



# **NATIONAL PENSION COMMISSION**

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## **CIRCULAR**

**REF: PenCom/INSP/Surv/2025/843**

**DATE: 22 May 2025**

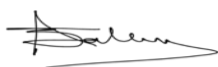
**TO: All Licensed Pension Fund Operators**

**SUBJECT: COMPLIANCE WITH THE PROVISIONS OF THE PENSION REFORM ACT 2014 BY ALL SERVICE PROVIDERS/VENDORS OF LICENSED PENSION FUND OPERATORS**

1. Section 2 of the Pension Reform Act (PRA) 2014 mandates all employers in the public service of the Federation, Federal Capital Territory, State Governments, Local Governments, and private sector organisations to participate in the Contributory Pension Scheme (CPS), including the timely remittance of pension contributions not later than seven (7) working days after salary payment.
2. Despite continuous engagements and enforcement actions by the National Pension Commission (the Commission), a significant number of employers remain in breach of this statutory obligation.
3. Pursuant to its regulatory mandate, the Commission has appointed Recovery Agents (RAs) to audit defaulting employers, impose administrative sanctions, and pursue judicial process of recovery of outstanding contributions and penalties. However, persistent non-compliance by some entities continues to undermine the objectives of the CPS.
4. To enhance enforcement, promote compliance, and expand pension coverage, the Commission hereby directs as follows:
  - i. LPFOs shall henceforth ensure that every service provider and vendor engaged by them must present a valid Pension Clearance Certificate (PCC) issued by the Commission as evidence of compliance with the PRA 2014. This shall be a precondition for entering into any Service Level or Technical Agreement by LPFOs.

- ii. LPFOs are also mandated to ensure that all investments are undertaken only with companies and financial institutions that enforce the requirement of PCCs from their own vendors and service providers.
  - iii. Each Counterparty shall be required to execute a Compliance Attestation, affirming its enforcement of the PCC requirement across its own vendor ecosystem. This attestation, which must be updated annually, shall form part of the LPFOs' investment documentation. Attached herewith as Appendix I is the format of the Compliance Attestation to be executed by each Counterparty.
  - iv. Counterparties shall also submit, at every point of transacting with LPFOs, valid PCCs obtained from their vendors/service providers. This requirement shall apply to all investment transactions, including but not limited to commercial papers, bond issuances and bank placements.
  - v. LPFOs are required to take appropriate steps to integrate these requirements into their internal policies, vendor selection processes, due diligence, governance and investment risk assessment procedures.
5. A transition window of six (6) months from the date of this Circular is hereby granted to enable full implementation of the above directives.
6. All enquiries regarding this Circular should be directed to the undersigned.

Thank you.



**A. M. Saleem**

**Head, Surveillance Department**

## **Appendix I: COMPLIANCE ATTESTATION**

Pursuant to Regulatory Guidance issued by the National Pension Commission (the Commission), we, the undersigned, hereby affirm the following with respect to our compliance with the Pension Reform Act (PRA) 2014:

1. We are fully compliant with the provisions of the PRA 2014 and possess a valid Pension Clearance Certificate (PCC), a copy of which is attached hereto.
2. That we maintain an internal policy which mandates that all our vendors, contractors, and service providers must submit valid PCCs as a precondition for engagement or renewal of service agreements.
3. We have attached valid copies of PCCs obtained from our current vendors/service providers as evidence of our enforcement of this requirement.
4. That we shall continue to submit updated PCCs from our Vendors/Service providers, in accordance with applicable Circular.
5. That we understand that failure to comply with the above, or any misrepresentation herein, may result to disqualification of our Company from participating in pension investment transactions.

Executed this \_\_\_\_ day of \_\_\_\_\_, **20**.....

**Company Name:**

**Name of Authorised Signatory:**

**Designation:**

**Signature:**

**Note: This Undertaking must be endorsed by a Commissioner for Oaths or Notary Public**