



## **JOINT CIRCULAR BY FINANCIAL REPORTING COUNCIL OF NIGERIA AND NATIONAL PENSION COMMISSION ON STATUTORY FINANCIAL REPORTING BY PENSION FUNDS**

Following the stakeholders meeting of 18 May 2017 that included the Financial Reporting Council of Nigeria (FRC), the National Pension Commission (PenCom), Pension Fund Administrators (PFAs) and External Auditors of Pension Funds, this joint statement by the FRC and PenCom is hereby issued as a directive to PFAs for immediate compliance.

### **1. Transition Date and Year of Adoption of Reporting Framework by Registered Pension Funds**

- a) The FRC and PenCom note that International Financial Reporting Standards (IFRS) became Nigerian Generally Accepted Accounting Principles (NGAAP) for all corporate entities in Nigeria since January 1, 2012. And that the Roadmap for Adoption of IFRS in Nigeria specified 2013 as the year of adoption of IFRS by Pension Funds.
- b) Due to practical expediency and having regard for the peculiarities faced by Pension Funds in Nigeria however, the FRC and PenCom hereby further direct that 2017 shall be the latest year of adoption of IFRS by all Pension Funds duly registered in Nigeria. Accordingly, **all Pension Funds shall issue financial statements prepared in accordance with IFRS for the year ending 31 December 2017 with transition date no later than 1 January 2016.**

### **2. Measurement of Government Securities**

- a) PenCom further advises PFAs to ensure that where a measurement basis other than fair value is applied to fund holdings of government securities, the underlying business model of such funds align with the conditions specified in IFRS and the relevant PenCom Guidelines.

Issued this 4<sup>th</sup> Day of August, 2017.

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Financial Reporting Council of Nigeria

Asha Dahir Umar  
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