



# NATIONAL PENSION COMMISSION

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## CIRCULAR

**REF: PENCOM/INSP/CIR/SURV/17/1159**

**DATE: 01 August, 2017**

**TO: All Licensed Pension Fund Operators**

**SUBJECT: CIRCULAR ON OUTSOURCING OF COMPANY SECRETARIAL SERVICES/LEGAL ADVISORY FUNCTION**

1. The Commission has observed a growing trend in outsourcing of the Company Secretarial/Legal Advisory function by licensed Operators. Already, a lot of operators have since outsourced the company secretarial/legal advisory function to third parties.
2. The agreements executed by licensed Operators with third parties for the provision of secretarial services/legal advisory functions have a number of limitations such as:
  - a. Hindering the Commission as a regulator of the pension industry from having access to information and documents in the custody or possession of the outsourced companies speedily and timely;
  - b. Furthermore, the Commission does not have any form of authority over the companies the legal services have been outsourced to;
  - c. The service provided by third parties does not also add any meaningful value to the operations of PFAs/PFCs ;
  - d. Most importantly, the confidentiality of information managed by the outsourcing company on behalf of the Operators, are not covered by the Agreement executed between the licensed pension operators and the outsourced companies.

3. In view of the issues highlighted in (2) above, the Commission hereby prohibits all Operators from outsourcing the Company Secretarial Services/Legal Advisory function.
4. Operators that had already outsourced the Company Secretarial Services/Legal Advisory function are directed to wind-off such arrangement immediately.
5. All licensed Pension Operators are required to comply accordingly.

This Circular takes immediate effect.

All enquiries regarding this Circular should be directed to the undersigned.

Thank you

A handwritten signature in blue ink, appearing to read 'M.Y. Datti', is written over a horizontal line. The signature is stylized and cursive.

**M.Y. Datti**  
Head, Surveillance Department