed by the Republic) Maximum 25%”</i> Provide guidance as to what needs to be included in this row.	Please see comment above at item 178. The revised determination referred to above at item 178, where appropriate, will provide guidance on this reporting requirement.
398	SAICA	Schedule IANotes to Investment Schedule O. Entity/ Counterparty exposure Table	<i>@ last line item</i> <i>“Overall limit for all instruments per entity/issuer (local and or foreign) (excluding debt instruments issued by, and loans to, the government of the Republic and any debt or loan guaranteed by the Republic) Maximum 25%”</i>	See response to comments above at item 397.

			Provide guidance as to what needs to be included in this row.	
399	PWC	Schedule IA Notes to Investment Schedule P. Reconciliation between the Investments in Schedule H2 and Schedule IA Table	Guidance to be provided to the preparers of the financial statements for Schedule IA to ensure consistency If the fund's investment strategy includes financial liabilities, or derivatives in a "negative" position and therefore disclosed as a financial liability and not part of the investment note, has allowance been made to include these items in this reconciliation in order to include the required information in Schedule IA and Schedule IB? Where will financial liabilities be included in order to show all disclosures eg. derivatives with a negative position at year end would be shown in the statement of net assets and funds as a financial liability and not part of note 2.1 @ Columns "Non-complaint CIS and Non compliant insurance policies" – These headings will need to be updated..Refer to comment 414.	As inconsistencies of Schedule IA are not furnished the Authority cannot provide such guidance. Also see comments above at item 398.
400	SAICA	Schedule IA Notes to Investment Schedule P. Reconciliation between the Investments in Schedule H2 and Schedule IA Table	Where will financial liabilities be included in order to show all disclosures eg. derivatives with a negative position at year end would be shown in the statement of net assets and funds as a financial liability and not part of note 2.1 @ Columns Non-complaint CIS and Non compliant insurance policies – These headings will need to be updated. Refer to comment 239.	See response to comment at item 399.
401	WTW	Schedule IA Notes to Investment Schedule P. Reconciliation between the Investments in	It may be worth requiring the specific details of any exemptions granted to be noted here (and not just the list of qualifying instruments).	Comment noted. Current disclosure in the AFS is sufficient.

		Schedule H2 and Schedule IA Table		
402	AF	Schedule IA Notes to Investment Schedule Q. Reporting in respect of Environmental Social and Governance Table	Access to this information at an administrator level is limited. Will investment administrator be able/instructed to provide this information to trustees/administrators?	Yes. Investment administrators are urged to provide this information.
403	OM	Schedule IA Notes to Investment Schedule Q. Reporting in respect of Environmental Social and Governance Table	This is a new section that requires a significant amount of information on ESG related matters. To what extent are funds required to look through their investments to answer these questions (e.g. If fund invests in a private equity fund, would we need to understand all of that fund's investments in order to answer the questions and are fund managers expected to provide investors/other funds with this information upfront?)? This section appears very burdensome and it's unclear what benefit it provides to the user.	A framework for pension funds in respect of this reporting is envisaged. It is proposed that the fund's auditors make use of IFRS S1 & S2 as a framework and guidelines. Further, the revised determination referred to above at item 178, where appropriate, will provide guidance on this reporting requirement.
404	OUTL	Schedule IA Notes to Investment Schedule Q. Reporting in respect of Environmental Social and Governance Table	It is our submission that this may be a very expensive process in trying to obtain the information that is required. In addition we would like to request the Authority to consider providing an exemption for funds with assets below R10 billion or alternatively where member choice funds are made available, as the funds do not make the decisions on behalf of these members.	See response to comment 14 and responses above at items 178 and 403.
405	SRF	Schedule IA Notes to Investment Schedule Q. Reporting in respect of Environmental Social and Governance	How would a listed coal mining be classified, i.e. Exxaro? Not sure it should be classified as infrastructure?	A framework for pension funds in respect of this reporting is envisaged. It is proposed that the fund's auditors make use of IFRS S1 & S2 as a framework and guidelines. Further, the revised determination referred to above at item 178, where appropriate, will provide guidance on this reporting requirement.

		Table		
406	WTW	Schedule IA Notes to Investment Schedule Q. Reporting in respect of Environmental Social and Governance Table	We commented recently on this list of questions and the accompanying table, in our comments on the draft Prudential Standard, “REGULATION 28 REPORTING REQUIREMENTS FOR PENSION FUNDS” – we repeat these comments: Requiring only Yes/No answers to the questions posed is too restrictive. We suggest that there should be a “Maybe” option, with space for funds to comment. The table with 12 separate columns for various investment categories makes no sense in relation to the questions posed – e.g. one question is “What is the amount of the fund’s exposure to coal?” How and where are funds supposed to answer this, given the 12 labelled boxes? The table and the questions need to be re-worked. The regulator will need to give guidance as to what is meant by “indirect exposure to coal”. (E.g., since the national Government is providing ESKOM with funding at this point, investing in RSA Government bonds could be regarded as “indirect exposure to coal”.) In fact, overall, we would question whether there is any benefit from asking funds to provide information on anything other than <u>direct</u> exposure to “coal” and to any of the “green” assets listed – guidance should be provided on this.	See comments above at item 405.
Schedule IB – Assets held in Compliance with Regulation 28				
407	OM	Schedule IB Assets held in Compliance with Regulation 28 Table	@ Table 1 This is a new requirement, however, is a duplication considering that Schedule IB already requires a fair value for each issuer and their weighting in the fund.	This requirement is already existing under schedule IA as table “L CERTIFIED REGULATION 28 COMPLIANT INVESTMENTS”. L is for Funds that were granted exemptions not exceeding a certain limit. Table 1 involves all items with exclusions
408	PWC	Schedule IB Assets held in Compliance with Regulation 28	@“Table 1 <i>B. Less: Reg 28(9) exempted investments”</i>	This exclusion is no longer applicable in terms of the amended Regulation 28 which came into effect on 03 January 2023.

		Table	Relating to B, some funds have grandfathered policies. No amendments were made to Regulation 28(3)(c) which indicates that policies entered into before 1 April 2011 need not comply with the limits set out in this regulation until regulation 28(3)(c) are met. Is there a specific reason why the exclusion of these investments was removed in the Schedule IB table? With regard to <i>Reg 28(9) exempted investments</i> to consider exempting policies where insurer's actuary certifies REG 28 compliance.	The removal of these exclusions enables regulators to collect important statistics on underlying exposures in understanding and monitoring linkages in the financial system and for proactive supervision. This has been revised and included in the new format published by the Authority.
409	PWC	Schedule IB Assets held in Compliance with Regulation 28 Table	@<i>Table 1</i> <i>B. Less: Reg 28(9) exempted investments</i> Relating to B, some funds have grandfathered policies. No amendments were made to Regulation 28(3)(c) which indicates that policies entered into before 1 April 2011 need not comply with the limits set out in this regulation until regulation 28(3)(c) are met. Is there a specific reason why the exclusion of these investments was removed in the Schedule IB table? With regard to <i>Reg 28(9) exempted investments</i> to consider exempting policies where insurer's actuary certifies REG 28 compliance. <i>"11(a)</i> @ Table 2 REPORTING IN RESPECT OF INFRASTRUCTURE <i>ASSETS List issuers/entities which exceeds 5% of total assets</i>	See response to comment 408. A framework for pension funds in respect of this reporting is envisaged. It is proposed that the fund's auditors make use of IFRS S1 & S2 as a framework and guidelines. Further, the revised determination referred to above at item 178, where appropriate, will provide guidance on this reporting requirement.

			The table in the regulation states that the top 20 holdings should be disclosed, not those exceeding 5%. Also is it the top 20 issuers/holdings across all infrastructure investments, or for each category. <i>“Investment Summary (Regulation 28)”</i> <i>“11. Infrastructure”</i> – Refer to previous comment. Is this a separate category to be added in the total, or an additional limit that needs to be monitored within reg 28? <i>“12. Fair value of assets to be excluded in terms of sub-regulations 3(c) and (8)(b) of Regulation 28”</i> – To be removed as these paragraphs were deleted.	Amended Table published is now 25% and does not specify infrastructure but furnishes an overall limit for all instruments.
410	SAICA	Schedule IB Assets held in Compliance with Regulation 28 Table	<i>“Table 1</i> <i>B. Less: Reg 28(9) exempted investments”</i> Relating to B, some funds have grandfathered policies. No amendments were made to Regulation 28(3)(c) which indicates that policies entered into before 1 April 2011 need not comply with the limits set out in this regulation until regulation 28(3)(c) are met. Is there a specific reason why the exclusion of these investments was removed in the Schedule IB table? With regard to <i>Reg 28(9) exempted investments</i> to consider exempting policies where insurer’s actuary certifies REG 28 compliance. <i>“1</i>	See response to comment 408.
411	WTW	Schedule IB Assets held in Compliance with Regulation 28 Table	Page 108 – we are not sure what the heading <i>“Table 1 – List issuers/entities which exceed 5% of total assets”</i> refers to – is this meant to be a separate listing to the “Total Assets for Reg.28 Disclosure” breakdown which follows?	This is in accordance with the De minimus rule prevalent in Regulation 28.

412	PWC	Schedule IB Assets held in Compliance with Regulation 28 Table	<i>“1. Cash</i> <i>1.1 (c) Any positive net balance in a margin account with an exchange</i> <i>-per issuer/entity</i> 25%” This only refers to positive balances. Where should these bank accounts be included, if when applying lookthrough on a CIS or insurance policy, the account has a negative balance due to unsettled trades. <i>1.1 (d) Any positive net balance in a settlement account with an exchange, operated for the buying and selling of assets</i> <i>-per issuer/entity”</i> This only refers to positive balances. Where should these bank accounts be included, if when applying lookthrough on a CIS or insurance policy, the account has a negative balance due to unsettled trades.	Comments noted. Guidance and definitive approach may be provided when the revised Determination is issued. Further, see please see comment above at item 178. The revised determination referred to above at item 178, where appropriate, will provide guidance on this reporting requirement.
413	SAICA	Schedule IB Assets held in Compliance with Regulation 28 Table	<i>“1. Cash</i> <i>1.1 (c) Any positive net balance in a margin account with an exchange</i> <i>-per issuer/entity</i> 25%” This only refers to positive balances. Where should these bank accounts be included, if when applying lookthrough on a CIS or insurance policy, the account has a negative balance due to unsettled trades. <i>1.1 (d) Any positive net balance in a settlement account with an exchange, operated for the buying and selling of assets</i> <i>-per issuer/entity”</i>	See response to comment 412.

			This only refers to positive balances. Where should these bank accounts be included, if when applying lookthrough on a CIS or insurance policy, the account has a negative balance due to unsettled trades.	
414	IRFA	Schedule IB Assets held in Compliance with Regulation 28 6. Investments in the business of a Participating Employer inside the Republic. Table	Can consideration be given to these limits where the fund is a Type A umbrella fund. With the consolidation of funds, more and more employers are grouped within large umbrella funds. These employers may have listed holding companies (whether local/foreign), the 5% may therefore be easily exceeded unintentionally, especially where the investments are in products that e.g. track indices (e.g. Naspers that made up a significant portion of the JSE ALSI), where Naspers and other large listed entities are included in a fund this may result in inappropriate investment decisions being made due to exposure to listed participating employers, however the variety in participating employers may result in the overall risk being low. Rather put limits to individual PE's, e.g. more than x% cannot be to any one PE – e.g. more than x% to Naspers only.	Comment noted. As stated in the Statement of Need issued with the Standard, these revisions were necessitated by the revised Regulation 28 as gazetted in July 2022. The revised Regulation 28 has also required additional reporting requirements in relation to infrastructure assets and other amendments to the asset spreading requirements. For further detail kindly consult the National Treasury media release of 8 July 2022 and the Gazette itself. The regulatory reporting requirements for pension funds therefore need to take into account the amendments to Regulation 28 and ensure that pension funds appropriately report on these matters.
415	IRFA	Schedule IB Assets held in Compliance with Regulation 28 Table	<i>11(a) Overall limit for infrastructure across all classes (excluding debt instruments issued by, and loans to, the government of the Republic and any debt or loan guaranteed by the Republic) 45%</i> <i>11(b) Overall limit for all instruments per entity/issuer (local and or foreign) (excluding debt instruments issued by, and loans to, the government of the Republic and any debt or loan guaranteed by the Republic)" 25%</i> This may be misunderstood, as this is before the total. Is this an additional disclosure, e.g. an infrastructure fund may be included in another asset	Please see comment above at item 178. The revised determination referred to above at item 178, where appropriate, will provide guidance on this reporting requirement.

			class higher up (e.g. equity or loans, etc), which classification takes preference, the legal nature or the infrastructure classification? There could be double counting for the total. Same applies to the table on page 119.	
416	PWC	Schedule IB Assets held in Compliance with Regulation 28 Table	<i>“11(a) Overall limit for infrastructure across all classes (excluding debt instruments issued by, and loans to, the government of the Republic and any debt or loan guaranteed by the Republic) 45%</i> Relook numbering of this section. Is the current 11(b) the per issuer limit of 11(a)? ie the 2 amounts should not be added together? Is 11(a) the total of all the 11(b) amounts. <i>“11(b) Overall limit for all instruments per entity/issuer (local and or foreign) (excluding debt instruments issued by, and loans to, the government of the Republic and any debt or loan guaranteed by the Republic)” 25%</i> Relook numbering of this section. Is the current 11(b) the per issuer limit of 11(a)? ie the 2 amounts should not be added together? Is 11(a) the total of all the 11(b) amounts.	Comments noted. Also see comments above at item 415. Further, please see comment above at item 178. The revised determination referred to above at item 178, where appropriate, will provide guidance on this reporting requirement.
417	SAICA	Schedule IB Assets held in Compliance with Regulation 28 Table	<i>11(a) Overall limit for infrastructure across all classes (excluding debt instruments issued by, and loans to, the government of the Republic and any debt or loan guaranteed by the Republic) 45%</i> Relook numbering of this section. Is the current 11(b) the per issuer limit of 11(a)? ie the 2 amounts should not be added together? Is 11(a) the total of all the 11(b) amounts.	Comments noted. See response above at item 414. Please also see comment above at item 178. The revised determination referred to above at item 178, where appropriate, will provide guidance on this reporting requirement.

			<i>“11(b) Overall limit for all instruments per entity/issuer (local and or foreign) (excluding debt instruments issued by, and loans to, the government of the Republic and any debt or loan guaranteed by the Republic)” 25%</i> Relook numbering of this section. Is the current 11(b) the per issuer limit of 11(a)? ie the 2 amounts should not be added together? Is 11(a) the total of all the 11(b) amounts.	
418	SRF	Schedule IB Assets held in Compliance with Regulation 28 Table	<i>11(a) Overall limit for infrastructure across all classes (excluding debt instruments issued by, and loans to, the government of the Republic and any debt or loan guaranteed by the Republic) 45%</i> <i>Clarify if included in item 1-10</i>	See response to comment 414.
419	WTW	Schedule IB Assets held in Compliance with Regulation 28 Table	@ Page 116, item 11(b) – this would presumably be the largest (single) exposure to any single issuer/entity (not to exceed 25%)?	The 25% is a check to ensure that there are no single investments per issuer/entity that exceed 25% in categories 1 to 10 of Regulation 28.
420	PWC	Schedule IB Assets held in Compliance with Regulation 28 Table 2 Reporting in respect of Infrastructure Assets List issuers/entities which exceeds 5% of total assets	The table in the regulation states that the top 20 holdings should be disclosed, not those exceeding 5%. Also is it the top 20 issuers/holdings across all infrastructure investments, or for each category.	See comments above at item 419. It can be conceded that such definition is too broad as it includes both public and private infrastructure but the amendments to Regulation 28 was to yield longer term infrastructure investment to pension funds by increasing the maximum limits that such funds may invest in. However, as this definition and the increase in limits widens the scope for investments the final decision on any investment rests on the trustees who determines the investment policy of the fund.

421	AF	Schedule IB Assets held in Compliance with Regulation 28 Table 2 Reporting in respect of Infrastructure Assets List issuers/entities which exceeds 5% of total assets	Info to be provided by assets managers - ASISA. Clarity around this disclosure is required	Please see comment above at item 178. The revised determination referred to above at item 178, where appropriate, will provide guidance on this reporting requirement.
422	SAICA	Schedule IB Assets held in Compliance with Regulation 28 Table 2 Reporting in respect of Infrastructure Assets List issuers/entities which exceeds 5% of total assets	The table in the regulation states that the top 20 holdings should be disclosed, not those exceeding 5%. Also is it the top 20 issuers/holdings across all infrastructure investments, or for each category.	See comments above at item 419.
423	WTW	Schedule IB Assets held in Compliance with Regulation 28 Table 2 Reporting in respect of Infrastructure Assets List issuers/entities which exceeds 5% of total assets	@ Page 117, Table 2 – “ <i>Reporting in respect of Infrastructure Assets</i> ” - we comment that the definition of “infrastructure” in the amended Regulation 28 is possibly too broad – the regulator needs to clarify whether (for example) MTN or Telkom shares meet the definition “any asset that has or operates with a primary objective of developing, constructing and/or maintaining physical assets and technology structures and systems for the provision of utilities, services or facilities for the economy, businesses, or the public surely the answer is Yes?) – otherwise there will be inconsistencies in the way funds report under this table.	Comment noted. It can be conceded that such definition is too broad as it includes both public and private infrastructure but the amendments to Regulation 28 was to yield longer term infrastructure investment to pension funds by increasing the maximum limits that such funds may invest in. However, as this definition and the increase in limits widens the scope for investments the final decision on any investment rests on the trustees who determines the investment policy of the fund.
424	PWC	Schedule IB Assets held in Compliance with Regulation 28 Investment Summary	“11. <i>Infrastructure</i>” – Is this a separate category to be added in the total, or an additional limit that needs to be monitored within reg 28? “12. <i>Fair value of assets to be excluded in terms of sub-regulations3(c)</i>	

			<i>and (8)(b) of Regulation 28”</i> – To be removed as these paragraphs were deleted.	
425	SAICA	Schedule IB Assets held in Compliance with Regulation 28 Investment Summary	<i>“11. Infrastructure”</i> – Is this a separate category to be added in the total, or an additional limit that needs to be monitored within reg 28? <i>“12. Fair value of assets to be excluded in terms of sub-regulations 3(c) and (8)(b) of Regulation 28”</i> – To be removed as these paragraphs were deleted.	See response to item 424.
426	WTW	Schedule IB Assets held in Compliance with Regulation 28 Investment Summary	@ Page 119, Investment Summary – presumably any assets classified here as Infrastructure (item 11) should not be double-counted under any other category. And we note that the reference under item 12 to sub-regulation 8(b) of Regulation 28 is out-of-date.	See comments above at item 419.
427	IRFA	Schedule IB Assets held in Compliance with Regulation 28 Regulation 28(8) Exclusions	LONG-TERM (LIFE) POLICY THAT PROVIDES GUARANTEED OR PARTIALLY GUARANTEED POLICY BENEFITS a) Regulation 28(8)(b)(iii) has been repealed. This means that a retirement fund may no longer place reliance on the certificate issued by the Head of actuarial control function (previously the statutory actuary) which certifies that guarantee or partial guarantee is consistent with the guidance issued by the FSCA (FSB), in directive 157.A.i. D157.A.i is still in effect and has not been withdrawn - as per Joint communication 1 of 2018 - status of instruments issued under LTIA and STIA post 1 July 2018. b) In the Statement Supporting the Draft Prudential Standard - Requirements related to Regulatory Reporting and Audited Financial Statements for Pension Funds, the below statement is	The Authority acknowledges the concerns raised by the commentator in respect of look-through reporting exclusions for guaranteed or partially guaranteed policies. The Authority is concerned that if the formula for calculating a guarantee policy or assets underpinning the guarantee policy, it is unclear what will be the difficulty in reporting on the asset classes under this category. If as the contention is that there are no ringfenced assets on which to report on, this will be a further area of concern. In some instances, guarantee policies are managed on a global basis, and that it may not be possible to pick apart those guaranteed, unlike unitized assets where there is an exact link to assets.

			made in respect of the look-through reporting exclusions in respect to of Regulation 28(8)(b)(iii). We would like to find out if the PA has been consulted on this and if there is support from the PA on this. STATEMENT SUPPORTING THE DRAFT PRUDENTIAL STANDARD FOR PENSION FUNDS The look-through reporting exclusions for guaranteed policies, contemplated in Regulation 28(8)(b)(iii), are also reconsidered (read with LTIA Ai 157). The withdrawal of the various applicable exemptions will ensure equal protection before the law of members in all funds, irrespective of fund size c) From the above it is clear that FSCA requires full look through for guaranteed and partially guaranteed insurance policies held by a retirement fund or fund member, and by virtue of this requires the assets backing the guarantee and partially insurance to conform to the Regulation 28 asset classes limits. d) The Insurance Act provides for the following classes of life insurance business which are impacted by this: (i) 6.a. Individual Investment - guaranteed (fully or partially) - this a type of fund member policy, as defined in the LTI Act Regulations. (ii) 7.a. Fund Investment - guaranteed (fully or partially) e) Look through to the underlying asset classes for a guaranteed policy, as now defined in the Insurance Act, is <u>not possible</u> as it is a formula/calculation which determines the insurance obligations,	With guarantee policies the premiums goes to an insurer who will invest as deem appropriate. It is this context where the Authority, with a mandate for client protection, has to consider the look though exclusions and lift the 'corporate veil' as it were. The Authority acknowledges that an insurer has the balance sheet to meet the promise of a guarantee policy and that an insurer may be well capitalized enough to provide protection. However, if the Authority were to do away with a look though principle, then the regulatory risks such as risk of contagion, undue risky or "dodgy or toxic assets", may be prevalent and affect fund members. Further, a life insurer operates on pooled basis, so there is a risk that if something goes wrong, is that the whole balance sheet will be on hook and other fund members (policyholders), may be negatively impacted. This may be so especially in cases of insurers with weak balance sheets, thus prejudicing the fund members. The Authority will consider an exemption, taking into account the regulatory concerns stated above as well as views of other stakeholder and policy makers. The conditions set out in directive 157.A.i may need to continue should the Authority contemplate an exemption.
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			either stated in Rand terms or stated in or ascertainable from the insurance policy's terms. The concept of look-through to the underlying assets does not exist for guaranteed portfolios, as the value of the policy is not derived from the performance of underlying assets and is derived in terms the formula/calculation which determines the insurance obligations. The guarantee provides a level of protection against market fluctuations. f) Regulation 28 is in place to ensure members' assets are invested prudently. For guaranteed insurance policies the PA oversees that the insurer is capitalised well enough to deliver on the guarantees and therefore the member is prudently invested. The assets backing these policies are held on the insurer's balance sheet. These types of policies are adequately dealt with from a financial soundness perspective in terms of the Insurance Act framework and there should not be a requirement for an insurer to apply the Regulation 28 asset spreading requirements on these types of policies. g) We are the strong view that the FSCA should grant <u>an industry wide exemption, in terms of Regulation 28(9) read with section 281 of the Financial Sector Regulation Act, for fully guaranteed and partially guaranteed policies issued to retirement funds, including fund member policies issued in respect of Retirement Annuity and Preservation funds, in that retirement funds may continue to place reliance on the certificate issued by the insurers head of actuarial control function that the guarantee or partially guaranteed policy constitutes such policy in terms of the Insurance Act.</u> h) Should a <u>general exemption</u> not be granted, please advise:	The Authority may also consider that grandfathered policies remain exempt in line with Reg 28(3)(c) subject to the conditions contained therein. This exclusion is no longer applicable in terms of the amended Regulation 28 which came into effect on 03 January 2023.
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			(i) If the FSCA has a template or format that should be used in applying for this type of exemption in terms of Regulation 28(9) read with section 281 of the Financial Sector Regulation Act. (ii) If it will be acceptable to submit a single application for exemption for all funds which the insurer also administers in terms of section 13B of the Pension Funds Act. Our understanding is that all these funds in aggregate could be considered "types or kinds of funds" which could be exempted. i) The <u>conditions set out in directive 157.A.i may need to continue</u> should the FSCA be willing to grant an exemption to the asset distribution requirements set out in Regulation 28, however, the format and conditions will need to be updated to align with the terminology in the Insurance Act, such as reference to the head of the actuarial control function and the Schedule 2 definitions for 'fully guaranteed' and 'partial guaranteed', as well as removing the reference to the sections of Regulation 28 which are being repealed. j) Regarding <u>Notice 2 of 2014 which provides for the Reg 28(8)(b)(ii)(aa) exemption on audit confirmations</u>, this Notice is not being withdrawn, and currently the requirement is for the head of the actuarial control function to provide confirmation that the conditions in D157.A.i have been met. Is the intention that this may still continue until such time that it is withdrawn, notwithstanding the repeal of section 28(8)(b)(ii)?	
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			k) Please confirm that <u>grandfathered policies</u> remain exempt in line with Reg 28 (3) (c).	
428	OM	Schedule IB - Regulation 28(8) Exclusions Schedule IB Assets held in Compliance with Regulation 28 Regulation 28(8) Exclusions	Issues with respect to increased Reg 28 reporting requirements have been raised separately via the ASISA submission in this regard. We are concerned about receiving the required information timeously from ManCo's and the additional reporting burden, with associated audit and staff costs.	Noted. The recent communication by the Authority which includes the updated format of Schedule IB specifically, <i>inter alia</i> , urges administrators and service providers to provide this information to the boards and auditors.
429	PWC	Schedule IB Assets held in Compliance with Regulation 28 Regulation 28(8) Exclusions	What about circumstances where a fund applies to exclude guaranteed policies (based on current engagement between industry and the FSCA)?	See response to comment 427 (e) and (f).
430	IRFA	Schedule IB Assets held in Compliance with Regulation 28 – Reporting in respect of Infrastructure Assets	New Table for Infrastructure Concerns with the Regulation 28 infrastructure definition The infrastructure definition in Reg 28 is open to widely varying interpretations with potentially unintended consequences. It is suggested that interpretation guidance is provided as to what investments are intended to be classified as "infrastructure". While there may be a common understanding by South African asset managers, of National Treasury's intention when wording the Reg 28 definition, people preparing quarterly reporting, auditors and board members may not have this understanding. Where funds invest in collective investment schemes, particularly those with foreign investments, determining investments to classify as infrastructure based on the Reg 28 definition and look-through requirements will be particularly challenging.	The Authority acknowledges that this area is evolving. The revised Regulation 28 required additional reporting requirements in relation to infrastructure assets and other amendments to the asset spreading requirements. IFRS S1 provides for reporting in respect of General Requirements for Disclosure of Sustainability-related Financial Information. IFRS S2 provides for reporting in respect of Climate-related Disclosures. Similar to the approach adopted in this Standard in respect of IFRS i.e. the Standard indicates where possible departure from IFRS and what approach to follow in this instance. Accordingly, it is proposed that the fund's auditors make use of IFRS S1 & S2 as a framework and guidelines for ESG and Infrastructure. In

			The Reg 28 definition of infrastructure follows: ""infrastructure" means any asset that has or operates with a primary objective of developing, constructing, and/or maintaining physical assets and technology structures and systems for the provision of utilities, services or facilities for the economy, businesses, or the public." The highlighted words could lead to some assets being interpreted as being infrastructure assets, that would not normally be considered infrastructure - particularly as the definition no longer seems to require that the infrastructure asset benefits the public. (Examples: car manufacturers, business servicing or maintaining physical assets for individuals or for businesses - such as garage servicing cars, furniture manufacturer, property companies, shopping centre and luxury housing estate developers, mobile phone manufacturer, mobile phone tower manufacturer, company creating computer software and hardware or systems for use by particular clients. Would a company that sells education to rich individuals be considered infrastructure? Does this answer depend on whether it owns its buildings?) Generally, asset managers, especially those aligned with ASISA, may have a clear view on assets they consider to be infrastructure and would not normally classify many of the above examples as being infrastructure investments - particularly where the service is not primarily being provided for public benefit. Conversely, what is Eskom's primary objective? Per Google: This is "To provide electricity in an efficient and sustainable manner, including its generation, transmission and distribution and retail. The company also has a developmental role and will promote transformation, economic	addition, where appropriate, the Authority may consider issuing a guidance notice to provide regulatory guidance in respect of ESG Infrastructure reporting requirements. It can be conceded that such definition is too broad as it includes both public and private infrastructure but the amendments to Regulation 28 was to yield longer term infrastructure investment to pension funds by increasing the maximum limits that such funds may invest in. However, as this definition and the increase in limits widens the scope for investments the final decision on any investment rests on the trustees who determines the investment policy of the fund.
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			development and broad based black economic empowerment". It would generally be considered that an investment in Eskom was an investment in infrastructure - but developing, constructing and maintaining physical assets and technology structures and systems - may not be its primary objective. A media statement issued by National Treasury on 5 July 2022 includes the following wording: "These amendments (to Reg 28) follow two rounds of public comments in 2021. The aim of the amendment is to explicitly enable and reference longer term infrastructure investment by retirement funds, by increasing maximum limits that funds may invest in. To this extent, the amendments introduce a definition of infrastructure, and sets a limit of 45% for exposure in infrastructure investment. To further facilitate the investment in infrastructure and economic development, the limit between hedge funds and private equity has been split. There will now be a separate and higher allocation to private equity assets, which is 15% increased from 10%." This wording indicates National Treasury's intention to encourage infrastructure investment. This supports only classifying assets as infrastructure when these would be considered infrastructure by asset managers, as opposed to attempting to literally interpret the definition - which could lead to unintended consequences by excessively limiting funds' infrastructure investments due to a broad interpretation making the 45% aggregate infrastructure limit inappropriately low.	
431	IRFA	Schedule IB Assets held in Compliance with Regulation 28 –	a) Please confirm that only infrastructure investment issuers (as per the definition and excluding government-guaranteed instruments) which exceed 5% of the fund's total assets need to be listed.	See comments above at item 430.

		Reporting in respect of Infrastructure Assets	b) Should all infrastructure investments be included in the detailed Table 2, despite only infrastructure assets exceeding 5% of the fund's assets being listed?	
432	IRFA	Schedule IB Assets held in Compliance with Regulation 28 – Reporting in respect of Infrastructure Assets	a) Please explain what is meant by direct infrastructure in paragraph (3)(iA). Paragraph (4)(c) requires a look-through of private equity funds and hedge funds where these include infrastructure investments. Similarly look-through is normally required in respect of investments held via collective investment schemes. Which infrastructure investments (that are not directly held) are supposed to be excluded in assessing whether the fund has complied with the 45% limit on infrastructure investments (excluding those with a government guarantee)? b) Kindly clarify why there is a focus on 'rest of Africa', when the exchange controls no longer contain this distinction.	See comments above at item 430.
433	SRF	Schedule IB Assets held in Compliance with Regulation 28 – Reporting in respect of Infrastructure Assets	Does this include offshore/ Africa infrastructure investments? Is this only SA infrastructure?	See comments above at item 430.
434	AF	Schedule IB Breaches in terms of Sub Regulation 3 of Regulation 28	@ line item “List entities exceeding 25% counter-part exposure” Clarity around this to be provided – what is required here.	See comments above at item 430.
435	WTW	Schedule IB Breaches in terms of Sub Regulation 3 of Regulation 28	@ page 120 We note that sub-regulation 3(h) has been amended, so the subsection “Asset Limits in terms of sub-regulation 3(h)” may need to be revised.	Amended Schedule IB revised which removed line items Cash and deposits with a South African Bank and Debt Instruments guaranteed by a South African Bank.
436	IRFA	Schedule IB	At Fund Level @ Line item Cash and deposits with a South African Bank	Agree. Schedule IB revised and such line item removed.

		Breaches in terms of Sub Regulation 3 of Regulation 28	We are not certain if this reporting is still required as Regulation 3(h) has been amended and no longer references cash and deposits with SA Banks Asset Limits in terms of sub-regulation 3(h) Cash and deposits with a South African Bank — Debt instruments guaranteed by a South African Bank TOTAL 25 Cash and deposits with a South African Bank Debt instruments guaranteed by a South African Bank TOTAL																					
437	IRFA	BREACHES IN TERMS OF SUB REGULATION 3 OF REGULATION 28 AT FUND LEVEL Schedule IB Breaches in terms of Sub Regulation 3 of Regulation 28	We request that the top part be removed as it is a duplication of the same data requested under Notes. Overall limit for all instruments per entity/issuer (local and or foreign) (excluding debt instruments issued by, and loans to, the government of the Republic and any debt or loan guaranteed by the Republic) List Entities exceeding 25% Counter-party exposure 1. 2. 3. TOTAL OTES: Credit balance in current accounts must be included in item 1. If the investments exceed the limit per institution/company/individual and no exemption has been obtained, the details below must be completed for each institution/company/individual in each category of assets. <table><thead><tr><th>Investments in institution/company/individual</th><th>Item</th><th>% of Fair Value</th><th>Fair Value (R)</th></tr></thead><tbody><tr><td>.....</td><td>.....</td><td>.....</td><td>.....</td></tr><tr><td>.....</td><td>.....</td><td>.....</td><td>.....</td></tr><tr><td>.....</td><td>.....</td><td>.....</td><td>.....</td></tr><tr><td>.....</td><td>.....</td><td>.....</td><td>.....</td></tr></tbody></table> <td>Agree. Schedule IB revised and such line item removed. Also see comments</td>	Investments in institution/company/individual	Item	% of Fair Value	Fair Value (R)																	Agree. Schedule IB revised and such line item removed. Also see comments
Investments in institution/company/individual	Item	% of Fair Value	Fair Value (R)																					
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438	PWC	Schedule IB	The Schedule IB report on the IRBA website needs to be updated for the changes made to the new RRR effective 3 January 2023. References to	Agree. Schedule IB revised and such line item removed. Please also see comment above at item																				

		Report of the Independent Auditor on Compliance with Regulation 28	specific paragraphs and procedures (ie exclusions which are no longer applicable) need to be removed/updated accordingly.	178. The revised determination referred to above at item 178, where appropriate, will provide guidance on this reporting requirement.
Schedule IB1 – Report of the Independent Auditor on Compliance with Regulation 28				
No comments				
Short Title, Commencement and Repeal				
439	PWC	5 (1)	This will need to be specific - will this be for all year-ends beginning on/after 6 months after publication? Or is it for any year-end ending after 6 months after publication? Why not be consistent with other regulatory bodies (IASB etc) to implement the change effective for year-ends beginning on/after xx (eg 15 December 2023 - this would then be clear to be applicable for all December 2024 year-ends and thereafter).	The Authority is aware of the implementation challenges that will be occasioned by this Standard. Accordingly, the Authority will consider providing a lead time for implementation of this Standard.
440	IRFA	5(2)b	Communication 35 of 2022 Repeal of Board Notice 77 of 2014 in Government Gazette No. 37844 of 18 July 2014 - Prescribed Financial Statements Applicable to the Different Categories of Funds: Terminated Retirement Funds The position of the FSCA in the Statement Supporting Draft Prudential Standard - "Regulatory Reporting Requirements and Audited Financial Statements for Pension Funds" which deals with the proposed removal of the exemption for funds with assets of less than R50m to submit audited financial statements. There are concerns about the potential impact that this proposed change will have on occupational retirement funds which effectively ceased to operate some time ago, have little or no assets and have not yet been deregistered.	See General Comments above at item 4. The Authority and its erstwhile predecessor, engaged with industry for several years on these removals to allow a level playing field in the industry where all members have equal protection before the law whether they belong to a small or large fund. The Authority contends that it is imperative that the financial statements of all pension funds be audited to ensure that the Authority has better oversight on all funds irrespective of size. This is to ensure all pension funds consistently apply the recognition and measurement criteria contained in the revised accounting guide.

		The occupational retirement funds referred to b) above do not have these options. Such funds typically have very few benefit liabilities (usually unclaimed benefits), and if there is an employer (often the employer has ceased to exist) then ordinarily it would have no obligation in law to pay the costs associated with the audit that will now be required in terms of the draft Prudential Standard. This means that such audit costs would, to the extent that they are not able to be met from any asset which relates to a benefit liability, have to be met from the benefit liabilities themselves. It is a concern that the statement supporting the draft Prudential Standard mentions that if the benefit liabilities are transferred to an umbrella arrangement then these costs can be shared with other participants. The net effect is that for such the audits would have a significantly prejudicial impact on member benefits which will have to be reduced, and in some cases depleted, to cover the associated costs. This is not in the best interest of members. Such retirement funds will be deregistered in due course, the test for which in terms of section 27(1)(a) is that it has ceased to exist. In terms of this a retirement fund ceases to exist once it has no assets and no benefit liabilities. Experience has not shown that there has been a wide scale misappropriation of fund assets in these circumstances. It is proposed that the current practice remains as in “e” below. The Authority introduced the Report of Factual Findings, also referred to as the Agreed Upon Procedures (AUP), as a requirement for the deregistration of funds in Information Request 5 of 2020. This placed a cost on retirement funds which was not previously contemplated. It should be noted that these costs are for a one-off exercise to provide the Authority with comfort that retirement funds no longer retain any assets or liabilities, which we do not believe is an unreasonable measure for the Authority to take with terminating funds. It is not clear why this existing and accepted process has not been contemplated in the draft Prudential Standard.	Where funds lack the capacity and have assets that consist of unclaimed or surplus benefits, these funds are not precluded from joining a multi-employer arrangement on a voluntary basis. The Authority has in addition noted the risks and unsatisfactory client experiences with these funds which resulted in increasing its scrutiny and surveillance of members based on supervisory and regulatory experiences. Where appropriate and if full audit increase operational costs such as there no assets or money to pay for audits, the Authority may consider an exemption on a case-by-case basis i.e. the intention is to carve out terminating funds. It is proposed that funds with less than R6 million worth of assets, be subject to an AUP report. The concern with this issue is that an AUP must still be issued by an auditor. This means that funds must still appoint an auditor thus incurring additional costs.
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			The compulsory audit contemplated in the draft Prudential Standard introduces yet another layer of costs. This additional layer of costs is much more significant than those of the AUP audits as it would apply to every set of outstanding annual financial statements and also because the cost of the audit of a single set of financial statements is higher than that of the AUP audit. The costs of the compulsory audits would be significantly larger than the current once off cost. There may be a major financial impact of this Prudential Standard on funds (and its members) which have terminated but yet been deregistered and will not be in the best interest of the members. Recommendation In the best interest of member it is suggested that the Prudential Standard, when promulgated, contain an exemption of the audit requirement for any retirement fund which has terminated (i.e. ceased receiving contributions) prior to the date on which the Prudential Standard comes into effective, and that for such retirement funds, the Report of Factual Findings will continue to be performed by an independent external auditor when deregistration is applied for. This will provide the Authority with a level of comfort that all assets and liabilities have been dealt with correctly.	
			SECTION C – QUESTIONS RELATING TO THE ANTICIPATED IMPACT OF THE PRUDENTIAL STANDARD	
NO	COMMENTATOR	QUESTION	COMMENT	FSCA RESPONSE
441	AF	Additional compliance costs	Yes, consulting would need to source additional information. Administration would need to keep additional information. Accounting teams would take longer to prepare annual financial statements. Auditors would need to audit additional information. Expected costs is still uncertain.	The Authority notes that expected costs may increase in respect of consulting, compliance administration, preparation and audit of the annual financial statements. However these costs should

				be anticipated in accordance with nature, scale, complexity and risk profile of the pension fund. Thus these considerations seek to ensure the safety and soundness of pension funds and protecting pension fund members. Further, the Authority has to strike a balance between protecting financial customers and ensuring appropriate disclosures are in place and timely interventions are implemented to maintain the integrity and stability of the retirement sector.
442	DIS	Additional compliance costs	Yes. Information required under Schedules IA and IB require that we apply a look through principle. We rely on external parties to supply us with the data at a cost. Since the Draft Standard requires more detailed information, this will entail additional costs.	Comment noted.
443	IRFA	Additional compliance costs	Yes. Reg 28 look through – need to obtain this from the investment managers, and time to capture the product level information. The ESG questions require input from the trustees, principal officer and the investment consultant, time to obtain the information, capture it, and evidence for the auditors Investment fees – where the fees are included in the price, additional effort to obtain the information and adjust the information on the system Additional audit costs and time impact of dealing with the auditors on small funds where previously audit exempt. Please refer to our submission under General Comments in respect of Repeal of Board Notice 77 of 2014 in Government Gazette No. 37844 of 18 July 2014 - Prescribed Financial Statements Applicable to the Different Categories of Funds: Terminated Retirement Funds.	Comment noted. A fund auditor would have already been appointed to conduct procedures for the section 15 factual findings report. These funds may use such auditor to perform the audit. These smaller funds should thus make provision for sufficient audit fees to perform the audit.

				The audit requirements and costs on retirement funds which have ceased to operate some time ago will impact on members.	
444	OM	Additional costs	compliance	Yes. Additional resources will be required to assist with additional reporting and disclosure requirements, which will lead to additional and increased audit costs. Processes and systems will have to be enhanced and developed. The actual costs must still be determined. With regards to the removal of the audit exemption for funds with assets of less than R6 million, this will have a material impact on available resources.	See response to comment 441.
445	OUTL	Additional costs	compliance	Yes. It will impose additional cost from an assurance point of view as this will increase the cost associated with audit requirements e.g. there may be a need for the implementation of a specialised fund accounting system.	Even though expected cost are uncertain, the Board must exercise due diligence by ensuring that members are not prejudiced and funds do not incur exorbitant fees.
446	PWC	Additional costs	compliance	We would like to bring to your attention the following areas that will result in additional audit hours and ultimate additional costs for the Funds: (i) Procedures to be performed on the membership reconciliation that has been moved from the Report of the Board of Fund to the notes of the financial statements. The Report of the Board of Fund forms part of “Other information.” Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Moving the membership reconciliation to the notes of the financial statements will now require an audit of the reconciliation. Also, in order for the membership recon to be audited, guidance needs to be included in	See responses above at item 441. This addresses discrepancies between schedule HA (benefits, transfers etc) & Schedule E (membership) on the financial statements. The aim is to cross reference numbers on the membership recon with the actual amounts on benefits, transfers etc (i.e movements between the recon and benefits paid/accrued/transferred) (ii) The cash flow note will be based on the quarterly cash statements submitted to the authority. Therefore note 24 will disclose the reconciliation of amounts on the quarterly statements submitted to the Authorisation (iii) The guidance on the classification, recognition and measurement of investments in terms IFRS 9 will be provided in the Prudential Standard. And

			the Prudential Standard in order to provide against which the membership recon can be audited. (ii) Note 24 to the financial statements requires Funds to disclose a cash flow reconciliation. This is a new area that will need to be audited. The cashflows for benefits, transfers and contributions are already included in the respective notes. Engagement with the administrators will be required in order to ensure that the information can be accurately provided in a format that can be audited. This will require additional audit effort and additional cost from an administrator and fund perspective. (iii) The classification, recognition and measurement of investments requires Funds to use IFRS 9 Principles. IFRS 9 requires assessment of the business model of the Fund. Year 1 of implementation of this prudential standard will require careful consideration of the business model assessment of the Funds by auditors if this is the intention of the FSCA regarding the classification of investments. The costs implications will vary per Fund depending on the size of the Fund and complexity of its investments. (iv) IFRS 13 has additional disclosure requirements which will be required to be audited. The extent of the cost thereof will depend on the complexity of the Fund's investments.	also any deviations from IFRS 9 will be clearly indicated in the prudential standard. See response to comment 441.
447	SRF	Additional compliance costs	Possibly. Additional training on IFRS will be required. The increased requirements from the external auditors may result in increased audit fees. The increased work-load on current staff may in the long-run not be	See response to comment 441.

			sustainable and thus a possibility of employing additional staff members. Expected costs cannot be determined at this early stage.	
448	WTW	Additional compliance costs	We interpret the question as, “Will the Prudential Standard impose additional compliance costs on retirement funds?” The preparation of annual financial statements of course imposes both compliance and operational costs on funds. For larger funds, we do not believe the extra costs associated with the additional requirements introduced by the Prudential Standard will be excessive. We note that in the past, the regulatory requirements for funds with assets below R 50 million were less burdensome than those for large funds (as defined), whereas the draft Standard will be applicable to all registered retirement funds, “regardless of the total value of assets”. Small funds will therefore certainly incur additional costs, especially auditing costs, but one can make an argument that an asset size as low as R 50 million is below the threshold for viability (i.e. such funds should be terminated in any case).	See response to comment 441.
449	AF	Affect operational cost of the business	Yes, consulting would need to source additional information. Administration would need to keep additional information. Accounting teams would take longer to prepare annual financial statements. Auditors would need to audit additional information. Expected costs is still uncertain.	See response to comment 441.
450	DIS	Affect operational costs of the business	As mentioned above, additional data that is required under Schedules IA and IB will attract additional costs.	See response to comment 441.
451	MML	Affect operational costs of the business	Going forward, funds with assets below R50 million will no longer have an audit exemption. This will result in additional operational costs for these funds to accommodate this change.	See response to comment 14 and 441.
452	OM	Affect operational costs of the business	In addition to our response to question 1 above, there will be an impact on current processes and/or alteration of forms in order to ensure that specific information that now forms parts of the proposed requirements is captured	See response to comment 441.

			in business systems so that it is available for the financial statements. There will be additional time required from preparers of the financial statement to consolidate all the information required and capture onto the FSCA tool. Please refer to our comment on Schedule HA – 8.3 Reconciliation of membership – there will be additional IT build costs in order to produce the required reporting.	
453	OUT	Affect operational costs of the business	Yes, the standard will have an effect on the Operational cost of the business such as: (i) The cost of preparation of annual financial statements. (ii) The costs associated with audit and accounting requirements. (iii) There may be costs associated with information gathering in respect of investments in order to adhere with ESG reporting of the Funds which may cost approximately R60000 per year. (iv) There may be additional governance costs as more time required by the trustees. (v) We also anticipate an increase in cost as this may require more detailed data specialized fund accounting system from the administration point of view.	See response to comment 441.
454	PWC	Affect operational costs of the business	Refer to comments in point 1 above which are: We would like to bring to your attention the following areas that will result in additional audit hours and ultimate additional costs for the Funds: c) Procedures to be performed on the membership reconciliation that has been moved from the Report of the Board of Fund to the notes of the financial statements. The Report of the Board of Fund forms part of “Other information.” Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so,	See response to comment 441.

			consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Moving the membership reconciliation to the notes of the financial statements will now require an audit of the reconciliation. Also, in order for the membership recon to be audited, guidance needs to be included in the Prudential Standard in order to provide against which the membership recon can be audited. d) Note 24 to the financial statements requires Funds to disclose a cash flow reconciliation. This is a new area that will need to be audited. The cashflows for benefits, transfers and contributions are already included in the respective notes. Engagement with the administrators will be required in order to ensure that the information can be accurately provided in a format that can be audited. This will require additional audit effort and additional cost from an administrator and fund perspective. e) The classification, recognition and measurement of investments requires Funds to use IFRS 9 Principles. IFRS 9 requires assessment of the business model of the Fund. Year 1 of implementation of this prudential standard will require careful consideration of the business model assessment of the Funds by auditors if this is the intention of the FSCA regarding the classification of investments. The costs implications will vary per Fund depending on the size of the Fund and complexity of its investments. f) IFRS 13 has additional disclosure requirements which will be	
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			required to be audited. The extent of the cost thereof will depend on the complexity of the Fund's investments.	
455	SRF	Affect operational costs of the business	The Fund does not anticipate a huge increase in operational cost – however, there is anticipation that the costs will increase.	Comment noted. However even though expected cost are uncertain, the Board must exercised due diligence by ensuring that members are not prejudiced and funds do not incur unjustified exorbitant costs.
456	WTW	Affect operational costs of the business	The preparation of annual financial statements of course imposes both compliance and operational costs on funds. For larger funds, we do not believe the extra costs associated with the additional requirements introduced by the Prudential Standard will be excessive. We note that in the past, the regulatory requirements for funds with assets below R 50 million were less burdensome than those for large funds (as defined), whereas the draft Standard will be applicable to all registered retirement funds, “regardless of the total value of assets”. Small funds will therefore certainly incur additional costs, especially auditing costs, but one can make an argument that an asset size as low as R 50 million is below the threshold for viability (i.e. such funds should be terminated in any case).	See response to comment 441.
457.	AF	3.Termination of existing arrangements	Unsure.	Comment noted.
458	DIS	3. Termination of existing arrangements	Not that we are aware of, at present.	Comment noted.
459.	IRFA	3. Termination of existing arrangements	The application of audit requirements to small funds could likely encourage the termination of such funds in the longer term due to the additional costs making these less viable.	Comment noted.
460	OM	3. Termination of existing arrangements	No.	Comment noted.

461.	OUTL	3. Termination of existing arrangements	We are unable to provide feedback on this question as this cannot be determined at this point in time.	Comment noted.
462.	PWC	3. Termination of existing arrangements	Not known	Comment noted.
463.	SRF	3. Termination of existing arrangements	No.	Comment noted.
464.	WTW	3. Termination of existing arrangements	We interpret the question as, “Will the Prudential Standard result in the termination of retirement funds ?” We note that in the past, the regulatory requirements for funds with assets below R 50 million were less burdensome than those for large funds (as defined), whereas the draft Standard will be applicable to all registered retirement funds, “regardless of the total value of assets”. Small funds will therefore certainly incur additional costs, especially auditing costs, but one can make an argument that an asset size as low as R 50 million is below the threshold for viability (i.e. such funds should be terminated in any case). Yes, the extra requirements and costs (specifically, the extra auditing costs) may hasten the termination of smaller funds.	This relates to the existing contracts (arrangement) with the service providers.
465.	AF	4. How many arrangements will be impacted and what is the expect cost implication?	Unsure	Comment noted.
466.	DIS	4. Termination of existing arrangements	N/A	Comment noted.
467.	OM	4. Termination of existing arrangements	N/A	Comment noted.
468.	OUTL	4. Termination of existing arrangements	We are unable to provide feedback on this question as this cannot be determined at this point in time.	Comment noted.
469.	PWC	4. Termination of existing arrangements	Not applicable.	Comment noted.

470.	SRF	4 Termination of existing arrangements	No.	Comment noted
471	WTW	4. Termination of existing arrangements	We cannot guess how many retirement funds will terminate, but we note that the FSCA's latest list of registered funds contains some 317 "normal, active" registered funds with assets of between R 100 000 and R 50 million, with combined membership of some 116 000. (100 of these, with combined membership of some 7 500, had assets below R 6 million, and are therefore currently exempt from all audit requirements.) All of these funds (and a number of somewhat larger funds) must surely be candidates for termination – although we would guess that a significant proportion of these are in at least the early stages of a termination process already.	Comment noted.
472	AF	5. Transitional arrangements are necessary	Noted in the comments.	There are no details provided in the comments.
473	OM	5. Transitional arrangements are necessary	Yes. 12 months transitional period to allow for updating templates, reports and formats and for the ESG section because the information required to answer the questions will have to be sourced from various sources and may not be easily available. 24 months transitional period to allow for IT build in order to produce the required reporting wrt Schedule HA – 8.3 Reconciliation of membership.	The Authority will provide a lead time for preparation to ensure full compliance with this Prudential Standard. The Prudential Standard will be published and from the publication date a - month period will be given to pension funds to implement the requirements of the Prudential Standard.
474	OUTL	5. Transitional arrangements are necessary	Yes, one of the transitional arrangements would be the implementation of the specialised fund accounting system and we would need to upskill the finance department on the system and any other additional requirements contained in the standard.	See response to comment 493.
475	PWC	5. Transitional arrangements are necessary	Specific transitional guidance will need to be provided in the prudential standard. The current effective date (ie effective within 6 months after date of publication, does not provide adequate guidance as to which year ends	See response to comment 493.

			the revised reporting requirements will be applied to. We recommend that the Prudential Standard is effective for year ends starting on/after a specific date, consistent with other regulatory bodies. (i) Will the Prudential Standard be applied retrospectively or prospectively? (ii) Consideration will need to be provided on the impact on the IRBA audit opinions - Schedule D and IB.	(i) Note that the Prudential Standard will be applied prospectively; (ii) No response
476	SRF	5. Transitional arrangements are necessary	No.	Comment noted.
477	WTW	5. Transitional arrangements are necessary	We note the contents of section 4 of the FSCA's "Statement supporting the draft Prudential Standard". One could however argue that it is unreasonable to burden small funds with extra costs (especially extra auditing costs, which could be quite significant) without allowing a transition period, e.g. two years, for these funds to be terminated (if that is the preference of their trustees and sponsor). So possibly a phased-in approach for smaller funds, taking account of the more limited auditing requirements that applied under Board Notice 77 of 2014, could be taken – this could also ease the short-term pressure on the audit firms who will have to take on the additional work.	Comment noted.
SECTION D - GENERAL COMMENTS				
No.	Commentator	Sect/ Provision	Issue	FSCA Response
FORMAT OF THE PRUDENTIAL STANDARD				
478	IRFA	Format	No, it is suggested that the standard's scope is limited to setting out the principles rather than including the entire RRR template as Annexure B. Getting a standard changed is more difficult than releasing a new	The Authority acknowledges the practical difficulties in respect of having detailed requirements, Annexures, Notes and Schedules in

			template. The Prudential Authority (PA)'s approach, whereby the principles are set out in the standard but the detailed reporting templates (and log-files to insist in interpretation) are in separate documents on the PA's website, may be more practical. The separate reporting template can be changed far more easily (particularly if snags are found) than trying to change a template embedded as an annexure to a standard. This is particularly applicable in rapidly evolving reporting areas such as the reporting on ESG investments where the information users of the RRR (including board members, fund members and the FSCA) want to see and is available, may change rapidly from one year to the next. It is suggested that the standard itself should not include a list of changes being made to the current RRR. It should only include what a person preparing or reviewing the fund's return in a few years' time would need to see. Example:"4. Financial Statements (1)" section is only useful to users updating reporting from the old version. This content should be in a communication from the FSCA - perhaps in a guidance note - but not in a standard. The extensive use of cross referencing to specific paragraphs in specific IFRS standards may also make this standard harder to keep up to date. Issuing Annexure B as a protected Excel file with a sheet per section and different cell colours to show where figures should be captured, link in from another schedule or are totals could assist users understand what is intended. A validation sheet would also assist users to understand what figures should cross check to other figures on the templates. This would assist understanding even if the Prescribed Annual Financial Statements were not submitted as Excel files.	the Standard instead of determining these separately. Accordingly, the Standard has been revised and detailed Schedules, Annexures and Notes will be issued in a separate determination. Please refer to Chapter 3 of this draft which is a revised draft without Schedules and Notes to the Annual Financial Statement and with track changes. The approach taken was to carve out the Annexure B which is the Prescribed Financial Statements Report that we are prescribing as per section 15 of the PFA.
479	OM	Format	Yes. It would also be useful if a smart template could be created to help preparers of the financial statements complete the appropriate sections (e.g. Questions are answered by preparers upfront, then financials are	The smart template (specific, measurable, attainable, relevant & time-based) could prove to be difficult to create because that will mean we

			customised according to responses provided). This would also assist with uniformity of financial statements within the industry and also perhaps eliminate need to update the FSCA tool with the same information as all the information on the financials is currently manually captured onto the tool.	need to create the template according to the system used by the preparers of the AFS. The smart template is what our format seeks to achieve because we believe that the financial statements format incorporates the above mentioned 5 characteristics.
480	OUTL	Format	No.	Comment noted.
481	PWC	Format	No. References and cross references to specific paragraphs with IFRS creates uncertainty regarding what should be applied and what not. This will cause uncertainty within the industry. It will assist users if each section includes sub headings for Classification, Initial recognition, Measurement and Disclosure.	Standard will be revised to make references to specific paragraphs of IFRS to alleviate uncertainty.
482	WTW	Format	Yes – we don't have any objection to the format.	Comment noted.
No	Commentator	Section/ Provision	Issue/ Matter	FSCA Response
ANY OTHER GENERAL COMMENT				
483	IRFA	Schedule IA - Investment Schedule: Notes to the Investment Schedule, Q Reporting in respect of Environmental, Social and Governance (ESG)	a) ESG considerations are complex and important. A more rigorous and much longer consultation process is required to determine what is sensible and achievable from a retirement funds perspective. b) Certifying that the information in the table is complete and accurate is an onerous requirement at this stage, given the interpretation difficulties with several of the terms associated with infrastructure and ESG investments and the complexity of determining whether investments should be classified as green assets / exposed to coal	A framework for pension funds in respect of this reporting is envisaged. Accordingly, a revised Schedule IB has been considered is provided herewith.

			etc. It is suggested that the declaration the board is required to make is free-flow or more reflective of what the board can reasonably be expected to declare. Regarding certain specific questions: c) "Does the fund's IPS include an Active Ownership policy?" What is an Active Ownership policy? Is the reader expected to reference Guidance Note 1 of 2019 entitled? d) "Sustainability of investments and assets in the context of a retirement fund's Investment Policy Statement"? If yes, this needs to be made clear in this prudential standard. If this prudential standard is expected to stand on its own, definitions from Guidance Note 1 may need to be incorporated into this standard. e) "Does the fund have a specific policy that supports green/climate investment?" Please could "green/climate investment" be defined? f) With respect to the question, "Is the fund exposed to coal mining, coal logistics and/or coal fired power plants?" Please consider guidance as to when a fund would be expected to respond "yes". Is there a materiality threshold? It is suggested that all speculative questions are removed. These are the following questions: (i) Would the fund be willing to commit to reduced exposure to coal? (ii) Would the fund be willing to commit to increasing allocation to green and climate focused investments? (iii) Would the fund be willing to commit to increasing allocation to investment with positive social impact? What is appropriate for a fund to commit to depends on what is in the best interests of its members. If a fund already has	What is appropriate for a fund to commit to depends on what is in the best interests of its members. If a fund already has sufficient green or positive social impact investments, increasing its allocation to these may not be in the members best interests.
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			sufficient green or positive social impact investments, increasing its allocation to these may not be in the members best interests. g) With respect to the question "Did the fund align with Sustainable Development Goals (SDGs) in some way?", Please advise where "Sustainable Development Goals" is defined? h) Please could this table be reconsidered as many Infrastructure investments are also ESG investments. Even where an ESG investment is not in infrastructure, it may still belong in more than one column of this table (Example: A private equity investment in Utility scale renewable energy generation (USREG). Rather require the fund's direct ESG / Infrastructure investments which exceed a prescribed percentage of the fund's assets to be listed with a brief note such as "private equity infrastructure investment in renewable energy generation". Kindly advise on the importance of whether the investment meets the requirement to be considered USREG as opposed to SOGEG? And would the preparer always know this? i) Page 22: definition of coal mining, coal logistics and coal-fired power plants - is this limited to direct exposure - what level of instrument must be considered - what limitation? j) Is the expectation that the table on ESG be audited? What guidance will be issued around the auditing of this or is the expectation that this is a disclosure requirement not subject to audit? The main point being asked is how will this impact audit findings, if this is a disclosure requirement then perhaps the disclosure should move to Schedule E - Report of the Board of Fund.	
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			k) Remove “Entities regulated ito Reg 28(8)(b)(iv)” – excluded in new regulation 2	
484	IRFA	Schedule IA – Investment Schedule	Remove “Entities regulated ito Reg 28(8)(b)(iv)” – excluded in new regulation 28	There are no longer exclusions in terms of reg 28. Revised to remove “Entities regulated ito Reg 28(8)(b)(iv)”
485	IRFA	Schedule IA – G3 (Net short positions)	Fund managers use short positions to lower market exposure (specifically in foreign currency) in order to reduce costs of repatriating capital and thereafter taking cash offshore. These are deliberate positions and therefore no “remedial” action is taken.	New requirement to be complied with.
486	IRFA	Schedule IB – Table 1	Remove “Entities regulated ito Reg 28(8)(b)(iv)” – excluded in new regulation 28	Agree, there are no longer exclusions in terms of reg 28. I cannot see where this is removed both on the old and amended Schedule IB.
487	IRFA	Comments on Financial Statement Template	Please refer to attached Annexure and related comments on the draft template. We appreciate your consideration of these comments in the non-standard submission format. @ Annexure B – Contents (i) I – Section 15 Auditors Report – please update and give full name of the report – Not called section 15 in the AFS (ii) Independent auditor’s report on assets held in compliance with Regulation 28 to Board of Fund – update to “ Reasonable assurance report by the independent auditors on assets held...” (iii) Related comments on draft template	Regulatory framework to assist with the attached annexure ? (i) Revised to furnish name as Report of Board of Fund to the Authority in terms of section 15 of the Pensions Funds Act (ii) Reasonable Assurance Report by the independent auditor on assets held in compliance with Regulation 28 to Board of Fund (iii) Related comments on draft template dealt with in respect of the RRR and the AFS.
488	MML	“Board of Fund”	The defined term in the Pension Funds Act is “Board” and not “Board of Fund”. The defined term should be used wherever it appears on the document.	Agree, to be updated. Regulatory framework to assist – Standard revised to indicate Board with the removal of Fund.

489	OM	Ability to deliver audited financial statements timeously	Additional disclosure requirements are outlined, in addition to the increased Reg 28 reporting requirements, may hamper the ability to deliver financial statements timeously without employing additional resources. There are also third party dependencies (Caseware for updated templates, mancos for required REG 28 information).	Comment noted.
490	OM	Contents page of financials does not include Reg 28 schedule (used to be schedule IB)	Schedule IB use to be for Assets held in compliance with Regulation 28 but the revised standard indicates that this will now be for the independent auditor's report. Was this intentional and is there no longer a requirement for Regulation 28 schedule?	Schedule IB is still used for assets held in compliance with Regulation 28 and is still included in the revised standard.
491	OM	FSCA tool used for capturing of retirement fund financials	The tool needs to be upgraded to take into account all changes proposed in these new regulations and be user friendly. There is technology available that can scan information from PDF, Excel, Word and provide a prepopulated view of the information to be submitted. The user would then check the information that would have been converted and then fill in the missing details. This would save users a significant amount of time as the existing tool is currently too old and not aligned with the templates.	This will be updated to align with the new template.
492	PWC	Insurance accounting	No guidance has been provided on the measurement (ie initial recognition, subsequent measurement and presentation) of insurance contracts. It is recommended that guidance is provided via a reference to IFRS or to include written guidance to assist a user to apply the measurement consistently.	Guidance will be provided for improvement especially with the application of the standards i.e recognition, measurement, presentation & disclosure
493	PWC	Note 9	No guidance has been provided on how a fund should account for control – would the fund allow the guidance in IFRS 10? Recommendation that explicit guidance.	A sentence in note that refer to IFRS 10 for guidance on initial recognition, measurement, presentation and disclosure, has been added. Guidance to be included where there is departure from IFRS.
494	PWC	Accounting policies pg 53	"Derivative contracts are entered into mainly to hedge exposure to equities"	Agreed.

			Will this be formal or economic hedges? What are the disclosure and measurement criteria for these formal hedges? No guidance has been provided in the document.	Funds invest indirectly in derivatives through asset managers therefore it's not formal hedge and economic hedge applies. Derivatives accounting policy should be updated to include recognition and measurement criteria and to be in line with the draft derivative standard published on the website of the Authority www.fsc.co.za regulatory frameworks.
495	PWC	Annexure B - Prescribed Annual Financial Statements on letter	No comments matrix was provided for the "Annexure B - Prescribed Annual Financial Statements". Our comments and recommendations are included as review notes on the PDF document that was forwarded with the submission.	Comment noted.
496	PWC	Application of the Prudential Standard for Small Medium Enterprises	We recommend that guidance paragraphs, similar to that in IFRS for SME's be included in the Prudential Standard, in order to cater for specific transactions which may not be included in the RRR. I make specific reference to section 10.3 to 10.6 of IFRS for SME's.	Agreed – Management to consider the inclusion of similar paragraphs into the RRR.
497	SRF	Submission of financial statements to the Authority	The Fund requests the Authority to provide an alternative or simpler way to submit the required files as the increased requirements will result in the increase in the size of the file. The current submission portals might need to be upgraded as they might not cope with this increase in file size. How much time will funds be provided to complete and submit their reports?	See response to comment 15. Submission period will be the same: within 6 months after financial year end until such a time Parliament confirms the new time of submission to be 4 months after year end.
498.	SRF	FSCA Levies/Fees	Does the FSCA anticipate a reduction in fees in support of funds possibly needing to acquire additional resources to address the increased reporting requirements in order to manage costs?	Levies are based on number of members and asset value of fund. Therefore, these won't be affected by the reporting requirements. In addition, levies are a small portion of the administration expenses of the funds.