

ACTS SUPPLEMENT

to The Uganda Gazette No. 58 Volume CIV dated 26th September, 2011.

Printed by UPPC, Entebbe, by Order of the Government.

Act 15 *Uganda Retirement Benefits Regulatory Authority Act* 2011

THE UGANDA RETIREMENT BENEFITS REGULATORY  
AUTHORITY ACT, 2011

ARRANGEMENT OF SECTIONS

Section

PART I—PRELIMINARY

1. Interpretation

PART II—ESTABLISHMENT AND MODE OF OPERATION OF THE  
UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY

*Uganda Retirement Benefits Regulatory Authority*

2. Establishment of the Uganda Retirement Benefits Regulatory  
Authority

3. Official seal of the Authority

4. Objective of the Authority

5. Functions of the Authority

6. Powers of the Authority

7. Independence of the Authority

*Board of directors*

8. Board of directors

9. Tenure of office of members of the Board

10. Remuneration of Board members

11. Functions of the Board

12. Meetings of the Board

13. Secretary to the Board

14. Committees of the Board

*Chief Executive Officer and other staff of Authority*

15. Chief Executive Officer

16. Functions of Chief Executive Officer

17. Tenure of office of Chief Executive Officer

18. Other officers and staff of the Authority

Section

PART III—FINANCES AND EXPENSES OF THE AUTHORITY

19. Funds of the Authority
20. Retirement Benefits Regulatory Authority Fund
21. Bank accounts
22. Borrowing powers
23. Investment of surplus funds
24. Estimates
25. Financial year of the Authority
26. Audit of accounts
27. Annual and other reports

PART IV—ESTABLISHMENT OF A RETIREMENT BENEFITS SCHEME

28. Establishment of a retirement benefits scheme
29. Application for a licence to establish a retirement benefits scheme
30. Grant of licence to operate a retirement benefits scheme
31. Validity of licence
32. Revocation of licence

PART V—LICENSING OF CUSTODIAN, TRUSTEE, ADMINSTRATOR  
AND FUND MANAGER

33. Custodian, trustee, administrator and fund manager

*Custodians*

34. Licensing of custodian
35. Application and grant of licence of custodian
36. Refusal of licence of custodian
37. Validity of licence of custodian
38. Revocation of licence of custodian
39. Functions of custodian

*Trustees*

40. Licensing of trustee
41. Application and grant of licence of trustee
42. Refusal of licence of trustee
43. Restriction on licence of trustee
44. Validity of licence of trustee
45. Revocation of licence of trustee
46. Functions of trustee

*Administrators*

47. Licensing of administrator
48. Application and grant of licence of administrator
49. Refusal of licence of administrator
50. Restriction on licence of administrator
51. Validity of licence of administrator
52. Revocation of licence of administrator
53. Functions of administrator

*Fund managers*

54. Licensing of fund manager
55. Application and grant of licence of fund manager
56. Refusal of licence of fund manager
57. Restriction on licence of fund manager
58. Validity of licence of fund manager
59. Revocation of licence of fund manager
60. Functions of fund manager
61. General obligations of custodian, trustee, administrator and fund manager

*Register*

62. Register

**PART VI—ACCOUNTS, RECORDS AND INVESTMENT OF FUNDS OF  
RETIREMENT BENEFITS SCHEMES**

63. Bank accounts
64. Audit of accounts
65. Publication of audited accounts
66. Records and annual report
67. Investment of funds
68. Restriction on use of scheme funds

**PART VII—PAYMENT OF CONTRIBUTION, ACTUARIAL  
VALUATION AND FIDUCIARY**

69. Payment of contribution
70. Protection of member's contribution
71. Actuarial valuation
72. Fiduciary

Section

73. Duties of a fiduciary
74. Unsafe and unsound practices

PART VIII—APPOINTMENT OF INSPECTOR AND  
INTERIM ADMINISTRATOR

*Inspector*

75. Appointment of inspector
76. Powers of inspector
77. Report of inspector

*Interim administrator*

78. Appointment of interim administrator
79. Duties of interim administrator
80. Report of interim administrator
81. Protection of interim administrator from liability

PART IX—RETIREMENT BENEFITS APPEALS TRIBUNAL

82. Appeals.
83. Establishment of the Retirement Benefits Appeals Tribunal
84. Powers of the Tribunal
85. Appeals to the High Court from decisions of the Tribunal.
86. Rules.

PART X—OFFENCES AND PENALTIES

87. Offences and penalties
88. General penalty

PART XI—MISCELLANEOUS

89. Protection from liability
90. Service of documents
91. Regulations
92. Amendment of Schedules
93. Guidelines
94. Protection of existing pension rights or other retirement benefit
95. Supremacy of this Act
96. Licensing of existing retirement benefits schemes, custodian, trustee, administrator or fund manager

**Act 15** *Uganda Retirement Benefits Regulatory Authority Act* 2011

**SCHEDULES**

**SCHEDULE 1**

Currency Point

**SCHEDULE 2**

Meetings of The Board

**SCHEDULE 3**

Criteria For Determining A Fit And Proper Person

**THE UGANDA RETIREMENT BENEFITS REGULATORY  
AUTHORITY ACT, 2011.**

**An Act to establish a Retirement Benefits Regulatory Authority, to regulate the establishment, management and operation of retirement benefits schemes in Uganda in both the private and public sectors; to supervise institutions which provide retirement benefits products and services; to protect the interests of members and beneficiaries of retirement benefits schemes; to establish a Fund into which shall be paid all moneys for defraying the expenses of the Uganda Retirement Benefits Regulatory Authority; to promote the development of the retirement benefits sector; to provide for the licensing of custodians, trustees, administrators and fund managers of retirement benefits schemes; the appointment of inspectors and interim administrators; to provide for the establishment of a retirement benefits Appeals Tribunal and for related matters.**

**DATE OF ASSENT:** 28th June, 2011.

*date of Commencement:* 26th September, 2011.

**BE IT ENACTED** by Parliament as follows:

**PART I—PRELIMINARY**

**Interpretation**

this Act, unless the context otherwise requires—

**Act 15 *Uganda Retirement Benefits Regulatory Authority Act* 2011**

“Actuary” means a person recognized as such by the Institute of Actuaries in England, the Faculty of Actuaries in Scotland, the Canadian Institute of Actuaries, the Society of Actuaries of the United States of America, the Institute of the Actuaries of Australia or a person holding such equivalent qualification as the Board may, by notice in the Gazette, prescribe;

“actuarial valuation” means an analysis made of the cash value equivalent to a benefit, calculated by reference to appropriate financial assumptions and assumptions regarding normal life expectancy;

“administrator” means a person appointed by trustees to administer a scheme in accordance with such terms and conditions of service as may be specified in the instrument of appointment and licensed under this Act;

“annuity” means a schedule of regular payments made to a member of a retirement benefits scheme or to his or her beneficiary according to the terms of payment of the scheme;

“Auditor” means a person registered by the Institute of Certified Public Accountants Uganda (ICPAU) and approved by the Authority;

“Authority” means the Uganda Retirement Benefits Regulatory Authority established by section 2;

“beneficiary” means a person designated by a member of a retirement benefits scheme, or by the rules of the scheme to benefit under the scheme;

“Board” means the Board of Directors of the Authority appointed under section 8;

“Chairperson” means the chairperson of the Board;

“Chief Executive Officer” means the Chief Executive Officer of the Authority appointed under section 15;

“custodian” means a Financial Institution whose business includes taking responsibility for the safe custody of the funds, securities, financial instruments and documents of title of the assets of scheme funds and licensed under this Act;

“defined retirement benefits scheme” means a retirement benefits scheme in which a sponsor undertakes to provide benefits expressed in the form of annuity or lump sum calculation, based on work history and guaranteed return on contribution account regardless of the investment performance of the fund associated with the scheme and accordingly constitutes a contingent liability for the sponsor;

“fiduciary” has the meaning given to it by section 72;

“Fund” means the Retirement Benefits Regulatory Authority Fund established by section 20;

“fund manager” means a person appointed by the trustees to advice on the investment of the assets of the scheme in accordance with such terms and conditions of service as may be specified in the instrument of appointment and licensed under this Act;

“inspector” means a person appointed by the Board under section 75 to inspect and examine the books of accounts, records, returns or documents of a retirement benefits scheme;

“interim administrator” means a person appointed by the Chief Executive Officer under section 78 to assume the management, control and conduct of the affairs of a retirement benefits scheme in place of the trustee, custodian or fund manager of the retirement benefits scheme;

“irrevocable trust” means a legal entity created for the benefit of designated beneficiaries which shall not be revoked or canceled after its creation;

member means a person who is admitted to the membership of a retirement benefits scheme, who makes contributions, or in respect of whom contributions are made to a retirement benefits scheme;

“Minister” means the Minister responsible for finance;

“retirement benefits scheme” means a legally binding agreement or arrangement other than a contract for life assurance whether established by a written law or by any other instrument, under which members are entitled to benefits in the form of annuity or a lump sum payable upon retirement, or upon death, termination of service or upon the occurrence of an event specified in the written law, agreement or arrangement;

“scheme rules” means the rules specifically governing the constitution, administration and management of a retirement benefits scheme;

“secretary” means the secretary to the Board appointed under section 13;

“sponsor” means a person who establishes a retirement benefits scheme;

“Tribunal” means the Retirement Benefits Appeals Tribunal established under this Act;

“trustee” means a person responsible for managing a retirement benefits scheme in accordance with the scheme rules and legal requirements under this Act.

## PART II—ESTABLISHMENT AND MODE OF OPERATION OF THE UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY

### *Uganda Retirement Benefits Regulatory Authority*

#### **2. Establishment of the Uganda Retirement Benefits Regulatory Authority**

(1) There is established an Authority to be known as the Uganda Retirement Benefits Regulatory Authority.

**Act 15 Uganda Retirement Benefits Regulatory Authority Act 2011**

(2) The Authority shall be a body corporate with perpetual succession and a common seal and may for the discharge of its function under this Act—

- (a) sue and be sued in its corporate name;
- (b) acquire, hold, manage and dispose of movable and immovable property; and
- (c) do all acts and things a body corporate may lawfully do.

**3. Official seal of the Authority**

(1) The official seal of the Authority shall be in a form determined by the Board.

(2) The official seal shall, when affixed to any document, be authenticated by the signatures of the Chief Executive Officer and the Secretary to the Board.

(3) In the absence of the Chief Executive Officer, the person performing the functions of the Chief Executive Officer shall sign in his or her place.

(4) In the absence of the Secretary a person performing the functions of the Secretary shall sign in the place of the Secretary.

(5) An instrument or contract which if executed or entered into by a person other than a body corporate would not require to be under seal, may be executed or entered into on behalf of the Authority by the Chief Executive Officer or the Secretary to the Board or a person duly authorised by resolution of the Board.

(6) Every document purporting to be an instrument or contract executed or issued by or on behalf of the Authority in accordance with this section shall be deemed to be so executed or issued until the contrary is proved

## **Objective of the Authority**

The objective of the Authority is to supervise and regulate the establishment, management and operation of retirement benefits schemes, and to protect the interests of members and beneficiaries of retirement benefits schemes in Uganda.

## **Functions of the Authority**

(1) The functions of the Authority are to—

- (a) regulate and supervise the establishment, management and operation of retirement benefits schemes in Uganda, in both the public and private sectors ;
- (b) license retirement benefits schemes in Uganda;
- (c) license custodians, trustees, administrators and fund managers of retirement benefits schemes;
- (d) approve an actuary or auditor of any retirement benefit scheme;
- (e) protect the interests of members and beneficiaries of retirement benefits schemes including the promotion of transparency and accountability;
- (f) improve understanding and promote the development of the retirement benefits sector;
- (g) promote the stability and integrity of the financial sector through ensuring stability and security of retirement benefits schemes;
- (h) ensure sustainability of the retirement benefits sector with a view to promoting long term capital development;
- (i) advise the Minister on all matters relating to the development and operation of the retirement benefits sector;
- (j) implement Government policy relating to retirement benefits schemes;

**Act 15** *Uganda Retirement Benefits Regulatory Authority Act* 2011

- (k) promote public awareness of the retirement benefits sector; and
- (l) any other function conferred upon it under this Act.
- (2) In the exercise of its functions, the Authority shall—
  - (a) adopt a clear, transparent and consistent supervisory process to regulate the establishment, management and operation of retirement benefits schemes in Uganda in both the public and private sectors;
  - (b) issue guidelines and prudential norms for the proper management and operation of retirement benefits schemes;
  - (c) adopt measures to minimise any conflict of interest that may arise between the members of a retirement benefits scheme and the trustees, custodians or fund managers of the retirement benefits scheme;
  - (d) create the necessary environment for the orderly growth and development of retirement benefits schemes;
  - (e) ensure fairness in the execution of its functions under this Act; and
  - (f) undertake any activity that is necessary to facilitate the discharge of its functions for giving full effect to the provisions of this Act.

**6. Powers of the Authority**

For the purpose of carrying out its objectives, the Authority may exercise, perform and discharge any of the following powers—

- (a) control, supervise and administer the assets of the Authority in such manner and for such purposes to promote the purpose for which the Authority is established;
- (b) conduct any investigation or inquiry relevant to the retirement benefits industry in Uganda.

**Act 15** *Uganda Retirement Benefits Regulatory Authority Act 2011*

- (c) conduct any inspection and examination of books of accounts, records, returns and any document or premises of a licensed person or scheme;
- (d) issue guidelines, directives or instructions to any licensed person for the proper management of a retirement benefit scheme;
- (e) search the premises of any licensed person in accordance with this Act;
- (f) delegate any of its powers other than the powers of revocation, licensing, delegation or variation of such delegation; and
- (g) do such other things to ensure efficiency in the management of retirement benefit schemes.

**7. Independence of the Authority**

(1) The Authority shall be independent in the performance of its functions and shall not be subject to the direction, instruction or control of any person or authority.

(2) Notwithstanding subsection (1), the Minister may give the Authority policy guidelines.

*Board of directors*

**8. Board of Directors of the Authority**

(1) The Authority shall have a Board of Directors appointed by the Minister which shall comprise of—

- (a) the Permanent Secretary of the Ministry responsible for finance or his or her representative authorised in writing;
- (b) the Permanent Secretary of the Ministry responsible for labour or his or her representative authorised in writing.

**Act 15 Uganda Retirement Benefits Regulatory Authority Act 2011**

- (c) the Permanent Secretary of the Ministry responsible for public service or his or her representative authorised in writing;
- (d) four persons, not being public officers who are knowledgeable or experienced in matters relating to the administration of retirement benefits schemes, banking, insurance, finance, law accounting, economic or actuarial studies; and
- (e) the Chief Executive Officer appointed under section 15.

(2) A person shall not be eligible for appointment under paragraph (d) if such person is an employee or director of any company, firm or institution where such employment or directorship may lead to a conflict of interest.

(3) The Minister shall appoint a Chairperson from among the members appointed under subsection(1) (d).

(4) The members of the Board shall hold office on terms and conditions specified in their instruments of appointment.

(5) The Minister shall, in appointing the members of the Board, ensure that there is a balance of gender, skills and experience among the members of the Board.

(6) The members of the Board shall be persons of high moral character, proven integrity and shall be fit and proper persons as prescribed in Part I of Schedule 3.

**9. Tenure of office of members of the Board**

(1) A member of the Board, other than the Chief Executive Officer shall hold office for five years and is eligible for reappointment for only one more term.

**Act 15** *Uganda Retirement Benefits Regulatory Authority Act 2011*

(2) A member of the Board may, at any time, resign his or her office in writing addressed to the Minister.

(3) A member of the Board may be removed from office by the Minister—

- (a) for inability to perform the functions of his or her office arising from infirmity of body or mind;
- (b) for misbehaviour or misconduct;
- (c) for incompetence;
- (d) for conflict of interest;
- (e) if the member is bankrupt or insolvent or enters into a composition scheme with his or her creditors;
- (f) if a member is convicted of an offence involving dishonesty, fraud or moral turpitude; or
- (g) if the member is absent without prior permission of the Chairperson, or without reasonable cause to the satisfaction of the Minister, for more than four consecutive meetings of the Board, or is absent from Uganda for more than twelve consecutive months.

(4) Where a member of the Board resigns, dies, is removed from office, ceases to be a member of the institution or body which he or she represents on the Board, the Chairperson shall notify the Minister of the vacancy and the Minister shall appoint another person to hold the office for the unexpired portion of the member's term of office.

(5) Where the member of the Board referred to in subsection (4) is the Chairperson, the Secretary to the Board shall notify the Minister of the vacancy and the Minister shall appoint another person, being a member of the Board, to hold office for the unexpired portion of the Chairperson's term of office.