

GOVERNMENT NOTICE NO. 41

FINANCIAL SERVICES ACT

(CAP. 44:05)

FINANCIAL SERVICES (ADVERTISING OF FINANCIAL PRODUCTS AND SERVICES BY FINANCIAL INSTITUTIONS) DIRECTIVE, 2018

ARRANGEMENT OF PARAGRAPHS

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IN EXERCISE of the powers conferred by section 34 (2) of the Financial Services Act, I, DR. DALITSO KABAMBE, Registrar of Financial Institutions, issue this Directive as follows—

PART I—PRELIMINARY

1. This Directive may be cited as the Financial Services (Advertising of Financial Products and Services) Directive, 2018. Citation
2. This Directive applies to all financial institutions regulated by the Registrar of financial institutions under the Act. Application
- 3.—(1) In this Directive, unless the context otherwise requires— Interpretation

“Board” means the highest body of authority in a financial institution responsible for strategically guiding the institution, effectively monitoring management and properly accounting to shareholders;

“financial consumer” in relation to a financial service, means—

- (a) (i) a natural person, not acting in the course of business; or
 (ii) a sole trader, partnership, trust club or charity (not being a body corporate), with an annual turnover in its previous financial year of MK250,000,000 or less; or
 (iii) an incorporated body that—
 (I) had an annual turnover in its previous financial year of MK250,000,000 or less; and
 (II) is not a body corporate that is a member of a group of companies with a combined annual turnover (in the previous financial year of the group of companies), of greater than MK250,000,000 that—
 (A) is a customer of a financial institution;
 (B) is a person or body to whom a financial institution has offered to provide a financial product or service; or
 (C) has sought the provision of a financial product or service;
- (b) an actual or potential beneficiary of a financial product or service.

(2) Any term used in this Directive, and which has been defined in the Act has the meaning ascribed to that term under the Act.

PART II—OBJECTIVES

- Objectives 4. The objectives of this Directive are to—
 (a) set minimum requirements for advertising of financial products and services; and
 (b) ensure that a financial institution does not provide misleading advertising materials.

PART III—BOARD AND MANAGEMENT OVERSIGHT

- Board and management oversight 5.—(1) The Board of directors and management of a financial institution are responsible for adherence and compliance with the requirements of this Directive.
 (2) A financial institution shall have a formal written policy on advertising of financial products and services duly approved by the Board.
 (3) The Board shall ensure that management is implementing the policy on advertising of financial products and services.

PART IV—MINIMUM ADVERTISING REQUIREMENTS

- Misleading advertising 6.—(1) A financial institution shall not use misleading or ambiguous information or announcements in its advertisements, which may give rise to false assumptions or expectations about the financial product and service.

(2) A financial institution shall ensure that, where different channels of advertising are employed for a financial product and service, the terms and conditions of the financial product and service contained in the advertisements are the same.

7.—(1) A financial institution shall ensure that, where an advertisement presents more than one financial product and service, the different characteristics of each financial product and service are clearly presented. Presentation of information

(2) A financial institution shall ensure that footnotes or texts in an advertisement are presented in a sufficiently legible size with a font size of 12 points for texts or 10 points for footnotes.

8. A financial institution shall disclose in its advertisements— Information about the institution and regulatory status

- (a) its official trade name;
- (b) address of its principal office; and
- (c) its regulated status including, where possible, contact details of the Registrar.

PART V—ENFORCEMENT

9.—(1) The Registrar shall impose the following monetary penalties for violations of this Directive— Monetary penalties

(a) a fine not exceeding K50,000,000 where the violation is committed by a financial institution;

(b) a fine not exceeding K10,000,000 where the violation is committed by individuals who are members of the Board or management; and

(c) in addition, a fine of K50,000 may be imposed on the financial institution or individual for each subsequent day for which a violation continues after being notified by the Registrar that it is in breach of the provisions of this Directive.

(2) The penalty imposed in subparagraph (1) shall be paid through a bank certified cheque or electronic transfer payable to the Reserve Bank of Malawi within 10 working days after being notified of the violation.

10. In addition to the monetary penalty imposed in paragraph 9, the Registrar may impose directions, and administrative penalties as provided for under the Act and other financial services laws. Administrative penalties

Dated this 29th day of June 2018.

(FILE NO. FIN/PFSPD/03/04)

D. KABAMBE, PhD
Registrar of Financial Institutions

GOVERNMENT NOTICE No.42

FINANCIAL SERVICES ACT

(CAP. 44:05)

FINANCIAL SERVICES (DISCLOSURE REQUIREMENTS FOR INSURANCE SERVICES) DIRECTIVE, 2018.

ARRANGEMENT OF PARAGRAPHS

PARAGRAPH

PART I—PRELIMINARY

1. Citation
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PART II—OBJECTIVES

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PART III—BOARD OVERSIGHT

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PART IV—MINIMUM DISCLOSURE REQUIREMENTS

6. General requirements
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8. Information about financial institution
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PART V—FORM AND TIME OF DISCLOSURE

11. Disclosure form

PART VI—ENFORCEMENT

12. Monetary penalties
13. Administrative penalties

IN EXERCISE of the powers conferred by section 34 (2) of the Financial Services Act, I, DR. DALITSO KABAMBE, Registrar of Financial Institutions, issue this Directive as follows—

PART I—PRELIMINARY

- | | |
|----------------|--|
| Citation | 1. This Directive may be cited as the Financial Services (Disclosure Requirements for Insurance Services) Directive, 2018. |
| Application | 2. This Directive applies to insurers and insurance intermediaries. |
| Interpretation | 3.—(1) In this Directive, unless the context otherwise requires— |

“Board” means the highest body of authority in a financial institution responsible for strategically guiding the institution, effectively monitoring management and properly accounting to shareholders;

“cooling-off period” means 10 working days from the cover commencement date within which a financial consumer can withdraw from a life insurance contract, without any penalty and have any premiums refunded;

“financial consumer” in relation to a financial service, means—

- (a) (i) a natural person, not acting in the course of business; or
- (ii) a sole trader, partnership, trust club or charity (not being a body corporate), with an annual turnover in its previous financial year of MK250,000,000 or less; or

(iii) an incorporated body that—

(I) had an annual turnover in its previous financial year of MK250, 000,000 or less; and

(II) is not a body corporate that is a member of a group of companies with a combined annual turnover (in the previous financial year of the group of companies), of greater than MK250, 000,0000 that—

(A) is a customer of a financial institution;

(B) is a person or body to whom a financial institution has offered to provide a financial product or service; or

(C) has sought the provision of a financial product or service;

(b) an actual or potential beneficiary of a financial product or service;

“insurance intermediary” means a person who performs any act—

(a) the result of which is that another person will or does or offers to enter into, vary or renew an insurance policy; or

(b) with a view to—

(i) maintaining, servicing or otherwise dealing with;

(ii) collecting or accounting for premiums payable under;

or

(iii) receiving, submitting or processing claims under, an insurance policy;

“key fact statement” means a short form, standardized disclosure document prepared by a financial institution in relation to a financial product or service which—

(a) summarizes the key terms, annual percentage rate and other fees and charges;

(b) can be used to compare the product offers of different financial institutions; and

(c) is in a format and contains the content, which is specified in the Schedule hereto;

“rider” means any other additional benefit or product attached to an insurance policy;

Cap. 47:01 (2) Any term used in this Directive, and which has been defined in the Act and the Insurance Act, has the meaning ascribed to that term under the Act and the Insurance Act.

PART II—OBJECTIVES

Objectives 4. The objectives of this Directive are to—

- (a) set minimum disclosure requirements for insurance products and services;
- (b) ensure that financial consumers are provided with full, accurate and timely information to evaluate whether and to what extent the insurance product and service is appropriate;
- (c) promote comparability of insurance products and services by financial consumers; and
- (d) promote fair treatment of financial consumers.

PART III—BOARD AND MANAGEMENT OVERSIGHT

Board and management oversight 5.—(1) The Board or management of an insurer and insurance intermediary are responsible for adherence and compliance with the intermediary requirements of this Directive.

(2) An insurer, an insurance broker or their agents shall have a formal written disclosure policy on an insurance product and service, approved by the Board or management.

(3) The Board or management of an insurer and of an insurance broker shall ensure that there is full, timely and accurate disclosure of all relevant information on insurance products and services in line with the requirements of this Directive.

PART IV—MINIMUM DISCLOSURE REQUIREMENTS

General requirements 6.—(1) An insurer or an insurance intermediary shall disclose to a financial consumer all information related to the insurance product and service necessary to enable the financial consumer make an informed decision.

(2) An insurer or an insurance intermediary shall disclose to the financial consumer before entering into a contract with a financial consumer the benefits, risks, terms, conditions and costs of the insurance product and service.

(3) An insurer or an insurance intermediary shall disclose information that is clear, accurate and not misleading to the financial consumer.

No cost for information 7. An insurer or an insurance intermediary shall provide information to a financial consumer prescribed in this Directive at no cost.

8. An insurer or an insurance intermediary shall disclose in a contract—
- Information about the institution
- (a) its official trade name and address of its principal office to the financial consumer prior to granting an insurance product and service; and
- (b) its regulated status and, where required by the financial consumer, contact details of the Registrar.
9. An insurer or an insurance intermediary shall, where applicable, disclose to a financial consumer past and projected performance of a life insurance product.
- Information on performance of product and service
10. The disclosed information about the insurance product and service shall be contained in a key fact statement which shall, where applicable, include—
- Information about the service
- (a) type of insurance policy;
- (b) the total sum assured or total sum insured by the policy, as the case may be;
- (c) the duration of the policy and expiry date or maturity date of the policy, as the case may be;
- (d) amount of premiums to be paid;
- (e) in the case of an annuity, the level of annuity to be paid, clear explanation on the meaning of guarantee periods and past five years increment history records;
- (f) in case of guaranteed pension fund insurance products, reserving methodology, application of investment returns to policy holders and bonus declarations for the past five years;
- (g) premium payment options;
- (h) benefit payment options and how the benefits shall be calculated upon maturity of the policy;
- (i) where applicable, policy administration charges;
- (j) description of situations covered by the policy and other benefits of the policy;
- (k) where applicable, riders of the policy;
- (l) exclusions on the policy;
- (m) penalties for termination of the policy prior to maturity;
- (n) consequences of non-payment of premium;
- (o) penalties for late payment of premiums;
- (p) the claims procedure including all documentation required;
- (q) any vesting rules attached to the policy;

- (r) claim settlement period after signing of claim discharge certificate;
- (s) where applicable, excess of loss paid by the financial consumer;
- (t) cooling-off period of the policy;
- (u) where applicable, whether policy benefits are discretionary or guaranteed;
- (v) any credit products secured on the policy, in which case, the minimum disclosure requirements of the credit products directive shall apply;
- (w) rights of beneficiaries in case of death of the annuitant or policy holder;
- (x) expected return on investment;
- (y) complaints handling mechanism; and
- (z) any other information which the Registrar may determine from time to time.

PART V—FORM AND TIME OF DISCLOSURE

Disclosure
Form

11. The disclosures in paragraph 10 shall be in the prescribed format in the Schedule hereto and communicated to the financial consumer before, during and after signing a contract—

- (a) in English or vernacular language which is easy to read and understand;
- (b) in written form, and accessible to the financial consumer; and
- (c) the information must be—
 - (i) in legible font size of not less than 12;
 - (ii) available to financial consumers through numerous channels, such as in branches, pension fund offices and online;
 - (iii) provided that where an insurer or an insurance intermediary opts to use electronic form of communication, the needs and capabilities of the financial consumer must be properly assessed where appropriate; and
 - (iv) simplified through consumer testing, especially with the needs of vulnerable client groups in mind.

PART VII—ENFORCEMENT

Monetary
penalties

12—(1) The Registrar shall impose the following monetary penalties for violations of this Directive—

- (a) for an insurer or an insurance intermediary, a fine not exceeding K50,000,000;
- (b) for individuals, who are members of the Board or management,

a fine not exceeding K10, 000, 000; and

(c) in addition, a fine of K50,000 may be imposed on an insurer or an insurance intermediary for each subsequent day for which the violation continues after being notified by the Registrar of the violation.

(2) The penalties imposed in subparagraph 1 shall be payable through a bank certified cheque or electronic transfer payable to the Reserve Bank of Malawi within 10 working days after being notified of the violation.

13. In addition to the monetary penalty imposed in paragraph 12(1), the Registrar may impose directions, and administrative penalties as provided for under the Financial Services Act and other financial services laws.

SCHEDULE

(para. 11)

KEY FACTS STATEMENT FOR

INSURANCE PRODUCT AND SERVICES

(Application No.:)

I. PARTIES CONCERNED

- (1) Insurance Company Name:.....
- (2) Contact Information (*address, telephone, e-mail*):.....
.....
.....
- (3) The information provided remains valid until:.....
- (4) (*Full legal name of the regulated entity*) is authorized and supervised by the Registrar of Financial Institutions (see more information below).....
.....
.....
- (5) Agent or Intermediary Details: (*name, address, tel, e-mail*):.....
.....
.....
- (6) Applicant's Name:.....
- (7) Contact Information (*address, telephone, e-mail*):.....
.....
.....

II. KEY TERMS—*Review carefully before buying a policy*

A.—POLICY DETAILS

1. Type of Policy:.....
2. Policy excess charges/costs.....
3. Consequences of lapse in premium payment.....

B.—COST OF POLICY

4. Premiums payable (monthly/quarterly/lump sum).....
5. Other fees and charges (*Administration Costs*).....
6. Risks associated with the policy.....
7. Total sum assured or total sum insured by the policy.....

C.—POLICY SCHEDULE

8. Duration.....
9. Maturity Date:.....
10. Cooling off Period:.....
11. Are there any Riders to this policy (*Clearly state the additional benefits and products on the policy*) Yes / No.....
12. Exclusions
13. Penalties for termination of the policy prior to maturity.....
14. Any credit products secured on the policy.....

III.—STATUTORY RIGHTS

1. Claims Settlement period after signing discharge form: Your claim payment is expected to be made days from the date of signing the discharge form.
2. Customer Recourse: Complaints or comments? Please call (.....), email (.....) or write to (.....).
3. Redress Mechanism: In case of a dispute you may lodge a complaint with the Registrar or file a lawsuit. To contact the Registrar, call: 01 820299 or Toll Free: 80008444, email: complaints-handling@rbm.mw, mail: The Consumer Protection Unit, Reserve Bank of Malawi, P O Box 565, Blantyre, or visit: <http://www.rbm.mw>.

- 4. Right to draft: You have the right to obtain a draft of the proposed policy free of any charge.
- 5. Termination of policy: You may terminate the policy in the following manner
.....
.....

IV.—CLAIMS PROCESSING

D.—BY MEMBER

Amount Claimable MKW.....

Payment Options available MKW.....

E.—THIRD PARTY

Total Amount of Benefits MKW.....

F.—DOCUMENTATION

Documents Required.....
.....

CERTIFIED CORRECT:

.....
Signature of credit provider representative Date

I ACKNOWLEDGE THAT I RECEIVE AND UNDERSTAND THIS STATEMENT PRIOR TO PURCHASE OF THE POLICY/ANNUITY:

.....
Signature of borrower Date

.....
Signature of guarantor (if applicable) Date

Dated this 29th day of June 2018

(FILE NO. FIN/PFSPD/03/04)

D. KABAMBE, PhD
Registrar of Financial Institutions

GOVERNMENT NOTICE NO. 43

FINANCIAL SERVICES ACT

(CAP. 44:05)

FINANCIAL SERVICES (DISCLOSURE REQUIREMENTS FOR INVESTMENT PRODUCTS AND SERVICES) DIRECTIVE, 2018.

ARRANGEMENT OF PARAGRAPHS

PARAGRAPH

PART I—PRELIMINARY

1. Citation
2. Application
3. Interpretation

PART II—OBJECTIVES

4. Objectives

PART III—BOARD AND MANAGEMENT OVERSIGHT

5. Board and management oversight

PART IV—MINIMUM DISCLOSURE REQUIREMENTS

6. General requirements
7. No cost for information
8. Information about financial institution
9. Information about the product and service

PART V—FORM AND TIME OF DISCLOSURE

10. Disclosure form
11. Intermediary

PART VI—ENFORCEMENT

12. Monetary penalties
13. Administrative penalties

IN EXERCISE of powers conferred by section 34 (2) of the Financial Services Act, I, DR. DALITSO KABAMBE, Registrar of Financial Institutions, issue this Directive as follows—

PART I—PRELIMINARY

- | | |
|----------------|--|
| Citation | 1. This Directive may be cited as the Financial Services (Disclosure Requirements for Investment Products and Services) Directive, 2018. |
| Application | 2. This Directive applies to a securities dealer, a securities broker, a securities representative, an investment adviser, a stock exchange, a securities depository, a collective investment scheme, an investment company, a portfolio manager, and a securities market intermediary. |
| Interpretation | 3.—(1) In this Directive, unless the context otherwise requires—
<p style="margin-left: 20px;">“Board” means the highest body of authority in a financial institution responsible for strategically guiding the institution, effectively monitoring management and properly accounting to shareholders;</p> <p style="margin-left: 20px;">“financial consumer” in relation to a financial service, means—</p> <p style="margin-left: 40px;">(a) (i) a natural person, not acting in the course of business;</p> <p style="margin-left: 40px;">(ii) a sole trader, partnership, trust club or charity (not being a body cor-</p> |

porate), with an annual turnover in its previous financial year of MK250, 000,000 or less; or

(iii) an incorporated body that—

(I) had an annual turnover in its previous financial year of MK250,000,000 or less; or

(II) is not a body corporate that is a member of a group of companies with a combined annual turnover (in the previous financial year of the group of companies), of greater than MK250, 000,000 that—

(A) is a customer of a financial institution;

(B) is a person or body to whom a financial institution has offered to provide a financial product or service; or

(C) has sought the provision of a financial product or service;

(b) an actual or potential beneficiary of a financial product or service;

“key fact statement” means a short form, standardized disclosure document prepared by a financial institution in relation to a financial product or service which—

(a) summarizes the key terms, annual percentage rate and other fees and charges;

(b) can be used to compare the product offers of different financial institutions; and

(c) is in a format and contains the content, which is specified in the Registrar’s directive on disclosure;

“share” has the same meaning ascribed to that term in the Securities Act.

(2) Any term used in this Directive, and which has been defined in the Act and the Securities Act has the meaning ascribed to that term under the Act and the Securities Act .

Cap. 46:06

Cap. 46:06

PART II—OBJECTIVES

4. The objectives of this Directive are to—

(a) set minimum disclosure requirements for investment products and services; Objectives

(b) ensure that financial consumers are provided with full, accurate and timely information to evaluate whether and to what extent the investment product and service is appropriate;

(c) promote comparability of investment products and services by a financial consumer; and

(d) promote fair treatment of financial consumers.

PART III—BOARD AND MANAGEMENT OVERSIGHT

Board and
management
oversight

5.—(1) The Board and management of a financial institution are responsible for adherence and compliance with the requirements of this Directive.

(2) A financial institution shall have a formal written disclosure policy on an investment service or product, approved by the Board.

(3) The Board shall ensure that—

(a) management is implementing the disclosure policy; and

(b) there is full, timely and accurate disclosure of all relevant information on an investment service or product in line with the requirements of this Directive.

PART IV—MINIMUM DISCLOSURE REQUIREMENTS

General
requirements

6.—(1) A financial institution shall disclose to a financial consumer all necessary information related to an investment to enable the financial consumer make an informed decision.

(2) A financial institution, before entering into a contract with a financial consumer, shall disclose to the financial consumer the fundamental benefits, risks, terms and costs of the product and service.

(3) A financial institution shall disclose information that is clear, accurate and not misleading to a financial consumer.

No cost for
information

7. A financial institution shall provide information prescribed in this Directive at no cost, before a financial consumer buys an investment service and product.

Information
about financial
institution

8. A financial institution shall disclose in a contract—

(a) its official trade name and address of its principal office to the financial consumer prior to granting an investment product; and

(b) its regulated status and, where required by the financial consumer, contact details of the Registrar.

Information
about the
product
and service

9. The disclosed information about the investment product shall be contained in a key fact statement which shall include—

(a) clear, accurate and complete contractual terms and conditions;

(b) type of investment;

(c) investment allocation policy;

(d) minimum investment amount;

(e) mode and time of payment;

(f) period and conditions when a consumer can receive an investment certificate or evidence of transaction after initial investment;

(g) if applicable, the duration of the contract and maturity date;

(h) time and mode of payment after maturity;

- (h) factors that may affect investment performance;
- (i) product valuation or pricing and its frequency;
- (j) fees, commissions or any other costs associated with the product or service;
- (k) penalties, for termination of contract prior to maturity of investment;
- (l) if applicable, replacement cost of investment certificate;
- (m) conditions and costs of transferring ownership of the investment;
- (n) tax implications on return;
- (o) method of calculating return on investment;
- (p) if applicable, basis for making investment decisions;
- (q) basis of investment advice;
- (r) responsibility of making investment decision;
- (s) conflict of interest with related parties connected to the investment;
- (t) complaints handling mechanisms; and
- (u) any other information that can have material impact on consumers' investment.

PART V—FORM OF DISCLOSURE

10.—(1) The disclosures in paragraph 9 shall be in the prescribed format in the Schedule hereto and communicated to the financial consumers before, during and at the point of signing an agreement—

Disclosure form

- (a) in English or vernacular language which is easy to read and understand;
- (b) in written form, and accessible to the financial consumer; and
- (c) the information must be—
 - (i) in legible font size of not less than 12;
 - (ii) available to financial consumers through numerous channels, such as in branches, pension fund offices and online platforms;
 - (iii) provided on paper or electronic format in graphs to elaborate practical communication taking into account that participants have differing levels of knowledge and information:

provided that where an insurer or an insurance intermediary opts to use electronic form of communication, the needs and capabilities of the financial consumer must be properly assessed where appropriate; and
- (d) simplified through consumer testing, especially with the needs of vulnerable client groups in mind.

(2) A financial institution shall indicate a breakdown of the costs to the customer if the costs relate to more than one item.

Intermediary 11. An intermediary shall also disclose information in paragraph 9 to a financial consumer.

PART VI—ENFORCEMENT

Monetary penalties 12.—(1) The Registrar shall impose the following monetary penalties for violations of this Directive—

(a) for financial institutions, a fine not exceeding K50,000,000;

(b) for individuals who are members of the Board or management, a fine not exceeding K10, 000, 000; and

(c) in addition, a penalty of K50,000 may be imposed on the institution for each subsequent day for which the violation continues after being notified by the Registrar of the violation.

(2) The penalties imposed in subparagraph (a) shall be paid through a bank certified cheque or electronic transfer payable to the Reserve Bank of Malawi within 10 working days after being notified of the violation.

Administrative penalties 13. In addition to the monetary penalty imposed in paragraph 12(1) , the Registrar may impose directions, and administrative penalties as provided for under the Act and other financial services laws.

FIRST SCHEDULE

(para. 10)

KEY FACTS STATEMENT FOR

INVESTMENT PRODUCT AND SERVICES

(Application No.:.....)

I.—PARTIES CONCERNED

(1) Investment company name:.....

(2) Contact information (address, telephone, e-mail):.....

(3)The information provided remains valid until:.....

(4) (Full legal name of the regulated entity) is authorized and supervised by the Registrar of Financial Institutions (see more information below).

(5) Agent / Intermediary/Broker Details: (name, address, telephone, e-mail):.....

.....
(6) Contact Information (*address, telephone, e-mail*):.....
.....

.....
(7) Applicant's name:.....
.....

II. KEY TERMS—Review carefully before buying a policy

A.—INVESTMENT DETAILS

- 1. Type of Investment:
-
- 2. Excess charges or costs:.....
- 3. Consequences of termination of contract before maturity of investment:.....
.....
- 4. Replacement cost of investment certificate:.....
.....
- 5. Tax implications on return:.....

B.—COST OF INVESTMENT PRODUCT AND SERVICE

- 6. Minimum Investment amount payable (monthly/quarterly/lump sum):.....
- 7. Other Fees and Charges (*Administration Costs*)
.....
- 8. Benefits associated with the investment :
-
- 9. Estimated total sum after maturity:.....
- 10. Basis of making investment decision :
-

C.—INVESTMENT SCHEDULE

- 11. Duration:.....
- 12. Maturity Date:.....
- 13. Period to receive investment certificate:.....
- 14. Are there any Riders to this investment (Clearly state the additional benefits and products on the policy) Yes or No.
.....

- 15. Exclusions:.....
- 16. Penalties for termination of the policy prior to maturity:.....
- 17. conditions and costs of transferring ownership of investment

III.—STATUTORY RIGHTS

- 18. Payment of investment benefits: Your investment benefits payment is expected to be madedays from the date of maturity
- 19. Customer Recourse: Complaints or comments? Please call (.....), email (.....) or write to (.....)
- 20. Redress Mechanism: In case of a dispute you may lodge a complaint with the Registrar or file a lawsuit. To contact the Registrar, call: 01 820299 or Toll Free: 80008444, email: complaints-handling@rbm.mw, mail: The Consumer Protection Unit, Reserve Bank of Malawi, P O Box 565, Blantyre, or visit: <http://www.rbm.mw>.
- 21. Right to Certificate: You have the right to obtain a certificate of the proposed investment free of any charge.
- 22. Termination of policy: You may terminate the policy in the following manner

IV.—CLAIMS PROCESSING

D.—BY MEMBER

Amount claimable MKW:.....

Payment options available MKW:.....

E.—THIRD PARTY

Total amount of benefits MKW:.....

F.—DOCUMENTATION

Documents required:.....

CERTIFIED CORRECT:

.....

Signature of investment provider representative *Date*

I ACKNOWLEDGE THAT I RECEIVE AND UNDERSTAND THIS STATEMENT PRIOR TO PURCHASE OF THE POLICY/ANNUITY:

.....
Signature of investor

.....
Date

.....
Signature of broker/agent (if applicable)

.....
Date

Dated this 29th day of June 2018

(FILE NO. FIN/PFSPD/03/04)

D. KABAMBE, PhD
Registrar of Financial Institutions

GOVERNMENT NOTICE No. 44

FINANCIAL SERVICES ACT

(CAP. 44: 05)

FINANCIAL SERVICES (DISCLOSURE REQUIREMENTS FOR PENSION PRODUCTS AND SERVICES) DIRECTIVE, 2018.

ARRANGEMENT OF PARAGRAPHS

PARAGRAPH

PART I—PRELIMINARY

1. Citation
2. Application
3. Interpretation

PART II—OBJECTIVES

4. Objectives

PART III—BOARD AND MANAGEMENT OVERSIGHT

5. Board and management oversight

PART IV—MINIMUM DISCLOSURE REQUIREMENTS

6. General requirements
7. No cost for information
8. Information about pension provider
9. Information about the product and service

PART V—FORM OF DISCLOSURE

10. Disclosure form

PART VIII—ENFORCEMENT:

11. Monetary penalties
12. Administrative penalties

IN EXERCISE of powers conferred by section 34 (2) of the Financial Services Act, I, DR. DALITSO KABAMBE, Registrar of Financial Institutions, issue this Directive—

PART I—PRELIMINARY

Citation 1. This Directive may be cited as the Financial Services (Disclosure Requirements for Pension Products and Services) Directive, 2018.

Application 2. This Directive applies to all pension providers.

Interpretation 3. (1) In this Directive, unless the context otherwise requires—

“Board” means the highest body of authority in a pension provider responsible for strategically guiding the institution, effectively monitoring management and properly accounting to shareholders;

“financial consumer” in relation to a financial service, means—

(a) (i) a natural person, not acting in the course of business; or

(ii) a sole trader, partnership, trust club or charity (not being a body corporate), with an annual turnover in its previous financial year of MK250,000,000 or less; or

(iii) an incorporated body that—

(I) had an annual turnover in its previous financial year of MK250,000,000 or less; and

(II) is not a body corporate that is a member of a group of companies with a combined annual turnover (in the previous financial year of the group of companies), of greater than MK250, 000,000, that—

(A) is a customer of a financial institution;

(B) is a person or body to whom a financial institution has offered to provide a financial product or service; or

(C) has sought the provision of a financial product or service;

(b) an actual or potential beneficiary of a financial product or service;

“key fact statement” means a short form, standardized disclosure document prepared by a pension provider in relation to a financial product or service which—

(a) summarizes the key terms, annual percentage rate and other fees and charges;

(b) can be used to compare the product offers of different pension providers; and

(c) is in a format and contains the content, which is specified in this directive on disclosure;

“pension provider” means any of the following—

(a) a pension services company;

- (b) an administrator of pension funds;
- (c) a provider of programmed withdrawal;
- (d) a trustee of a pension fund; and
- (e) a pension broker; and

“pension service” means any of the services relating to the business of the pension provider which are offered by the pension provider to a financial consumer.

(2) Any term used in this Directive, and which has been defined in the Act and the Pension Act has the meaning ascribed to that term under the Act and the Pension Act.

Cap. 55:02

PART II—OBJECTIVES

4. The objectives of this Directive are to—

Objectives

- (a) define minimum disclosure requirements for a pension product or service;
- (b) ensure that financial consumers are provided with full, accurate and timely information to evaluate whether and to what extent a pension service is appropriate;
- (c) promote comparability of a pension product or service by a financial consumer; and
- (d) promote fair treatment of financial consumers.

PART III—BOARD AND MANAGEMENT OVERSIGHT

5.—(1) The Board and management of a pension provider are responsible for adherence and compliance with the requirements of this Directive.

Board and management oversight

(2) A pension provider shall have a written disclosure policy on a pension product and service approved by the Board.

(3) The Board shall ensure that—

- (a) management is implementing the disclosure policy; and
- (b) there is full, timely and accurate disclosure of all relevant information on a pension product and service in line with the requirements of this Directive.

PART IV—MINIMUM DISCLOSURE REQUIREMENTS

6.—(1) A pension provider shall disclose to a financial consumer all necessary information related to a pension product and service to enable the financial consumer make an informed decision.

General requirements

(2) A pension provider shall disclose to a financial consumer before entering into a contract with a financial consumer the benefits, risks, terms, conditions and costs of a pension product and service.

(3) A pension provider shall disclose information that is clear, accurate and not misleading to a financial consumer.

No cost for information

7. A pension provider shall provide information prescribed in this Directive at no cost, before a financial consumer buys a pension product and service.

Information about pension provider

8. A pension provider shall disclose in a contract—

(a) its official trade name and address of its principal office to the financial consumer prior to granting a pension product and service; and

(b) its regulated status and, where required by the financial consumer, contact details of the Registrar.

Information about the product and service

9. The disclosed information about a pension provider's products and services shall be contained in a key fact statement which shall include—

(a) clear, accurate and complete contractual terms and conditions;

(b) type of pension product or service;

(c) pension contribution to be paid;

(d) administration fees to be paid;

(e) investment fees to be paid;

(f) the case of defined benefit schemes, the benefits formula;

(g) implications of non-payment of pension contributions;

(h) conditions for reinstatement of policy following non-payment of pension contributions ;

(i) conditions for access to benefits;

(j) the method of calculating benefits in the event of retirement or death of the pension fund member;

(k) whether a financial consumer shall receive lesser pension benefits, annuities or other benefits by virtue of his or her gender or other status and method of calculating the benefits;

(l) the claims procedure including all documentation required;

(m) waiting period before payment is made after submission of required documentation;

(n) benefit payment options available to a financial consumer;

(o) any penalty interest in case of late contribution of payments;

(p) penalties in case of non-compliance with other contract terms;

(q) taxation of pension contribution, investment returns, and pension benefits;

(r) complaints handling mechanisms; and

(s) any other information which the Registrar may determine from time to time.

PART V—FORM OF DISCLOSURE

10 The disclosures in paragraph 9 shall be in the prescribed format in the schedule hereto and communicated to financial consumers before, during and after signing a contract— Disclosure form

(a) in English or vernacular language which is easy to read and understand;

(b) in written form, and accessible to the financial consumer; and

(c) the information must be—

(i) in legible font size of not less than 12;

(ii) available to financial consumers via numerous channels, such as in branches, pension fund offices and online platforms;

(iii) provided on paper or electronic format in graphs to elaborate practical communication taking into account that participants have differing levels of knowledge and information:

Provided that where an insurer or an insurance intermediary opts to use electronic form of communication, the needs and capabilities of the financial consumer must be properly assessed where appropriate; and

(iv) simplified through consumer testing, especially with the needs of vulnerable client groups in mind.

PART VIII—ENFORCEMENT

11.—(1) The Registrar shall impose the following monetary penalties for violations of this Directive— Monetary penalties

(a) for pension providers, a fine not exceeding K50,000,000;

(b) for individuals who are members of the Board or management, a fine not exceeding K10,000,000; and

(c) in addition, a penalty of K50,000 may be imposed on the pension provider for each subsequent day for which the violation continues after being notified by the Registrar of the violation.

(2) The penalties imposed in subparagraph (1) shall be paid through a bank certified cheque or electronic transfer payable to the Reserve Bank of Malawi within 10 working days after being notified by the Registrar of the violation.

12. In addition to the monetary penalties imposed in paragraph 11(1), the Registrar may impose directions, and administrative penalties as provided for under the Act and other financial services laws. Administrative penalties

SCHEDULE

(para. 10)

KEY FACTS STATEMENT FOR
PENSION PRODUCTS AND SERVICES

(Application No.:

I.—PARTIES CONCERNED

- (1) Company name:.....
- (2) Contact information (address, telephone, e-mail):.....
.....
- (3) The information provided remains valid until:.....
- (4) ([Full legal name of the regulated entity]) is authorized and supervised by the Registrar of Financial Institutions (see more information below).....
.....
- (5) Applicant's name:.....
- (6) Contact information (address, telephone, e-mail):.....
.....

II. KEY TERMS—Review carefully before buying the product and service

A.—PRODUCT DETAILS

- 1. Type of pension product or service:.....
- 2. Pension contribution to be paid.....
- 2. Implications of non-payment/late submission of contribution.....
.....
- 3. Penalty interest due to late payment of contributions.....

B.—COST OF PRODUCT OR SERVICE

- 4. Administration fees to be paid (monthly/quarterly/lump sum)
.....
- 5. Investment fees to be paid
- 6. Taxation of pension contribution.....

C.—PRODUCT SCHEDULE (If applicable)

- 6. Duration:
- 7. Maturity date:.....

- 8. Cooling-off period:.....
- 9. Penalties, for termination of contract prior to maturity:.....
- 10. Exclusions:.....
- 11. Conditions for reinstatement of defaulted pension contributions:.....
- 12. Conditions for access to benefits:.....
- 13. Benefits payment options:.....

III.—STATUTORY RIGHTS

- 1. Payment of Pension benefits: Payment is expected to be made days after submission of required documentation;
- 2. Customer Recourse: Complaints or comments? Please call (.....), email (.....) or write to (.....).
- 3. Redress Mechanism: In case of a dispute you may lodge a complaint with the Registrar or file a lawsuit. To contact the Registrar, call: 01 820299 or Toll Free: 80008444, email: complaints-handling@rbm.mw , mail: The Consumer Protection Unit, Reserve Bank of Malawi, P O Box 565, Blantyre], or visit: <http://www.rbm.mw>.
- 4. Right to Annual Statement: You have the right to obtain annual statement of the pension contributions free of any charge.
- 5. Termination of a contract: You may terminate the contract in the following manner

IV.—BENEFITS CLAIMS' PROCESSING

D.—BY MEMBER

Amount claimable MKW.....

Payment options available MKW.....

E.—THIRD PARTY

Total amount of benefits MKW.....

Waiting period before payment is made

F.—DOCUMENTATION

Documents Required.....

.....
 CERTIFIED CORRECT:

.....
Signature of pension provider representative

.....
Date

I ACKNOWLEDGE THAT I RECEIVE AND UNDERSTAND THIS STATEMENT
 PRIOR TO PURCHASE OF THE POLICY/ANNUITY:

.....
Signature of Beneficiary

.....
Date

.....
Signature of agent/intermediary (if applicable)

.....
Date

Dated this 29th day of June 2018

(FILE NO. FIN/PFSPD/03/04)

D. KABAMBE, PhD
 Registrar of Financial Institutions

GOVERNMENT NOTICE No. 45

FINANCIAL SERVICES ACT

(CAP. 44:05)

FINANCIAL SERVICES (DISCLOSURE REQUIREMENTS FOR SAVINGS
 PRODUCTS AND SERVICES) DIRECTIVE, 2018

ARRANGEMENT OF PARAGRAPHS

PARAGRAPH

PART I—PRELIMINARY

1. Citation
2. Application
3. Interpretation

PART II—OBJECTIVES

4. Objectives

PART III—BOARD AND MANAGEMENT OVERSIGHT

5. Board and management oversight

PART IV—MINIMUM DISCLOSURE REQUIREMENTS

6. General requirements
7. No cost for information
8. Information about a financial institution
9. Information about a savings product and service

PARAGRAPH

PART V—FORM OF DISCLOSURE

10. Disclosure form

PART VIII—ENFORCEMENT

11. Monetary penalties

12. Administrative penalties

IN EXERCISE of the powers conferred by section 34 (2) of the Financial Services Act, I, DR. DALITSO KABAMBE, Registrar of Financial Institutions, make the following Directive—

PART I—PRELIMINARY

1. This Directive may be cited as the Financial Services (Disclosure Requirements for Savings Products and Services) Directive, 2018. Short Title

2. This Directive applies to a bank, a primary SACCO, a deposit taking microfinance institution and a building society. Application

3.—(1) In this Directive, unless the context otherwise requires— Interpretation

“Board” means the highest body of authority in a financial institution responsible for strategically guiding the institution, effectively monitoring management and properly accounting to shareholders;

“financial consumer” in relation to a financial service, means—

- (a) (i) a natural person, not acting in the course of business, or
 (ii) a sole trader, partnership, trust club or charity (not being a body corporate), with an annual turnover in its previous financial year of MK250, 000,000 or less; or
 (iii) an incorporated body that—

(I) had an annual turnover in its previous financial year of MK250, 000,000 or less, and

(II) is not a body corporate that is a member of a group of companies with a combined annual turnover (in the previous financial year of the group of companies), of greater than MK250, 000,000 that—

(A) is a customer of a financial institution; or

(B) is a person or body to whom a financial institution has offered to provide a financial product or service, or,

(C) has sought the provision of a financial product or service;

(b) an actual or potential beneficiary of a financial product or service;

“key fact statement” means an outline of the key features, terms and conditions of a financial product or service as part of a contract;

“savings” means—

- (a) deposit accounts in a bank;
- (b) deposit accounts in a deposit taking microfinance institution;
- (c) member savings accounts in a primary SACCO; or
- (d) deposit accounts in a Building Society.

Cap. 44:01
Cap. 46:08
Cap. 46:10

(2) Any term used in this Directive, and which has been defined in the Act, the Banking Act, Microfinance Act, Financial Cooperatives Act, has the meaning ascribed to that term under the Act, Banking Act, Microfinance Act, and Financial Cooperatives Act.

PART II—OBJECTIVES

Objectives

4. The objectives of this Directive are to—
- (a) set minimum disclosure requirements for a savings product and service;
 - (b) ensure that a financial consumer is provided with full, accurate and timely information to evaluate whether and to what extent a saving product and service is appropriate;
 - (c) promote comparability of savings product and service by a financial consumer; and
 - (d) promote fair treatment of a financial consumer.

PART III—BOARD AND MANAGEMENT OVERSIGHT

Board and
management
oversight

5.—(1) The Board and management of a financial institution shall be responsible for adherence and compliance with the requirements of this Directive.

(2) A financial institution shall have a written disclosure policy on a savings product and service approved by the Board.

- (3) The Board shall ensure that—
- (a) management is implementing the disclosure policy; and
 - (b) there is full, timely and accurate disclosure of all relevant information on a savings product and service in line with the requirements of this Directive.

PART IV—MINIMUM DISCLOSURE REQUIREMENTS

General
requirements

6.—(1) A financial institution shall disclose to a financial consumer all information related to a savings product and service necessary to enable a financial consumer make an informed decision.

(2) A financial institution shall disclose to the financial consumer before entering into a contract with a financial consumer the benefits, risks, terms, conditions and costs of a savings product and service.

(3) A financial institution shall disclose information that is clear, accurate and not misleading to a financial consumer.

7. A financial institution shall provide information prescribed in this Directive at no cost, before a financial consumer buys a savings product and service.

No cost for information

8. A financial institution shall disclose in a contract—

Information about a financial institution

(a) its official trade name and address of its principal office to the financial consumer prior to granting a savings product and service; and

(b) its regulated status and, where required by the financial consumer, contact details of the Registrar.

9. The disclosed information about a savings product and service shall be contained in a key fact statement which shall, where applicable, include—

Information about a savings product and service

(a) clear, accurate and complete contractual terms and conditions including the interest rate payable on the product or service;

(b) type of savings product and service;

(c) minimum book balance;

(d) service fees to be paid;

(e) the duration of the savings product and service and maturity date;

(f) penalties, for termination of contract prior to maturity of a savings product and service;

(g) variations to the savings product and service and its terms and conditions;

(h) conditions for access to savings;

(i) the withdrawal procedure including all documentation required;

(j) the frequency of calculating interest on the savings product or service;

(k) savings withdrawal options available to a financial consumer;

(l) penalties in case of non-compliance with other contract terms;

(m) complaints handling mechanisms; and

(n) any other information which the Registrar may determine from time to time.

PART V—FORM AND TIME OF DISCLOSURE

10. The disclosures in paragraph 9 shall be in the prescribed format in the Schedule hereto and communicated to a financial consumer before, during and after signing an agreement—

Disclosure form

(a) in English or vernacular language which is easy to read and understand;

(b) in written form, and accessible to the financial consumer; and

(c) the information must be—

(i) in legible font size of not less than 12;

(ii) available to financial consumers through numerous channels, such as in branches, pension fund offices and online platforms;

(iii) provided on paper or electronic format in graphs to elaborate practical communication taking into account that participants have differing levels of knowledge and information:

provided that where an insurer or an insurance intermediary opts to use electronic form of communication, the needs and capabilities of the financial consumer must be properly assessed where appropriate; and

(iv) simplified through consumer testing, especially with the needs of vulnerable client groups in mind.

PART VIII—ENFORCEMENT

Monetary
penalties

11.—(1) The Registrar shall impose the following monetary penalties for violations of this Directive—

(a) a fine not exceeding K50,000,000 if the violation is committed by a financial institution;

(b) a fine not exceeding K10,000,000 if the violation is committed by individuals who are members of the Board or management; and

(c) in addition, a penalty of K50,000 may be imposed on the institution or the individual for each subsequent day for which the violation continues after being notified as stipulated.

(2) The financial institution or individual shall pay the penalty in subparagraph (1) through a bank certified cheque or electronic transfer payable to the Reserve Bank of Malawi within 10 working days after being notified of the violation.

Administrative
penalties

12. In addition to the monetary penalties imposed in paragraph 11(1), the Registrar may impose directions, and administrative penalties as provided for under the Act and other financial services laws.

SCHEDULE

(para. 10)

KEY FACTS STATEMENT FOR SAVINGS PRODUCTS AND SERVICES

(Application No.:.....)

I.—PARTIES CONCERNED

- (1) Financial institution's name:.....
- (2) Contact information (address, telephone., e-mail):.....
.....
- (3) The information provided remains valid until:.....
- (4) [Full legal name of the financial institution] is authorized and supervised by the Registrar of Financial Institutions (see more information below):.....
.....
- (5) Agent / Intermediary details: (name, address, telephone., e-mail):.....
.....
- (6) Applicant's name:.....
- (7) Contact information (address, telephone., e-mail):.....
.....

II. KEY TERMS—Review carefully before buying a policy

A.—INVESTMENT DETAILS

- 1. Type of saving product and service:.....
- 2. Service fees payable:.....
- 3. penalties for termination of contract:.....

B.—COST OF INVESTMENT SERVICE

- 4. Minimum book balance payable (monthly/quarterly/lump sum):.....
- 5. Other fees and charges (*Administration Costs*):.....
- 6. Benefits associated with the saving product and service:.....
.....

C.—INVESTMENT SCHEDULE

- 7. Duration:.....

- 8. Maturity Date:.....
- 9. Period to receive evidence of the contract:.....
- 10. Exclusion:.....
- 11. withdrawal options available:.....
- 12. penalties in case of non-compliance with other contract terms:.....

III.—STATUTORY RIGHTS

- 13. withdrawal procedures: Your savings can be withdrawn days from the date of deposit.
- 14. Customer Recourse: Complaints or comments? Please call [.....]; email [.....] or write to [.....].
- 15. Redress Mechanism: In case of a dispute you may lodge a complaint with the Registrar or file a lawsuit. To contact the Registrar, call: 01 820299 or Toll Free: 80008444, email: complaints-handling@rbm.mw, mail: The Consumer Protection Unit, Reserve Bank of Malawi, P O Box 565, Blantyre], or visit: <http://www.rbm.mw>.
- 16. Right to Savings Statement: You have the right to obtain a statement of the savings product and service free of any charge.
- 22. Termination of saving product and service: You may terminate the policy in the following manner:.....

CERTIFIED CORRECT:

.....
Signature of financial institution representative *Date*

I ACKNOWLEDGE THAT I RECEIVE AND UNDERSTAND THIS STATEMENT PRIOR TO PURCHASE OF THE POLICY/ANNUITY:

.....
Signature of beneficiary/consumer *Date*

.....
Signature of broker or agent (if applicable) *Date*

Dated this 29th day of June 2018

GOVERNMENT NOTICE NO. 46

FINANCIAL SERVICES ACT

(CAP. 44:05)

FINANCIAL SERVICES (FAIR TREATMENT OF FINANCIAL CONSUMERS BY
FINANCIAL INSTITUTIONS) DIRECTIVE, 2018

ARRANGEMENT OF PARAGRAPHS

PARAGRAPH

PART I—PRELIMINARY

1. Citation
2. Application
3. Interpretation

PART II—OBJECTIVES

4. Objectives

PART III—BOARD AND MANAGEMENT OVERSIGHT

5. Board and management oversight

PART IV—SPECIFIC REQUIREMENTS

6. Financial consumer protection principles
7. Communication with a financial consumer
8. Unfair terms
9. Prohibited fees and charges
10. Publication of fees, charges and rates
11. Interest on savings
12. Account closure
13. Direct debits and unauthorized debits
14. Discrimination
15. Prohibition on harassment
16. Remuneration of representatives
17. Services disruptions
18. Changes in interest rates, fees and charges
19. Consumer data protection
20. Communication of reason for declining to offer a service
21. Collateral charging and discharging
22. Debt collection procedure
23. Financial consumer refunds

PART VII—ENFORCEMENT

24. Monetary penalties
25. Administrative penalties

IN EXERCISE of the powers conferred by section 34(2) of the Financial Services Act, I, DR. DALITSO KABAMBE, Registrar of Financial Institutions, make the following Directive—

PART I—PRELIMINARY

- Citation 1. This Directive may be cited as the Financial Services (Fair Treatment of Financial Consumers) Directive, 2018.
- Application 2. This Directive applies to all financial institutions regulated by the Registrar of financial institutions under the Act.
- Interpretation 3. In this Directive, unless the context otherwise requires—
- “Board” means the highest body of authority in a financial institution responsible for strategically guiding the institution, effectively monitoring management and properly accounting to shareholders;
- “financial consumer”, in relation to a financial service, means—
- (a) (i) a natural person, not acting in the course of business; or
(ii) a sole trader, partnership, trust club or charity (not being a body corporate), with an annual turnover in its previous financial year of MK250,000,000 or less; or
(iii) an incorporated body that—
- (I) had an annual turnover in its previous financial year of MK250, 000,000 or less; and
- (II) is not a body corporate that is a member of a group of companies with a combined annual turnover (in the previous financial year of the group of companies), of greater than MK250, 000,000 that—
- (A) is a customer of a financial institution;
(B) is a person or body to whom a financial institution has offered to provide a financial product or service, or
(C) has sought the provision of a financial product or service.
- (b) an actual or potential beneficiary of a financial product or service; and
- “key facts statement” means a short form, standardized disclosure document prepared by a financial institution in relation to a financial product or service which—
- (a) summarizes the key terms, annual percentage rate and other fees and charges;
- (b) can be used to compare the product offers of different financial institutions; and
- (c) is in a format and contains the content, which is specified in the Registrar’s directive on disclosure.
- (2) Any term used in this Directive, and which has been defined in the

Act has the meaning ascribed to that term under the Act.

PART II—OBJECTIVES

4. The objectives of this Directive are to—

Objectives

(a) set minimum requirements on fair treatment of financial consumers;

(b) promote fair outcomes from financial products and services; and

(c) promote financial consumer trust and confidence in the financial institutions and financial products and services.

PART III—BOARD AND MANAGEMENT OVERSIGHT

5.—(1) The Board and management of a financial institution shall be responsible for adherence and compliance with the requirements of this Directive.

Board and management oversight

(2) A financial institution shall have a written policy on fair treatment of financial consumers approved by the board.

(3) The Board shall ensure that management is implementing the policy on fair treatment of financial consumers.

PART IV—SPECIFIC REQUIREMENTS

6. A financial institution shall comply with the following financial consumer protection principles at all stages of its relationship with a financial consumer or a security provider—

Financial consumer protection principles

(a) treat a financial consumer and a security provider fairly, respectfully and not engage in misleading, deceptive, discriminatory, abusive or aggressive treatment;

(b) ensure that a financial consumer and a security provider are provided with accurate, simple and clearly expressed information about the features, risks, terms and cost of any financial product and service or security they are considering;

(c) ensure that the financial products and services it provides are designed and marketed having regard to the financial objectives, needs, capacity and behavior of a financial consumer in the target market and with a view to minimizing the risk of harm to the financial consumer;

(d) ensure that the financial objectives, needs and capacity of a financial consumer are considered before providing him or her with a finance product and service;

(e) ensure that the presentation and recommendation of the most suitable product options from the range available is provided to the financial consumer;

(f) only provide a credit facility to a financial consumer after—

(i) a reasonable assessment of the ability of the financial consumer to repay the credit without substantial hardship; and

(ii) taking reasonable steps to verify the information on which it relies on to assess the financial consumer's creditworthiness;

(g) ensure that the personal information of a financial consumer and a security provider is kept confidential and secure; and

(h) provide a financial consumer and a security provider with easy access to an accessible, transparent, effective, prompt and free internal complaints system and be made aware of any available external dispute resolution service (including any financial ombudsman service or a service provided by the Registrar).

Communication
with a financial
consumer

7.—(1) A financial institution shall—

(a) ensure that there is consistency between the terms and conditions of a financial product and service disclosed to a financial consumer in a key fact statement and the actual terms and conditions applied on the financial consumer; and

(b) not bind a financial consumer to a financial product and service beyond the term of a financial product and service.

(2) A financial institution shall make special arrangements when dealing with people with special needs.

Unfair terms

8.—(1) A financial institution shall ensure that terms of a contract concluded with a financial consumer are fair.

(2) A term of a contract or security is to be considered as unfair if the term—

(a) reflects a significant imbalance in the parties' rights and obligations;

(b) causes detriment to the financial consumer or security provider;

(c) is not required to protect the financial institution's legitimate interests;

(d) allows the financial institution to unilaterally change the terms of the contract or security without expressly describing the circumstances in which that change may be made;

(e) waives any protection provided for by this Directive;

(f) purports to avoid or modify any provision of this Directive; or

(g) limits the right of a financial consumer or security provider to take legal action against the financial institution.

(4) Any clause of a standard form contract or security for a financial product and service or related security that is unfair as provided for by this paragraph is void.

(5) A contract or security is in a standard form if it has been prepared by or on behalf of the financial institution and has not been subject to full and genuine negotiation with the financial consumer or security provider concerned

9. A financial institution shall not accept or seek to recover, a fee or charge—

Prohibited fees and charges

(a) unless the fee or charge has previously been disclosed to the financial consumer in accordance with this Directive;

(b) for an application for a financial product and service, or the establishment of a contract—

(i) to the extent that the fee exceeds a reasonable estimate of the financial institution's administrative costs of assessing the application or establishing the contract; or

(ii) if the application for the financial product and service is declined;

(c) for a fee or charge payable to a third party more than the amount payable to that third party;

(d) for a partial or full early payment under a credit contract to the extent that the fee exceeds a reasonable estimate of—

(i) the administrative costs of the early payment; and

(ii) in the case of an early payment under a fixed annual percentage rate contract, the financial institution's loss arising from the early payment (if any);

(e) for enforcement expenses beyond those reasonably incurred by the financial institution; or

(f) to the extent that the amount or type of the fee or charge is prohibited under this Directive.

10.—(1) Subject to this Directive, a financial institution shall publish the following information in relation to a financial product and services it makes available to a financial consumer—

Publication of fees, charges and rates

(a) itemized fees and charges;

(b) any applicable annual percentage rate; and

(c) the standard terms and conditions.

(2) A financial institution shall publish the information referred to in subparagraph—

(a) in at least 2 newspapers of wide circulation in Malawi on 30 June and 31 December in each year or, if that day is a public holiday, the following business day; and

(b) on the financial institution's website.

(3) The Registrar may publish the fees and charges, annual percentage rates and other terms and conditions of a financial product and service in any manner designed to facilitate the ability of a financial consumer to understand, and make a comparative analysis of the information.

Interest on
savings

11. A financial institution shall calculate interest applicable on the financial consumer's savings on daily basis.

Account
closure

12.—(1) A financial institution shall promptly process within 5 working days any request from a financial consumer—

(a) as to the steps and time lines for closing an account relating to a financial product and service; and

(b) to close an account.

(2) When a contract is terminated, a financial institution shall, within 5 working days—

(a) pay to the financial consumer or at his direction any money due to the financial consumer; and

(b) cancel any direct debit authority covering repayments.;

(3) A financial institution shall not impose a fee or charge for the closure of an account that exceeds the administrative costs incurred by the financial institution to process that request.

Direct debits
and
unauthorized
debits

13.—A financial institution shall promptly process within 5 working days any—

(a) instruction from a financial consumer to cancel a direct debit authority relevant to an account with the financial institution; and

(b) complaint that a direct debit or any other debit to an account was unauthorized or otherwise irregular.

(2) A financial institution shall not direct or suggest that a financial consumer first raise the request or complaint with the person to whom the direct debit payment is due.

Discrimination

14.—(1) A financial institution shall not directly or indirectly discriminate against a financial consumer or a security provider, because of a personal attribute of that person or of any person associated with the financial consumer or security provider, except as expressly permitted by any written law.

(2) For the purposes of this paragraph—

(a) the personal attributes of a person include his age, gender, race, ethnicity, political or religious affiliation or beliefs, marital status, or disability;

(b) direct discrimination occurs if a financial institution treats, or proposes to treat, a financial consumer or security provider unfavorably because of a personal attribute he has or any person associated with him has; and

(c) indirect discrimination occurs if a person imposes, or proposes to impose a requirement, condition or has a practice or a policy or relies on a technique of data analysis that has, or is likely to have, the effect of disadvantaging a person based on a personal attribute.

15. A financial institution shall not—
- (a) harass a financial consumer to apply for or acquire a financial product and service or to provide a security;
- (b) visit a financial consumer at home or his place of employment to encourage him to apply for a financial product service except with the consent of the relevant person; or
- (c) initiate any other action for marketing purposes which involves direct contact with a financial consumer without consent in circumstances specified in a Registrar's directive.
16. A financial institution shall ensure that remuneration and commission schemes for a representative does not incentivize the representative to treat any financial consumer or security provider inconsistently with financial consumer protection principles and in particular, but without limitation, do not encourage over-indebtedness.
- 17.—(1) A financial institution shall notify a financial consumer to whom it provides a financial product and service of any—
- (a) planned action that is likely to disrupt those financial products and services including a network disruption;
- (b) proposed cessation of the financial products and services; or
- (c) planned closure of physical premises from which the financial products and services are provided.
- (2) A financial institution shall give the notice referred to in paragraph (1) must be given at least 10 working days before the relevant event.
18. A financial institution shall give notice to a financial consumer, in writing or by electronic means of changes in—
- (a) interest rates immediately after implementation of the change; and
- (b) fees, charges or other key terms and conditions of a financial product and service immediately after implementation of the changes.
19. A financial institution shall take all necessary measures to protect the confidentiality and security of data and records of a financial consumer.
- 20.—(1) Where a financial institution declines to sell a product or offer a service to a financial consumer, the financial institution shall provide reasons for the rejection to the financial consumer.
- (2) A financial institution shall return to a financial consumer all original supporting documents for an application to buy a financial product or use a service that has been rejected except to the extent prohibited by any written law.
- (3) A financial institution shall return to the financial consumer all documents submitted by the financial consumer as collateral to a credit product that has been repaid in full.

Prohibition
on
harassment

Remuneration
of
representatives

Service
disruptions

Changes in
interest rates,
fees and
charges

Consumer
data
protection

Communica-
tion of reason
for declining
to offer a
service

Collateral
charging and
discharging

21.—(1) A financial institution shall—

(a) have a policy that outlines collateral qualifications, charging, discharging and the methodology of disposing seized collateral from defaulters; and

(b) disclose the policy to all its borrowers.

(2) A financial consumer may choose an approved valuer of his choice if the credit facility being sought requires collateral to be valued prior to being granted the facility:

provided that the valuer is among the approved list of valuers of the financial institution providing the credit facility.

Debt
collection
procedure

22.—(1) A financial institution shall not use debt collection practices that are outside the terms and conditions of a credit contract.

(2) A financial institution shall inform the financial consumer in writing of its intention to foreclose a property pledged as collateral for a credit facility.

(3) A financial institution shall take all steps to be as transparent as possible to the financial consumer in the process to foreclose property.

Financial
consumer
refunds

23.—(1) Where—

(a) a financial consumer has lodged a request for a refund for a—

(i) failed transaction;

(ii) cancelled transaction; or

(iii) erroneous transaction; and

(b) the financial institution has acknowledged that the request for a refund is *bona fide*,

of the financial institution shall process and pay the refund within 5 working days of the financial consumer lodging the request.

(2) A financial institution shall pay any amount of refund which remains unpaid in breach of this paragraph with interest at the ruling Reserve Bank of Malawi base rate plus 10% on each day that the refund remains unpaid.

(3) A financial institution shall notify a financial consumer, within 5 working days of receipt of the request for refund, if the financial institution establishes that the request for a refund for a failed transaction, cancelled transaction, or erroneous transaction is not *bona fide*.

PART VII—ENFORCEMENT

Monetary
penalties

24.—(1) The Registrar shall impose the following monetary penalties for violations of this Directive, sections 62 and 63 of the Act—

(a) a fine not exceeding K50,000,000 if the violation is committed by a financial institution; and

(b) a fine not exceeding K10,000,000 if the violation is committed by individuals who are members of the Board or management.

(2) In addition, a penalty of K50,000 may be imposed on the financial institution or individual for each subsequent day for which the violation continues after being notified by the Registrar of the violation.

(3) The financial institution or individual shall pay the penalty in subparagraph (1) through a bank certified cheque or electronic transfer payable to the Reserve Bank of Malawi within 10 working days after being notified of the violation.

25. In addition to the monetary penalty imposed in paragraph 24(1) hereof, the Registrar may impose directions or administrative penalties as provided for under the Act and other financial services laws.

Dated this 29th day of June 2018

(FILE NO. FIN/PFSPD/03/04)

D. KABAMBE, PhD
Registrar of Financial Institutions

GOVERNMENT NOTICE No. 47

FINANCIAL SERVICES ACT

(CAP. 44:05)

FINANCIAL SERVICES (SUBMISSION OF INFORMATION RELATING TO THE BUSINESS OF PENSION FUNDS) DIRECTIVE, 2018

ARRANGEMENT OF PARAGRAPHS

PARAGRAPH

PART I—PRELIMINARY

1. Citation
2. Application
3. Interpretation

PART II—OBJECTIVES

4. Objectives

PART III—SPECIFIC REQUIREMENTS

5. Submission and format of call reports
6. Deadline for submission of call reports
7. Submission of profile of directors and responsible persons
8. Submission of member profile report
9. Submission of other information
10. Restriction on tampering with call report templates
11. Quality control and sign off

PART IV—ENFORCEMENT

12. Monetary penalties
13. Other penalties

IN EXERCISE of the powers conferred by section 34 of the Financial Services Act, I, DR. DALITSO KABAMBE, Registrar of Financial Institutions, issue the following Directive—

PART I—PRELIMINARY

- | | |
|----------------|--|
| Citation | 1. This Directive may be cited as the Financial Services (Submission of Information Relating to the Business of Pension Funds) Directive, 2018. |
| Application | 2. This Directive applies to—
(a) pension funds;
(b) administrators;
(c) pension services companies;
(d) operators of umbrella funds;
(e) umbrella funds;
(f) pension brokers;
(g) custodians;
(h) investment managers; and
(i) trustees. |
| Interpretation | 3. In this Directive, except where the context otherwise requires—
“call report” means a complete set of returns as outlined in this Directive that pension entities must compile and submit to the Registrar; and
“pension entity” includes a pension fund, an administrator, a pension services company, an operator of umbrella fund, an umbrella fund, a pension broker, a custodian, an investment manager and a trustee. |

PART II—OBJECTIVES

- | | |
|------------|---|
| Objectives | 4. The objectives of this Directive are to—
(a) set out the supervisory reporting standards for the provision of information relating to the governance, financial performance or position, and member profile of pension and umbrella funds;
(b) ensure that pension entities submit to the Registrar on a timely basis accurate electronic call reports as prescribed by the Registrar;
(c) provide the Registrar with sufficient information to prudentially supervise and monitor compliance and implementation of pension sector laws and support future policy development; and
(d) establish quality control standards for data before it is submitted to the Registrar. |
|------------|---|

PART III—SPECIFIC REQUIREMENTS

- | | |
|---------------------------------------|---|
| Submission and format of call reports | 5. A pension fund and an umbrella fund shall complete and electronically submit to the Registrar call reports in the format prescribed in the First Schedule. |
|---------------------------------------|---|

- | | |
|---|---|
| 6.—(1) A pension fund and an umbrella fund shall submit quarterly call reports to the Registrar within 15 days after the last day of the quarter. | Deadline for submission of call reports |
| (2) A pension fund and an umbrella fund shall submit to the Registrar an annual call report, audited by external auditors of the fund within 3 months after the end of each financial year. | |
| 7. A pension fund and an umbrella fund shall submit to the Registrar a profile of management and responsible persons prescribed in the Second Schedule, within 15 days after the last day of the year. | Submission of profile of management and responsible persons |
| 8. A pension fund and an umbrella fund shall submit to the Registrar member activity report prescribed in the Third Schedule, within 15 days after the last day of the year. | Submission of member activity report |
| 9. A pension entity shall submit any other information, reports or data as directed by the Registrar. | Submission of other information |
| 10. Unless otherwise approved by the Registrar, a pension entity shall not tamper with or modify the format of a call report template, whether electronic or not. | Restriction on tampering with call report templates |
| 11.—(1) Trustees of a pension entity shall ensure the implementation of appropriate management information systems, processes and controls to support the preparation and submission of information under the pension reporting requirements. | Quality control and sign off |
| (2) Trustees are responsible for the accuracy and reliability of information submitted. | |

PART IV—ENFORCEMENT

- | | |
|--|--------------------|
| 12. Where the Registrar determines that a pension entity has not met the requirements of this Directive, the Registrar may impose administrative penalties on the pension entity, including— | Monetary penalties |
| (a) a fine of K2,000,000 for failure to submit call reports and any other information within the required deadline; | |
| (b) a fine of K5,000,000 for tampering with format of the call report template; and | |
| (c) a fine of up to K10,000,000 in addition to the penalties in paragraphs in (a) or (b), for each time a pension entity repeats a contravention. | |
| 13. In addition to the penalties specified in paragraph 12, the Registrar may impose directions as provided for under the Act and other financial services laws. | Other penalties |

FIRST SCHEDULE

(para. 5)

CALL REPORT FORMS FOR PENSION FUNDS

	<i>NAME OF FORM</i>	<i>FORM NO.</i>
1	Statement of Investments and Asset Allocation	Form PF1
2	Statement of Net Assets Available for Benefits	Form PF2
3	Statement of Changes in Net Assets Available for Members	Form PF3
4	Specification of Unlisted Equity	Form PF4
5	Specification of Listed Equity	Form PF5
6	Specification of Government Short Term Debt	Form PF6
7	Specification of Government Long Term Debt	Form PF7
8	Specification of Private Debt - Listed	Form PF8
9	Specification of Private Debt -Unlisted	Form PF9
10	Specification of other Investments	Form PF10
11	Specification of Property	Form PF11
12	Specification of other Investment Income	Form PF12
13	Specification of other Operating Income	Form PF13
14	Specification of other Investment Expenses	Form PF14
15	Specification of other Administrative Expenses	Form PF15
16	Specification of Fixed Deposits per Bank	Form PF16
17	Specification of other Receivables	Form PF17
18	Specification of other Assets	Form PF18
19	Specification of other Payables	Form PF19
20	Specification of other Reserves	Form PF20
20	Membership Profile	Form PF21

FORM PF1

STATEMENT OF INVESTMENTS AND ASSET ALLOCATION

PORTFOLIO 1

Strategic Asset Allocation (SAA)	Benchmark (SAA)	Lower end of allowable (SAA)	Upper end of allowable SAA range	Percentage Asset Allocation	Market Value at the end of period	Unrealised gains/ losses (K'000)	Realised gains/ losses (K'000)
5.1 Cash							
5.2 Fixed Deposits (B16)							
5.3 Malawi Listed Equity (B5)							
5.4 Unlisted Equity (B4)							
5.5 Property (B11)							
5.6 Government Debt (Malawi)							
5.6.1 Short Term (B6)							
5.6.2 Long Term (B7)							
5.7 Private Debt							
5.7.1 Listed (B8)							
5.7.2 Unlisted (B9)							
5.8 Loans							
5.9 Foreign Investments							
5.10 Other Investments (B10)							
5.11 Total investment							

Strategic Asset Allocation (SAA)	Benchmark (SAA)	Lower end of allowable (SAA)	Upper end of allowable SAA range	Percentage Asset Allocation	Actual Asset Allocation at Market Value period (K'000)	Unrealised gains/ losses (K'000)	Realised gains/ losses (K'000)
Portfolio 2							
5.1 Cash							
5.2 Fixed Deposits (B16)							
5.3 Malawi Listed Equity (B5)							
5.4 Unlisted Equity (B4)							
5.5 Property (B11)							
5.6 Government Debt (Malawi)							
5.6.1 Short Term (B6)							
5.6.2 Long Term (B7)							

Strategic Asset Allocation (SAA)	Benchmark (SAA)	Lower end of allowable (SAA)	Upper end of allowable SAA range	Percentage Asset Allocation	Actual Asset Allocation at Market Value period (K'000)	Unrealised gains/ losses (K'000)	Realised gains/ losses (K'000)
5.7 Private Debt							
5.7.1 Listed (B8)							
5.7.2 Unlisted (B9)							
5.8 Loans							
5.9 Foreign Investments							
5.10 Other Investments (B10)							
5.11 Total investment							

Portfolio 3

Strategic Asset Allocation (SAA)	Benchmark (SAA)	Lower end of allowable (SAA)	Upper end of allowable SAA range	Percentage Asset Allocation	Actual Asset Allocation at Market Value period (K'000)	Unrealised gains/ losses (K'000)	Realised gains/ losses (K'000)
5.1 Cash							
5.2 Fixed Deposits (16)							
5.3 Malawi Listed Equity (B5)							
5.4 Unlisted Equity (B4)							
5.5 Property (B11)							
5.6 Government Debt (Malawi)							
5.6.1 Short Term (B6)							
5.6.2 Long Term (B7)							
5.7 Private Debt							
5.7.1 Listed (B8)							
5.7.2 Unlisted (B9)							
5.8 Loans							
5.9 Foreign Investments							
5.10 Other Investments (B10)							
5.11 Total investment							

FORM—B 2

Statement of Net Assets Available for Benefits

	Consolidated	Portfolio 1 (K'000)	Portfolio 2 (K'000)	Portfolio 3 (K'000)
Assets				
1 Total Receivables
1.1 Total investment income receivable
1.2 Other receivables
2 Investments(B1)
3 Tax Recoverable
4 Property, Plant and Equipment
5 Other Assets
6 Total Assets
Liabilities				
7 Total Payables
7.1 Provisions and Accruals
7.2 Benefits payable to members
7.3 Tax payable
7.4 Deferred Tax
7.5 Other
8 Net assets available to pay member benefits
Member Benefits				
9 Total Reserves
9.1 Bonus Smoothing Reserve
9.2 Benefit Reserve
9.3 General Reserve
9.4 Other Reserves
10 Total liability for DC member benefits
10.1 Member benefits at end of the previous period
10.2 Increase or Decrease in net assets after tax
10.3 Unallocated contributions
11 Surplus or Deficit
12 Total Funds Employed

FORM—B3

Statement of Changes in Net Assets Available for Members (Amounts in K'000)

Member flows - In

1	Total contributions	.....
1.1	Employer contributions	.....
1.2	Employee contributions	.....
1.3	Severance due entitlement	.....
1.4	Voluntary contributions	.....
1.5	Transfers from other pension funds	.....
1.5.1	Member contributions	.....
1.5.2	Employer Contributions	.....
1.6	Personal pension contributions	.....

Member flows - Out

2	Withdrawals at Retirement- Lump Sum	.....
2.1	Member entitlement of up to 40% § 68 of Pension Act	.....
2.2	Savings applied to life annuity or programmed withdrawal	.....
2.3	Commutation of pension	.....
2.4	Pension payments to members	.....
3	Non-retirement withdrawals	.....
3.1	Early withdrawals (Sections 65, 69 and 87)	.....
3.2	Death benefits (Sections 64 and 70)	.....
3.3	Transfers	.....
4	Total benefit payments paid out	.....
5	Net Member flows (Item 4 - Item 1)	.....

Income

6	Investment income	.....
6.1	Interest	.....
6.2	Dividend	.....
6.3	Rental income	.....
6.4	Change in unrealised gains/losses(B1)	.....

6.5	Other investment income	.....
7	Other income	.....
7.1	Proceeds on from GLA	.....
7.2	Other	.....
8	Total operating income	.....
8.1	Administration fee charged to Employers	.....
8.2	Other operating income	.....
9	Total investment and operating income	.....
Expenses		
10	Total investment Expenses	.....
10.1	Investment management fees	.....
10.2	Custodial Fees	.....
10.3	Property maintenance expenses	.....
10.4	Other investment expenses	.....
11	Total Pension administration expenses	.....
11.1	Member administration fees	.....
11.2	Other administration expenses	.....
12	Total expenses	.....
13	Profit or Loss before income tax	.....
14	Total income tax paid	.....
15	Increase or Decrease in net assets after income tax	.....
Net assets		
16	Net assets available to pay member benefits at the beginning of reporting period	.....
17	Net assets available to pay member benefits at the end of the reporting period (this amount must check and give error message if amount in item 15 plus amount in item 16 does not add up to this amount)	.....

Portfolio 3

	Shareholding as % of total stocks/shares	Number of common stocks/ shares	Percentage Asset Allocation	Market Value at the end of period (K'000)	Market Value at at the beginning of period (K'000)	Additions Cost (K'000)	Disposal (K'000) losses (K'000)	Unrealised gains/ losses (K'000)	Realised gains/ loss (K'000)
Blantyre Hotels Limited									
First Merchant Bank									
Illovo									
MPICO									
National Bank of Malawi									
NBS Bank									
NICO									
NITL									
Press Corporation Ltd									
Real Insurance									
Standard Bank									
Sunbird									
TNM									
Old Mutual									
Total (Item 5.3 Form PF1)									

FORM B6

SPECIFICATION OF GOVERNMENT SHORT TERM DEBT

Portfolio 1

	Percentage Asset Allocation	Amount at the end of the period (K'000)	Amount at the beginning of the period (K'000)	Repayment (K'000)
Insert Description				

	Percentage Asset Allocation	Amount at the end of the period (K'000)	Amount at the beginning of the period (K'000)	Repayment (K'000)
Total (Item 5.3 Form PF1)				

Portfolio 2

	Percentage Asset Allocation	Amount at the end of the period (K'000)	Amount at the beginning of the period (K'000)	Repayment (K'000)
Insert Description				
Total (Item 5.6.1 Form PF1)				

Portfolio 3

	Percentage Actual Asset Allocation	Amount at the end of the period (K'000)	Amount at the beginning of the period (K'000)	Repayment (K'000)
Insert Description				
Total (Item 5.6.1 Form PF1)				

Portfolio 3

	Percentage Asset Allocation	Amount at the end of the period (K'000)	Amount at the beginning of the period (K'000)	Repayment (K'000)
Insert Description				
Total (Item 5.6.2 Form PF1)				

FORM B8

SPECIFICATION OF PRIVATE DEBT - LISTED

Portfolio 1

	Percentage Asset Allocation	Amount at the end of the period (K'000)	Amount at the beginning of the period (K'000)	Repayment (K'000)
Insert Description				
Total (Item 5.7.1 Form PF1)				

Portfolio 2

	Percentage Asset Allocation	Amount at the end of the period (K'000)	Amount at the beginning of the period (K'000)	Repayment (K'000)
Insert Description				
Total (Item 5.7.1 Form PF1)				

Portfolio 3

	Percentage Asset Allocation	Amount at the end of the period (K'000)	Amount at the beginning of the period (K'000)	Repayment (K'000)
Insert Description				
Total (Item 5.7.1 Form PF1)				

FORM B9

SPECIFICATION OF PRIVATE DEBT - UNLISTED

Portfolio 1

	Percentage Asset Allocation	Amount at the end of the period (K'000)	Amount at the beginning of the period (K'000)	Repayment (K'000)
Insert Description				

	Percentage Asset Allocation	Amount at the end of the period (K'000)	Amount at the beginning of the period (K'000)	Repayment (K'000)
Total (Item 5.7.2 Form PF1)				

Portfolio 2

	Percentage Asset Allocation	Amount at the end of the period (K'000)	Amount at the beginning of the period (K'000)	Repayment (K'000)
Insert Description				
Total (Item 5.7.2 Form PF1)				

Portfolio 3

	Percentage Asset Allocation	Amount at the end of the period (K'000)	Amount at the beginning of the period (K'000)	Repayment (K'000)
Insert Description				
Total (Item 5.7.2 Form PF1)				

FORM B10
SPECIFICATION OF OTHER INVESTMENTS

Portfolio 1

	Percentage Asset Allocation	Market Value at the end of period (K'000)	Market Value at the beginning of period (K'000)	Unrealised gains/ losses (K'000)	Realised gains/ losses (K'000)
Insert Description					
Total (Item 5.10 Form B1)					

Portfolio 2

	Percentage Asset Allocation	Market Value at the end of period (K'000)	Market Value at the beginning of period (K'000)	Unrealised gains/ losses (K'000)	Realised gains/ losses (K'000)
Insert Description					
Total (Item 5.10 Form PF1)					

Portfolio 3

	Percentage Asset Allocation	Market Value at the end of period (K'000)	Market Value at the beginning of period (K'000)	Unrealised gains/ losses (K'000)	Realised gains/ losses (K'000)
Insert Description					

	Percentage Asset Allocation	Market Value at the end of period (K'000)	Market Value at the beginning of period (K'000)	Unrealised gains/losses (K'000)	Realised gains/losses (K'000)
Total (Item 5.10 Form PF1)					

FORM B11
SPECIFICATION OF PROPERTY

Portfolio 1

	Percentage Asset Allocation	Market Value at the end of period (K'000)	Market Value at the beginning of period (K'000)	Additions cost (K'000)	Disposal (K'000)	Unrealised gains/losses (K'000)	Realised gains/losses (K'000)
Insert Description							
Total (Item 5.5 Form B1)							

Portfolio 2

	Percentage Asset Allocation	Market Value at the end of period (K'000)	Market Value at the beginning of period (K'000)	Additions cost (K'000)	Disposal (K'000)	Unrealised gains/losses (K'000)	Realised gains/losses (K'000)
Insert Description							
Total (Item 5.5 Form PF1)							

	Percentage Actual asset Allocation	Asset Allocation at Market Value (K'000)
Opportunity Bank Malawi		
Ecobank		
FDH Bank		
CDH Investment Bank		
New Finance Bank		
LFC		
Total (item 5.2 Form PF1)		

PORTFOLIO 3

	Percentage Actual asset Allocation	Asset Allocation at Market Value (K'000)
National Bank of Malawi		
Standard Bank Malawi		
NBS Bank		
First Merchant Bank		
Nedbank		
Indebank		
Malawi Savings Bank		
Opportunity Bank Malawi		
Ecobank		
FDH Bank		
CDH Investment Bank		
New Finance Bank		
LFC		
Total (item 5.2 Form PF1)		

SECOND SCHEDULE

RDF450.1 Profile, Management and Responsible Persons

For the period ending

XX/XX/XXXX

1a Pension Fund Name

XYZ Corporation Employers Pension Fund

1b License Number

1c Tax Payer Identification Number

Restricted Fund under Umbrella

2 Fund Type

Defined Contribution:

3 Benefit Type

Quarterly

4 Reporting Period

5 Additional Information

5.1 Name of Licensed Pension Administrator Drop down menu

5.2 Name of Primary Investment Manager Drop down menu

5.3 For Restricted Fund under Umbrella Fund:

5.3.1 Name of Umbrella Fund Drop down menu

5.4 For Stand alone Restricted Fund:

5.4.1 Name of Employer Address of Employer City

Insert MRA TPIN

5.4.2 Name of Employer Address of Employer City

Insert MRA TPIN

5.4.3 Name of Employer Address of Employer City

Insert MRA TPIN

5.4.4 Name of Employer Address of Employer City

Insert MRA TPIN

5.4.5 Name of Employer Address of Employer City

Insert MRA TPIN

6 Contact Person/s for the purposes of data preparation and queries from RBM

	Title	Given names	Family name	Position title	Business phone #	Business email address
6.1						
6.2						

7 Governance structure and meetings

7.1 Board/trustee meetings held during the period

7.1.1 Board Audit Committee meetings held

Board Risk and Compliance Committee meetings

7.1.2 held

7.1.3 Other Board Committee meetings held

7.2 Has the board set a length for an individual term?

7.2.1 Length of individual term

7.3 Is there an Advisory Committee

7.3.1 Advisory Committees held?

0
0
(drop down box)
(drop down box)
0

8 Details of directors of corporate trustees, individual trustees and alternates and Advisory Committee

	Title	Given name	Sur-name	Former Name	DOB D/M/Y	Representation	Director type	Gender	Director remuneration	Date first appointed D/M/Y	Expiration of current term D/M/Y	Associate of the PF licensee?	Member of the PF?	Board meeting attendance (reporting period)	Fit and Proper Assessment incl CPD compliance	Mobile Phone number (incl country code + #)	email address
8.1						Employer representative	Drop Down	Female				Yes	Yes				
8.2						Independent director	Drop Down	Female				Yes	Yes				
8.3						Member representative	Drop Down	Female				Yes	Yes				
8.4						Member representative	Drop Down	Female				Yes	Yes				
8.5						Member representative	Drop Down	Female				Yes	Yes				
8.6						Member representative	Drop Down	Female				Yes	Yes				

	Title	Given name	Surname	Former Name	Former DOB D/M/Y	Representation	Director type	Gender	Director remuneration	Date first appointed D/M/Y	Expiration of current term D/M/Y	Associate of the PF licensee?	Member of the PF PF?	Board meeting attendance (reporting period)	Fit and Proper Assessment incl CPD compliance	Mobile Phone number (incl country code) + country code + #	email address
8.7						Member representative	Drop Down	Female				Yes	Yes				
8.8						Member representative	Drop Down	Female				Yes	Yes				
8.9						Member representative	Drop Down	Female				Yes	Yes				

9 Responsible persons information - Principle officers, executive officers and senior managers

	Title	Given name	Family name	Former Name	Former DOB D/M/Y	Type of responsible person	Position Title	Responsible person status	Contract expiry if any D/M/Y	Responsibilities	Assessed under Fit and Proper Policy	Mobile Phone number (incl country code) + country code + #	email address
9.1						Drop down		Drop down			within the last 12 months +		
9.2						Drop down		Existing RP			within the last 12 months +		
9.3						Drop down		Existing RP			within the last 12 months +		
9.4						Drop down		Existing RP			within the last 12 months +		
9.5						Drop down		Existing RP			within the last 12 months +		
9.6						Drop down		Existing RP			within the last 12 months +		
9.7						Drop down		Existing RP			within the last 12 months +		

10 Responsible persons information - Approved auditor list the name of the firm, the audit partner, audit manager or team leader

	Title	Given name	Former name	Family Name	DOB D/M/Y	Audit firm name and City	Is the firm/individual pre-approved by RBM	Responsible person status	Date first appointed D/M/Y	Contract expiry if any D/M/Y	Does the approved auditor audit the pension fund and associated entities in the group?	Assessed under Fit and Proper Policy	Mobile Phone number (incl country code + country code + #	email address
10.1							Drop down	Existing RP				within the last 12 months	+	
10.2							Drop down	Existing RP				within the last 12 months	+	
10.3							Drop down	Existing RP				within the last 12 months	+	
10.4							Drop down	Existing RP				within the last 12 months	+	
10.5							Drop down	Existing RP				within the last 12 months	+	

11 Responsible persons information - Approved Actuary

	Title	Given name	Former name	Family Name	DOB D/M/Y	Is the actuary inhouse appointment? External firm of Actuaries? Sole practitioner?	Responsible person status	Date first appointed D/M/Y	Contract expiry if any D/M/Y	Does the approved auditor audit the pension fund and associated entities in the group?	Assessed under Fit and Proper Policy	Mobile Phone number (incl country code + country code + #	email address
11.1						Drop down	Drop down Existing RP				within the last 12 months	+	
11.2						Drop down	Drop down Existing RP				within the last 12 months	+	

12 Responsible persons information - Licensed Custodian
 insert drop down menu of licensed custodians in Malawi

13 Address details.....

13.1. Registered address of the Pension Fund

Address Line 1 :

Address Line 2 :

13.2. Postal address of the Pension Fund - if different from 13.1

address Line 1 :

.....

Address Line 2 :

.....

14 Billing Contact Information

14.1	Title	Given names	Family name	Position title	Business phone number	Business email address	Preference to receive invoice
							Drop down

14.2 Address for billing if different from 13.2

address Line 1 :

.....

Address Line 2 :

.....

THIRD SCHEDULE

MEMBER ACTIVITY

Ser	Unique Pension ID #	Pension Fund Account #	Last Name	First Name	Middle Names	Maiden Name	Gender M/F	DOB (ddmmyy)	Place of Birth	Joining date ddmmyy	Departure	Active y/h	Account Balance	Employer component	Employer component	
1																
2																
3																
4																
5																
6																
7																
8																
9																
10																
11																
12																
13																
14																

Dated this 29th day of June 2018

GOVERNMENT NOTICE NO. 48

INSURANCE ACT

(CAP. 47:01)

INSURANCE (SUBMISSION OF INFORMATION BY INSURERS) DIRECTIVE,
2018

ARRANGEMENT OF PARAGRAPHS

PARAGRAPH

PART I—PRELIMINARY

1. Citation
2. Application
3. Interpretation

PART II—OBJECTIVES

4. Objectives

PART III—SPECIFIC REQUIREMENTS

5. Format of call reports
6. Deadline for submission of call reports
7. Submission of institutional profile
8. Submission of other information
9. Restriction on tampering with call report templates

PART IV—ENFORCEMENT

10. Monetary penalties
11. Other penalties

IN EXERCISE of the powers conferred by section 79 (3) (ff) of the Insurance Act, I, DR. DALITSO KABAMBE, Registrar of Financial Institutions, issue the following Directive—

PART I—PRELIMINARY

1. This Directive may be cited as the Insurance (Submission of Citation Information by Insurers) Directive, 2018.
2. This Directive applies to insurance and reinsurance companies Application licensed to conduct insurance and reinsurance business in Malawi.
3. In this Directive unless the context otherwise requires— Interpretation

“call report” means a complete set of returns as outlined in this Directive that insurers and reinsurers must compile and submit to the Registrar; and

“insurer” means a general insurer, a life insurer or a reinsurer.

PART II—OBJECTIVES

- Objectives
4. The objectives of this Directive are to—
- (a) ensure that insurers submit to the Registrar on a timely basis accurate electronic call reports and any other information and data as prescribed by the Registrar;
 - (b) set out the supervisory reporting standards for the provision of information relating to the financial performance of insurers; and
 - (c) establish quality control standards for data before it is submitted to the Registrar.

PART III—SPECIFIC REQUIREMENTS

- Format of call reports
- 5.—(1) A general insurer shall complete and submit to the Registrar call reports in the format prescribed in the First Schedule.
- (2) A life insurer shall compile and submit to the Registrar call reports in the format prescribed in the Second Schedule.
- (3) A reinsurer shall compile and submit to the Registrar call reports in the format prescribed in the Third Schedule.
- Deadline for submission of call reports
- 6.—(1) An insurer shall submit quarterly call reports to the Registrar within 10 days after the last day of every quarter.
- (2) An insurer shall submit to the Registrar an annual call report, audited by the insurer's external auditors within 3 months after the end of each financial year.
- Submission of institutional profile
7. An insurer shall complete and submit to the Registrar an institutional profile in the format prescribed in the Fourth Schedule, within 3 months after the end of each financial year.
- Submission of other information
8. In addition to submission of call reports, an insurer shall provide any other information, reports or data as directed by the Registrar.
- Restriction on tampering with call report templates
9. Unless otherwise approved by the Registrar, an insurer shall not modify or tamper with the format of the call report template, whether electronic or not.

PART IV—ENFORCEMENT

- Monetary penalties
10. Where the Registrar determines that an insurer has not met the requirements of this Directive, the Registrar may impose monetary penalties to correct the situation, including—
- (a) a fine of K2,000,000 for failure to submit call reports and any other information within the required deadline;
 - (b) a fine of K5,000,000 for modifying or tampering with a call report template; and

(c) a fine not exceeding K10, 000, 000 in addition to the penalties in paragraphs (a) or (b), for each time an insurer repeats a contravention.

11. In addition to the penalties specified in paragraph 10, the Registrar may impose directions as provided for under the Financial Services Act and other financial services laws.

Other
penalties
Cap.44:05

FIRST SCHEDULE

(para. 5(1))

CALL REPORT FORMS FOR GENERAL INSURERS

	NAME OF FORM	FORM NO.
1.	Statement of financial position	Form G1
2.	Statement of comprehensive income	Form G2
3.	Statement of changes in equity	Form G3
4.	Consolidated revenue account	Form G4
5.	Revenue account by class of business	Form G4a
6.	Capital adequacy and solvency report	Form G5
7.	Specification of other liabilities	Form G6
8.	Specification of other assets	Form G7
9.	Specification of management expenses	Form G8
10.	Specification of other income	Form G9
11.	Specification of inward reinsurance premiums	Form G10
12.	Specification of outward reinsurance premiums	Form G11
13.	Aging of premium receivables	Form G12
14.	Specification of investment in property	Form G13
15.	Specification of investment in listed shares	Form G14
16.	Specification of investment in unlisted shares	Form G15
17.	Other underwriting information	Form G16
18.	Specification of other investment income	Form G17
19.	Specification of other comprehensive income	Form G18
20.	Specification of equity items	Form G19

SECOND SCHEDULE

(para.5(2))

CALL REPORT FORMS FOR LIFE INSURERS

	NAME OF FORM	FORM NO.
1.	Statement of financial position	Form L1
2.	Statement of comprehensive income	Form L2

NAME OF FORM	FORM NO.
3. Revenue statement	Form L3
4. Specification of other non-current assets	Form L4a
5. Specification of other assets	Form L4b
6. Specification of other loans	Form L4c
7. Specification of other liabilities	Form L5a
8. Specification of other non-current liabilities	Form L5b
9. Specification of other policyholder liabilities	Form L5
10. Specification of other technical provisions	Form L5d
11. Specification of other capital and reserves	Form L5e
12. Specification of Management Expenses	Form L6
13. Aging of loan portfolio	Form L7
14. Details of stocks and shares not traded on a stock exchange	Form L8a
15. Details of stocks and shares listed on a stock exchange	Form L8b
16. Valuation of investment in real property	Form L9
17. Ageing of debtors portfolio	Form L10
18. Summary and valuation of insurer liability	Form L11
19. Statistics	Form L12
20. Product disclosure	Form L12a
21. Minimum capital requirements and solvency	Form L13
22. Minimum base capital and solvency	Form L14
23. Solvency summary	Form L15
24. Certification	Form L16
25. Specification of bank securities	Form L17
26. Specification of corporate bonds	Form L18
27. Specification of asset backed securities	Form L19
28. Specification of other forms of investments	Form L20
29. Specification of loans on other securities	Form L21
30. Specification of loans to related parties	Form L22

THIRD SCHEDULE

(para. 5(3))

CALL REPORT FORMS FOR REINSURERS

NAME OF FORM	FORM NO.
1. Statement of financial position	Form R1

NAME OF FORM	FORM NO.
2. Statement of comprehensive income	Form R2
3. Statement of changes in equity	Form R3
4. Consolidated revenue account	Form R4
5. Revenue account by class of business	Form R4a
6. Capital adequacy and solvency report	Form R5
7. Specification of other liabilities	Form R6
8. Specification of other assets	Form R7
9. Specification of management expenses	Form R8
10. Specification of other income	Form R9
11. Specification of inward reinsurance premiums	Form R10
12. Specification of outward reinsurance premiums	Form R11
13. Aging of premium receivables	Form R12
14. Specification of investment in property	Form R13
15. Specification of investment in listed shares	Form R14
16. Specification of investment in unlisted shares	Form R15
17. Other underwriting information	Form R16
18. Specification of other investment income	Form R17
19. Specification of other comprehensive income	Form R18
20. Specification of equity items	Form R19

FOURTH SCHEDULE

(para. 7)

INSTITUTIONAL PROFILE

INSURANCE COMPANY LIMITED – DECEMBER 20.....

HEAD OFFICE (contact details: physical, postal and email addresses; telephone and fax numbers; and website)	
BRANCH OFFICES (include agencies and indicate where applicable)	

PRINCIPAL OFFICER		
EXTERNAL AUDITORS		
APPOINTED ACTUARIES		
COMPANY LAWYERS		
BANKERS (list all banks where the company has bank accounts)		
DATE OF FIRST LICENCE		
VISION		
MISSION		
SHAREHOLDING	Name of Shareholder	Percentage
BOARD OF DIRECTORS	Name of Director	Qualification
SENIOR MANAGEMENT	Name of Officer	Qualification
Chief Executive Officer		
Chief Finance Officer		
Claims Manager		
Underwriting Manager		
Business Development Manager		
Marketing Manager		
IT Manager		
Human Resources Manager		
NUMBER OF STAFF		
PRODUCTS AND SERVICES (list all products and services offered by the company)		

REINSURERS (list the panel of reinsurers on both treaty and facultative reinsurance arrangements)		
SUBSIDIARY COMPANIES (list other companies owned by the company and the percentage of shares held in those companies)	Name of Subsidiary	Percentage

CALL REPORT FORMS FOR GENERAL INSURERS

FORM G1

Institution

Financial Year

Start Date

End Date

STATEMENT OF FINANCIAL POSITION
GENERAL INSURANCE BUSINESS
(AMOUNTS IN K'000)

Equity and Liabilities	
1. Equity	
1.1 Share capital - paid up	
1.2 Share premium	
1.3 General reserve	
1.4 Revaluation reserves	
1.4.1 Shares of related companies	
1.4.2 Shares of other companies	
1.4.3 Real property	
1.4.4 Other investments	
1.4.5 Total revaluation reserves	
1.5 Other equity items (specify on Form G20)	
1.6 Retained earnings	
1.7 Equity attributable to shareholders of the company	
1.8 Non-controlling interests	
1.9 Total equity	

2. Liabilities	
2.1 Non-current liabilities	
2.1.1 Long-term debt or borrowings	
2.1.2 Deferred tax	
2.1.3 Other non-current liabilities (specify)	
2.1.4 Total non-current liabilities	
2.2 Current Liabilities	
2.2.1 Technical liabilities	
2.2.1.1 Unearned premium (Form G4)	
2.2.1.2 Outstanding claims (Form G4)	
2.2.1.3 Unreported claims (Form G4)	
2.2.1.4 Other technical liabilities (specify)	
2.2.1.5 Total technical liabilities	
2.2.2 Current tax liability	
2.2.3 Dividends payables	
2.2.4 Employee entitlements	
2.2.5 Amounts due to related parties	
2.2.6 Amounts due to other insurers	
2.2.7 Amounts due on reinsurance contracts	
2.2.8 Amount due to intermediaries	
2.2.9 Amount due to banks	
2.2.10 Other current liabilities (specify)	
2.2.11 Total current liabilities	
2.3 Other liabilities (specify on Form G6)	
2.5 Total liabilities	
3. Total Equity and Liabilities	
Assets	
4. Non-current assets	
4.1 Property, plant and equipment	
4.2 Intangible Assets	
4.3 Deferred acquisition cost	
4.3 Total non-current assets	

5. Investments	
5.1 Property (specify on Form G13)	
5.2 Government securities	
5.3 Semi-government securities	
5.4 Corporate bonds	
5.5 Mortgage loans	
5.6 Listed shares	
5.6.1 Related companies (Form G14)	
5.6.2 Other companies (Form G14)	
5.7 Unlisted shares	
5.7.1 Related companies (Form G15)	
5.7.2 Other companies (Form G15)	
5.8 Fixed deposits	
5.9 Other investments (specify)	
5.10 Total investments	
6. Loans	
6.1 To related parties	
6.1.1 To related companies	
6.1.2 To directors	
6.1.3 To employees	
6.2 To insurance brokers and agents	
6.4 Other loans (specify)	
6.5 Total loans	
7. Current assets	
7.1 Receivables	
7.1.1 Premium receivables	
7.1.1.2 Due from intermediaries (Form G12)	
7.1.1.2 Due from policyholders (Form G12)	
7.1.2 Due from reinsurers	
7.1.3 Due from other insurers	
7.1.4 Due from related companies	
7.1.5 Investment income receivable	
7.1.5.1 Interest	
7.1.5.2 Dividends	
7.1.5.3 Rent	

7.2 Cash and bank balances	
7.3 Other current assets (specify)	
7.4 Total current assets	
7.5 Other assets (specify on Form G7)	
8. Total Assets	

FORM G2
STATEMENT OF COMPREHENSIVE INCOME
GENERAL INSURANCE BUSINESS
(AMOUNTS IN K'000)

1. Underwriting results	
1.1 Fire	
1.2 Motor	
1.3 Accidents	
1.4 Engineering	
1.5 Marine	
1.6 Liability	
1.7 Miscellaneous	
1.8 Total underwriting results	
2. Investment income	
2.1 Interest	
2.2 Dividends	
2.3 Rents	
2.4 Realised gains (losses)	
2.5 Other investment income (specify on Form G18)	
2.5 Total investment income	
3. Other income (specify on Form G9)	
4. Total income	
5. Investment expenses	
6. Management expenses (specify on Form G8)	
7. Other expenses (specify)	
8. Total expenses	
9. Net income	

10. Income tax expense	
11. Profit for the year	
12. Comprehensive income	
12.1 Gain (loss) on property revaluation	
12.2 Net unrealised gain (loss) on investments	
12.3 Gain (loss) on foreign currency translation	
12.4 Other comprehensive income (specify on Form G19)	
13. Total comprehensive income for the year	

FORM G3
STATEMENT OF CHANGES IN EQUITY
GENERAL INSURANCE BUSINESS
(AMOUNTS IN K'000)

	Share capital	Share premium	Property revaluation reserve	Equity investment revaluation reserve	Other reserves	Retained earnings	Total equity
1. Balance as at beginning of the period							
2. Profit for the period							
3. Prior year adjustments							
4. Comprehensive income for the year							
4.1 Transfer to non-distributable reserve							
4.2 Realised reserves on sale of property							
4.3 Deferred tax on revaluation surplus							
4.4 Other comprehensive income							
4.4 Total comprehensive income							
5. Transactions with owners							
5.1 Dividends paid to shareholders							
5.2 Other (specify)							
6. Balance as at end of the period							

FORM G4

CONSOLIDATED REVENUE ACCOUNT
GENERAL INSURANCE BUSINESS
(AMOUNTS IN K'000)

1. Unearned premium reserve balance end of previous period	
2. Premiums	
2.1 Gross direct premiums - new business	
2.2 Gross direct premiums - renewals	
2.3 Total gross direct premiums (2.1+2.2)	
2.4 Inward reinsurance premiums †	
2.5 Less: outward reinsurance premiums‡	
2.6 Net premiums written (2.3+2.4-2.5)	
2.7 Unearned premium reserve end of period	
2.8 Earned premiums (1+2.6-2.7)	
3. Reinsurance commission and allowances	
4. Claims	
4.1 Outstanding claims balance end of previous period	
4.2 Unreported claims (IBNR) balance end of previous period	
4.3 Claims liability - opening balance (4.1+4.2)	
4.4 Claims paid - direct business	
4.5 Claims paid - reinsurance	
4.6 Less: recoveries on reinsurance	
4.7 Net claims paid (4.4+4.5-4.6)	
4.8 Outstanding claims - closing balance	
4.9 Unreported claims (IBNR) - closing balance	
4.10 Claims liability - closing balance (4.8+4.9)	
4.11 Claims incurred (4.7+4.10-4.3)	
5. Commission incurred	
6. Other underwriting expenses (specify)	
7. Underwriting surplus/deficit (2.8+3-4.11-5-6)	

FORM G5
CAPITAL ADEQUACY AND SOLVENCY REPORT
GENERAL INSURANCE BUSINESS
(AMOUNTS IN K'000)

TABLE 1: CORE CAPITAL TEST	AMOUNT	DISCOUNT FACTOR	ADJUSTED VALUES
1. Minimum core capital requirement		750,000	750,000
2. Paid up share capital			
3. Share premium			
4. Retained earnings (audited as at previous December)			
5. Current year profit (80%) or loss (100%) - (100% for audited year end profit)			
6. Less: Investment in other companies			
7. Total core capital (2+3+4+5-6)			
8. Core capital surplus/deficit (7-1)			
			ADJUSTED VALUES
TABLE 2: SOLVENCY TEST			
1. Net premium written (audited as at latest December)			
2. Minimum solvency ratio and required net assets	20.0%		
3. Adjusted net assets			
3.1 Net assets (i.e. Total equity) as per Form G1			
3.2 Less: inadmissible assets as per Table 2.1 below			
3.3 Less: discounted assets as per Table 2.2 below			
3.4 Less: weighted policyholders reserves as per table 2.3 below			
3.5 Less: discounted supplementary capital items as per table 2.4 below			
4. Net assets available to meet solvency (3.1-3.2-3.3-3.4-3.5)			
5. Solvency ratio (4/1)x100%			
6. Solvency margin (2-4)			

TABLE 2.1: INADMISSIBLE ASSETS	AMOUNT	DISCOUNT FACTOR	ADJUSTED VALUES
Intangible assets			
Deferred acquisition costs			
Investments in other companies			
Portion of any asset pledged			
Loans to related parties			
Loans to insurance brokers and insurance agents			
Loans to other third parties - overdue >180 days			
Insurance premium receivable - overdue >30 days			
Inwards reinsurance premium receivable - overdue >30 days			
Reinsurance recoveries - overdue >90 days			
Deferred and other taxes			
Prepaid expenses			
TOTAL – transfer to item 4 above			

TABLE 2.2: DISCOUNTED ADMISSIBLE ASSETS

Items	Total Amount	Discount Rate	Inadmissible Amount
Corporate bonds		5%	
Mortgages loans		5%	
Direct real estate investments, owner occupied		15%	
Direct real estate investments rented to third parties		20%	
Commercial Loans		15%	
Shares in listed companies		10%	
Shares not listed on stock exchange		20%	
Other receivables - outstanding >180 days		20%	
Property, plant and equipment		20%	
Loans to other third parties - overdue <180 days		20%	
TOTAL - transfer to item 5 above			

TABLE 2.3: WEIGHTED POLICYHOLDERS RESERVES

Items	Total Amount	Discount Rate	Inadmissible
Amount Unearned Premium Reserves		5%	
Outstanding Claims		10%	
Unreported claims (IBNR)		15%	
TOTAL – transfer to item 6 above			

TABLE 2.4: DISCOUNTED SUPPLEMENTARY CAPITAL ITEMS

Items	Total Amount	Discount Rate	Inadmissible Amount
Profit for the year or Zero if Loss		20%	
Supplementary Capital		50%	
TOTAL – transfer to item 7 above			

FORM G6

SPECIFICATION OF OTHER LIABILITIES

GENERAL INSURANCE BUSINESS

(AMOUNTS IN K'000)

Description	Amount
Total	

FORM G7

SPECIFICATION OF OTHER ASSETS

GENERAL INSURANCE BUSINESS

(AMOUNTS IN K'000)

Description	Amount
Total	

FORM G8
 SPECIFICATION OF MANAGEMENT EXPENSES
 GENERAL INSURANCE BUSINESS
 (AMOUNTS IN K'000)

Description	Amount
Total	

FORM G9
 SPECIFICATION OF OTHER INCOME
 GENERAL INSURANCE BUSINESS
 (AMOUNTS IN K'000)

Description	Amount
Total	

FORM G10
 SPECIFICATION OF INWARD REINSURANCE PREMIUMS
 GENERAL INSURANCE BUSINESS
 (AMOUNTS IN K'000)

Type of Reinsurance Arrangement

Name of Reinsurer	Proportional	Non-Proportional	Total

Name of Reinsurer	Proportional	Non-Proportional	Total
Total			

FORM G11

SPECIFICATION OF OUTWARD REINSURANCE PREMIUMS

GENERAL INSURANCE BUSINESS

(AMOUNTS IN K'000)

Type of Reinsurance Arrangement

Name of Reinsurer	Proportional	Non-Proportional	Total
Total			

FORM G12

AGING OF PREMIUM RECEIVABLES

GENERAL INSURANCE BUSINESS

(AMOUNTS IN K'000)

Description ≤ 30 Days	≤ 90 Days	≤ 180 days	> 180 days	Total
Due from intermediaries				
Due from policyholders (direct)				
Less:				
Amounts under DoCs				
Total				

FORM G13

SPECIFICATION OF INVESTMENT IN PROPERTY

GENERAL INSURANCE BUSINESS

(AMOUNTS IN K'000)

Description of property	Location	Year Acquired	Original Cost	Current Value	Name of Valuer	Method of Valuation
Total						

FORM G14

SPECIFICATION OF INVESTMENT IN LISTED SHARES

GENERAL INSURANCE BUSINESS

(AMOUNTS IN K'000)

SHARES OF RELATED COMPANIES

Name of company	Number of Shares	Acquisition Cost	Current Value	Name of Valuer	Method of Valuation
Sub-total					

SHARES OF OTHER COMPANIES

Name of company	Number of Shares	Acquisition Cost	Current Value	Name of Valuer	Method of Valuation
Sub-total					
Grand total					

FORM G15
 SPECIFICATION OF INVESTMENT IN UNLISTED SHARES
 GENERAL INSURANCE BUSINESS
 (AMOUNTS IN K'000)

SHARES OF RELATED COMPANIES

Name of company	Number of Shares	Acquisition Cost	Current Value	Name of Valuer	Method of Valuation
Sub-total					

SHARES OF OTHER COMPANIES

Name of company	Number of Shares	Acquisition Cost	Current Value	Name of Valuer	Method of Valuation
Sub-total					
Grand total					

FORM G16
 OTHER UNDERWRITING INFORMATION
 GENERAL INSURANCE BUSINESS
 (AMOUNTS IN K'000)

Class of insurance	Number of policies	Number of policyholders	Maximum net retention
Fire			
Motor			
Accidents			
Marine			

Class of insurance	Number of policies	Number of policyholders	Maximum net retention
Engineering			
Liability			
Miscellaneous			
Total			

FORM G17
 SPECIFICATION OF OTHER INVESTMENT INCOME
 GENERAL INSURANCE BUSINESS
 (AMOUNTS IN K'000)

Description	Amount
Total	

FORM G18
 SPECIFICATION OF OTHER COMPREHENSIVE INCOME
 GENERAL INSURANCE BUSINESS
 (AMOUNTS IN K'000)

Description	Amount
Total	

1.5 Other equity items (specify on Form R20)	
1.6 Retained earnings	
1.7 Equity attributable to shareholders of the company	
1.8 Non-controlling interests	
1.9 Total equity	
2. Liabilities	
2.1 Non-current liabilities	
2.1.1 Long-term debt or borrowings	
2.1.2 Deferred tax	
2.1.3 Other non-current liabilities (specify)	
2.1.4 Total non-current liabilities	
2.2 Current Liabilities	
2.2.1 Technical liabilities	
2.2.1.1 Unearned premium (see Form R4)	
2.2.1.2 Outstanding claims (see Form R4)	
2.2.1.3 Unreported claims (see Form R4)	
2.2.1.4 Other technical liabilities (specify)	
2.2.1.5 Total technical liabilities	
2.2.2 Current tax liability	
2.2.3 Dividend payables	
2.2.4 Employee entitlements	
2.2.5 Amounts due to related parties	
2.2.6 Amounts due to other insurers	
2.2.7 Amounts due on reinsurance contracts	
2.2.8 Amount due to intermediaries	
2.2.9 Amount due to banks	
2.2.10 Other current liabilities (specify)	
2.2.11 Total current liabilities	
2.3 Other liabilities (specify on Form R6)	
2.5 Total liabilities	
3. Total Equity and Liabilities	
Assets	
4. Non-current assets	
4.1 Property, plant and equipment	

4.2 Intangible Assets	
4.3 Deferred acquisition cost	
4.3 Total non-current assets	
5. Investments	
5.1 Property (specify on Form R13)	
5.2 Government securities	
5.3 Semi-government securities	
5.4 Corporate bonds	
5.5 Mortgage loans	
5.6 Listed shares	
5.6.1 Related companies (see Form R14)	
5.6.2 Other companies (see Form R14)	
5.7 Unlisted shares	
5.7.1 Related companies (see Form R15)	
5.7.2 Other companies (see Form R15)	
5.8 Fixed deposits	
5.9 Other investments (specify)	
5.10 Total investments	
6. Loans	
6.1 To related parties	
6.1.1 To related companies	
6.1.2 To directors	
6.1.3 To employees	
6.2 To insurance brokers and agents	
6.4 Other loans (specify)	
6.5 Total loans	
7. Current assets	
7.1 Receivables	
7.1.1 Premium receivables	
7.1.1.2 Due from intermediaries (see Form R12)	
7.1.1.2 Due from policyholders (see Form R12)	
7.1.2 Due from reinsurers	
7.1.3 Due from other insurers	
7.1.4 Due from related companies	

7.1.5 Investment income receivable	
7.1.5.1 Interest	
7.1.5.2 Dividends	
7.1.5.3 Rent	
7.2 Cash and bank balances	
7.3 Other current assets (specify)	
7.4 Total current assets	
7.5 Other assets (specify on Form R7)	
8. Total Assets	

FORM R2

Institution
 Financial Year
 Start Date
 End Date

STATEMENT OF COMPREHENSIVE INCOME
 REINSURANCE BUSINESS
 (AMOUNTS IN K'000)

1. Underwriting results	
1.1 Fire	
1.2 Motor	
1.3 Accidents	
1.4 Engineering	
1.5 Marine	
1.6 Liability	
1.7 Miscellaneous	
1.8 Total underwriting results	
2. Investment income	
2.1 Interest	
2.2 Dividends	
2.3 Rents	
2.4 Realised gains (losses)	
2.5 Other investment income (specify on Form R18)	
2.5 Total investment income	

3. Other income (specify on Form R9)
4. Total income
5. Investment expenses
6. Management expenses (specify on Form R8)
7. Other expenses (specify)
8. Total expenses
9. Net income
10. Income tax expense
11. Profit for the year
12. Comprehensive income
 - 12.1 Gain (loss) on property revaluation
 - 12.2 Net unrealised gain (loss) on investments
 - 12.3 Gain (loss) on foreign currency translation
 - 12.4 Other comprehensive income (specify on Form R19)
13. Total comprehensive income for the year

FORM R3

Institution

Financial Year

Start Date

End Date

STATEMENT OF CHANGES IN EQUITY

REINSURANCE BUSINESS

(AMOUNTS IN K'000)

	Share capital	Share premium	Property revaluation reserves	Equity investment revaluation reserves	Other reserve	Retained earnings	Total equity
1. Balance as at beginning of the period							
2. Profit for the period							
3. Prior year adjustments							
4. Comprehensive income for the year							

	Share capital	Share premium	Property revaluation reserves	Equity investment revaluation reserves	Other reserve	Retained earnings	Total equity
4.1 Transfer to non-distributable reserve							
4.2 Realised reserves on sale of property							
4.3 Deferred tax on revaluation surplus							
4.4 Other comprehensive income							
4.4 Total comprehensive income							
5. Transactions with Owners							
5.1 Dividends paid to shareholders							
5.2 Other (specify)							
6. Balance as at end of the period							

FORM R4

Institution

Financial Year

Start Date

End Date

CONSOLIDATED REVENUE ACCOUNT

REINSURANCE BUSINESS

(AMOUNTS IN K'000)

1. Unearned premium reserve balance end of previous period
2. Premiums
 - 2.1 Gross direct premiums - new business
 - 2.2 Gross direct premiums – renewals
 - 2.3 Total gross direct premiums (2.1+2.2)
 - 2.4 Inward reinsurance premiums
 - 2.5 Less: outward reinsurance premiums
 - 2.6 Net premiums written (2.3+2.4-2.5)

FORM R5

Institution
 Financial Year
 Start Date
 End Date

CAPITAL ADEQUACY AND SOLVENCY REPORT
 REINSURANCE BUSINESS
 (AMOUNTS IN K'000)

TABLE 1: CORE CAPITAL TEST	AMOUNT	DISCOUNT FACTOR	ADJUSTED VALUES
1. Minimum core capital requirement		1,500,000	1,500,000
2. Paid up share capital			
3. Share premium			
4. Retained earnings (audited as at previous December)			
5. Current year profit (80%) or loss (100%) - (100% for audited year-end profit)			
6. Less: Investment in other companies			
7. Total core capital (2+3+4+5-6)			
8. Core capital surplus/deficit (7-1)			
TABLE 2: SOLVENCY TEST			ADJUSTED VALUES
1. Net premium written (audited as at latest December)			
2. Minimum solvency ratio and required net assets	20.0%		
3. Adjusted net assets			
3.1 Net assets (i.e. Total equity) as per Form R1			
3.2 Less: inadmissible assets as per Table 2.1 below			
3.3 Less: discounted assets as per Table 2.2 below			
3.4 Less: weighted policyholders reserves as per table 2.3 below			
3.5 Less: discounted supplementary capital items as per table 2.4 below			
4. Net assets available to meet solvency (3.1-3.2-3.3-3.4-3.5)			
5. Solvency ratio (4/1)x100%			
6. Solvency margin (2-4)			

TABLE 2.1: INDIMISSIBLE ASSETS	AMOUNT	DISCOUNT FACTOR	ADJUSTED VALUES
Intangible assets			
Deferred acquisition costs			
Investments in other companies			
Portion of any asset pledged			
Loans to related parties			
Loans to insurance brokers and insurance agents			
Loans to other third parties - overdue >180 days			
Insurance premium receivable - overdue >30 days			
Inwards reinsurance premium receivable - overdue >30 days			
Reinsurance recoveries - overdue >90 days			
Deferred and other taxes			
Prepaid expenses			
TOTAL – transfer to item 4 above			

TABLE 2.2: DISCOUNTED ADMISSIBLE ASSETS

Items	Total Amount	Discount Rate	Inadmissible Amount
Corporate bonds		5%	
Mortgages loans		5%	
Direct real estate investments, owner occupied		15%	
Direct real estate investments rented to third parties		20%	
Commercial Loans		15%	
Shares in listed companies		10%	
Shares not listed on stock exchange		20%	
Other receivables - outstanding >180 days		20%	
Property, plant and equipment		20%	
Loans to other third parties - overdue <180 days		20%	
TOTAL - transfer to item 5 above			

TABLE 2.3: WEIGHTED POLICYHOLDERS RESERVES

Items	Total Amount	Discount Rate	Inadmissible Amount
Unearned Premium Reserves		5%	
Outstanding Claims		10%	
Unreported claims (IBNR)		15%	
TOTAL – transfer to item 6 above			

FORM R10

Institution

Financial Year

Start Date

End Date

SPECIFICATION OF INWARD REINSURANCE PREMIUMS

REINSURANCE BUSINESS

(AMOUNTS IN K'000)

Type of Reinsurance Arrangement

Name of Reinsurer	Proportional	Non-Proportional	Total
Total			

FORM R11

Institution

Financial Year

Start Date

End Date

SPECIFICATION OF OUTWARD REINSURANCE PREMIUMS

REINSURANCE BUSINESS

(AMOUNTS IN K'000)

Type of Reinsurance Arrangement

Name of Reinsurer	Proportional	Non-Proportional	Total
Total			

FORM R12

Institution
 Financial Year
 Start Date
 End Date

AGING OF PREMIUM RECEIVABLES
 REINSURANCE BUSINESS
 (AMOUNTS IN K'000)

Description	≤ 30 Days	≤ 90 Days	≤ 180 days	> 180 days	Total
Due from intermediaries					
Due from policyholders (direct)					
Total					

FORM R13

Institution
 Financial Year
 Start Date
 End Date

SPECIFICATION OF INVESTMENT IN PROPERTY
 REINSURANCE BUSINESS
 (AMOUNTS IN K'000)

Description of property	Location	Year Acquired	Original Cost	Current Value	Name of Valuer	Method of Valuation
Total						

FORM R16

Institution

Financial Year

Start Date

End Date

OTHER UNDERWRITING INFORMATION

REINSURANCE BUSINESS

(AMOUNTS IN K'000)

Class of insurance	Number of Policies	Number of Policyholders	Maximum Net Retention
Fire			
Motor			
Accidents			
Marine			
Engineering			
Liability			
Miscellaneous			
Total			

FORM R17

Institution

Financial Year

Start Date

End Date

SPECIFICATION OF OTHER INVESTMENT INCOME

REINSURANCE BUSINESS

(AMOUNTS IN K'000)

Description	Amount
Total	

CALL REPORT FORMS FOR LIFE INSURERS

Institution
Financial Year
Start Date
End Date

FORM L1
STATEMENT OF FINANCIAL POSITION
LIFE INSURANCE BUSINESS
(AMOUNTS IN K'000)

CAPITAL AND LIABILITIES

1. Capital and Reserves:
 - 1.1 Share capital paid up
 - 1.2 Share premium
 - 1.3 Revaluation reserves:
 - 1.3.1. Shares of associated companies
 - 1.3.2. Shares of other companies
 - 1.3.3. Real property
 - 1.3.4. Property, plant and equipment
 - 1.3.5. Other investments
 - 1.3.6. Total
 - 1.4 Retained earnings (see Form L2)
 - 1.5 General reserve
 - 1.6 Other (specify at Form L5e)
 - 1.7 Total
2. Non-current Liabilities
 - 2.1 Long Term Debt
 - 2.2 Other (specify at Form L5b)
 - 2.3 Total
3. Life Insurance Fund represented by:
 - 3.1 Policy liabilities (from Form L11)
 - 3.1.1 Life
 - 3.1.2 Group Risk

-
- 3.1.3 Annuities
 - 3.1.4 Pension and investment
 - 3.1.5 Other
 - 3.1.6 Provision for bonus
 - 3.1.7 Total policy liabilities
 - 3.2 Technical Provisions:
 - 3.2.1. Outstanding claims
 - 3.2.2. Unreported claims
 - 3.2.3. Other (specify at Form L5d)
 - 3.2.4 Provisions for shareholder transfer
 - 3.2.5. Total
 - 3.3 Surplus / (Deficit)
 - 3.4 Life Insurance fund
 - 4. Current Liabilities
 - 4.1 Other Provisions:
 - 4.1.1 Taxation
 - 4.1.2 Dividends
 - 4.1.3 Other (specify at Form 5a)
 - 4.1.4 Total
 - 4.2 Other Short Term Liabilities:
 - 4.2.1 Other insurers
 - 4.2.2 Reinsurers
 - 4.2.3 Intermediaries
 - 4.2.4 Banks
 - 4.2.5 Other (specify at Form L5a)
 - 4.2.6 Total
 - 4.3 Total current liabilities
 - 5. Total Capital and liabilities
 - Total
- ASSETS
- 6. Non-current Assets:
 - 6.1 Land and office buildings (see L9)
 - 6.2 Equipment
-

-
- 6.3 Computer software
 - 6.4 Deferred Acquisition Cost
 - 6.5 Other (specify at Form L4a)
 - 6.6 Total
7. Investments:
- 7.1 Government securities
 - 7.2 Semi-government securities
 - 7.3 Bank securities
 - 7.4 Corporate Bonds
 - 7.5 Mortgages on real estate
 - 7.6 Asset backed securities
 - 7.7 Listed shares: (see L8b)
 - 7.7.1. Associated companies
 - 7.7.2. Other
 - 7.8 Unlisted securities: (see L8a)
 - 7.8.1. Associated companies
 - 7.8.2. Other
 - 7.9 Money market instruments
 - 7.10 Collective investments
 - 7.11 Real estate (see L9)
 - 7.12 Offshore investments
 - 7.13 Other (specify)
 - 7.14 Total
8. Loans:
- 8.1 On insurers' policies
 - 8.2 On other securities
 - 8.3 Unsecured
 - 8.4 To associated companies
 - 8.4.1 Loans to related companies
 - 8.4.2 Loans to agents and brokers
 - 8.4.3 Unsecured loans to employees
 - 8.4.4 Loans to directors etc
 - 8.5 Other (specify at Form L4c)
 - 8.6 Total
-

-
9. Other assets (specify at Form L4b)
10. Current Assets:
- 10.1 Due from intermediaries
 - 10.2 Due from other insurers
 - 10.3 Due from reinsurers
 - 10.4 Due from policy holders
 - 10.5 Due from associated companies
 - 10.6 Outstanding and accrued income:
 - 10.6.1 interest
 - 10.6.2 dividends
 - 10.6.3 rent
 - 10.7 Cash and bank balances
 - 10.7.1 In Malawi
 - 10.7.2 Outside of Malawi
 - 10.8 Other (specify at Form L10)
 - 10.9 Total
11. Total Assets

Notes

- 7.3 Bank Securities: These are fixed deposits held with banking institutions
-

FORM L2
STATEMENT OF COMPREHENSIVE INCOME
LIFE INSURANCE BUSINESS
(AMOUNTS IN K'000)

- Total
- 1. Balance of retained earnings account at end of the previous period
 - 2. Investment income not carried to other accounts:
 - 2.1 Interest
 - 2.2 Dividends
 - 2.3 Rents
 - 2.4 Realised gains (losses)
-

-
- 2.5 Other Investment Income
- 2.6 Total Investment Income
3. Transfers from policyholders fund (Transfers can only occur when solvency is proven)
4. Other revenue (specify accounts)
5. Total income (2.6+3+4)
6. Expenses not charged to other accounts
7. Transfers to policyholders fund
- 7.1 Life
- 7.2 Group Risk
- 7.3 Annuities
- 7.4 Pension
- 7.5 Other
- 7.6 Total Transfers to policyholders fund
8. Total expenditure (6+7.6+8)
9. Net income before tax (5-9)
10. Taxation (not charged to life insurance funds)
11. Net income after tax
12. Dividends and bonuses to shareholders
13. Balance as per balance sheet (1+12-13)
-

FORM L3
REVENUE STATEMENT

	LIFE	GROUP RISK	ANNUITIES	PENSION / INVESTMENT	OTHER (eg. Unit Trusts)	TOTAL
1. Amount of life insurance fund at the end of previous period						
2. Premium Income:						
2.1 Gross Premium Income						
2.2 Less Reinsurance						
2.3 Net amount Premium Income						
3. Investment Income:						
3.1 Interest Income						

	LIFE	GROUP RISK	ANNUITIES	PENSION / INVESTMENT	OTHER (eg. Unit Trusts)	TOTAL
3.2 Dividend Income						
3.3 Rental Income						
3.4 Gains (losses) from investment - realised						
3.5 Gains (losses) from investment - unrealised						
3.6 Total investment income						
4. Reinsurance income:						
4.1 Reinsurance commission and allowances						
4.2 Reinsurance profit share						
4.3 Total reinsurance income						
5. Other Income (specify)						
6. Total Income						
7. Claims paid:						
7.1 Death Claims paid						
7.2 Maturity Claims paid						
7.3 Disability Claims paid						
7.4 Total Claims paid						
7.5 Less Reinsurance recoveries						
7.6 Net Claims Paid						
8. Surrenders/ Withdrawals						
9. Annuity payments						
10. Bonuses in cash or in reduction of premiums						
11. Commissions incurred						
12. Expenses of management (see L6)						
13. Income tax						
14. Total Expenditure						
15. Net revenue (6-15)						
16. Transfers from profit and loss account (shareholders fund)						
17. Transfers to profit and loss account (shareholders Fund) year end only						
18. Amount of life insurance fund at end of year (1+16+17-18)						

FORM L 4A
 SPECIFICATION OF OTHER NON CURRENT ASSETS
 (LIFE INSURANCE BUSINESS)
 AMOUNTS IN K'000

DESCRIPTION	AMOUNT
GRAND TOTAL (ITEM 6.5 FORM L 1)	

FORM L 4B
 SPECIFICATION OF OTHER ASSETS
 (LIFE INSURANCE BUSINESS)

DESCRIPTION	AMOUNTS IN K'000
TOTAL (ITEM 9, FORM L 1)	

FORM L 4C
 SPECIFICATION OF OTHER LOANS
 (LIFE INSURANCE BUSINESS)

DESCRIPTION	AMOUNTS IN K'000
TOTAL (ITEM 8.5 FORM L 1)	

FORM L 5C
SPECIFICATION OF OTHER POLICYHOLDER LIABILITIES
(LIFE INSURANCE BUSINESS)

DESCRIPTION	AMOUNTS IN K'000
TOTAL (ITEM 3.1.5 FORM L 1)	—

FORM L 5D
SPECIFICATION OF OTHER TECHNICAL PROVISIONS
(LIFE INSURANCE BUSINESS)

DESCRIPTION	AMOUNTS IN K'000
TOTAL (ITEM 3.2.3, FORM L 1)	

FORM L 5E
SPECIFICATION OF OTHER CAPITAL & RESERVES
(LIFE INSURANCE BUSINESS)

DESCRIPTION	AMOUNTS IN K'000
TOTAL (ITEM 1.6, FORM L 1)	

FORM L6

SPECIFICATION OF MANAGEMENT EXPENSES

(Life Business)

Nature of Expenditure	LIFE	GROUP RISK	ANNUITIES	PENSION / INVESTMENT	OTHER (eg Unit Trusts)	TOTAL EXPENSES
Head office charges						—
Related party charges						
Salaries and wages						
Management fees						
Staff training						
Employee benefits						
Other employee costs						
Director's fees						
Expenses in respect of—						
Accounting services						
Advertising						
Auditing services						
Bank charges						
Consultancy services						
Donations						
Doubtful debts						
Entertainment						
Finance expense						
ICT services						
Insurance						
Motor vehicle expenses						
Premium collection charges						
Printing and stationery						
Repairs and maintenance						
Rent and rates						
Stamp Duty						
Travel and accommodation						
Depreciation						
Other expenses						
Total (Item 12, Form L 3)						

Associated Company-
Common Stocks Total Value.....to item 7.7.1 of Form L1

Name of other Company - Common Stocks	shareholding as a percentage of total ordinary shares	Other Company - Number of Common Stocks/Shares	Other Company - Current Common Stocks Value	Other Company- Name of Valuer (if other than own staff)	Other Company - Method of Common Stocks Valuation
Other Company - Common Stocks Total Value				to item 7.7.2 of Form L1	

B. PREFERENCE STOCKS

Name of Associated Company - Preference Stocks	shareholding as a percentage of total ordinary shares	Associated Company - Number of Preference Stocks/Shares	Associated Company - Preference Stocks Current Value	Associated Company- Preference Stocks name of Valuer (if other than own staff)	Associated Company - Method of valuation- Preference Stocks
		Associated Company - Preference Stocks Current Total Value		to item 7.7.1 of Form L1	

Name of Other Company - Preference Stocks	shareholding as a percentage of total ordinary shares	Other Company - Number of Preference Stocks/Shares	Other Company - Preference Stocks Current Value	Other Company- Preference Stocks name of Valuer (if other than own staff)	Other Company - Method of valuation- Preference Stocks
		Other Company - Preference Stocks Current Total Value		to item 7.7.2 of Form L1	

FORM L 8B

DETAILS OF STOCKS AND SHARES LISTED ON A STOCK EXCHANGE

A. COMMON STOCKS

Name of Associated Company -	shareholding as a percentage of total ordinary shares	Number of Common - Stocks/Shares	Current Value	Name of Valuer (if other than own staff)	Method of valuation
Blantyre Hotels Limited					
First Merchant Bank					
Illovo					
MPICO					
National Bank of Malawi					
NBS Bank					
NICO					
NITL					
Press Corporation Ltd					
Real Insurance					
Standard Bank					
Sunbird					
TNM					
Old Mutual					
Total Value				to item 7.6.1 of Form L1	

Name of Other Company -	shareholding as a percentage of total ordinary shares	Number of Common - Stocks/Shares	Current Value	Name of Valuer (if other than own staff)	Method of valuation
Blantyre Hotels Limited					
First Merchant Bank					
Illovo					
MPICO					
National Bank of Malawi					
NBS Bank					
NICO					
NITL					
Press Corporation Ltd					
Real Insurance					
Standard Bank					
Sunbird					
TNM					
Old Mutual					
Total Value				to item 7.6.2 of Form L1	

FORM L 9

VALUATION OF INVESTMENT IN REAL PROPERTY

Name of Property held as non-current assets	Location	Year Acquired	Original Cost	Current Value as per Form L1	Valuator	Method of Valuation
Total value					to item 6.1 of Form L1	

Name of Property held as Investments	Location	Year Acquired	Original Cost	Current Value as per Form L1	Valuator	Method of Valuation
Total value					to item 7.11 of Form L1	

FORM L 10

AGEING OF DEBTORS PORTFOLIO

	0 - 30 Days	31-60 Days	61-90 Days	91 Days and Over	Total Overdue
Intermediaries					
Other insurers					
Reinsurers					
Policy holders					
Associated Companies					
Other (specify)					
Total (Item 10.1 - 10.5, and 10.8 Form L1)					

FORM L11

SUMMARY AND VALUATION OF INSURER LIABILITY

Product Group	Number of policy-holders	Policies	Lives Covered	Sum Assured	Benefits	Annual Premium	Liability	Cost of Bonus
Life								
Group Risk								
Annuities								
Pension and investment								
Other products								
TOTAL								
Other reserves (Specify)								
Cost of recommended bonus								
Provision for shareholder interest in bonus declaration								
Total liability after bonus additions								

FORM L12

STATISTICS

Life Policies	Number of Policyholders	Policies	Lives	Sum Insured	Annual premium	Single premiums
In force at beginning of year:						
New business						
New contracts						
Net increases and reinstatements						
Total						
Discontinuances						
Surrenders						
Lapses						
Claims						
Death						
Maturity						
Other						
Other discontinuances ¹						
Total						
In force at end of year:						
Amount reinsured						

¹includes impact of net decreases from alterations

Group Risk	Number of Policyholders	Policies	Lives	Sum Insured	Annual premium
In force at beginning of year:					
New business: ²					
Discontinued: ³					
In force at end of year:					
Amount reinsured					

² includes new policies and net increases to existing business

³ includes discontinued policies and net decreases to existing business

Annuities	Number of Policyholders	Policies	Lives	Annual payment	Annual premium	Single premiums
In force at beginning of year:						
New Business						
Discontinued:						
In force at end of year:						

Pension and investment	Number of Policyholders	Contracts	Lives	Face value
In force at beginning of year - Guaranteed account balances				
Additions to existing business- Contributions received				
New Business - Contributions received				
Discontinued - Balances paid				
Additions from interest and bonuses - Amounts added that become guaranteed				
Adjustment ⁴				
In force at end of year - Guaranteed account balances				

⁴ This adjustment recognises that a portion of some contributions covers expenses so that 100% is not added to the account balance

Other (eg Unit Trusts)	Number of Policyholders	Policies	Lives	Sum Insured	Annual premium	Single premiums
In force at beginning of year:						
New Business						
Discontinued:						
In force at end of year:						
Amount reinsured						
For Solvency calculation				Total sum insured		
				Total sum reinsured		

Notes

- Data is to be entered in cells shaded:
- These cells are automatically calculated
- These cells are not used
- These cells are filled from elsewhere
- Details of the products included in each product group are to be provided in Form L12a

FORM L 12A

PRODUCT DISCLOSURE

Product Group - Life Policies:.....

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Product Group - Group Risk.....

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Product Group - Annuities.....

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Product Group - Pension and investment

.....

.....

.....

.....

Product Group - Other Policies (eg Unit Trusts)

.....

.....

.....

.....

FORM L13
 MINIMUM CAPITAL REQUIREMENTS & SOLVENCY
 LIFE INSURANCE BUSINESS - FUND REPORTING
 (AMOUNTS IN K'000)

Determination of Solvency	Shareholders' fund	Life Fund 1	Life Fund 2	Life Fund 3	Whole Company
1: Assets					
1.1: Total assets					
1.2: Less: inadmissible assets					
1.3: Adjusted assets available for solvency (= 1.1-1.2)					
2: Fund Liabilities					
2.1: Policy (best estimate) Liabilities					
2.2: Other Liabilities and actuarial adjustments					
2.3: Total Technical Provision and Liabilities (= 2.1+2.2)					
2.4: Other liabilities recorded outside the life insurance fund					
3: Solvency Capital (= 1.3-2.3-2.4)					
4: Calculation of Solvency Requirement					
4.1: Asset risk charge					
4.2: Insurance risk charge					

Determination of Solvency	Shareholders' fund	Life Fund 1	Life Fund 2	Life Fund 3	Whole Company
4.3: Liabilities risk charge					
4.4: Other charges or adjustments					
4.5: Solvency Requirement (= $\sum(4.1,4.2,4.3,4.4)$)					
5: Calculation of Solvency Ratio (= 3 , 4.5)					
6: Minimum Capital Requirement (MCR) (= 2.3 + 4.5)					
6.1: Is MCR less than adjusted assets? (Yes / No) (=is $6 < 1.3$)					

WORK AREA

A: Summary of adjustments and provisions	Shareholder	Life Fund 1	Life Fund 2	Life Fund 3	Whole Company
A1: Inadmissible Assets (from workings)					
A2: Asset Risk Charge (from workings)					
A3: Insurance Risk Charge (from workings)					
A4: Liabilities risk charge (from workings)					
A5: Other charges or adjustments required by Registrar or Actuary (from workings)					

A1: Inadmissible Assets calculation	Shareholder	Life Fund 1	Life Fund 2	Life Fund 3	Whole Company
A1.01: Goodwill, carrying value of proprietary software and other intangible assets					
A1.02: Deferred acquisition costs					
A1.03: Shareholder equity investments in, and subordinated loans to, an associate (excludes investments held as part of the trading investment portfolio)					
A1.04: Loans to or amount receivable from an associate or related parties					
A1.05: Loans overdue more than 180 days					
A1.06: Insurance premiums overdue by more than 90 days					
A1.07: Inward reinsurance overdue by more than 90 days					
A1.08: Reinsurance recoveries overdue by more than 90 days					
A1.09: Amounts secured or pledged on any asset or assets					
A1.10: Deffered and other taxes					
A1.11: Prepaid expenses					
A1.12: Total Inadmissible Assets					

FORM L14
 MINIMUM BASE CAPITAL & SOLVENCY
 LIFE INSURANCE BUSINESS
 (AMOUNTS IN K'000)

PART A: MINIMUM CAPITAL BASE	AMOUNT	DISCOUNT FACTOR	ADJUSTED VALUES
Requirement under s8 INSURANCE (CAPITAL AND SOLVENCY REQUIREMENTS FOR LIFE INSURANCE COMPANIES) DIRECTIVE	800,000		
1.0 Core Capital			
1.1 Paid up ordinary shares		100%	
1.2 Share premium reserve		100%	
1.3 Revaluation reserves			
1.3.1 Shares in associated companies		100%	
1.3.2 Shares in other companies		100%	
1.3.3 Real property		100%	
1.3.4 Other investments		100%	
1.4.1 Retained earnings (audited at end of year)		100%	
1.4.2 Earnings for year to date		80%	
1.4.3 Losses for the year to date		(100%)	
LESS			
1.5 Goodwill and intangibles		(100%)	
1.5 Equity investments/subordinated loans in associates		(100%)	
1.7 Allowance for any dividend declared, capital or subordinated debt repayment scheduled within 1 year of the reporting date		(100%)	
1.8 Revaluation reserves from investments in property		(100%)	
1.9 Adjustments ordered in writing by the Registrar		(100%)	
1.10 Core Capital Total			
2.0 Additional Capital			
2.1 Supplementary Capital [see Form 5e]		50%	
3.0 Total Capital Base = Core Capital + Supplementary Capital			
4.0 Minimum capital base test - is 3 > MKW 800,000,000			

PART B: DETERMINATION OF SOLVENCY	AMOUNT	DISCOUNT FACTOR	ADJUSTED VALUES
1.0: Assets			
1.1: Total assets			
1.2 Less: inadmissible assets			
1.3 Adjusted assets available for solvency	= 1.1-1.2		
2.0 Fund Liabilities			
2.1 Technical provisions			
2.2 Other Liabilities and actuarial adjustments			
2.3 Total Technical Provision and Liabilities	= 2.1+2.2		
3.0 Solvency Capital	= 1.3-2.3		
4.0 Calculation of Solvency Requirement			
4.1 Asset risk charge			
4.2 Insurance risk charge			
4.3 Liabilities risk charge			
4.4 Other charges or adjustments			
4.5 Solvency Requirement	= $\sum(4.1,4.2,4.3,4.4)$		
5.0 Calculation of Solvency Ratio			
5.1 Solvency Ratio	= 3.0, 4.5		
6.0 Minimum Capital Requirement (MCR)	= 2.3 + 4.5		
6.1 Is MCR less than adjusted assets? (Yes / No)	is 6.0 < 1.3		

FORM L15

	Shareholders
Table 1	(K'000)
Minimum Capital Base	800,000
1: Minimum allowable capital base	
2: Paid up capital	
3: Share premium reserve	

	Shareholders
4: Revaluation reserves	
4.1: Shares in associated companies	
4.2: Shares in other companies	
4.3: Real property	
4.4: Other investments	
5: Retained earnings (audited at year end)	
6a: 80% of year to date earnings	
6b: 100% of year to date losses	
Less:	
7: Goodwill and intangible assets	
8: Equity investments in, and subordinated loans to, an associate	
9: Allowance for any dividend declared or repayment of capital or subordinated debt scheduled within one year.	
10: Revaluation reserves from investments in property	
11: Adjustments ordered in writing by the Registrar	
12: Total core capital (sum items 2 - 11)	
13: 50 % of Supplementary Capital	
14: Total capital base (items 12 + 13)	
15: Minimum capital base test (is 14 > 1?)	

Table 2 Shareholders	Determination of Solvency			
	Life Fund 1	Life Fund 2	Life Fund 3	Company
Assets				
1: Total assets				
2: Less: inadmissible assets				
3: Adjusted assets for solvency (1-2)				
Liabilities				
4: Policy liabilities				
5.1: Technical and Other liabilities				
5.2: Other Liabilities				
6: Total liabilities (4 + 5)				
7: Solvency Capital (3 - 6)				

Table 2 Shareholders	Determination of Solvency			
	Life Fund 1	Life Fund 2	Life Fund 3	Company
Calculation of Solvency Requirement				
8: Asset risk charge				
9: Insurance risk charge				
10: Liabilities risk charge				
11: Other charges or adjustments				
12: Solvency Requirement (8 + 9 + 10)				
Calculation of Solvency Ratio				
13: Solvency Ratio				
Minimum Capital Requirement (6 + 12)				
Is MCR < Adjusted assets for solvency?				

FORM L16

CERTIFICATION

LIFE INSURANCE BUSINESS

1	Each life insurance fund of	Life Insurance Limited	has met the Minimum Capital	
	Requirements and the Solvency Requirements on a continuous basis for the year ending 31 December 2017			
2	The Capital Base of WYZ Life Insurance Limited has not been less than the amount shown in Section 8(2) of the Capital and Solvency Directive of Kwacha 800,000,000 for the year ending 31 December 2017			
3	.....Life Insurance Limited as a whole enterprise has met the Minimum Capital and Solvency Requirements on a continuous basis for the period ending 31 December 2017			
	Chairperson			
	Print name		Date	
	Principal Officer			
	Print name		Date	
	I have reviewed/prepared this return and certify its completion and accuracy			
	Appointed Actuary			
	Print name		Date	
	Firm			
	Note: A hard copy of the completed certification must accompany submission of the report			

FORM L 21
SPECIFICATION OF LOANS ON OTHER SECURITIES
(LIFE INSURANCE BUSINESS)

DESCRIPTION	AMOUNTS IN K'000
TOTAL (ITEM 8.2, FORM L 1)	

FORM L 22
SPECIFICATION OF LOANS TO RELATED PARTIES
(LIFE INSURANCE BUSINESS)

DESCRIPTION	AMOUNTS IN K'000
TOTAL (ITEM 8.4.1, FORM L 1)	

Dated this 29th day of June, 2018

(FILE NO. FIN/PFSPD/03/04)

D. KABAMBE, PhD
Registrar of Financial Institutions