

PARLIAMENT OF THE REPUBLIC OF MACEDONIA

On the basis of Article 75 paragraphs 1 and 2 of the Constitution of the Republic of Macedonia, the President of the Republic of Macedonia and the President of the Parliament of the Republic of Macedonia issue a

ORDINANCE

**FOR PROCLAMATION OF THE LAW ON CHANGES AND ADDITIONS TO THE LAW ON
MANDATORY FULLY FUNDED PENSION INSURANCE**

We hereby proclaim the Law on Changes and Additions of Mandatory Fully Funded Pension Insurance Law enacted by the Parliament of the Republic of Macedonia, at the session held on 29th of December 2010.

No 07-5264/1
29 December 2010
Skopje

The President of the Republic of Macedonia
Gorge Ivanov, p.s.

President of the
Assembly of the Republic of Macedonia
Trajko Veljanovski, p.s.

**LAW ON CHANGES AND ADDITIONS TO THE LAW ON MANDATORY FULLY FUNDED
PENSION INSURANCE LAW**

Article 1

In the Law on Mandatory Fully Funded Pension Insurance ("Official Gazette of the Republic of Macedonia" No. 29/2002, 85/2003, 40/2004, 113/2005, 29/2007, 88/2008, 48/2009 and 50/10), in Article 3 item 13 sub-item a) shall be changed to read:

"in the preceding five years:

- has no material interest or business relation with the Company as a business partner or as a responsible person, member of a Management Board or member of a Supervision Board in the business partner of the Company or
- was not employed, is not a member of a Management Board or member of a Supervision Board of the Company".

In item 14 after the word: "information" the comma and the words: "before it is edited, distributed or published in the media" shall be deleted.

Article 2

In Article 20 paragraph (1) item c) the words “personal capital” shall be replaced with the word “assets”.

Article 3

In Article 53 paragraphs (6), (7) and (8) shall be deleted.

Paragraph (9) shall become paragraph (6).

Article 4

After Article 53 two new articles 53-a and 53-b shall be added to read:

“Article 53-a”

- (1) If the authorized person, at the time of carrying out the control, establishes an irregularity stipulated in Article 21-a paragraphs (3), (4), (5), Article 75 paragraph (4), Article 77 paragraph (7) and Article 96 of this Law, committed for the first time, he/she is obliged to prepare a Note where the irregularity will be instituted and a suggestion will be made to remove it within a deadline of 15 days from the day of the suggestion. Simultaneously an invitation for education of the person or the entity where the irregularity has been established shall be handed.
- (2) The form and the content of the invitation for education, as well as the way of realization of the education shall be prescribed by the Agency.
- (3) The education shall be organized and realized by the Agency within a deadline no longer than eight days from the day the control has been carried out.
- (4) The education may be realized for several established identical or generic irregularities for one or more entities.
- (5) If the person or the entity, subject to education, does not appear at the education on the scheduled time it shall be considered that the education has been realized.
- (6) If the person or the entity, subject to education appears at the scheduled education and completes the education, it shall be considered that the person has been educated in regard to the established irregularity.
- (7) If the authorized person, at the time of carrying out the control, establishes that the irregularities stipulated in paragraph (1) of this Article have been removed he/she shall issue a conclusion by which the control procedure is closed.
- (8) If the authorized person, at the time of carrying out the control, establishes that the irregularities stipulated in paragraph (1) of this Article have not been removed it shall submit a request for instigating a misdemeanor procedure before a competent authority.

- (9) The Agency shall keep the records for the realized education in a way prescribed by the Agency”.

Article 53-b

(1) In accordance with Article 53 paragraph (5) of this Law the pension company, the custodian, the foreign manager of assets or the agent have obligation in a determined deadline to remove the illegalities and to submit to the Agency a report on the removed illegalities accompanied by evidences that the illegalities have been removed or corrected. If the pension company does not remove the illegalities, the Agency may abolish the permission of that company for management with mandatory and/or voluntary pension funds.

(2) If the Agency at the time of carrying out the control of the work of the pension company and of the management with the mandatory and/or voluntary pension funds establishes an existence of issues and acts punishable by law, the Director or the person authorized by him/her shall submit an application for an instigation of a procedure before a competent authority.

(3) The breach proceedings may not be instigated neither processed if more than three years have passed since the day the breach has been committed. The statute of limitations for instigating and processing the breach proceedings shall be effective in any case after the expiration of five years since the day the breach has been committed”.

Article 5

In Article 75 paragraph (4) shall change to read:

“The company which manages with the mandatory pension fund has an obligation to submit the Agency, a copy or an appropriate external medium of the published marketing material within three days after its publication. The Agency shall adopt guidelines on the content of the advertisements as well as for other marketing material of the mandatory pension funds and of companies which manage them.”

In Article (5) the words “or postpone his” shall be replaced with the word “the subsequent”.

Article 6

Article 76 shall change to read:

“(1) The company or the company for management of mandatory or voluntary pension funds may take activities of marketing of the mandatory pension fund in their premises as well as in the premises of its business collaborators for marketing. The premise shall fulfill the following criteria:

- a) to have at least one agent;
- b) to have a person responsible for taking activities of marketing of the company which manages with the mandatory pension fund and who may be employed in the business collaborator and

- c) to provide an appropriate space for doing marketing of the company that manages with the mandatory pension fund.

(2) A business collaborator for marketing of paragraph (1) of this Article may be a Bank or an Insurance company.

(3) The company or the company for management of mandatory or voluntary pension funds shall be liable for the fulfillment of the conditions prescribed in paragraph (1) of this Article.

(4) The company shall submit the Agency, on the last working day of the quarter, a list with the premises of its business collaborators for marketing, which, apart from the name contains as well an address and a responsible person.

Article 7

In Article 79 a new paragraph (2) shall be added after paragraph (1) to read:

“(2) It is forbidden for a person entitled to special authorization and responsibilities to advertise a mandatory pension fund to an employee”.

Article 8

In Article 105 paragraph (1) item a) after the words “an interest” a full stop shall be added and the words to the end of the sentence shall be deleted.

Item g) shall change to read:

“Bonds issued on the basis of a permission by the Securities Exchange Commission of the Republic of Macedonia which are listed at the official market of the Stock Exchange or at other organized market for securities in the Republic of Macedonia that is under control by the Commission, issued by a local self government unites and by domestic joint stock companies that are not banks”.

Article 9

In Article 106 paragraph (1) shall change to read:

“The mandatory pension fund assets may be invested in securities of the same issuer to a maximum of 10% of the nominal value of the single security, issued by that issuer. Exceptionally, in bonds and in other debt securities issued by local self government units and by domestic joint stock companies, the investment may be a maximum of 20% of the nominal value of the single security issued by issuers. The assets of a mandatory pension fund may not be invested in more than 40% from the total issued bonds of the local self government units. In bonds and in other securities issued or guaranteed by the Republic of Macedonia or by any of the EU or OECD member states, the investments are without limitation.”

In Article (2) a new sentence shall be added to read:

“Exceptionally, in parts and shares of investment funds issued by a same management company from the EU or OECD member state, a maximum of 15% from the value of the assets of the voluntary pension fund may be invested, whereas in a single investment fund a maximum of 5% from the value of the assets of the voluntary pension fund may be invested.

Article 10

In Article 107 item d) a semicolon shall be replaced with a full stop and a new sentence shall be added to read: “Within this limitation a maximum of 10% of the value of the mandatory pension fund assets may be invested in bonds issued by the local self government units.”

Article 11

In Article 134 paragraph (1) a new item 8-a shall be added to read:

“8-a) if it does not fulfill the conditions prescribed in Article 76 paragraph (1) of this Law”.

Article 12

In Article 135-a paragraph (1) item 1 shall be changed to read:

“if it does not act in accordance with Article 75 paragraph (4) of this Law”.

Article 13

Article 67 of the Law on Mandatory Fully Funded Pension Insurance (“Official Gazette of the Republic of Macedonia” No. 50/10) shall change to read:

“(1) The Agency shall open the account in a commercial bank on 3 January 2011.

(2) On the day of the opening of the account stipulated in paragraph (1) of this Article, 15% of the Agency assets shall be transferred from the account maintained in the Budget of the Republic of Macedonia to the account at the commercial bank, whereas 85% from the assets shall be transferred to the account of the Budget of the Republic of Macedonia”.

Article 14

The secondary regulation deriving from this Law shall be adopted within 15 days from the day of when this Law becomes legally effective.

Article 15

The Legislative Commission of the Parliament of Republic of Macedonia shall be authorised to enact the consolidated text of the Law on Mandatory Fully Funded Pension Insurance.

Article 16

This Law shall become legally effective on the eighth day from the date of its publication in the “Official Gazette of the Republic of Macedonia.”