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FINANCIAL SERVICES

Your World is our World

A close-up photograph of a hand holding a small, glowing globe. The globe is illuminated from the side, casting a warm, golden light. The hand is positioned at the bottom left, with fingers gently cradling the globe. The background is dark and out of focus.

Beneficiary Funds Fiona Renton

Section 37C(2)



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- (2) For the purpose of this section, a payment by a registered fund to a trustee contemplated in the Trust Property Control Act, 1988 ([Act No. 57 of 1988](#)), for the benefit of a dependant or nominee contemplated in this section shall be deemed to be a payment to such dependant or nominee.



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What is a beneficiary fund?

Why introduce them?

Who is discussing them?



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Jurisdiction



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- new entity
- Master vs Registrar
- protect minor's benefits
- separate beneficiary funds
- existing trust remain in place



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Regulation



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- administrator licence
- subject to the PFA
- definition of pension fund organisation
- receive S37C and other benefits



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Regulation



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- no section 14
- Pension Funds Adjudicator
- exempt from FSB levies
- trustees' fiduciary duties
- audited financial statements



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Regulation



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- rules in terms of Regulation 30
- no liquidation
- no section 37C
- ownership of assets
- risk based supervision
- subject to Regulation 28



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Taxation principles



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- no tax on transfer from retirement fund to beneficiary fund
- currently all income and capital gains taxed in beneficiary's hands



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Where to from here?



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- IRF discussion
- Legislative changes



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Questions

Thank you



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