



Dear Members,

The Council of ARBS is pleased to present to you this Annual Report. This report will highlight the activities of the Association for the financial year ended 31 December 2022 and any other significant developments touching on the Association to date.

The Council

The Association is governed by a Council elected by the members in accordance with the ARBS Constitution.

The council comprises of:

Office Bearers:

Jane Nzau	– Chairperson	Daniel Mainga	– Vice-Chairperson
Florence Nduba	– Treasurer	Elijah Koskey	– Secretary

Members:

Paul Okwemba	Anthony Kilavi	Bernard Murunga	Jane Gitau
Waeni Ngea	Grace Kiringa	Priscah Motogwa	Stella Ojango

The Council formally meets quarterly to review the activities of the Association, market environment, and developments affecting the retirement benefits sector and to assess the

achievements of the Association's objectives. There is also room for council to quickly convene when an issue comes up which requires a meeting to resolve.

The Council is supported by three Committees details of which are given below:

Membership and Visibility Committee ("MemVisCom")

Mandate: To manage member relations, communications and services and related activities

Membership: Anthony Kilavi (Chair), Stella Ojango, Elijah Koskey, Grace Kiringa

Governance and Finance Committee ("GovFinCom")

Mandate: To manage the Association's finance and related activities as well as governance matters

Membership: Florence Nduba (Chair), Benard Murunga, Elijah Koskey, Priscah Motogwa

External Relations Committee ("ExtRelCom")

Mandate: To manage relationships with various statutory bodies and other bodies as well as lobbying activities

Membership: Paul Okwemba (Chair), Jane Gitau, Daniel Mainga, Waeni Ngea

ARBS Services to Members

The Association's core services to and on behalf of members are:

1. Member Education Programme (TDPK)
2. Lobbying to promote the sector's best interests
3. Communication and commentary on industry changes
4. Assistance in seeking solutions for on Retirement Benefits related matters
5. Budget Memorandum proposals
6. Negotiating on compliance challenges for the industry
7. Input to National Policy matters touching on Retirement such as the National Retirement Benefits Policy, Tax, Mortgage Loans Amendment Regulations.
8. Lobbying for more tax incentives to the Retirement Benefit Sector

9. Lobbying for more investment options and expansion of Table G on the Retirement Benefits Act.
10. Lobbying to the parliamentary Finance and Planning Committee on unfavorable budget proposals
11. Enjoinment in litigation touching on the Retirement Benefit sector
12. Recommendation for MOU with other financial sector players like CMA, UFAA

The list above is not exhaustive as we do much more

Sector Statistics

The industry continues to make strides in terms of growth with a value of Kshs 1.5 trillion as of 31 December 2022 despite the effects of the Covid-19 pandemic. Notwithstanding the challenging economic and social conditions experienced, the sector closed the year with a total of 1,331 registered schemes, 31 administrators, 12 Custodians, 24 Fund managers and just over 3.5 million active members.

Sector Developments

Key Sector Development highlights within the year include the following

- a) Review of the RBA act.
- b) Sensitization on the Preservation rule
- c) Sensitization on compliance on Data Protection law
- d) Participation on drafting Public Private partnership regulations
- e) Fire Awards

National Budget

The ARBS Council makes annual submissions for consideration in the budgeting process. We appreciate the input from members to assist us in enhancing the scope and quality of our submissions. However, often times our proposals are not taken on board.

We note that this year's budget was read out earlier than expected. The notable issues raised that touched on the retirement benefits industry are listed below. :

- The amendments to the Unclaimed Financial Authority Act proposed introduction of the capping of penalties and interests to the value of assets found to be reportable and deliverables.
- Proposed investment to RB guidelines to include the unlisted REIT incorporated in Kenya that are approved by the capital markets authority

Membership Report

- ARBS presently has a modest membership of over 150, comprising a cross-section of schemes, advisers and service providers. Whereas of the membership is modest, it does comprise and includes umbrella and individual schemes as well as the main contributors of guaranteed funds.
- To enable the Association carry out effective advocacy for the retirement industry and with industry regulators, it is imperative that we expand our membership to be more representative.
- The Trustee Development Programme Kenya has been ongoing throughout the year and the Association recognizes and appreciates the challenging work Trustees have to out into the training. In the year 2022. A total of 742 Trustees were trained. We have also received trainees from Malawi (7) and Uganda (10)
- We held our Annual General Meeting on Friday 23rd September 2022 at Sarova Panafric Hotel. During this forum, we discussed insights on pensions' sustainability and economic cycles.
- The Association would appreciate member schemes feedback on matters retirement. We appeal to all members to join us and engage the Association on our social platforms, webinars, surveys, and quarterly events.
- The Council conducted its elections in August 2022 to fill the vacant positions following the expiry of the terms of council members. Ms. Priscah Motogwa and Ms. Stella Ojango are the newly elected council members. The results are displayed on our website www.arbs.co.ke

Council Activities

- Council concluded the Strategic Plan review 2022-2026 for the Association that was reviewed in 2020.
- The council appointed Stella Ojango to represent the Association at the Public Private Partnerships task force committee.
- The Council was represented by Daniel Mainga, Elijah Koskey and Simon Nyakundi on Initiative to spur Growth in the Retirement Sector.
- The council represented by Jane Nzau participated in the National Risk assessment (NRA) on Money Laundering and Terrorism Financing .The Council gave its views on the loopholes, and areas of improvement in the Retirement Benefit sector.
- The council was represented by Jane Gitau on the National Retirement Benefits Policy Task Force Committee. The Council gave its views on the situational and Gap analysis, and area to improve and grow the Retirement Benefit sector.
- Council participated in developing a Determination of Defined Benefits Obligations Practice Note. The objective of the practice note is to improve the discharge of member obligations with a view to addressing the challenges and gaps that result in disputes in Defined Benefits Schemes.

Litigation Undertakings

The Association has been following up on these some pending and new litigation matters that are currently in court

- Litigating the PPAD Act 2015 against the Public Procurement Oversight Authority on the provision that public sector schemes should be subject to the public procurement laws. The court of appeal pronounced itself that all retirement benefit schemes are public entities within the meaning of section 2 of the Act thereby dismissing our appeal. We have filed the matter with the Supreme Court of Kenya through our Lawyers Simba & Simba Advocates and are still following up on other leads.

- Litigation matters to challenge the content and/or operationalization of the Retirement Benefits (Mortgage Loans) (Amendment) Regulations, 2020. The High Court has stopped the implementation of the Retirement Benefits (Mortgage Loans) (Amendment) Regulations, 2020 which allows workers to withdraw part of their pension to buy a home. With respect to the judgment, Trustees should not make further disbursements, nor honour obligations that were entered into pursuant to the nullified law, including professional undertakings as this would contravene the court's orders.
- The court found the enactment of the National Social Security Act No. 45 of 2013 in its entirety to be in violation of the Constitution of Kenya declared it null and void, . The Court also found and declared that some of the provisions of the Act contravened the Competition Act and the Constitution.
- The Association is pursuing an appropriate action through a constitutional petition challenging the amendment on taxation of benefits for persons aged 65years and above.

Signed by



Jane Nzau

Council Chairlady

Contact us at:

Association of Retirement Benefits Schemes

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