Welcome to the first issue of Corporate Adviser for 2019.

The first few months of this year have seen our industry focusing intently on the regulatory environment, with various new pieces of legislation taking centre stage.

As an organisation that has always prioritised the protection and wellbeing of retirement fund members, Old Mutual welcomes these regulations and fully supports the spirit of fairness and transparency that underpins them. This commitment, and our established leadership position in terms of regulatory compliance, and alignment with the TCF principles, has meant that we have not needed to make many changes to our retirement offerings to comply with the new regulations.

Nevertheless, these regulations will have a significant impact on our industry as a whole, which is why we have provided information about many of them in this issue. In terms of the Default Regulations that came into effect on 1 March, our SuperFund, Smoothed Bonus and Preservation offerings have only required very minor adaptations or enhancements.

When it comes to the Conduct of Financial Institutions (COFI) Bill, which is open for comment until April, we are satisfied that our organisation is well aligned with all the compliance requirements that will be implemented once it is promulgated as an Act. Perhaps more importantly, we are delighted with the fact that COFI appears to have been designed to really give effect to the Twin Peaks regulatory methodology while, at the same time, setting the stage for real and sustainable transformation of the country's retirement industry.

Another piece of very important legislation covered in this issue is the Retirement Savings Cost (RSC) disclosure standard, which requires umbrella funds to present their retirement savings costs in a standardised way using prescribed, consistent assumptions. While we are ready to implement these requirements for SuperFund from 1 September, research we conducted revealed that many of our customers and intermediaries have little awareness of the new standards and will require our help and support in this regard. As such, we will be including information on various aspects of RSC in future issues.

Enjoy this issue of Corporate Adviser

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D-DAY ARRIVES FOR DEFAULT REGULATIONS

While the Old Mutual sponsored funds' retirement fund investment, preservation and annuity offerings have long complied with many of the "default regulations" that came into effect on 1 March, in the lead-up to the implementation date, there was something of a scramble by many other funds in the industry to ensure that they comply with the default requirements as set out in Regulation 37, 38 and 39 of the Pension Funds Act. Perhaps in response to this, National Treasury issued a guidance notice (8/2018) near the end of last year, which was aimed at clarifying some of the requirements and application details of the regulations.

The content of this guidance note, as it pertained to each of the Default Regulation requirements, is summarised briefly, as is Old Mutual's current standing in terms of compliance with the default regulations post-implementation date. To find out more, click on the read more button below.

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NEW COFI BILL IS A BIG STEP TOWARDS REAL TWIN PEAKS REGULATIONS

The upcoming implementation of the new Conduct of Financial Institutions (COFI) Act, is set to give the Financial Sector Conduct Authority (FSCA) the teeth it needs to deliver on its mandate and enact the new activities- and conduct-based licensing and supervision regime in SA. To read more on the new COFI Bill, click on the read more button below.

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DATA KEEPS GETTING BETTER

Last year Old Mutual Group Assurance (GAP) communicated to you about our new data collection and management system called SMART. Our SMART system will integrate with a system called Compass. Once our schemes are migrated onto these platforms, this will lead to greater efficiencies in the collection, management and reconciliation of risk premiums.

Over the course of the next 15 months, we will start migrating our schemes across to this new platform. There are two changes that will impact

RETIREMENT SAVINGS COST (RSC) SIDCLOSURE STANDARD WILL APPEAR IN OLD MUTUAL SUPERFUND QUOTES FROM 1 SEPTEMBER 2019

The Retirement Savings Cost (RSC) disclosure standard has been agreed for implementation by commercially sponsored umbrella funds of all Association of Savings and Investment of South Africa (ASISA) members anytime from 1 March 2019, but no later than 1 September 2019.

Old Mutual will implement the RSC standard in its quote system from 1 September 2019.

Each Corporate Adviser from now until 1 September will contain additional information on the Retirement Savings Cost standard. If you have any specific questions in the interim, please direct these via your Old Mutual Corporate Client Services (OMCCS) consultant, or click the read more button below for an overview of Old Mutual's RSC implementation roadmap.

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TERMINATION NOTIFICATIONS ON GROUP RISK BUSINESS

you once your scheme is managed on Compass:

- You will be requested to deposit your monthly GAP premium into a different bank account (Debit order authorisations are available for your convenience)
- Your scheme will be allocated a new scheme code, which will replace your current 9 code. The new scheme code will start with the letter G.

This notification is to keep you updated with the forthcoming changes, and you will be notified in due course once your scheme is ready to be migrated to Compass.

We at Old Mutual Group Assurance look forward to working closely with you to ensure our data – and service – keeps getting better!

The Policyholder Protection Rule (PPR) amendments have brought about changes to the way that Group Risk terminations will be managed. These changes are being phased in across the financial services industry and need to be fully in place by 1 January 2020.

Given the importance of clearly communicating the date of termination or intended termination, GAP has created a dedicated email address for all Group Risk terminations. The address is: GAPTerminations@oldmutual.com

As of 1 March 2019, all notices of termination for Old Mutual Group Assurance must only be communicated via e-mail to the above address. No other form of notice of termination communication will be received or processed.

GAP is amending all its new policy contracts to include this change, and the wording of existing policies will be updated as part of their next policy review. However, while it may take some time for all policies to be updated, the effective date of 1 March 2019 will apply for all GAP clients.

There are a number of other important changes that GAP will also be implementing in the coming months to ensure compliance with the new PPRs. These will be communicated shortly.

As with every issue of our newsletter, we'de like to hear from you!
Please feel free to engage with us at corporateadviser@oldmutual.com