

LAW
For amendments and additions to the Law on Mandatory Fully Funded Pension Insurance
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Article 1

In the Law on Mandatory Fully Funded Pension Insurance (Official Gazette of the Republic of Macedonia" number 29/2002 and 85/2003), in Article 17 paragraph (1) the word "five" is replaced with the word "three".

Article 2

In Article 47 paragraph (1) count (1) the ";" is replaced with the word "and" and the following text is added: "prepares guides, manuals etc. related to the fully funded pension insurance".

Article 3

In Article 58 paragraph (3) is amended as follows:

"(3) Contributors, who were in the mandatory pension and disability insurance before January 1, 2003 can become members and pay contributions in Pension Fund by their choice and they will make their choice not later than the date stipulated in paragraph (4) of this Article."

Paragraphs (7), (8), (9) and (10) are amended as follows:

"(7) The contributions of contributors, who have not entered into membership with a Pension Fund but were obliged to do so, will be held in special accounts in the Pension Funds, until the moment when the Member voluntarily joins the pension fund. From the moment of entering the mandatory pension and disability insurance the Agency temporarily allocates these contributors to a Pension Fund.

(8) In allocation of contributors to Pension Funds, according to paragraph (7) of this Article, the Agency takes into account the number of contributors to be proportional with the total value of the assets of each separate Pension Fund, on the date established by Agency.

(9) The contributors from paragraph (1) of this Article who would not sign a membership agreement in a period of three months from the day of entering the mandatory pension and disability insurance, after the expiration of this time period are obligated to sign a membership agreement with a Pension Company managing the Pension Fund to which they have been allocated as per paragraphs (7) and (8) of this Article. If the contributor does not sign the membership agreement, his/her assets remain on the special account in the Pension Fund.

(10) The Agency determines the procedure for allocation of contributors to Pension Funds."

Article 4

In Article 59 paragraph (5) is amended as follows:

“(5) The Pension Company managing the Pension Fund after the expiration of eight Working Days of signing the membership agreement from paragraph (4) of this Article establishes an individual account for the member who has signed the agreement.”

Article 5

In Article 68 paragraphs (1) and (2) are amended as follows:

(1) Assets from contributions paid to the Pension and Disability Insurance Fund of the Republic of Macedonia for which the Fund can not determine to whom they belong are kept in an Unidentified Account in the Fund until the ownership of the assets is determined. Assets from contributions paid to the Pension and Disability Insurance Fund of Republic of Macedonia with inconsistencies in accompanying data, are kept in an Unallocated Account with individual sub-accounts in the Fund, until those inconsistencies are resolved.

(2) The Special Account in the Pension Fund is consisted of individual sub-accounts for each Member and the assets in this account are from contributions collected in accordance with paragraphs (7) and (9) of the Article 58 of this Law. These assets are converted in accounting units and are invested by the Pension Company in the same manner as other assets of the Pension Fund.

Article 6

In Article 69 paragraph (1) count (f) is changed and it is:

“Receive data from the Agency for Members of the Pension Funds and for Pension Funds they have selected, in accordance with this Law”.

Article 7

In Article 82 paragraph (2) words: “each asset” are changed with the words “total net assets”.

Article 8

In Article 88 paragraph (1) the words: “Internal accounting” are changed with the word “Accounting”.

After paragraph (1) a new paragraph is added which states:

(2) The Agency closely regulates the chart of accounts, the form and the contents of the basic financial statements, additional statements, as well as the contents of the separate accounts in the chart of accounts of the Pension Funds.

Article 9

In Article 98 paragraph (1) count (b) the word “last” is changed with the word “fifth”.

Article 10

In Article 102 paragraph (4) the number “1.2” is replaced with the number “0.8”

Article 11

In Article 105 paragraph (1) count (c) after the word “deposit” the word “and” is replaced with “,” and the words “other securities” are changed with the words “commercial notes and bonds”.

In count (g) in the first line the words “securities” are changed with the word “bonds” and after the word “companies” in the first line are added the words: “other than those issued or guaranteed by banks”.

In count (k) the words “bonds and other” are changed with the word “debt” and the words “fixed income” are deleted.

In count (l) the words “and securities” are changed with “issued by foreign companies or banks”.

Article 12

The Article 138 is amended and states:

“(1) The contributors who enter for the first time in the mandatory pension and disability insurance after January 1, 2003 but before the date of granting licenses for establishing pension companies, are obligated to become members of a Pension Fund until the date stipulated in Article 58 paragraph (4) of this Law.

(2) The contributors who enter for the first time in the mandatory pension and disability insurance after the date of granting licenses for establishing pension companies and before the date stipulated in Article 58 paragraph (4) of this Law, are obligated to become members of a Pension Fund not later than 3 months from the date stipulated in Article 58 paragraph (4) of this Law.”

Article 13

After Article 139 are added new articles 139-a, 139-b and 139-c that state:

“139-a

(1) In the period of five years, calculated from the starting date of payment of contributions for the mandatory fully funded pension insurance stipulated in Article 58 paragraph (4) of this Law, the custodian of the Pension Funds will be the National Bank of the Republic of Macedonia.

(2) After four years of performing the role of custodian for Pension Funds assets by the National Bank of the Republic of Macedonia, the Agency shall assess the readiness of the banks in the Republic of Macedonia for performing the role of custodian and shall thereby inform the Government of the Republic of Macedonia and the National Bank of the Republic of Macedonia. On the basis of this assessment shall be determined whether after the expiration of the fifth year the National Bank of the Republic of Macedonia shall continue being the custodian of Pension Funds assets or this role will be taken over by the banks in the Republic of Macedonia.

139-b

(1) For the National Bank of the Republic of Macedonia as custodian of Pension Funds assets will be appropriately applied the provisions on the terms and the manner of performing the custodian function stipulated in this Law, except the provisions of Articles 116 and 122 of this Law.

(2) The provisions of Article 18 of this Law will also refer to employees and members of the Council of the National Bank of the Republic of Macedonia.

(3) In the period determined in Article 139-a paragraph 1 of this Law, will not be applied the limitation from Article 108 paragraph 1 count (e) sub count (2) of this Law.

139-c

(1) In performing the custodian role by the National Bank of the Republic of Macedonia shall not apply the provisions on the manner of performing the control, stipulated in Article 47 and Article 53 of this Law.

(2) The control over the performance of the custodian role by the National Bank of the Republic of Macedonia will be executed in accordance with provisions of the Law on the National Bank of the Republic of Macedonia (“Official Gazette of the Republic of Macedonia” numbers 3/2002, 51/2003 and 85/2003).”

Article 14

This Law shall come into force the 8th day of publishing in the “Official Gazette of Republic of Macedonia”.