



**The purpose of this document is to provide pension plan stakeholders with general guidance on the requirements and steps for the registration of private occupational pension plans pursuant to Section 101 of the Insurance Act of 1998.**

## **1. BACKGROUND**

Private pension plans ('plans') in Guyana are regulated pursuant to the Insurance Act 1998 (the 'Act'). The Bank of Guyana ('the Bank') is the regulator of such plans. This document is a guide with respect to registration requirements and steps in accordance with Part XVI, Section 101 of the Act.

## **2. BEFORE MAKING AN APPLICATION FOR REGISTRATION**

### **• Step 1 – Administration and plan type**

The plan sponsor and or the trustees need to decide on the type of plan, for the purpose of providing retirement benefits to their employees. They must agree on whether the pension plan will be a defined benefit ('DB') or defined contribution ('DC'), and whether the plan will be managed by a licensed administrator<sup>1</sup> or self-administered.

### **• Step 2 – The trust documents and trustees**

The trust documents comprise of the trust deed and rules. They must include the provisions that are specified in **Schedule 5 Part 1 of the Act**. Additional requirements may be needed based on the agreed plan type in Step 1.

- a. Trust deeds** are to be established under an irrevocable trust and notarised by a Notary Public and registered with the Deeds Registry of Guyana. Trustees<sup>2</sup> are expected to be named in the trust deed. If trustees are removed or added, this must be done in accordance with the terms provided in said deed, which must be amended accordingly. Any deed of amendment supplemental to the original trust deed must also be registered with the Deeds Registry of Guyana. **Two copies of the trust deed and any amendments must accompany the application for registration.**
- b. The plan rules** are usually attached to the trust deed, and establish the rules under which the plan will operate including matters such as who should be a member, rates of contributions, vesting and what the benefits will be. **Two copies of the plan's rules must accompany the application for registration.**
- c. Trustees**- A pension plan may either have a number of **individual trustees** (3 minimum) or one (1) **corporate trustee**. Trustees have functions which are legal, financial or human resource-related in nature, and as such trustees should be adequately qualified. A corporate trustee must be an institution licensed by the Bank of Guyana pursuant to the Financial Institutions Act 1995 to conduct trust business.

### **• Step 3 – Insurance contracts and insured plans**

- a.** Insured plans are plans whose pension assets (long term) are wholly or partially provided for by one or more insurance contracts.
- b.** The insurance contract represents an asset which should be part of the trust arrangement covering the pension plan. Therefore, the contract should be taken out by the trustees or wholly assigned to the trustees in the case of a sponsored plan.

<sup>1</sup> Licensed administrator - institution licensed under the Insurance Act 2016 or Financial Institutions Act 1995 to conduct pensions or trust business<sup>2</sup> Individuals or licensed Corporate Trustee; Insurance companies may not be trustees.

**Plans which have insurance contracts as part or all of their assets must submit a copy of the insurance contract to the Bank.**

- **Step 4 – Amendments to the plan’s documents (For existing plans ONLY)**

The Bank must be notified of all changes or amendments to the trust deed and/or rules and endorsements to insurance contracts prior to making an application for an existing plan. All amendments must accompany the application for registration.

- **Step 5 – Application fees**

An application fee of \$250,000 payable to the Bank must accompany the application for registration.

- **Step 6 – Other supporting documents**

Related and requested documents include, but are not limited to the following:

1. Most recent copy of an actuarial valuation report on which the plan is based (for DB plans already in operation).
2. Most recent audited financial statements for plans in operation for two years or more before the date of the application for registration.
3. Most recent audited financial statements of the relevant sponsoring employer (if acceptable).
4. Accumulated account balances with credited interest for all members (for DC plans ONLY).
5. Staff handbook containing the plan’s rules and any information relevant to members.

- **Step 7 – Appointing a custodian**

A custodian is a financial institution licensed by the Bank of Guyana, which physically holds the assets of a pension plan. An account for the plan’s assets should be established with the custodian in the name of the plan’s trustee/s. The custodian of a pension plan must be independent of the plan’s administrator, sponsoring employer and corporate trustee (if one has been appointed).

### **3. THE APPLICATION PROCESS IN SUMMARY**

- **Step 1 – Obtaining an application form**

The plan’s trustees must apply for registration of a plan by requesting and completing an application form provided by the Bank. There are two types of forms: *Form PP1R3.1 for Registration of New Pension Plans*; **and** *Form PP1R2.1 for Registration of Existing Pension Plans*.

- **Step 2 – Making an application**

A completed application form must be returned to the Bank together with supporting documents and application fee. Forms must be signed by the plan’s trustees.

- **Step 3 – The Bank’s assessment**

The Bank will assess the plan’s application and supporting documents pursuant to the Act. The Bank may request further information or direct the plan manager/administrator and or trustees to make such changes as it deems necessary.

- **Step 4 – The outcome**

- a. If the Bank is satisfied that a plan has fulfilled the conditions set out in the Act, the Bank will approve the application, and issue a certificate of registration.
- b. The plan managers/administrators of a **registered plan** can be exempted from paying taxes with regards to that plan.

### **4. APPLICATION FORMS**

- a. It is important that an application form is properly completed and submitted with all required supporting documents. *Documents submitted will be processed when accompanied by the relevant filing fee.*
- b. Instructions on the application form must be followed and all questions must be answered. For questions which do not apply, “Not Applicable (N/A)” or “Not known” should be used. **Do not leave any question blank.**

- c. The checklist itemising the required supporting documents that must accompany the application for registration of a plan must be checked off.
- d. The application form must be signed and dated.

