



FINANCIAL SUPERVISORY AUTHORITY
THE BOARD
REGULATION
ON THE DELEGATION OF FUNCTIONS OF PENSION FUND MANAGEMENT
COMPANIES

Adopted by Board Decision no. 1 of 13 January 2011

Article 1
Purpose

The purpose of this Regulation is to specify the types of functions, rules and procedures for the delegation of management company functions to third parties.

Article 2
Legal Basis

This Regulation is adopted pursuant to the provisions of Article 41 (3) of Law no. 10197 of 10 December 2009 “On Voluntary Pension Funds,” hereinafter referred to as the “Law”.

Article 3
Delegation of Functions

1. With the exception of fund management functions, a management company may delegate the following management operation functions to third parties:
 - a) legal services of management operations in accordance with the legislation in power;
 - b) management operations accounting;
 - c) publications and reporting to management company shareholders and fund members;
 - ç) the service of pay-outs to pension fund members;
 - d) keeping the archives;
 - e) marketing services;
 - ë) information and communication technology services; and
 - dh) other functions of this nature.

2. Management companies may delegate the services referred to in Paragraph 1 of this Article to third parties with the aim to increase the effectiveness and quality in performing those functions.
3. Management companies may delegate functions to third parties only after a written approval by the Authority.

Article 5 **Authority's Approval**

1. Management companies shall attach to their application to the Authority all the following information on third parties they intend to delegate their functions to:
 - a) name and certificate of registration with the National Registration Centre;
 - b) address, telephone number, fax number, email address;
 - c) first name, last name and contact details of authorized representatives;
 - ç) reputation data;
 - d) similar contracts;
 - dh) previous activity experiences;
 - e) data on the statutory auditor;
 - ë) draft function delegation agreement on the performance of tasks by the third party on behalf of the management company.
2. In addition to the information referred to in Paragraph 1 in this Article, the Authority may request additional data on a third party, in relation to the performance of the function intended to be delegated to it.

Article 6 **Application Review Procedures and Deadlines**

1. The Authority shall approve or reject the application for function delegation on the basis of the documentation filed by the management company, after it checks whether it is satisfied by the appropriateness of the delegation of functions to the third party.
2. The approval or rejection of the delegation of functions to a third party shall be issued within 30 calendar days from the date of filing the last information requested by the Authority. In case of refusal, the Authority shall inform the management company of the grounds of its decision.

Article 7 **Management Company Liability**

1. The delegated functions shall be performed by the third party on behalf of the management company.
2. The third party shall carry out the functions delegated to it by the management company, and may not delegate them to other third parties.

3. Management companies shall be wholly liable for the performance of each function delegated to third parties.

Article 8
Entry into Force

This Regulation shall enter into force immediately.

CHAIRPERSON

Elisabeta Gjoni