NATIONAL PENSIONS REGULATORY AUTHORITY

NPRA/GD/PFC/01/11

GUIDELINES FOR PENSION FUND CUSTODIANS

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1. INTRODUCTION

The purpose of these Guidehnes is to provide the basic procedures that shall be adhered to for services provided by Pension Fund Custodians (PFCs) in terms of the National Pensions Act, 2008 (Act 766), hereinafter referred to as the Act.

1.1 In developing these requirements, the National Pensions Regulatory Authority (NPRA) has provided Pension Fund Custodians with the minimum requirements as to how it could achieve the prudential objectives of the requirements.

1.2 Furthermore, 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

2.1 An Applicant shall be eligible for appointment as Pension Fund Custodian if that Applicant:

2.1.1 Is licensed by the Securities & Exchange Commission as a Custodian under the Securities Industry Act, 1993 (P.N.D.C. Law 333) and has paid up stated capital as stated in the Banking Act, 2004 (Act 673) and net assets of at least the same amount;

2.1.2 Issues a Guarantee to the full sum and value of pension fund assets held by it or to be held by it.

2.2 An Applicant shall not be appointed as a Custodian of Pension Scheme assets unless that Applicant:

2.2.1 Is a body corporate

2.2.2 Is a Bank or wholly owned subsidiary of a Bank

2.2.3 Has sufficient presence and control in Ghana

2.2.4 Is independent of the Approved Trustee and Pension Fund Managers appointed in respect of the Scheme, and all delegates of the Trustee and Pension Fund Manager; and

2.2.5 Satisfies minimum capital requirement and net asset value determined by the Authority.

2.3 A Business entity has sufficient presence and control in Ghana if that entity's day-to-day business activities in relation to its business in Ghana, including the keeping of records in relation to its activities are conducted wholly in Ghana; and that Business entity has sufficient expertise and management resources in Ghana to conduct its business operations effectively.

2.4 A Guarantee relating to a Custodian shall be issued in writing by an authorized financial institution or authorized insurer, and shall impose a continuing obligation on the authorized financial institution or authorized insurer to indemnify the Pension Scheme against any loss sustained by the Pension Scheme Members as a result of a failure by the Custodian to perform an obligation imposed under the National Pensions Act, 2008 (Act 766).

3. REGISTRATION REQUIREMENTS

The following are the registration requirements:

3.1 The Applicant must submit to the NPRA, evidence that:

3.1.1 It is a body corporate;

3.1.2 It is licensed by the Securities & Exchange Commission as a Custodian under the Securities Industry Act 1993 (P.N.D.C. Law 333); and has paid up stated capital as indicated in the Banking Act, 2004 (Act 673) and net assets of at least the same amount.

3.1.3 It is a Bank or a wholly owned subsidiary of a Bank.

3.1.4 It has sufficient expertise and management resources in Ghana to conduct its business operations effectively.

3.2 Application shall be accompanied by:

3.2.1 A non-refundable application fee approved by the Board, in bank draft, payable to the National Pensions Regulatory Authority and marked "Application Fee".

3.2.2 Name, Address (physical and electronic) telephone numbers of the person to whom enquiries may be referred.

3.2.3 Address and location of the Applicant's Registered Office, and Head Office if different from the Registered Office.

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