

NATIONAL PENSIONS REGULATORY AUTHORITY



NPRA/GD/FCH/01/11

GUIDELINES ON FEES AND CHARGES

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1.0 GENERAL PROVISIONS

- 1.1. Approved Trustees, Pension Fund Managers and Pension Fund Custodians are at liberty to decide on what amount of fees to pay or charge within the maximum stipulated, and may decide not to effect a particular charge.
- 1.2. Approved Trustees, Pension Fund Managers and Pension Fund Custodians shall not be allowed to charge any fees outside those stipulated in these Guidelines.
- 1.4 Any changes to the fees structure stipulated by Approved Trustees, Pension Fund Managers, Pension Fund Custodians and the Authority , must be communicated to all parties and contributors.
- 1.5 A downward review in fees must be communicated one month before it is effected and an upward review must be communicated three months before it is effected. All such changes to fees become effective on the first day of the month following the expiration of notice.

2.0 TYPE OF FEES

- 2.1 Asset Based fees may be charged on Pension Fund Assets by Approved Trustees, Pension Fund Managers, Pension Fund Custodians and the Authority for collection, administration/investment and supervision of Pension Fund Assets, respectively.
- 2.2 Registration fees may be charged by the Authority when an application is lodged with the Authority for the relevant approval.
- 2.3 All bank charges in relation to the process of collections shall be borne by the Scheme.
- 2.4 All statutory charges shall be borne by the Pension Fund Assets managed by Approved Trustees on behalf of the contributors.
- 2.5 Pension Fund Assets managed by Approved Trustees, shall bear the cost of all fees to brokerage companies (as defined by the Securities and Exchange Commission) for services rendered in their investment operations by the Pension Fund Managers.

3.0 METHODOLOGY FOR CALCULATION OF FEES

- 3.1 Asset Based fees shall be based on, and charged as a percentage of the closing Net Asset Value of the Pension Fund investment at the end of the period of charge.
- 3.2 Asset Based fees shall be payable on monthly basis and accrued on each dealing day (or accrued daily upon portfolio valuation), whilst the actual shall be effected against the fund average net asset value within five days of the quarter end.

4.0 PAYMENT OF FEES

- 4.1. The Approved Trustees shall be responsible for calculation of all fees to be charged and submission of invoice to the Pension Fund Custodian, within three (3) working days of the month end.
- 4.2. The Pension Fund Custodian shall pay the invoiced fees within three (3) working days of receipt of invoice from Approved Trustee, where the Authority did not indicate otherwise.
- 4.3. All the processes of submission of invoice, review, actual charge and payment of fees shall be concluded by all parties, within five (5) working days of the quarter end.

5.0 MAXIMUM ALLOWABLE CHARGES

- 5.1. The fees stipulated herein are maximum amounts chargeable by Approved Trustees, Pension Fund Managers, Pension Fund Custodians and the Authority, for all services to be provided by them.
- 5.2. All parties are at liberty to negotiate and decide on what amount of fees to pay or charge within the maximum stipulated fees, and may decide not to effect a particular charge.
- 5.3. **Asset Based Fees** shall be accrued daily upon portfolio valuation and paid monthly. The actual charge shall be effected against the Pension Fund Assets, within five working days of the quarter end.
- 5.4. The maximum Asset Based Fees chargeable shall be as follows:

Schemes	Approved Trustee	Pension Fund Manager	Pension Fund Custodian	NPRA*	Total
	% p.a.	% p.a.	% p.a.	% p.a.	% p.a.
Employer Sponsored Schemes	1.33	0.56	0.28	0.33	2.5
Master Trust Schemes	1.33	0.56	0.28	0.33	2.5
Group Personal Schemes	1.33	0.56	0.28	0.33	2.5

- *NPRA –National Pensions Regulatory Authority*

Proportion of Asset Based Fees:

<i>Approved Trustee</i>	-	53.3%
<i>PFM</i>	-	22.2%
<i>PFC</i>	-	11.2%
<i>Authority</i>	-	13.3%

Note: Fees & Charges are VAT inclusive.

5.5 REGISTRATION FEES

The amounts set out in column 3 of the fee table below are the fees payable when an application is lodged with the Authority for the relevant approval.

Item	Description	Amount
1.	(a) Fee payable when an application is lodged with the Authority by a company for licensing as a trustee	GHS 1,000
	(b) Annual renewal fee	GHS 1,000
2.	(a) Fee payable when an application is lodged with the Authority by an individual person for Approval as a trustee.	GHS 500
	(b) Annual renewal fee	GHS 250
3.	Fee payable when an application is lodged with the Authority for registration of an occupational pension or provident fund scheme as an employer sponsored scheme or a master trust scheme	GHS 1,500
4.	Fee payable when an application is lodged with the Authority for registration of a group personal pension scheme.	GHS 1,500

NET ASSET VALUE (NAV) CALCULATIONS

Formula:

NAV = (Market Value of All Securities Held by Fund + Cash and Equivalent Holdings - Fund Liabilities)

NAV per Unit Basis is calculated by dividing the NAV by Total Fund Shares Outstanding

Example: Assume at the close of trading yesterday, a particular Fund held GHS10,500,000.00 worth of securities, GHS2,000,000.00 of cash, and GHS500,000.00 of liabilities. If the fund had 1,000,000 shares outstanding, then yesterday's NAV would be:

NAV = (GHS 10,500,000.00 + GHS2,000,000.00 - GHS500,000.00) = GHS12,000,000.00

NAV per Unit = GHS12,000,000/1,000,000 = GHS12.00

5.0 Reviews

5.1 These charges are subject to annual review by the Authority