



NATIONAL PENSION COMMISSION

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CIRCULAR

REF: PENCOM/INSP/CIR/SURV/15/03

DATE: 21 September, 2015

TO: All Pension Fund Operators/Closed Pension Fund Administrators

**SUBJECT: SHAREHOLDING/OWNERSHIP IN MORE THAN ONE LICENSED
PENSION FUND ADMINISTRATOR (PFA) OR PENSION FUND
CUSTODIAN (PFC)**

Further to our Circular Ref:PENCOM/INSP/P&R/CIR/05.2006/01 of May 23, 2006 the Commission has observed that as a result of Mergers and Acquisitions that took place outside the Pension Industry, some shareholders own equity holding of 5% and above in more than one (1) Licensed Pension Fund Administrator.

In view of the potential conflict of interest that may arise as a result of the above development, Operators are required to apply the following rules for acquisition of shares in a PFA or PFC:

- i. No individual, group of individuals or company shall have direct or indirect ownership/shareholding of 5% and above in more than one PFA or PFC. This shall include acquisitions or holdings of subsidiary companies; and
- ii. Where an individual, group of individuals or company is found to have direct or indirect ownership/shareholding of more than 5% in more than one PFA or PFC, such individual, group of individuals or company shall be required to relinquish or reduce the interest to less than 5% in other PFAs or PFCs within six (6) months.

- iii. Any failure, refusal and or neglect to rectify the excess shareholding (i.e 5% or more) within six (6) months period, shall attract appropriate sanction from the Commission.

This Circular takes immediate effect.

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



M.Y. Datti
Head, Surveillance Department