

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), Article 43, paragraph 3 and Article 44, paragraph 5 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 issues

DECISION
ON OPENING, MAINTAINING AND TRANSFERRING INDIVIDUAL
ACCOUNTS OF VOLUNTARY PENSION FUND MEMBERS

1. This Decision regulates the procedure for opening and maintaining individual accounts of voluntary pension fund members (hereinafter: fund member), the manner of issuing statements of such accounts, keeping records of investment units of fund members and providing data from such records, and transferring such accounts from one voluntary pension fund (hereinafter: fund) to another.

2. A fund management company shall open an individual account for a fund member on the basis of a fund membership contract and/or pension scheme contract and other documentation needed for opening and maintaining the account.

3. An individual account of a fund member shall contain the following data in particular:

1) fund member details:

- name and surname,
- place of residence and address,
- unique personal identification number, while details on foreign natural persons shall also include the passport number, date of birth, gender and citizenship,
- date and status grounds (membership contract, pension scheme contract),
- date and grounds for termination of membership,
- date of member's joining the pension scheme,
- date of member's leaving the pension scheme;

2) details of the contributor – natural person:

- name and surname,
- place of residence and address,

- unique personal identification number, while details on foreign natural persons shall also include the passport number and citizenship;

3) details of the contributor – legal person:

- full name, place and address of the head office,
- registration number and tax identification number (TIN), while details of foreign legal persons shall also include the reference number from the companies register of the person's country of origin.

In accordance with the regulation of the National Bank of Serbia on the standard format of contracts on scheduled payments, an individual account of a fund member shall also contain data on scheduled payments, as well as data on the beneficiary of assets in the event of death, provided the beneficiary is designated by the fund member.

4. A fund management company shall update individual accounts on a daily basis, including in particular data on contributions, assets transferred from another fund, fees and withdrawals from such accounts.

A fund management company shall provide data on persons who made payments to the individual account of a fund member (a fund member, employer, third person etc).

A fund management company shall record the number and value of investment units of such fund member and the total amount of accumulated funds in the fund member's individual account.

A fund management company shall maintain and keep individual accounts of fund members in electronic form.

5. If a fund management company receives contribution payment from a fund member on whom it has insufficient information and is, therefore, unable to allocate such payment to a corresponding individual account, it shall transfer the assets originating from such payment to a special account – the account for unallocated payments and make conversion to investment units, and take, within the shortest possible time, all measures necessary to identify the fund member who made such payment and/or to transfer assets from such special account to the individual account of such fund member, as at the date of payment.

6. A fund management company shall maintain the individual account of a fund member by daily calculating the number and value of investment units in the following manner:

1) pension contributions paid and assets transferred from another fund, shall be added to the balance on the individual account of a fund member, while the number of investment units under such transaction shall be calculated as a decimal number (with five decimal places) by dividing the value of the transaction by the investment unit value as calculated on the day the contribution was paid into the fund account;

2) assets transferred to another fund, actual costs of transfer and assets paid out, shall be subtracted from the balance on the individual account of a fund member, while the number of investment units under such transaction shall be calculated as a decimal number (with five decimal places) by dividing the value of the transaction by the investment unit value as calculated on the day the payment order is placed.

The contributions paid and assets transferred from another fund to the fund's account in the custody bank by midnight each day, including payment orders placed with the custody bank by the fund management company by midnight each day, shall be converted into investment units and/or dinars, at the investment unit value as calculated for that day.

7. A fund management company shall respect the confidentiality of the fund member's individual account, and shall issue information on such account only to the fund member or a person authorised by the fund member, as well as at the request of a court or another competent authority.

8. A fund management company shall submit to a fund member the statement of such member's individual account, inclusive of all changes in such account, within the timeframe specified in the fund membership contract or at the request of such fund member. A fund management company shall send statements of the individual account of a fund member to the address of such member or in other manner agreed (e.g. at a bank counter, by fax, electronically, to the company's address, etc.).

9. The statement of the individual account of a fund member must contain the name of the fund management company and the name of the fund, as well

as the name and surname, unique personal identification number and individual account number of such fund member.

The statement of individual account of a fund member must be comprehensible and clear, and must contain relevant, unambiguous and complete information on:

- the period for which it is issued;
- the initial number and value of investment units in the period for which it is issued;
- the initial value of accumulated assets in the period for which it is issued;
- types and dates of transactions which created changes in the individual account;
- transaction amounts referred to in indent four hereof;
- amount of fees charged on transactions referred to in indent four hereof;
- changes in the number of investment units under transactions referred to in indent four hereof;
- the value of investment units under transactions referred to in indent four hereof;
- assets accumulated in the individual account at the end of the period for which it is issued;
- the total number and value of investment units at the end of the period for which it is issued.

The statement of a fund member's individual account may also contain additional information on operation of the fund management company and the fund, the explanation of individual terms in relation to the statement, the achieved rate of return on the individual account etc.

10. The achieved rate of return on the individual account shall be calculated by applying the internal rate of return calculation method, as follows:

$$Ac = \sum_{t=0}^n CF_t (1 + IRR)^{(n-t)/365},$$

whereby:

Ac – accumulated assets,

CF – cash flows, which imply gross contributions, assets transferred from another fund and payments from an individual account,
t – number of days from the start of the period for which the internal rate of return is calculated until the date of the cash flow,
n – total number of days in the period for which the internal rate of return is calculated,
IRR – internal rate of return.

11. A fund member may partly or entirely transfer the assets accumulated in its individual account from one fund to another by filing to the company managing the fund from which assets are transferred (hereinafter: paying company) a transfer request on the form enclosed herewith and integral thereto (Schedule 1).

The paying company shall provide the fund member with the form referred to in paragraph 1 hereof. The fund member may pick up the form on the premises of the paying company, download it from its website or pick it up on the premises of its intermediary and/or the legal person to which the paying company delegated the performance of activities of receiving the requests for individual account transfers.

12. A fund management company receiving the request for the transfer of an individual account shall determine the identity of the applicant and shall, within the shortest period possible, verify the completeness and accuracy of information in such request. In verifying the accuracy of the request, the paying company shall directly cooperate with the company managing the fund to which assets are transferred (hereinafter: receiving company), and shall make contact also with the applicant when necessary. If the information in the request is incomplete or incorrect, the paying company shall, within the shortest period possible, obtain additional and/or correct information.

The person employed by the legal person entrusted by the fund management company with the performance of activities of receiving the requests for individual account transfers shall, upon receiving the request, verify the identity of the fund member submitting the request and shall forward the request to the paying company by no later than the business day following the day of receipt.

13. When assets are transferred to the fund managed by another management company, the paying company shall submit to the receiving company, without delay, the draft asset transfer agreement and the report on fund member's assets being transferred.

The fund management company referred to in paragraph 1 hereof shall, within 15 days after the paying company received a complete transfer request, conclude an asset transfer agreement.

Within eight days from the conclusion of the agreement referred to in paragraph 2 hereof, the paying company shall submit to the custody bank an order to transfer assets from an individual account.

14. If assets are transferred to another fund managed by the paying company, the paying company shall, within 15 days from the receipt of the complete request, transfer the assets in accordance with such request.

15. The receiving company shall accordingly inform the fund member about the date of receiving the transferred assets, and the amount of these assets.

16. The transfer of assets in the individual account from one fund to another shall not be considered the payment of contributions.

17. This Decision repeals the Decision on Opening, Maintaining and Transferring Individual Accounts of Voluntary Pension Fund Members (RS Official Gazette, No 24/2008).

18. This Decision shall be published in the RS Official Gazette and shall enter into force on 1 October 2011.

NBS Executive Board No 67

11 August 2011

Belgrade

Chairman

Executive Board of the National Bank of

Serbia

Governor

National Bank of Serbia

dr Dejan Šoškić, sign.

**REQUEST FOR THE TRANSFER OF ASSETS FROM INDIVIDUAL ACCOUNTS OF
VOLUNTARY PENSION FUND MEMBERS**

Data on the fund member and transfer of assets:	
Name and surname	
Unique personal identification number	
Address	
Contact telephone	
Name of the fund from which assets are transferred	
Transfer of assets (circle):	total partial
Data on the individual account of the member of the fund from which assets are transferred (choose at least one of the offered options) and the amount of assets:	
1. Number of individual account	
2. Number of membership contracts	
3. Number of pension scheme contracts	
4. All accounts with the fund	
Specify the amount transferred – either in dinars or in percentage, or the number of investment units*:	

*** If the amount is specified in dinars, the balance in the individual account may change because of the change in the value of the investment unit from the moment the request is submitted until the moment assets are transferred.**

Data on the fund to which assets are transferred:	
Name of the management company	
Name of the fund	
Data on the individual account of the member of the fund to which assets are transferred (choose at least one of the offered options):	
1. Number of individual account	
2. Number of membership contracts	
3. Number of pension scheme contracts	

(date)

(signature of the fund member)

(name and surname of the person receiving the request)