South Africa

Pension Funds Act, 1956

Act 24 of 1956

Legislation as at 26 June 1968

FRBR URI: /akn/za/act/1956/24/eng@1968-06-26

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South Africa

Pension Funds Act, 1956

Act 24 of 1956

Published in Government Gazette 5679 on 11 May 1956

Assented to on 28 April 1956

Commenced on 1 January 1958 by Pension Funds Act, 1956: Commencement

[This is the version of this document as it was from 26 June 1968 to 24 June 1969.]

[Amended by Finance Act, 1957 (Act 81 of 1957) on 9 July 1957]
[Amended by Finance Act, 1959 (Act 80 of 1959) on 6 July 1959]
[Amended by Inspection of Financial Institutions Act, 1962 (Act 68 of 1962) on 20 June 1962]
[Amended by Second Finance Act, 1966 (Act 58 of 1966) on 28 October 1966]
[Amended by Financial Institutions Amendment Act, 1968 (Act 65 of 1968) on 26 June 1968]

ACT

To provide for the registration, incorporation, regulation and dissolution of pension funds and for matters incidental thereto.

BE IT ENACTED by the Queen's Most Excellent Majesty, the Senate and the House of Assembly of the Union of South Africa, as follows:—

Chapter I
Administration and application of Act and interpretation of terms

1. Definitions

(1) In this Act, unless the context indicates otherwise—

"**actuary**" means any Fellow of an institute, faculty, society or chapter of actuaries approved by the Minister;

"**court**" means a provincial or local division of the Supreme Court of South Africa, and includes the High Court of South-West Africa;

"**financial year**", in relation to a fund, means each period of twelve months ending on the thirty-first day of December, at the end of which the balance of its accounts is required to be struck in terms of its rules, or such other period as may on any particular occasion be determined by the registrar at the request of the fund;

"**fund**" means a pension fund organization;

"***Gazette***", in relation to a fund carrying on business in the Territory, means the *Official Gazette* of the Territory;

"**member**" means, in relation to—

(a) a fund referred to in paragraph (a) of the definition of "pension fund organization", any member or former member of the association by which such fund has been established;

(b) a fund referred to in paragraph (b) of that definition, an employee or former employee of the employer who participates or participated in the scheme or arrangement in question, if such

employee or former employee belongs or belonged to a class of employees for whose benefit that fund has been established,

but does not include any member or former member or employee or former employee who has received all the benefits which may be due to him from the fund and whose membership has thereafter been terminated in accordance with the rules of the fund;

"**Minister**" means the Minister of Finance;

"**officer**", in relation to a fund, means any member of a committee appointed to manage the affairs of the fund, or any individual so appointed, or any manager, principal officer, treasurer, clerk or other agent or employee of the fund, but does not include an auditor appointed under section nine;

"**pension fund**" means a pension fund organization;

"**pension fund organization**" means—

(a) any association of persons engaged in any occupation established with the object of providing benefits for members or former members of such association upon their retirement from such occupation, or for the dependants of such members or former members upon the death of such members or former members; or

(b) any business carried on under a scheme or arrangement established with the object of providing benefits for employees or former employees of any employer upon their retirement on account of age or ill-health, or for dependants of employees or former employees of any such employer upon the death of such employees or former employees;

and includes any such association or business which in addition to carrying on business in connection with any of the objects specified in paragraph (a) or (b) also carries on business in connection with any of the objects for which a friendly society may be established, as specified in section two of the Friendly Societies Act, 1956, or which is or may become liable for the payment of any benefits provided for in its rules, whether or not it continues to admit or to collect contributions from members;

"**person**" includes any committee appointed to manage the affairs of a fund;

"**prescribed**" means prescribed by or under this Act;

"**principal officer**" means the officer referred to in section eight;

"**registered**", in relation to a fund, means registered or provisionally registered under section four, and "registration" has a corresponding meaning;

"**registered office**" means the registered office referred to in section seven;

"**registrar**" means the Registrar or the Assistant Registrar of Pension Funds appointed under section three;

"**regulation**" means a regulation made and in force under this Act;

"**rules**" means the rules of a fund, and includes—

(a) the act, charter, deed of settlement, memorandum of association, or other document by which the fund is constituted;

(b) the articles of association or other rules for the conduct of the business of the fund; and

(c) the provisions relating to the benefits which may be granted by and the contributions which may become payable to the fund;

"**Territory**" means the Territory of South-West Africa;

"**Union**" includes the Territory;

"**valuator**" means an actuary or any other person who, in the opinion of the registrar, has sufficient actuarial knowledge to perform the duties required of a valuator in terms of this Act.

(2) For the purpose of the application of the provisions of this Act in relation to an organization which is a pension fund organization in terms of paragraph (b) of the definition of "pension fund organization" in sub-section (1), any reference in this Act to a fund shall be construed as a reference to that fund or to the person or body in control of the affairs of that fund, as the circumstances may require.

2. Application of Act

(1) The provisions of this Act shall not apply in relation to any pension fund which has been established in terms of an agreement published or deemed to have been published under section forty-eight of the Industrial Conciliation Act, 1937 (Act No. 36 of 1937), except that such fund shall from time to time furnish the registrar with such statistical information as may be prescribed by the Minister.

(2) (a) The provisions of this Act, other than section three and sub-sections (1) and (2) of section four, shall not apply in relation to a pension fund if the head office of the association which carries on the business of that fund, or, as the case may be, of every employer who is a party to such fund, is outside the Union, provided—

(i) the registrar is satisfied that the rules of the fund applicable to members resident in the Union are not less favourable than those applicable to members resident outside the Union, taking into consideration differences in the conditions of service;

(ii) the registrar is satisfied that adequate arrangements exist for ensuring the financial soundness of the fund; and

(iii) the fund furnishes such security as the registrar may from time to time require for the payment of any benefits which may become payable to members resident in the Union who are South African citizens, or otherwise satisfies the registrar that it will be able to pay such benefits.

(b) The registrar may from time to time require any person carrying on the business in the Union of a pension fund referred to in paragraph (a), to submit to the registrar such returns and information in connection with that business as the registrar may specify, and if at any time the registrar is no longer satisfied as regards any of the matters specified in paragraph (a) he may advise the person accordingly by notice transmitted to him by registered post, and thereupon the provisions of this Act shall apply in relation to such fund.

(3) (a) If the registrar is satisfied—

(i) that the affairs of any pension fund which has applied for registration under this Act, are subject to such a measure of control issuing from any department of State, including the South African Railways and Harbours Administration, any provincial administration and the Administration of the Territory, as to ensure that the fund will as regards its financial strength and the conduct of its business conform to standards at least as high as those imposed under this Act in respect of registered funds (other than provisionally registered funds); or

(ii) that a pension fund which has applied for registration under this Act, operates exclusively by means of policies of insurance issued by a person lawfully carrying on insurance business within the meaning of the Insurance Act, 1943 (Act No. 27 of 1943),

he shall in writing exempt that fund on such conditions as he may specify from the operation of the provisions of this Act.

(b) The registrar may at any time by notice in writing addressed to the fund withdraw any exemption granted under paragraph (a) if he ceases to be satisfied as provided in that paragraph.

3. Appointment of registrar and assistant registrar of pension funds

(1) The Minister shall, subject to the laws governing the public service, appoint an officer to be styled the Registrar of Pension Funds who shall, under the control of and subject to appeal to the Minister, exercise all such powers and perform all such duties as are assigned to him by this Act.

(2) The Minister shall similarly appoint an officer to be styled the Assistant Registrar of Pension Funds to assist the registrar in carrying out his duties as aforesaid.

(3) Every appeal to the Minister in terms of sub-section (1) shall be prosecuted in the manner and within the time prescribed by regulation.

Chapter II
Registration and incorporation

4. Registration of pension funds

(1) Every pension fund shall apply to the registrar for registration under this Act.

(2) An application under sub-section (1) shall be accompanied by particulars of the name and address of the person charged with the management of the affairs of the fund to which the application relates, and a copy of the rules of such fund, together with a certificate by a valuator as to the soundness of such rules from a financial point of view or, if no valuator has been employed, such information regarding their financial soundness as the applicant may possess, and a registration fee of one pound, and, in the case of a fund in existence at the commencement of this Act—

(a) a statement in detail of the revenue and expenditure of the fund in question for the last financial year for which accounts have been prepared, and a copy of its balance sheet as at the end of that year; and

(b) a statement showing in detail the latest valuation of assets and liabilities made by a valuator, including particulars as to the principles applied in making such valuation, or, if no such valuation has been made, such particulars regarding the financial condition of the fund as the applicant may possess.

(3) The registrar shall, if the fund has complied with such requirements as he may have prescribed and he is satisfied that the registration of the fund is desirable in the public interest, register the fund provisionally and forward to the applicant a certificate of provisional registration.

[subsection (3) substituted by section 11(a) of Act 65 of 1968]

(4) If after considering any such application, the registrar is satisfied—

(a) in the case of a fund which is in existence at the commencement of this Act—

(i) that the rules of the fund are not inconsistent with this Act and are based on sound financial principles; and

(ii) that the fund is in a financially sound condition or that adequate arrangements have been made to bring it into a financiallly sound condition within a period which the registrar considers satisfactory; or

(b) in the case of a fund established after such commencement, in respect of the matters specified in sub-paragraph (i) of paragraph (a),

he shall register the fund as a pension fund and send to the applicant a certificate of registration as well as a copy of the rules of the fund bearing an endorsement of the date of registration, and thereupon the fund shall cease to be provisionally registered.

(5) If after considering any such application, the registrar is not satisfied as regards all the matters in respect of which he is in terms of sub-section (4) required to be satisfied, he shall in writing indicate to the applicant the requirements to be complied with in order that he may be so satisfied.

(6) Subject to the provisions of subsection (7) the provisional registration of a fund under subsection (3) shall be valid for a period of five years, but may in the discretion of the registrar and subject to such conditions and limitations as he may consider desirable, be renewed from time to time for periods not exceeding twelve months at a time and not exceeding five years in the aggregate.

[subsection (6) substituted by section 11(b) of Act 65 of 1968]

(7) Whenever a fund which is provisionally registered under this section has complied with all the requirements specified in sub-section (4), the registrar shall register the fund and transmit to it a certificate of registration as well as a copy of its rules with the date of registration duly endorsed thereon, and thereupon the fund shall cease to be provisionally registered.

(8) No fund shall be registered or provisionally registered under this Act except as provided in this section.

5. Effect of registration of pension fund

(1) Upon the registration under this Act—

(a) of a fund which is a pension fund organization in terms of paragraph (a) of the definition of "pension fund organization" in sub-section (1) of section one, the fund shall, under the name by which is so registered, and in so far as its activities are concerned with any of the objects set out in that definition, become a body corporate capable of suing and being sued in its corporate name and of doing all such things as may be necessary for or incidental to the exercise of its powers or the performance of its functions in terms of its rules;

(b) of a fund which is a pension fund organization in terms of paragraph (b) of the said definition, all the assets, rights, liabilities and obligations pertaining to the business of the fund shall, notwithstanding anything contained in any law or in the memorandum, articles of association, constitution or rules of any body corporate or unincorporate having control of the business of the fund, be deemed to be assets, rights, liabilities and obligations of the fund to the exclusion of any other person, and no person shall have any claim on the assets or rights or be responsible for any liabilities or obligations of the fund, except in so far as the claim has arisen or the responsibility has been incurred in connection with transactions relating to the business of the fund;

(c) of any fund, the assets, rights, liabilities and obligations of the fund (including any assets held by any person in trust for the fund), as existing immediately prior to its registration, shall vest in and devolve upon the registered fund without any formal transfer or cession.

(1bis) The officer in charge of a deeds registry in which is registered any deed or other document relating to any asset or right which in terms of paragraph (c) of sub-section (1) vests in or devolves upon a registered fund shall, upon production to him by the fund of its certificate of registration or of provisional registration, as the case may be, and of the deed or other document aforesaid, without payment of transfer duty, stamp duty, registration fees or charges, make the endorsements upon such deed or document and the alterations in his registers that are necessary by reason of such vesting or devolution.

[subsection (1)bis inserted by section 14 of Act 81 of 1957]

(2) All moneys and assets belonging to a pension fund shall be kept by that fund and every fund shall maintain such books of account and other records as may be necessary for the purpose of such fund.

6. Allocation of assets and liabilities between pension fund organization and other associated business

(1) Within twelve months after the registration under this Act of a pension fund the business whereof is or has been carried on by any undertaking as part of or in conjunction with any other business in which that undertaking is or has been engaged, the person having control of the business of that undertaking shall submit to the registrar proposals as to the apportionment of the assets, rights, liabilities and obligations of that undertaking between the fund and such other business.

(2) If the proposals mentioned in sub-section (1) are not received within the period specified in that sub-section the registrar shall prepare proposals for the apportionment of the assets, rights, liabilities and obligations of that undertaking between the fund and such other business in such a manner as he may with due regard to all the circumstances consider equitable.

(3) The registrar may for the purpose of preparing any proposals under sub-section (2), require any person having control of the undertaking in question, to lodge with him, within such period as he may specify, any information relating to the business or any part of the business which is or has been carried on by that undertaking, including the business of such pension fund, together with such reports by a valuator or (at the discretion of the registrar) by the auditor of that undertaking, as the registrar may direct.

(4) As soon as practicable after having received any proposals under sub-section (1) or after having prepared any proposals as provided in sub-section (2), the registrar shall transmit a copy thereof to the principal officer of the fund and publish at the expense of the fund in the *Gazette* and in at least one English and one Afrikaans newspaper circulating in the district in which the head office of the undertaking is situate, a notice—

(a) indicating that such apportionment is contemplated;

(b) stating the place or places where copies of the proposals in question will be available for inspection by interested persons for a period of thirty days from a date specified in the notice; and

(c) calling upon interested persons to submit to the registrar whatever representations they may deem necessary within the said period of thirty days.

(5) Upon the expiration of the period mentioned in paragraph (c) of sub-section (4), the registrar shall proceed to consider any written representations lodged with him in pursuance of the relevant notice and any oral representations which any person who lodged such written representations or the person having control of the business of the undertaking may desire to submit to him, and shall thereafter approve of the proposals in question as drafted or with such modifications as he may deem necessary.

(6) A decision made by the registrar under sub-section (5) shall be binding upon all persons affected thereby.

Chapter III
Manner of administration and powers of registered funds

7. Registered office

(1) Every registered fund shall have a registered office in the Union.

(2) Process in any legal proceedings against any such fund may be served by leaving it at the registered office, and in the event of such registered office having ceased to exist, service upon the registrar shall be deemed to be service upon the fund.

8. Principal officer

(1) Every registered fund shall have a principal executive officer.

(2) The principal officer of a registered fund shall be an individual who is resident in the Union, and if he is absent from the Union or unable for any reason to discharge any duy imposed upon him by any provision of this Act, the fund shall, in the manner directed by its rules, appoint another person within thirty days to be its principal officer.

(3) Within thirty days of the registration of a fund under this Act, the person managing the business of the fund shall notify the registrar of the name of the principal officer of the fund.

(4) Whenever a registered fund has appointed a new principal officer, the person managing the business of the fund shall within thirty days as from such appointment give notice thereof in writing to the registrar.

9. Appointment of auditor

(1) Every registered fund shall in the manner prescribed by its rules appoint an auditor registered under the Public Accountants' and Auditors' Act, 1951, who shall not be an officer of the fund, except where the accounts of such a fund in terms of the provisions of any law, are to be audited by the Controller and Auditor-General or a Provincial Auditor.

(2) Every registered fund shall within thirty days—

(a) of the date of commencement of this section, in respect of its auditor at that date; and

(b) of the appointment of an auditor under this section,

apply to the registrar for his approval of the appointment.

(3) The registrar may, without assigning any reason therefor, refuse to approve any appointment of an auditor or withdraw his prior approval and thereupon the auditor concerned shall vacate his office as auditor of the fund.

(4) When the registrar has refused to approve or has withdrawn his approval of the appointment of an auditor, the fund shall appoint some other person as auditor but again subject to the approval of the registrar.

(5) Where the auditor of a pension fund is a partnership, the appointment of such auditor shall not lapse by reason of a change in the composition of the partnership, as long as not less than half of the partners in the reconstituted partnership are persons who were partners as at the date when the appointment of the partnership was last approved by the registrar.

[section 9 substituted by section 12 of Act 65 of 1968]

9A. Appointment of valuator

(1) Every registered fund which in terms of section 16 is required to have its financial condition investigated and reported upon by a valuator, shall appoint a valuator.

(2) The provisions of section 9 (2), (3), (4) and (5) shall apply *mutatis mutandis* in connection with the appointment of a valuator of a registered fund.

[section 9A inserted by section 13 of Act 65 of 1968]

10. Business which may be carried on

No registered fund shall carry on any business other than the business of a pension fund: Provided that the registrar may approve of a fund carrying on such other business on such conditions and for such period

as he may determine if the registrar is satisfied that this is necessary in order to safeguard an investment made by the fund.

11. Matters to be included in rules

The rules of a fund shall be in either of the official languages of the Union and shall contain provision in regard to the following matters, that is to say—

(a) the name of the fund and the situation of its registered office;

(b) the objects of the fund;

(c) the requirements for admission to membership and the circumstances under which membership is to cease;

(d) the conditions under which any member or other person may become entitled to any benefit and the nature and extent of any such benefit;

(e) the appointment, removal from office, powers and remuneration (if any) of officers of the fund;

(f) the powers of investment of funds;

(g) the manner of determining profits and losses and of disposing of such profits or providing for such losses;

(h) the manner in which contracts and other documents binding the fund shall be executed;

(i) in the case of a fund with share capital, the amount of such share capital and the division thereof into shares of a fixed amount, whether the liability of a shareholder for the debts of the fund is limited or unlimited, the conditions relating to participating in the profits of the fund by the shareholders, subject to the condition that such participation shall not in any one year exceed an amount equal to five per cent, of the paid-up share capital, the conditions of redemption or repayment of shares, the conditions relating to calls on shares, the manner of transfer and transmission of shares, the manner of forfeiture of shares, and the manner of alteration of share capital;

(j) the manner of altering and rescinding any rules, and of making additional rules;

(k) the appointment of the auditor of the fund and the duration of such appointment;

(l) the manner in which any disputes between the fund and its member or between the fund and any person whose claim is derived from a member shall be settled;

(m) the custody of any title deeds, and other securities belonging to or held by the fund;

(n) subject to the provisions of this Act, the manner in which and the circumstance under which the fund shall be terminated or dissolved;

(o) the appointment of a liquidator in the case of a voluntary dissolution; and

(p) such other matters as the registrar may approve.

12. Amendment of rules

(1) A registered fund may, in the manner directed by its rules, alter or rescind any rule or make any additional rule, but no such alteration, rescission or addition shall be valid—

(a) if it purports to effect any right of a creditor of the fund, other than as a member of shareholder thereof; or

(b) unless it has been approved by the registrar and registered as provided in sub-section (4).

(2) Within one month from the date of the passing of a resolution for the alteration or rescission of any rule or for the adoption of any additional rule, a copy of such resolution shall be transmitted

by the principal officer to the registrar, together with a certificate signed by the person managing the business of the fund to the effect that such resolution has been adopted in accordance with the provisions of the rules of the fund.

(3) If any such alteration, rescission or addition affects the financial position of the fund, the principal officer shall also transmit to the registrar a certificate by a valuator as to its financial soundness or, if no valuator has been employed, such information regarding its financial soundness as the fund may possess.

(4) If the registrar finds that any such alteration, rescission or addition is not inconsistent with this Act, and is satisfied that it is financially sound, he shall register the alteration, rescission or addition and return a copy of the resolution to the principal officer with the date of registration endorsed thereon, and such alteration, rescission or addition, as the case may be, shall take effect as from the date determined by the fund concerned or, if no date has been so determined, as from the said date of registration.

(5) A registered fund may at any time consolidate its rules, and in such event the principal officer shall forward to the registrar a copy of such consolidated rules and if the registrar is satisfied that the consolidated rules are not substantially different from the existing rules of the fund, he shall register such consolidated rules and return a copy thereof to the principal officer with the date of registration endorsed thereon, and such consolidated rules shall thereupon take effect from the date of registration thereof.

13. Binding force of rules

Subject to the provisions of this Act, the rules of a registered fund shall be binding on the fund and the members, shareholders and officers thereof, and on any person who claims under the rules or whose claim is derived from a person so claiming.

14. Amalgamations and transfers

(1) No transaction involving the amalgamation of any business carried on by a registered fund with any business carried on by any other person (irrespective of whether that other person is or is not a registered fund), or the transfer of any business from a registered fund to any other person, or the transfer of any business from any other person to a registered fund shall be of any force or effect unless—

(a) the scheme for the proposed transaction, including a copy of every actuarial or other statement taken into account for the purposes of the scheme, has been submitted to the registrar;

(b) the registrar has been furnished with such additional particulars or such a special report by a valuator, as he may deem necessary for the purposes of this sub-section;

(c) the registrar is satisfied that the proposed transaction would not render any registered fund which is a party thereto and which will continue to exist if the proposed transaction is completed, unable to meet the requirements of this Act or to remain in a sound financial condition, or, in the case of a fund which is not in a sound financial condition, to attain such a condition within a period of time deemed by the registrar to be satisfactory;

(d) the registrar has been furnished with such evidence as he may require that the provisions of the said scheme and the provisions, in so far as they are applicable, of the rules of every registered fund which is a party to the transaction, have been carried out or that adequate arrangements have been made to carry out such provisions at such times as may be required by the said scheme;

(e) the registrar has forwarded a certificate to the principal officer of every such fund to the effect that all the requirements of this sub-section have been satisfied.

(2) Whenever a scheme for any transaction referred to in sub-section (1) has come into force in accordance with the provisions of this section, the relevant assets and liabilities of the bodies so amalgamated shall respectively vest in and become binding upon the resultant body, or as the case may be, the relevant assets and liabilities of the body transferring its assets and liabilities or any portion thereof shall respectively vest in and become binding upon the body to which they are to be transferred.

(3) The officer in charge of a deeds registry in which is registered any deed or other document relating to any asset which is transferred in accordance with the provisions of sub-section (2), shall, upon production to him by the person concerned of such deed or other document and of the certificate referred to in paragraph (e) of subsection (1), without payment of transfer duty, stamp duty, registration fees or charges, make the endorsements upon such deed or document and the alterations in his registers that are necessary by reason of the amalgamation or transfer.

[subsection (3) substituted by section 15 of Act 81 of 1957]

(4) A transaction effected in terms of this section shall not deprive any creditor of a party thereto (other than in his capacity as a member or a shareholder of such party) of any right or remedy which he had immediately prior to that date against any party to the transaction or against any member or shareholder or officer of such party.

Chapter IV
Documents to be deposited with registrar

15. Accounts

(1) Every registered fund shall, within six months as from the expiration of every financial year, furnish to the registrar a revenue account showing the revenue and expenditure of the fund for that year, and a balance sheet showing the financial position of the fund at the close of that year, duly certified in each case by the auditor of the fund.

(2) Every registered fund shall, when furnishing to the registrar the documents referred to in sub-section (1), also furnish to the registrar—

(a) a copy of any special report by the auditor relating to any of the activities of the fund during the financial year to which such documents relate;

(b) a copy of any annual report that the fund may have issued to its members or shareholders in respect of the said financial year; and

(c) a copy of any other statement that the fund may have presented to its members or shareholders in respect of any of its activities during such financial year.

(3) If the registrar is of the opinion that any document furnished by a registered fund in terms of sub-section (1) does not correctly reflect the revenue and expenditure or the financial position (as the case may be) of the fund, he may reject the said document, and in that event—

(a) he shall notify the fund concerned of the reasons for such rejection; and

(b) the fund shall be deemed not to have furnished the said document to the registrar: Provided that in such event the registrar may apply the provisions of section thirty-three, even though the period concerned may have expired before application is made for extension.

16. Investigations by a valuator

(1) Save as provided in section seventeen, a registered fund shall, once at least in every five years, cause its financial condition to be investigated and reported upon by a valuator, and shall deposit a copy of such a report with the registrar.

(2) Such investigation shall be made in respect of the position as at the expiration of a financial year, and such report shall be deposited with the registrar within twelve months from the close of that year.

(3) In the case of a fund which was carrying on pension fund business at the commencement of this Act and has complied with the provisions of sub-section (1) of section four, the first. investigation shall be made in respect of the position as at the expiration of the financial year which commenced after the date of commencement of this Act: Provided that—

(a) in special circumstances the fund may, with the permission of the registrar, defer such first investigation for such period, not exceeding three years, as the registrar may determine; and

(b) if the fund has furnished a statement in terms of paragraph (b) of sub-section (2) of section four, showing the results of a valuation of the liabilities and assets of the fund, the registrar may direct that the first valuation under this section shall be made in respect of the position as at a date subsequent to the expiration of the said financial year, but not more than five years after the date to which the said statement relates.

(4) In the case of a fund other than a fund mentioned in sub-section (3), the first investigation shall be made in respect of the position as at the expiration of the fifth financial year which is completed after the date of registration or as at the expiration of such previous financial year as the fund may select.

(5) Notwithstanding anything contained in the preceding sub-sections, the registrar may, with the consent of the Minister, and after not less than one month's notice in writing to any registered fund, require that fund to cause such an investigation to be made in respect of the position as at the expiration of any financial year, if the registrar is of the opinion that an investigation would show that the fund is not in a sound financial condition: Provided that in the case of a fund which is carrying out the terms of a scheme approved by the registrar in terms of section eighteen, the registrar shall not act in accordance with the preceding provisions, unless he is of the opinion that an investigation would show that such scheme is unlikely to accomplish the objects of that section.

(6) If the rules of a fund provide that the benefits which may become payable to members are subject to the discretion of the management of the fund, the registrar shall, on the request of the fund and subject to the payment by the fund of such expenses as the registrar may incur in the matter, determine what amount or scale of benefits is to be taken into consideration for the purpose of the valuation, and such determination by the registrar shall be binding upon the fund.

(7) A report made by a valuator in terms of any of the preceding sub-sections shall include the following particulars, namely—

(a) the discounted value of the liabilities and contingent liabilities of the fund, in so far as they are susceptible of actuarial valuation, together with a description of the actuarial basis employed in making such valuation;

(b) the nature and amount of any other liabilities and contingent liabilities of the fund;

(c) a description of the assets held by the fund, including particulars indicative of their value;

(d) the basis of valuation of each of the various kinds of assets adopted for purposes of the report;

(e) the aggregate value placed on the assets for purposes of the report;

(f) particulars of any pledge, hypothecation or other encumbrance of the assets of the fund;

(g) a statement as to whether or not, in the opinion of the valuator, the fund is in a sound financial condition;

(h) if the valuator is of the opinion that the fund is not in a sound financial condition—

(i) in what respects the condition of the fund is in his opinion unsound; and

(ii) the causes or probable causes of such unsoundness;

(i) such other particulars as the valuator deems relevant to the purposes of this Act.

(8) Whenever a registered fund deposits with the registrar a copy of a report made by a valuator in terms of this section, it shall also deposit with the registrar a certificate by the person managing the business of the fund and by the principal officer that to the best of their knowledge and belief the information furnished to the valuator for purposes of the report was correct and complete in every material respect.

17. Modifications where investigations by a valuator are unneccessary

(1) If the registrar is satisfied that the financial methods adopted by a registered fund are such as to render periodical investigations by a valuator unnecessary, he shall, at the request of such fund, authorize the fund to prepare and furnish to the registrar a statement of its liabilities and assets in lieu of causing its financial condition to be investigated and reported upon by a valuator in terms of section sixteen.

(2) The provisions of sub-sections (2), (3), (4), (5) and (6) of section sixteen shall *mutatis mutandis* apply to every fund referred to in sub-section (1) of this section.

(3) Any statement prepared in terms of sub-section (1) shall include the following particulars, namely —

(a) the nature and amount of the liabilities and contingent liabilities of the fund;

(b) a full description of each asset held by the fund together with such particulars in respect of each such asset as would enable an independent person to estimate the value of such asset on a sale between a willing seller and a willing buyer: Provided that if a compliance with the requirements of this paragraph would result in unduly voluminous returns, the fund concerned may group various classes of assets together, or otherwise abridge the statement in such manner as the registrar may approve;

(c) the basis of valuation of each of the various kinds of assets adopted for purposes of the statement;

(d) the aggregate value placed on the assets for purposes of the statement; and

(e) particulars of any pledge, hypothecation or other encumbrance of the assets of the fund

(4) The said statement shall be accompanied by a report thereon by the auditor of the fund, and the said auditor shall in his report state—

(a) in what manner and to what extent he has satisfied himself as to the amount of the liabilities and contingent liabilities shown on the statement;

(b) in what manner and to what extent he has satisfied himself as to the existence of the assets shown on the statement;

(c) to what extent he has satisfied himself that the particulars of such assets which are shown on the statement are correct;

(d) whether or not in his opinion the basis of valuation of each of the various kinds of assets adopted by the fund is financially sound;

(e) whether or not, in his opinion, the fund is in a sound financial condition;

(f) if he is of the opinion that the fund is not in a sound financial condition—

(i) in what respects the condition of the fund is in his opinion unsound; and

(ii) the causes or probable causes of such unsoundness;

(g) such other particulars as he deems relevant to the purposes of this Act.

18. Fund not in a sound financial condition

(1) When any return under this Act indicates, in the opinion of the registrar, that a registered fund is not in a sound financial condition, the registrar shall, save as provided in section twenty-nine, direct the fund to submit a scheme setting out the arrangements which have been made or which it is intended to make to bring the fund into a financially sound condition within a reasonable period, and the fund shall deposit such scheme with the registrar within three months from the date of receipt of the said direction, together with a report thereon by a valuator or, in the case of a fund to which the provisions of section seventeen apply, by the auditor of the fund.

(2) If the registrar finds that such scheme is not inconsistent with the provisions of this Act and is satisfied that the arrangements set out therein should suffice to accomplish the objects of this section, he shall approve the scheme.

(3) If the registrar is not satisfied regarding the matters referred to in sub-section (2), he shall request the fund to make such amendments to the scheme, or to submit such new scheme, as will enable him to be so satisfied, and the fund shall comply with the request within a period prescribed by the registrar, not being less than thirty days from the date of the request, and shall at the same time furnish to the registrar a report on such amendments or such new scheme by the valuator or auditor mentioned in sub-section (1), and the provisions of sub-section (2) shall apply to any such amended scheme or new scheme which the fund may submit.

(4) The fund shall carry out the terms of any scheme approved by the registrar under this section: Provided that—

(a) the registrar may, if be is satisfied that none of the objects of this section would be thereby prejudiced, permit the said fund to amend such scheme from time to time;

(b) if any return deposited with the registrar during the currency of such scheme in terms of this Act shows, in the opinion of the registrar, that the scheme is unlikely to accomplish the objects of this section, he may withdraw his approval of the scheme, and the fund concerned shall, within three months thereafter, prepare a further scheme, to which the provisions of this section shall apply; and

(c) if any such return shows, in the opinion of the registrar, that the financial condition of the fund is no longer unsound, he shall communicate with the principal officer of the fund to that effect and on receipt of such communication the obligations of the fund in respect of that scheme shall terminate immediately.

19. Investments

(1) A registered fund shall, subject to the provisions of sub-section (6), bold in the Union assets equal in value to at least forty per cent. of the aggregate value of all the assets of the fund in one or more of the following classes of assets, namely—

(a) money in hand in the Union;

(b) any amount standing to the credit of the fund concerned in an account with an office in the Union of a banking institution as defined in the Banking Act, 1942 (Act No. 38 of 1942), or with a building society registered under the Building Societies Act, 1934 (Act No. 62 of 1934), or with the National Finance Corporation of South Africa established under the National Finance Corporation Act, 1949 (Act No. 33 of 1949) or with the Post Office Savings Bank;

[paragraph (b) amended by section 13(a) of Act 80 of 1959]

(c) bills, bonds or securities issued or guaranteed by the Government of the Union or a provincial administration;

[paragraph (c) amended by section 13(b) of Act 80 of 1959]

(d) bills, bonds or securities issued or guaranteed by or deposits with any local authority in the Union authorized by law to levy rates upon immovable property;

[paragraph (d) amended by section 13(c) of Act 80 of 1959]

(e) bills, bonds or securities issued or guaranteed by the Rand Water Board or the Electricity Supply Commission or by any institution which is, in the opinion of the registrar, financially sound and which has been approved by him;

(f) deposits with, or debentures quoted on a stock exchange in the Union issued by, the Land and Agricultural Bank of South Africa;

[paragraph (f) added by section 13(d) of Act 80 of 1959]

(g) South African Reserve Bank stock.

[paragraph (g) added by section 13(d) of Act 80 of 1959]

Provided that a registered fund shall hold any one or more of the kinds of assets mentioned in paragraph (c), which have been issued by the Government of the Republic, in an amount of not less than ten per cent of the aggregate value of all the assets of the fund.

[proviso added by section 9(a) of Act 58 of 1966]

(2) For the purposes of sub-section (1) the aggregate value of the assets of a fund shall not include the value of any policies of insurance issued by a person lawfully carrying on insurance business within the meaning of the Insurance Act, 1943 (Act No. 27 of 1943).

(3) A registered pension fund shall not be deemed to hold an asset for the purposes of sub-section (1) if such asset is in any way encumbered.

(4) No registered fund shall invest any of its assets in the business of an employer who participates in the scheme or arrangement whereby the fund has been established or in any subsidiary company (as defined in the Companies Act, 1926 (Act No. 46 of 1926)) of such employer's business or lend any of its assets to such employer or subsidiary company: Provided that the Minister may exempt wholly or in part any fund established or conducted by a statutory body or a utility undertaking from this provision.

(5) A registered fund may, if its rules so provide—

(a) grant loans, secured by a first mortgage of immovable property, by way of investment of its funds, to any of its members, if the mortgaged property is property on which a dwelling house has been or is to be erected: Provided that such a loan shall in no case exceed seventy-five per cent of the market value of the property to be acquired plus the amount the member concerned would have received on the date of the loan had he terminated his membership voluntarily on that date;

(b) grant loans without further security to any of its members: Provided that the amount of the loan to the member concerned shall not exceed one-third of the amount which such member would have received on the date of the loan, had he terminated his membership voluntarily on that date; and

(c) contribute to any other pension fund registered under this Act or any fund of any kind whatsoever which is conducted for the benefit of the employees of the said registered fund.

(6) The Minister may exempt either wholly or in part any fund established or conducted by a religious institution from compliance with the provisions of subsections (1) and (7), and may, subject to the provisions of subsection (7), under exceptional circumstances, and on such conditions and for such periods as he may determine, temporarily exempt any fund from compliance with any provision of subsection (1), (4) or (5).

[subsection (6) substituted by section 9(b) of Act 58 of 1966]

(7) If the assets of a registered fund do not at the date of commencement of section 9 of the Second Finance Act, 1966, conform to the requirements of the proviso to subsection (1) of this section, such fund shall

(a) during the financial year in which the commencement takes place and during each of the five financial years following thereafter, unless the said requirements are sooner complied with, invest in anyone or more of the kinds of assets referred to in subsection (1) (c) of this section issued by the Government of the Republic, an amount equal to not less than twenty per centum of the increase, if any, in its aggregate assets during each of such financial years: Provided that in respect of the financial year first ending after the said commencement, the said twenty per centum may be reduced by a percentage which bears to it the same ratio as the portion of the financial year which expired on the first day of October, 1966, bears to the full financial year;

(b) at the expiration of a period of five years after the end of the financial year first ending after such commencement or after the expiration of such further period as the Minister may determine, comply with such requirements in so far as such requirements have not been complied with in consequence of the application of paragraph (a).

[subsection (7) added by section 9(c) of Act 58 of 1966]

20. Requirements in regard to documents to be deposited with registrar

(1) A registered fund shall be deemed not to have complied with any provision of this Act, which imposes upon such fund the obligation to furnish to the registrar a document prepared by the fund, unless such document is signed by the principal officer and one other person authorized in accordance with the rules of the fund to sign documents.

(2) If any person (other than an auditor or a valuator) who is not a natural person, is required by any provision of this Act to sign any document which is to be furnished to the registrar, such document shall be signed on behalf of such person as follows, that is to say—

(a) if such person is a committee of individuals, by the person for the time being at the head of the committee and by one other member thereof;

(b) if such person is an association of persons, by the individual who is for the time being at the head of the board of directors or other committee controlling such association, and by one other member of such board or committee;

(c) in any other case, by individuals designated by the registrar, who exercise any control over the business of the said person.

(3) Any person who is required in terms of any provision of this Act to furnish to the registrar—

(a) any original document, shall also furnish such additional copies thereof, not exceeding three in number, as may be prescribed by regulation or as the registrar may require;

(b) a copy of any document, shall furnish one copy thereof certified as correct—

(i) in the case of a registered fund, by its principal officer; and

(ii) in any other case, by the person by whom such copy is required to be furnished,

together with so many additional copies, not exceeding three, as may be prescribed by regulation or as the registrar may require.

21. Registrar may require additional particulars in case of certain applications and returns

(1) If the registrar is of opinion that—

(a) any application for registration of a fund or of an alteration or rescission of rules or of an additional rule; or

(b) any return or scheme relating to the financial condition of a fund,

does not disclose sufficient information to enable him to make the necessary decision, the person concerned shall furnish such additional particulars as the registrar may deem necessary.

(2) If the registrar is of opinion that a certificate or special report by a valuator or by the auditor of a fund is necessary in regard to any matter set out in sub-section (1), the person concerned shall furnish such certificate or report as the registrar may require.

22. Inspection of documents

(1) Upon payment of the fees prescribed by regulation any person may inspect at the office of the registrar any document referred to in section thirty-five and make a copy thereof or take extracts therefrom, or obtain from the registrar a copy thereof or extract therefrom.

(2) The registrar may exempt any person from the obligation to pay fees under this section if he is satisfied that the inspection, copy or extract in question is desired for the purpose of furthering some public interest.

(3) The registrar shall without charge furnish any applicant therefor with particulars of the address of the registered office and the name of the principal officer of any registered fund.

23. Effect of registrar's certificate on documents

Every document which purports to have been certified by the registrar to be a document deposited at his office under the provisions of this Act, or to be a copy of such a document, shall *prima facie* be deemed to be such a document, or a copy thereof, and every such copy shall be admissible in evidence as if it were the original document.

Chapter V
Enquiries by registrar, applications to court, cancellation or suspension of registration and dissolution of funds

24. Enquiries

The registrar may address enquiries to any registered fund in relation to any matter connected with its business or transactions, and it shall be the duty of the fund to reply in writing thereto within a period of thirty days as from the date upon which the registrar addressed the enquiry to it or within such further period as the registrar may allow.

25. Powers of inspection

(1) In addition to the powers and duties conerred or imposed upon him by this Act the registrar shall have all the powers and duties conferred or imposed upon him by the Inspection of Financial Institutions Act 1962.

(2) Any reference in this Act to an inspection or investigation made under this section shall be construed as a reference to an inspection made under the Inspection of Financial Institutions Act, 1962.

[section 25 substituted by section 11(1) of Act 68 of 1962]

26. The court may alter the basis of management of a fund

(1) If in the opinion of the registrar a registered fund is not in a sound financial condition, and if such fund has failed to act in accordance with the provisions of section eighteen, or if such action is necessary as a result of an investigation under section twenty-five, the registrar may apply to

the court for an order directing that the rules of the fund relating to the appointment, powers, remuneration (if any) and removal from office of the person managing the business of the fund, or relating to such other matter as the registrar may regard as appropriate, be altered in a manner to be specified by the registrar in such application.

(2) The court shall consider the equitable interests of the members of the fund (or of the several classes of members if there is more than one such class) and of any other person who has rendered or who intends to render financial assistance to the fund, and, subject to such considerations as aforesaid, shall make such order as it deems most advantageous to the members of the fund.

(3) Unless the court otherwise orders, the costs of the registrar in or in connection with an application in terms of this section shall be paid by the fund, and shall be a first charge upon the assets of such fund.

27. Cancellation or suspension of registration

(1) The registrar shall cancel the registration of a fund—

(a) on proof to his satisfaction that the fund has ceased to exist; or

(b) if the registrar and the fund are agreed that the fund was registered by mistake in circumstances not amounting to fraud:

Provided that in the circumstances stated in paragraph (b), the registrar may suspend the registration in lieu of cancelling it, if he is satisfied that by so doing the fund will be furnished with an opportunity of rectifying the said mistake in a manner consistent with the provisions of this Act, and if the fund does rectify such mistake to the satisfaction of the registrar, the latter shall thereupon reinstate the said registration, as from the date of suspension but if the mistake is not rectified within a period specified by the registrar he shall cancel the registration of the fund.

(2) The registrar may apply to the court for the cancellation or suspension of the registration of a fund if—

(a) the fund has wilfully and after notice from the registrar violated any provision of this Act; or

(b) the registrar is of opinion, as a result of an investigation under section twenty-five, that the registration should be cancelled or suspended.

(3) The court may cancel the registration of the fund or suspend such registration for such period as it think fit, and may attach to such cancellation or suspension such conditions as it thinks desirable, or may make any other order which in the circumstances it thinks desirable.

(4) Unless the court otherwise orders, the costs of the registrar in or in connection with the application shall be paid by the fund and shall be a first charge upon the assets of such fund.

28. Voluntary dissolution of fund

(1) Subject to the provisions of this section, a registered fund may be terminated or dissolved in such circumstances (if any) as may be specified for that purpose in its rules and in the manner provided by such rules, and the assets of the fund shall in that event be distributed in the manner provided by the said rules.

(2) A liquidator shall be appointed in the manner directed by the rules, or, if the rules do not contain directions as to such appointment. by the person managing the business of the fund, but such appointment shall be subject to the approval of the registrar, and the period of liquidation shall be deemed to commence as from the date of such approval.

(3) During such liquidation the provisions of this Act shall continue to apply to such fund as if the liquidator were the person managing the business of the fund.

(4) The liquidator shall as soon as may be deposit with the registrar a preliminary account and a preliminary balance sheet signed and certified by him as correct, showing the assets and liabilities

of the fund at the commencement of the liquidation and the manner in which it is proposed to realize the assets and to discharge the liabilities, including any liabilities and contingent liabilities to or in respect of members.

(5) The registrar may, in his discretion, direct the liquidator to furnish a report, drawn up by an independent valuator or other competent person nominated by the registrar, upon the preliminary account and preliminary balance sheet.

(6) The preliminary account, preliminary balance sheet and report (if any) referred to in sub-section (5) shall lie open at the office of the registrar, and at the registered office of such fund, and where the registered office of the fund is in any district other than the district wherein the office of the registrar is situate, at the office of the magistrate of the district in which the registered office of the fund is situate, for inspection by interested persons for a period of thirty days.

(7) The registrar shall, at the cost of such fund, cause to be published in the *Gazette* and in one English and one Afrikaans newspaper circulating in the district in which the registered office of such fund is situate, a notice stating the period during which and the places at which the preliminary account, preliminary balance sheet and report (if any) shall lie open for inspection as aforesaid, and such notice shall call upon all interested persons who have any objection to the said preliminary account, preliminary balance sheet and report (if any) to lodge their objections in writing with the registrar within a period stated in the notice, not being less than fourteen days as from the last day on which the aforesaid documents lie open for inspection.

(8) If no objections are lodged with the registrar in terms of sub-section (7), he shall direct the liquidator to complete the liquidation.

(9) If objections are lodged with the registrar in terms of sub-section (7), the registrar may, after considering the said objections, direct the liquidator to amend the preliminary account and preliminary balance sheet, or give such other directions relating to the liquidation as he thinks fit, provided such directions are not inconsistent with the rules of the fund, and any such direction shall be binding upon the liquidator.

(10) The liquidator shall, within fourteen days of the receipt by him of any direction of the registrar in terms of sub-section (9), post a copy thereof to every member, shareholder and creditor of the fund, and the liquidator or any person aggrieved by any such direction of the registrar may apply by motion to the court within twenty-eight days after such direction has been communicated to the liquidator, for an order to set aside the registrar's decision, and the court may confirm the said decision or make such order as it thinks fit.

(11) If the registrar is satisfied that his directions, in so far as they have not been varied or set aside by the court, have been given effect to, he shall direct the liquidator to complete the liquidation.

(12) The liquidator shall, within thirty days after the completion of the liquidation, lodge with the registrar a final account and a final balance sheet, signed and certified by him as correct showing the assets and liabilities of the fund at the commencement of the liquidation and the manner in which the assets have been realized and the liabilities (including any liabilities and contingent liabilities to or in respect of members) have been discharged.

(13) The provisions of sections one hundred and seventy-five to one hundred and seventy-eight, inclusive, one hundred and eighty to one hundred and eighty-two, inclusive, one hundred and eighty-four to one hundred and eighty-six, inclusive, one hundred and eighty-eight, one hundred and ninety and one hundred and ninety-one of the Companies Act, 1926, shall apply *mutatis mutandis* to the dissolution of a fund in terms of this section, in so far as the said sections relate to a voluntary winding-up in terms of the said Act, and in so far as the said provisions are applicable and not inconsistent with any provision of this Act.

(14) All claims against the fund shall be proved to the satisfaction of the liquidator, subject to a right of appeal to the court, and the liquidator may require any claim to be made on affidavit.

(15) If the registrar is satisfied that the said account and balance sheet are correct and that the liquidation has been completed, he shall cancel the registration of the fund and thereupon the fund shall be deemed to be dissolved.

29. Winding-up by the court

(1) If the registrar is of the opinion that a fund is in such an unsound financial condition that any s heme a contemplated by section eighteen would be ineffective, impracticable or unsatisfac ory, he may apply to the court for an order that the whole or any part of the business of the fund be wound up.

(2) Any creditor of a registered fund who is unable to obtain payment of his claim after recourse to the ordinary process of law may apply to the court for an order that the whole or any part of the business of the fund be wound up: Provided that a creditor shall not make application except by leave of the court, and the court hall not grant such leave unless the creditor has given security to an amount specified by the court for the payment of the costs of the application and of any opposition thereto, and has established *prima facie* the desirability of the order for which he wishes to apply.

(3) The court may make an order as prayed in terms of subsection (1) or sub-section (2), subject to the provisions contained in the following sub-sections.

(4) The provisions of sections one hundred and seven to one hundred and fifty-nine his, inclusive, and one hundred and seventy-seven to one hundred and ninety-four, inclusive, of the Companies Act, 1926, shall apply *mutatis mutandis* to a winding-up under this section, in so far as the said provisions refer to a winding-up by the court in terms of the said Act, and in so far as the said provisions are applicable and not inconsistent with any provision of this Act or with any directions issued by the court under this section.

(5) The court may direct that the aforementioned provisions of the Companies Act, 1926, may, for the purposes of the winding-up be suitably modified in any particular case if the court is satisfied that having regard to the circumstances of the fund concerned it would be impracticable or unnecessarily onerous to comply with the said provisions in every particular and that in spite of such modification the interests of the creditors of the fund will be sufficiently safeguarded.

(6) In the winding-up of the whole or any part of the business of a fund, the value of the interests of the members or of the various groups of members of the fund, and the value of any benefits due by the fund to persons other than members, shall be ascertained in such manner as the court may direct.

(7) Without prejudice to the powers of the Master who has jurisdiction in respect of any winding-up, the liquidator appointed n terms of sub-section (4) shall give the registrar such information as the latter may require from time to time and shall, whenever he intends to apply to the court for instructions, report accordingly to the registrar who shall be entitled to be heard personally or by a representative at any such application, and may himself make an application to the court with reference to the winding-up.

(8) If, where the court has ordered that the whole business of the fund be wound up, the registrar is satisfied that the winding-up of such a fund has been completed, he shall cancel the registration of the fund and thereupon the fund shall be deemed to be dissolved.

30. Special provisions relating to liquidation of funds

(1) In applying the provisions of the Companies Act, 1926, in terms of section twenty-eight or twenty-nine—

(a) the members of a fund shall be treated as deferred creditors, and their claims against the fund in their capacity as members shall not be settled until the debts of ordinary creditors have been pain;

(b) any reference to the Consolidated Revenue Fund shall, in relation to a fund carrying on business in the Territory, be deemed to be a reference to the Territory Revenue Fund.

(2) If a fund has a share capital, the liability of a share-holder in the case of liquidation under the aforementioned sections shall either be limited to the amount (if any) unpaid or any share held by him, or shall be unlimited, according as is provided by the rules of the fund.

Chapter VI
General and miscellaneous

31. Carrying on business of unregistered pension fund organization and use of designation “pension fund”

(1) No person shall—

(a) Carry on the business of a pension fund which is in existence at the commencement of this Act, for a period of more than six months after such commencement unless application has been duly mad under section four for the registration of that fund; or

(b) carry on the business of a pension fund established after such commencement, unless that fund has been duly registered under section four; or

(c) carry on the business of a pension fund for a period of more than twelve months after the date on which the person who applied for registration of the fund is advised by the registrar that the application for registration has been refused; or

(d) after the expiration of a period of twelve months from the commencement of this Act, apply to his business a name which includes the words "pension fund" or any other name which is calculated to indicate that he carries on the business of a pension fund, unless such business is registered as a pension fund under this Act, except with the consent of the registrar.

[subsection (1) renumbered by section 14 of Act 80 of 1959]

(2) If at the commencement of this Act any person applied to his business any such name as is referred to in paragraph (d) of sub-section (1) and he, after the commencement of this sub-section, changes such name and produces any deed or document bearing such name and registered in any deeds registry, to the officer in charge of that registry, and satisfies the said officer that such name was changed by virtue of the provisions of the said paragraph (d), the said officer shall, without any charge, substitute the new name for the previous name on such deed or document and in all the relevant registers in the said registry.

[subsection (2) added by section 14 of Act 80 of 1959]

32. Registrar may require unregistered funds to furnish information

(1) The registrar may by notice in writing require any person whom he has reason to suspect is carrying on the business of a pension fund which is not registered under this Act, to transmit to him, within a period stated in such notice, a copy of the rules, if any, under which such person is operating, together with a copy of the last annual accounts recorded by such person, and such further information as the registrar may require.

(2) If such person fails to comply with the requirements of the registrar to his satisfaction, the registrar may, with the consent of the Minister, investigate the affairs or any part of the affairs of the said person, or appoint an inspector to hold such an investigation and to report the result of his investigation to the registrar, and the provisions of section twenty-five shall *mutatis mutandis* apply to every such investigation, and the registrar shall be entitled to recover from the person concerned

all expenses necessarily incurred in connection with the investigation, unless such investigation shows that such person is not carrying on the business of a pension fund.

[subsection (2) amended by section 11(2) of Act 68 of 1962]

(3) If it appears from enquiries made by the registrar in terms of sub-section (1) or of any investigation made in terms of sub-section (2), that the person concerned is carrying on the business of a pension fund, the registrar shall register the fund provisionally whereafter the provisions of this Act shall apply to the said fund.

33. Registrar may extend certain periods

(1) When any person is obliged in terms of any provision of this Act to perform any act within a specified period, the registrar may, at the request of such person, in any particular case extend that period from time to time.

(2) The registrar may in special circumstances extend any such specified period after it has expired.

34. Annual report by registrar

The registrar shall annually submit to the Minister a report on his activities under the Act and such report shall be laid by the Minister on the Tables of both Houses of Parliament within fourteen days after receipt thereof if Parliament is then in ordinary session, or, if Parliament is not then in ordinary session, within fourteen days after the commencement of its next ensuing ordinary session.

35. Right to obtain copies of or to inspect certain documents

(1) Every registered fund shall deliver to any member on demand by such member, and on payment of such sum as may be determined by the rules of the fund, a copy of any of the following documents, that is to say—

(a) the rules of the fund;

(b) the last revenue account and the last balance sheet prepared in terms of sub-section (1) of section fifteen.

(2) Any member shall be entitled to inspect without charge at the registered office of a registered fund, a copy of any of the following documents and make extracts therefrom, that is to say—

(a) the documents referred to in sub-section (1);

(b) the last report (if any) by a valuator prepared in terms of section sixteen;

(c) the last statement (if any) and report thereon prepared in terms of section seventeen;

(d) any scheme which is being carried out by the fund in accordance with the provisions of section eighteen.

36. Regulations

The Governor-General may make regulations, not inconsistent with the provisions of this Act—

(a) in regard to all matters which by this Act are required or permitted to be prescribed by regulation;

(b) prescribing the form of any document referred to in this Act for which provision is not otherwise made in this Act, or prescribing alterations or additions to any such form;

(c) generally, as to all matters which he considers it necessary or expedient to prescribe in order that the purposes of this Act may be achieved.

37. Penalties

(1) Any person who—

(a) contravenes or fails to comply with the provisions of section 9, 9A or 35; or

[paragraph (a) substituted by section 14 of Act 65 of 1968]

(b) fails to make a return or transmit or deposit a scheme, report, account, statement or other document when required to do so in terms of this Act; or

(c) contravenes the provisions of section nineteen or any condition on which he has been exempted from those provisions; or

(d) fails or refuses to furnish information, or produce documents or accounts, or render other assistance to the registrar when called upon to do so in terms of this Act; or

(e) after the expiration of a period of six months from the commencement of this Act, induces or attempts to induce any person to become a member of, or to contribute to a fund not registered under this Act; or

(f) contravenes the provisions of section ten or thirty-one, shall be guilty of an offence, and liable on conviction—

(i) in the case of an offence referred to in paragraph (a) to a fine not exceeding ten pounds;

(ii) in the case of an offence referred to in paragraph (b) or (c) to a fine not exceeding twenty-five pounds;

(iii) in the case of an offence referred to in paragraph (d) or (e) to a fine not exceeding fifty pounds; and

(iv) in the case of an offence referred to in paragraph (f) to a fine not exceeding one hundred pounds, or, if the offender is an individual, to imprisonment for a period not exceeding twelve months, or to both such fine and such imprisonment.

(2) Without derogation from the provisions of sub-section (1), a person who has failed to make a return or to transmit or deposit a scheme, report, account, statement or other document within the time prescribed in the appropriate provision of the Act, may thereafter furnish such return, or transmit or deposit such scheme, report, account, statement or other document subject to the payment of a penalty prescribed by regulation.

(3) Any penalty prescribed under sub-section (2) may vary according to the period which has elapsed since the last day on which the return, scheme, report, account, statement or other document in question was required to be made, transmitted or deposited.

(4) For the purpose of sub-section (2) the decision of the registrar as to the time within which a return, scheme, report, account, statement or other document referred to in that subsection was required to be furnished, transmitted or deposited, shall be final.

(5) Any penalty payable under sub-section (2) shall be a debt due to the Union Government and may be recovered by the registrar by action in any competent court.

38. Exemption from Act 34 of 1934

The Trust Moneys Protection Act, 1934 (Act No. 34 of 1934), shall not apply to a fund registered under this Act.

39. Amendment of Act 27 of 1943

Section one of the Insurance Act, 1943 (Act No. 27 of 1943), is hereby amended by the substitution for paragraphs (f) and (f)*bis* of the proviso to the definition of "insurance business" of the following paragraph:

"(f) the activities of a pension fund as defined in the Pension Funds Act, 1956;".

40. Application to South-West Africa

This Act shall apply also in the Territory.

41. Short title and date of commencement

This Act shall be called the Pension Funds Act, 1956, and shall come into operation on a date to be fixed by the Governor-General by proclamation in the *Gazette*.