

PARLIAMENT OF REPUBLIC OF MACEDONIA

On base of the Article 75 paragraphs 1 and 2 of the Constitution of Republic of Macedonia, the president of Republic of Macedonia and the president of the Parliament of the Republic of Macedonia issue the

ORDINANCE

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

We hereby proclaim the Law on Changes and Additions of Voluntary Fully Funded Pension Insurance Law enacted by the Parliament of the Republic of Macedonia, at the session held on 3rd of February 2011.

No 07-638/1
3 February 2011
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 VOLUNTARY FULLY FUNDED
PENSION INSURANCE**

Article 1

In the Law on Voluntary Fully Funded Pension Insurance ("Official Gazette of the Republic of Macedonia" No. 7/2008 and 124/10), in Article 4, item 21 shall be changed to read:

"Good reputation" has a person who has a competence, is hard working and has other characteristics which provide safety that by the way he/she works will not jeopardize the stability and security of pension companies and pension funds and will not jeopardize the interests of the members of pension funds, as well as there is no evidence of his/her prior inclusion in business activities that imply incompliance with the rules, business practices and procedures".

In item 22 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 23 after the word: “information” the comma and the words: “before its edition, distribution or publication in the media” shall be deleted.

Article 2

In Article 28 paragraph (10) shall be deleted.

Paragraph (11) shall become paragraph (10).

Article 3

In Article 61 paragraph (2) shall be changed to read:

“In order to obtain the permission stipulated in paragraph (1) of this Article and a conditional approval for management of voluntary pension fund, as well as for registration of the voluntary fond in the registry of mandatory and voluntary pension funds, the company for management with mandatory pension funds shall submit to the Agency:

- a) a request with a documentation stipulated in Articles 38 and 39 paragraph (1) items a), b), c), h), j), l), m) and n) of this Law;
- b) signed statement by authorized signatories of the company that in case it obtains a license will make a change in the Central Registry of the Republic of Macedonia and will found a voluntary pension fund according to this Law and
- c) a business plan which contains details about all fees and commissions which will be charged according to this Law”.

Article 4

In Article 67 paragraph (2) shall change to read:

“In order to obtain the permission from paragraph (1) of this Article and a conditional approval for management with mandatory pension fund, as well as for registration the mandatory fond in the registry of mandatory and voluntary pension funds, the company for management with voluntary pension funds shall submit to the Agency:

- a) a request with a documentation mentioned in Articles 54 and 55 paragraph (1) items a), b), c), h), j), l), m) and n) of this Law;
- b) documents which confirm that the founders of a company for management with a voluntary pension funds that will posses 51% of the initial capital of the company for management of mandatory and voluntary pension funds have extensive experience of management with assets, on the date of a submission of requests.

- c) a statement signed by authorized signatories of the company that in case it obtains a license for pursuing an activity – management of mandatory funds it will make a change in the Central Registry of the Republic of Macedonia and will found a voluntary pension fund according to this Law and
- d) a business plan which contains details about all indemnities and provisions which will be paid up according to this Law”.

Article 5

In Article 86 a new paragraph (3) shall be added after paragraph (2) to read:

“(3) Participation in a professional pension scheme shall cease with:

- a) termination of the employment or the membership in an Association of citizens and with a transfer of the assets from a current professional account to other professional account or to a voluntary individual account, according to this Law and
- b) abolishment of a professional pension scheme and a transfer of the assets from the current professional account to other professional account or to a voluntary individual account, according to this Law”.

Article 6

Article 92 shall be changed to read:

“(1) The assets of a participant in a professional pension scheme, to whom the employment or the membership in one sponsor have been terminated, shall be transferred from the current professional account to the future professional account from the professional pension scheme organized by the other sponsor.

(2) If after the expiration of 90 days from the termination of the employment or the membership in an Association of citizens the person does not become a participant of a professional pension scheme to other sponsor, the assets from his/her current professional account shall be transferred to his/her voluntary individual account.

(3) If the assets from the professional account are not transferred to his/her voluntary individual account after the expiration of the deadline stipulated in paragraph (2) of this Article, the company which maintains the current professional account will request an information from the Agency as to whether the member has a voluntary individual account and if so it shall transfer the assets from the current professional account to the voluntary individual account.

(4) If the company receives the information from the Agency that the member has not a voluntary individual account, it shall open a voluntary individual account on his/her behalf in a voluntary pension fund which it manages and shall transfer the assets from the current professional account to a voluntary individual account. At the same time the company shall furnish the member a confirmation for membership.

(5) If the sponsor abolishes the professional pension scheme, the assets of the participant in the professional pension scheme shall be transferred in accordance with the provisions of paragraphs (1), (2), (3), and (4) of this Article.

(6) The Agency shall prescribe the time and the manner of transfer of the assets in accordance with paragraphs (1), (2), (3), (4) and (5) of this Article.

Article 7

In Article 94 paragraphs (1) and (3) the number "18" shall be replaced with the number "15".

Article 8

In Article 107 paragraph (4) shall be changed to read:

"The company which manages the voluntary pension fund has a duty to submit the Agency as a copy or an appropriate external medium of the published material for marketing, within three days after its publication. The Agency shall adopt guidelines for the content of the advertisements as well as for other material for marketing of voluntary 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 9

Article 108 shall be change to read:

"(1) The Company may take activities of marketing of a voluntary pension fund in its premises as well as in the premises of its business collaborators for marketing. The premises shall fulfill the following criteria:

- a) has at least one agent;
- b) has a person responsible for taking activities of marketing of the Company that manages with a voluntary pension fund, and who may be employed in the business collaborator and
- c) provides with an appropriate space for doing marketing of the company that manages with a voluntary pension fund.

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

(3) The Company is liable for the fulfillment of the conditions from 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 10

In Article 112 a new paragraph (2) shall be added after paragraph (1) to read:

“(2) It is forbidden for a responsible person to advertise to an employee a voluntary pension fund, except in case when the employer has organized a professional pension scheme for his/her employees”.

Article 11

In Article 131 paragraph (1) item g) shall be changed 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 12

In Article 132 paragraph (1) shall be changed to read:

“The voluntary 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 voluntary 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.”

In paragraph (3) the percentage “7.5%” shall be replaced with the percentage “15%”.

Article 13

In Article 133 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 assets of the voluntary pension fund may be invested in bonds issued by the local self government units”.

Article 14

In Article 147 after the word “law” the full stop shall be deleted and the words “by which a payment of pensions and pension benefits from the fully funded pension insurance is prescribed”, shall be added.

Article 15

After Article 164 a new Article 164-a shall be added to read:

“Article 164-a

Procedure for making a suggestion and for education

(1) If the authorized person, at the time of carrying out the control, establishes an irregularity stipulated in Article 34 paragraphs (3), (4), (5), Article 107 paragraph (4), Article 109 paragraph (8) and Article 116 of this Law, committed for the first time, he/she is obliged to prepare a minutes where the irregularity shall be instituted and a suggestion shall be made to remove it within the term of 15 days from the day of making a suggestion. Simultaneously an invitation for education of the person or the subject where the irregularity was 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 was carried out.

(4) The education may be realized for several established identical or generic irregularities for one or more subjects.

(5) If the person or the subject, subject to education, fails to appear at the education on the scheduled time it shall be considered that the education has been realized.

(6) If the person or the subject, 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 fortified 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 draw up 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 he/she shall submit a request for instigating a misdemeanor procedure in front of Misdemeanor Commission.

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

Article 16

In Article 166 paragraph (1) a new item 7-a) shall be added to read:

“7-a) if the premises of the company and the premises of its business collaborators for marketing do not fulfill the conditions from Article 108 paragraph (1) of this Law”.

Article 17

In Article 167-a paragraph (1) item 3 shall be changed to read:

“if it fails to submit the Agency, a copy or an appropriate external medium of the published material for marketing within a deadline of three days after the publication”.

Article 18

The payment of pensions and pension benefits, until the adoption of a Law which shall regulate the payment of pensions and pension benefits from the fully funded pension insurance, shall be done in a lump sum of total amount from the account of the member.

Article 19

The secondary regulation deriving from this Law shall be adopted within 15 days from the day of entry into force of this Law.

Article 20

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

Article 21

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.”