

# **NATIONAL PENSIONS REGULATORY AUTHORITY**



NPRA/GD/CPT/01/11

## **GUIDELINES FOR CORPORATE TRUSTEES**

### **CONTENTS**

- 1. INTRODUCTION**
- 2. ELIGIBILITY FOR APPOINTMENT**
- 3. APPLICATION**
- 4. FUNCTIONS OF A TRUSTEE**
- 5. REQUIREMENTS FOR LICENSING**
- 6. GENERAL DUTIES WITH RESPECT TO ADMINISTRATION OF SCHEMES**
- 7. INFORMATION TECHNOLOGY REQUIREMENTS**
- 8. SCHEME RECORDS**
- 9. ANNUAL BENEFIT STATEMENTS**
- 10. CONTRACT WITH PENSION FUND MANAGERS**
- 11. CONTRACT WITH PENSION FUND CUSTODIANS**
- 12. FEES AND LOCATION**
- 13. DOCUMENTS TO BE SUBMITTED**
- 14. REQUIREMENTS FOR COMMENCEMENT OF OPERATIONS**

## **1. INTRODUCTION**

- 1.1 The purpose of these Guidelines is to provide the basic procedures that shall be adhered to for services provided by Corporate Trustees in terms of the National Pensions Act, 2008 (Act 766), hereinafter referred to as the Act.
- 1.2 In developing these requirements, the National Pensions Regulatory Authority (NPRA) has provided Corporate Trustees with minimum requirements as to how it could achieve prudential objectives of the requirements.
- 1.3 These requirements are not intended to be all encompassing, references to the Act and the regulations shall always be taken into consideration.

## **2. ELIGIBILITY FOR APPOINTMENT**

An Applicant shall not qualify to be appointed as Corporate Trustee unless that Applicant:

- 2.1 Is a body corporate incorporated in Ghana
- 2.2 Is a Trust Company with a registered company name including the word “Trust” or “Trustee” and its business is restricted to trust business
- 2.3 Satisfies the minimum capital and net asset value requirement
- 2.4 Has at least three (3) Directors all of whom shall be individual persons with at least one of the Directors being an independent Director
- 2.5 Has Controllers who are persons of good reputation and character and, in particular, have not been convicted by a Court of competent jurisdiction whether in Ghana or elsewhere, of an offence involving fraud or dishonesty.
- 2.6 Has employed a Compliance Officer with the relevant professional qualification and experience.
- 2.7 Has a Chief Executive Officer and majority of the Directors including the independent Director, possessing the skill, knowledge, experience and qualifications that are necessary for the successful administration of a registered pension scheme.
- 2.8 Is capable of carrying on the business of administering registered pension schemes

## **3. APPLICATION**

- 3.1 Any Company incorporated in Ghana which desires to be appointed as a Trustee to manage an Occupational Pension Schemes, Provident Fund Schemes, Personal Pension Scheme and any other privately managed pension scheme shall apply and be duly

licensed by the National Pensions Regulatory Authority (NPRA), hereinafter referred to as the Authority.

- 3.2 Application for licence to transact business shall be made to the Authority through a prescribed form issued by the Authority.
- 3.3 After meeting the requirement for the grant of a licence, approval may be granted to the applicant and shall remain valid for a year, subject to a renewal.
- 3.4 The Applicant shall ensure that businesses carried on are compatible with the interests of the members of an occupational pension scheme, provident fund scheme or a personal pension scheme.
- 3.5 An individual who exercises a function in relation to the Scheme as a Director shall have appropriate knowledge and understanding of the law relating to pensions and trusts and the investments of the assets of the schemes.
- 3.6 Such individual shall be conversant with the scheme-related documents, that is, the trust deed and rules of the scheme, any statements of investment principle and any other document that records current policy relating to the administration of the scheme generally.
- 3.7 Such individual shall have professional knowledge and experience to administer a pension scheme.

#### **4. FUNCTIONS OF A TRUSTEE**

A Trustee shall, in addition to other duties imposed by a Trust Deed, perform the following functions:

- 4.1 Secure Scheme registration.
- 4.2 Appoint Pension Fund Managers, Custodians and other service providers and ensure their compliance with regulatory requirements or guidelines.
- 4.3 Maintain investment policy statements and internal control procedures prescribed by the Authority.
- 4.4 Ensure that the investment of funds of the scheme is diversified to minimize investment risk.
- 4.5 Act as a provident trustee in financing relationship with its members.
- 4.6 Discharge the duties of a Trustee.
- 4.7 Process transfer and payment requests as contained in the trust.
- 4.8 Keep proper accounting records and members' register.

- 4.9 Prepare and lodge annual audited financial statements, scheme and investment reports with the Authority.

## **5. REQUIREMENTS FOR LICENSING**

- 5.1 Occupational Pension Schemes, Provident Fund Schemes, Personal Pension Schemes and other Privately-Managed Schemes shall only be managed by Trustees licensed by the Authority.
- 5.2 An Applicant shall not be appointed as Trustee unless that Applicant is licensed in accordance with the National Pensions Act, 2008.
- 5.3 An Applicant seeking to be appointed as Trustee shall apply to the Authority using the prescribed forms, and accompanied by the prescribed fee.
- 5.4 As part of the licensing requirements, the Applicant must submit to the NPRA, evidence that:
  - 5.4.1 It is a body corporate.
  - 5.4.2 It is a Trust Company with a registered company name including the word “Trust” or “Trustee”, and its business is restricted to trust business.
  - 5.4.3 Satisfies the minimum capital and net asset value requirement
  - 5.4.4 It has sufficient expertise and management resources including human resources to conduct its business operations effectively.
  - 5.4.5 Has at least three (3) Directors all of whom shall be individual persons with at least one of the Directors being an independent Director.
- 5.5 The Application shall be accompanied by:
  - 5.5.1 A non-refundable application fee, in bank draft, payable to the National Pensions Regulatory Authority and marked “Application Fee”.
  - 5.5.3 Name, Address (physical and electronic) telephone numbers of the person to whom enquiries may be referred.
  - 5.5.4 Address and location of the Applicant’s Registered Office, and Head Office if different from the Registered Office.
- 5.6 The Application shall be accompanied by:  
A Certified True Copy of the Regulation of the Applicant Company.
- 5.7 After evaluation of the Application, an Applicant must submit evidence of a minimum paid up capital prior to registration with the NPRA.

- 5.8 Duly completed application form and supporting documents should be submitted in both hard and soft copies in sealed envelopes to the following address:

**CHIEF EXECUTIVE OFFICER  
NATIONAL PENSIONS REGULATORY AUTHORITY  
PMB, MINISTRIES POST OFFICE, ACCRA.**

*All enquiries should be referred to the above address. Relevant forms can be downloaded from the NPRA website: [www.npra.gov.gh](http://www.npra.gov.gh).*

## **6. GENERAL DUTIES WITH RESPECT TO ADMINISTRATION OF SCHEME**

Trustee shall in the administration of the Scheme:

- 6.1 Exercise a level of care, skill, diligence and prudence that is reasonably expected of a prudent person who is acting in a similar capacity.
- 6.2 Make use of relevant knowledge and skill that the trustee is reasonably expected to have.
- 6.3 Ensure that the funds of the scheme are invested in different investments to minimize the risk of losses.
- 6.4 Act in the interest of the Scheme members and in accordance with the rules of the scheme.

## **7. INFORMATION TECHNOLOGY REQUIREMENTS**

- 7.1 In the administration of the Pension Schemes, the NPRA's ICT Guidelines must serve as the minimum ICT requirement.
- 7.2 The key issues to be considered for the efficient information flow and effective system inter-operability among the Pension Scheme's stakeholders are:
  - 7.2.1 System Management: Hardware, Operating System, Applications, Database Storage and Back-up
  - 7.2.2 Network Management: Telecom Infrastructure Management, Configuration, Performance and Security.
- 7.3 Trustees must note and consider that the Pension Scheme administration will require that transactions and associated data must flow seamlessly between the Pension Fund Custodians and Pension Fund Managers and the NPRA.

## **8. SCHEME RECORDS**

- 8.1 The Trustee shall keep a register of Scheme Members which shall specify the member's name, residential address and date of birth.
- 8.2 The Trustee of a registered Scheme shall keep accounting records to explain transactions of the Scheme and the financial status of the Scheme.
- 8.3 The records shall be kept:
  - 8.3.1 In a manner to show a true and fair status of the financial transactions of the scheme during each financial period, and in a manner that ensures convenient and proper auditing;
  - 8.3.2 At a specific place that can be readily accessible in Ghana, and made available to the Authority on request for inspection
- 8.4 The Trustee of a registered Scheme shall maintain a separate account for each Scheme member which shall specify the members accrued benefits, and in a manner that ascertains the market value of the accrued benefits at least once every month.
- 8.5 Trustees shall ensure that the scheme assets are:
  - 8.5.1 Administered and dealt with as trust assets;
  - 8.5.2 Applied only for the purposes of the scheme;
  - 8.5.3 Separately recorded in the appropriate records and distinguished from other records, and from the Trustee's personal assets.

## **9. BENEFIT STATEMENTS**

- 9.1 Trustees shall, on quarterly basis, provide each member of the Scheme with a benefit statement.
- 9.2 A scheme member's benefit statement shall specify the name of the member, name of the scheme, the total contributions paid to the scheme in respect of a member during a financial period, and value of the accrued benefits of the member as at the beginning and end of the financial period.
- 9.3 Members' records must be:
  - 9.3.1 Denominated in Ghana Cedis
  - 9.3.2 Up-to-date, and must disclose with reasonable accuracy at any time, the member's records

## **10. CONTRACT WITH PENSION FUND MANAGERS**

- 10.1 The Trustee shall appoint a Pension Fund Manager to manage the investments of the funds of the scheme.
- 10.2 The Trustee shall in appointing a Pension Fund Manager ensure that the selection and appointment of the fund manager is recorded in writing, and that there is no conflict of interest between the Pension Fund Manager and other persons who have a contractual relationship with the Trustee.
- 10.3 The Pension Fund Manager must have the resources including the human resource necessary to carry on business as a Pension Fund Manager and has in place adequate controls and safeguards with respect to the investment of funds of the scheme.
- 10.4 The Pension Fund Manager shall be independent of the Trustee.

## **11. CONTRACT WITH PENSION FUND CUSTODIANS**

- 11.1 Trustees shall ensure that the scheme assets are kept by, or under the control of a Pension Fund Custodian with whom the Trustee must enter into a custodial agreement with respect to the scheme assets.
- 11.2 The Pension Fund Custodian shall make good, losses which the Pension Scheme suffers due to its negligence.
- 11.3 The Trustee shall in appointing a Pension Fund Custodian ensure that the selection and appointment of the Pension Fund Custodian is recorded in writing, and that there is no conflict of interest between the Pension Fund Custodian and other persons who have a contractual relationship with the trustee.
- 11.4 The contract shall have a clause requiring the exercise of the same standard of care that the Pension Fund Custodian would exercise over its own assets in holding, maintaining, servicing and disposal of property and in fulfilling any other obligation in the agreement.
- 11.5 The Pension Fund Custodian must have the resources including the human resource necessary to carry on business as a Pension Fund Custodian and has in place adequate controls and safeguards with respect to the custody of funds of the scheme.
- 11.6 The Pension Fund Custodian shall be independent of the Trustee.

## **12. FEES AND LOCATION**

An application shall be accompanied with:

12.1 A non-refundable fee of GHS1,000.00 in bank draft, payable to the Authority and marked "Application Fee".

12.2 Name, address (physical and electronic) and telephone numbers of the person(s) to whom enquiries may be referred.

12.3 Address and location of the applicant's registered office.

## **13. DOCUMENTS TO BE SUBMITTED**

13.1 A Copy of the Regulations of the Applicant Company.

13.2 Organisational structure showing functional units and reporting relationships. The reporting arrangement must be such that it provides for effective and prudent management of Schemes.

13.3 The full name and address and curriculum vitae outlining the relevant qualification and experience of each Board Member including directorship of other companies for the past ten years. Each Director and Chief Executive Officer would also be required to fill a Personal Profile Form.

13.4 An Auditor's Report which shall state whether or not the applicant has complied with the prescribed capital requirement.

13.5 Attestation by each of the members of the Board that she/he has never:

13.5.1 Been convicted of any fraud or dishonesty;

13.5.2 Had any adverse findings made by any commission of enquiry;

13.5.3 Been refused or expelled from membership of a professional body or association;

13.5.4 Been convicted by any court of law

13.5.5 Been under any pending criminal prosecution; and

13.5.6 Has not been disqualified under any law in Ghana from holding public office.

13.6 Include SSNIT Employer Certificate

## **14. REQUIREMENTS FOR COMMENCEMENT OF OPERATIONS**

- 14.1 Entry and inspection by the Authority of premises intended to be used by applicant for carrying on the business of administering registered schemes.
- 14.2 Evidence of installation of Information Communication Technology facilities.
- 14.3 Evidence of readiness of procedures and record-keeping policies that will ensure an effective and efficient Management Information System (MIS). The MIS must provide the database of contributors' records.
- 14.4 Undertaking by each of the members of the top management to maintain high ethical standards, and exercise due diligence and care in their conduct and avoid any conflict of interest at all times.
- 14.5 Undertaking by each of the members of the Board and top management to ensure that the Company observes high standard of integrity and professionalism in its operations at all times, and that the Company shall not engage in any business other than the administration of the pension fund.