

Pursuant to Article 15, paragraph 1 of the Law on the National Bank of Serbia (RS Official Gazette, Nos 72/2003, 55/2004 and 44/2010) and Article 39, paragraph 6 of the Law on Voluntary Pension Funds and Pension Schemes (RS Official Gazette, Nos 85/2005 and 31/2011), the Executive Board of the National Bank of Serbia hereby issues

## **DECISION ON DETAILED CONTENT AND STANDARDISED FORMAT OF THE PROSPECTUS AND SUMMARY PROSPECTUS OF VOLUNTARY PENSION FUND**

1. This Decision prescribes the detailed content and standardised format of the prospectus and summary prospectus of a voluntary pension fund.

2. The prospectus of a voluntary pension fund (hereinafter: the prospectus) shall contain data prescribed by the Law on Voluntary Pension Funds and Pension Schemes (hereinafter: the Law), whereas its introductory part shall contain the following:

1) name of the voluntary pension fund management company (hereinafter: the management company) and name and registration number of the voluntary pension fund (hereinafter: the fund);

2) date of the resolution of the National Bank of Serbia (NBS) granting approval of the prospectus and date of the NBS's resolution on issuing a fund management license.

The management company may also include in the introductory part of the prospectus the manner of publication of data on the value of fund's investment units.

3. After specifying the data referred to in Section 2 hereof, the data on the fund shall be presented as follows:

1) the current net asset value of the fund (as at the date of submission of the prospectus for NBS's approval or as at the end of the month preceding the date of submission of the prospectus, and/or in the case referred to in Article 38, paragraph 5 of the Law – as at 31 December of the preceding year) and the comparable net asset value of the fund from the previous year;

2) the data pertaining to the investment policy and key risks associated with it, including:

- the method of implementing the principles of investing fund assets specified by Article 30, paragraph 1 of the Law,

- elements of fund's investment policy, and/or objectives of investing fund assets, the acceptable level of investment risk, types and the largest and smallest shares of assets in the portfolio that fund assets will be invested in, the procedures and responsibilities of bodies of the management company during investment decision making, the method of measuring performances of the portfolio in terms of return and risks, and the manner and frequency of changing the fund's investment policy,

- types of risks that fund assets are exposed to and a short description of the risk management process,

- limitations of investment in related persons prescribed by the Law and the decision governing closer conditions and maximum amounts of investing fund assets, and the manner of investing such assets abroad;

3) data on the amount and method of calculating all types of fees of the management company, and data on all types of costs that the management company charges from fund assets, including the level and amounts of the costs that the management company charged from fund assets for the previous year, which are expressed as the percentage of value of these assets;

4) data on fund net returns, calculated in line with Article 48 of the Law, the 12-month net return calculated at the end of the quarter preceding the date of issue of the prospectus, the graphically presented 12-month net returns since the start of operation, and the note that amounts of return are not guaranteed and that they, regardless of fund investment risks, do not offer complete information on the fund's performance;

5) data on the structure of fund assets, covering:

- the percentage share of securities in fund assets by type of securities, the name and head office of their issuer, and the name and head office of the regulated market in which such securities are traded, when such securities constitute over 1% of the total value of fund assets,

- the percentage share of money deposits in fund assets, by the name and head office of the financial organisation where funds are deposited, when the deposits in such organisations constitute over 1% of the total value of fund assets,

- the percentage share of real estate in fund assets, by the type and location of real estate,

- the percentage share of investment units in fund assets, by the name and type of the open-end investment fund,

- the percentage share of depositary receipts issued by banks in fund assets, by the type of securities they are made out to and the issuing bank,

- the percentage share of fund assets invested abroad.

4. The prospectus shall specify the rights and obligations of members of the fund and management company, in particular:

1) who may pay pension contributions, the minimum amount of contributions, the right to choose the level of payments above the minimum amount of contributions, the right to independent determination of dynamics of pension contribution payments, the time, place and method of paying pension contributions, and the day and method of converting payments in investment units;

2) the right in the event of termination of deposit payments;

3) the right to have insight into the investment unit value by specifying data on the time and place of publishing data on the value of investment units and the method of their calculation;

4) the right to tax incentives and/or tax treatment of the fund, and/or fund members – tax rates and bases, and the method of their calculation;

5) rights and obligations of the management company and fund members in the event of account transfer to another fund;

6) grounds for termination of the contract of membership, and rights and obligations of the management company and fund members in the event of termination of the contract of membership;

7) the right to the disposal of funds in the event of death of the fund member;

8) the right to disposal of funds from the individual account – in relation to payouts of accumulated funds, as follows:

- conditions to be fulfilled to become entitled to the withdrawal of accumulated funds and the disposal of these funds for all fund members,

- the method of withdrawal of accumulated funds and the pertaining explanation, including the specification of the highest amount of accumulated funds that may be withdrawn via lump-sum payment, specification of the shortest period for which scheduled payments may be agreed, as well as the specification of dynamics and manner of calculation of scheduled payments,

- the manner and deadlines for the management company to calculate and meet the obligation of the payment of funds,

- the retirement age for the latest start of the withdrawal of accumulated funds and the disposal of such funds;

9) the right to early withdrawal of accumulated funds and the disposal of such funds;

10) special rights of pension plan members in the event of termination of employment and/or membership, etc;

11) the right to information, as follows:

- the right of the fund's member to objection if he/she believes the management company does not comply with obligations under the contract concluded,

- documentation needed for conclusion of the contract of membership,

- procedure for the submission of the request for the withdrawal and/or transfer of balances to another fund, including necessary documentation,
- notification of fund members of data referred to in Article 52 of the Law,
- the manner in which financial statements are available to fund members,
- for intermediaries of the management company, at least the business name and head office of intermediaries and names and surnames of natural persons licensed by the NBS to perform activities of providing information on fund membership and fund operation, i.e. those that the management company considers important for contact, as well as activities that may/may not be performed by natural persons engaged by the management company,
- manner of informing fund members of amendments to the prospectus and summary prospectus, and situations when these prospectuses must be amended,
- the method and deadlines of informing fund members of changes in rules of operation and the rulebook on tariff of the management company.

5. The prospectus shall contain data referring to the management company, as follows:

- 1) business name, head office and registration number of the management company;
- 2) postal address of the head office and the internet address of the management company, and the telephone number of the user service;
- 3) total capital of the management company as recorded in the last audited financial statement;
- 4) business name and head office, or names and addresses of shareholders holding 10% or more stake in capital of the management company;
- 5) names of members of management (the board of directors and/or executive board and/or director of the management company) and their authorisations;
- 6) names of portfolio managers and members of the investment board;
- 7) the list and types of funds that it manages – if the company manages several funds;
- 8) business name and head office of the broker-dealer company that concluded a contract with the management company;
- 9) business name and head office of the audit firm conducting external audit of financial statements of the management company and the fund;

10) the time when and the place where it is possible to make inspection in general acts and financial statements of the management company and the fund.

6. The prospectus shall contain the business name and head office of the custody bank that concluded a contract with the management company, as well as data on custody services delivered by the bank.

7. The following shall also be specified in the prospectus:

1) the prospectus is a document offering to a prospective fund member all necessary information based on which interested persons may get a clear picture of the fund and make a sensible decision on fund membership;

2) the fund organisation falls within the exclusive remit of the management company;

3) fund assets shall be separated from assets of the management company, and/or fund assets shall be owned by fund members, proportionately to their share in such assets;

4) during the pay-in, pay-out and transfer of balances from the fund, the management company shall apply the procedures for the prevention of money laundering and financing of terrorism;

5) fund membership shall be voluntary, the fund member shall have the freedom to decide on selection of and exit from the fund, and the possibility of membership in several funds.

8. The fund's summary prospectus (hereinafter: summary prospectus) shall contain at least the following data:

1) name of the fund;

2) name of the management company;

3) business name and head office of the custody bank maintaining the fund's account;

4) date of the NBS's resolution on granting approval of the summary prospectus;

5) net asset value of the fund;

6) objectives of fund assets investment, the acceptable degree of investment risk, types and shares of assets in the portfolio that fund assets are invested in;

7) structure of fund assets;

8) data on the level of fees for services provided by the management company and fees for the transfer of fund member's account;

9) data on net returns;

10) minimum amount of pension contributions.

The summary prospectus shall contain the note that all interested persons shall, before making the decision on fund membership, read the

prospectus (containing detailed information to get a clear picture of the fund) and specify the time and place where the fund prospectus may be inspected.

9. The prospectus and summary prospectus must be well laid-out, clear, unambiguous and easy to understand, and must contain relevant and complete information on the fund and the management company.

The prospectus and summary prospectus must not contain false data, or data that create a false or wrong impression about the fund, the management company or the pension system.

The prospectus and summary prospectus shall be printed in one of the standardised formats.

The prospectus and summary prospectus shall be available on the website of the management company.

10. The prospectus and summary prospectus may also contain other data pertaining to fund operations and considered by the management company helpful for gaining a better insight into the fund, the management company and the pension system.

11. The data contained in the prospectus shall be presented as at the date of submission of the prospectus to the NBS for approval or with the balance as at the end of the month preceding the date of submission of the prospectus, and/or in case referred to in Article 38, paragraph 5 of the Law – as at 31 December of the preceding year.

12. This Decision shall supersede the Decision on Detailed Content and Standardised Format of the Prospectus of a Voluntary Pension Fund (RS Official Gazette, No 9/2009).

13. This Decision shall be published in the RS Official Gazette and shall enter into force on 1 January 2012.

NBS Executive Board No 57  
11 August 2011  
Belgrade

Chairman  
of the Executive Board of the National Bank  
of Serbia  
G o v e r n o r  
of the National Bank of Serbia

Dejan Šoškić, PhD