

**BULLETIN: CONTENT OF THE BUSINESS PLAN**

Pursuant to Forms 1 and 2 of the First Schedule to the Pensions (Superannuation Funds and Retirement Schemes) (Registration, Licensing and Reporting) Regulations 2006, applications for registration/licensing of a retirement scheme, administrator or investment manager, as the case may be, must be accompanied by a Business Plan.

The bulletin establishes the minimum standard regarding the content of the Business Plan which the Financial Services Commission will consider in obtaining an understanding of how the applicant intends to manage its pensions business. This minimum standard will apply to new retirement schemes, administrators, investment managers, or corporate trustees as well as applicants who have already submitted an application for processing.

In the case of an applicant whose operations are not confined to the provision of business services related to the administration and management of pension plans, the Business Plan submitted should be focused on those aspects of the applicant's operations which pertain to its pension portfolio. However, where the Business Plan for the organization as a whole will be submitted, the document must specifically address, for its pension portfolio, the items detailed below.

Where a separate legal entity is established for the purpose of providing business services for pension plans, the Business Plan must be submitted for that entity.

The Business Plan should provide, at a minimum, the following information:

**1. Executive Summary**

This summary should provide clear, logical, well organized and precise information on the company's history, its principal activities, track record, goals and objectives. It should also include the company's ownership structure and staff complement.

## **2. Organization and management**

Provide an organization chart detailing the names and titles of the individuals occupying the positions. Outline the structure of the organization especially as it relates to its pension operations in particular, and the background, skills and experience of all key individuals.

## **3. The Market**

Identify the industry within which the company operates. Provide details on the market size, historic and projected growth rate, target market, competitors, market share the entity has or hopes to acquire and trends.

## **4. Risk Analysis**

Identify the company's strengths including any unique feature which provides a competitive advantage or weaknesses, and future opportunities and threats. Include a plan to mitigate against stated threats.

## **5. Strategies**

This section of the plan should identify the corporate and competitive strategies that will be employed; what aspects of the plan will be executed at different stages and the timeline for each stage; how the goals and objectives will be achieved, for example, through joint ventures or internal development; and the economic strategy that will be used, e.g. premium pricing, low cost or scale economies.

## **6. Financial Projections**

Three years of financial projections should be provided and include balance sheets, profit and loss accounts and cash flow statements. Ratio and trend analysis may be used to highlight these projections.

## **7. Key Assumptions**

Provide key assumptions used in arriving at projections; taking into consideration the economic climate (budget, interest/exchange rate, inflation rate, legislation, industry happenings etc). Highlight any other pertinent assumptions used in arriving at the projected financial statements (increased sales, loans etc).

Where an application is being made for licensing as an administrator or investment manager in connection with a self administered superannuation fund items 3, 6 and 7 above are not applicable.

Questions regarding this bulletin may be directed to:

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