The Slovak version of this law is the legally binding version;
the English version is for informational purposes only.

Act No 650/2004 of 26 October 2004 on the supplementary pension scheme (and amending certain laws), as amended by Act No 747/2004, Act No 584/2005, Act No 310/2006, Act No 209/2007, Act No 555/2007, Act No 659/2007, Act No 449/2008, Act No 186/2009, Act No 557/2009, Act No 520/2011, Act No 318/2013, Act No 352/2013, Act No 301/2014, Act No 375/2015, Act No 91/2016, Act No 125/2016, Act No 292/2016, Act No 279/2017, Act No 109/2018, Act No 177/2018, Act No 35/2019, Act No 156/2019, Act No 68/2020, Act No 95/2020, Act No 310/2021, Act No 101/2022, Act No 410/2022, Act No 210/2023, Act No 309/2023 and Act No 108/2024

650
ACT
of 26 October 2004
on the old-age pension scheme
and amending certain laws

The National Council of the Slovak Republic has adopted this Act:

ARTICLE I

DIVISION ONE
BASIC PROVISIONS

Section 1
Subject matter

This Act governs the supplementary pension scheme, the organisation, funding and implementation of the supplementary pension scheme, supervision of the supplementary pension scheme and the transformation of supplementary pension insurance companies.

Section 2
Supplementary pension scheme

(1) For the purpose of this Act, ‘supplementary pension scheme’ means a scheme under which:

(a) contributions to supplementary pensions (hereinafter ‘contributions’) are collected from participants in the supplementary pension scheme (hereinafter ‘participants’) and employers for the purpose stated in paragraph 2;

(b) assets in supplementary pension funds are managed in accordance with this Act;
(c) supplementary pension benefits (hereinafter 'benefits') are paid.

(2) The purpose of the supplementary pension scheme is to ensure that participants receive a supplementary pension income:
(a) in old age;
(b) upon ending employment in:
1. an occupation classified by a decision of the government health authority as category 3 or 4 under other legislation;[1]
2. the occupation of a dance artist in a theatre or troupe, irrespective of the dance style or technique performed, or the occupation of wind instrument musician.

(3) The payment of an employer's contributions, their amounts and the period since the establishment of a legal relationship on the basis of which a natural person becomes an employee, during which the employer is not obliged to pay contributions (hereinafter the 'waiting period') may be agreed in a collective agreement in the scope specified by this Act or, where there is no trade union representation, in an agreement with the employees' authorised representatives. The waiting period may not be longer than one year.

Definitions

Section 3
Employee

(1) For the purposes of this Act, 'employee' means an employee as defined by other legislation.[1a]

(2) This Act does not apply to the following persons, whose social insurance is governed by other legislation: members of the Police Force (*Policajný zbor*), the Slovak Intelligence Service (*Slovenská informačná služba*), the National Security Authority (*Národný bezpečnostný úrad*) and the Court and Prison Guard Service (*Zbor väzenskej a justičnej stráže*);[1b] members of the Fire and Rescue Service (*Hasičský a záchranný zbor*);[1c] members of the Mountain Rescue Service (*Horská záchranná služba*);[1d] armed members of the Financial Administration;[1e] professional members of the Armed Forces;[1f] and Armed Forces reservists.[1h]

Section 4
Employer

For the purposes of this Act, 'employer' means an employer as defined by other legislation.[2]

Section 4a

Potential participant

'Potential participant' means a person interested in entering into a supplementary pension scheme agreement with a supplementary pension management company (hereinafter a 'participant agreement').

Section 5
Participant

(1) For the purposes of this Act, 'participant' means:
(a) an employee who has concluded a participant agreement;
(b) any other natural person who as at the date of concluding a participant agreement had attained 18 years of age.

(2) Within 30 days after an employee commences employment in an occupation stated in Section 2(2)(b), the employer shall conclude an employer agreement with that employee. An employee in an occupation stated in Section 2(2)(b) shall conclude a participant agreement within 30 days after commencing this employment. In the case of the expiry of the participant agreement of an employee in an occupation stated in Section 2(2)(b), the employee shall conclude a new participant agreement within 30 days thereafter.

Section 5a
Outgoing worker

'Outgoing worker' means a participant who has ended a labour-law relationship or a similar legal relationship in the Slovak Republic, has failed to meet the conditions for entitlement to a supplementary retirement pension, and performs a gainful activity on the basis of a labour-law relationship or a similar legal relationship in another Member State of the European Union, the Republic of Iceland, the Principality of Liechtenstein or in the Kingdom of Norway.

Section 6
Beneficiary

'Beneficiary' means a natural person to whom a supplementary pension management company (hereinafter an 'SPMC') pays a benefit in accordance with this Act.

Section 6a
Occupational pension company

'Occupational pension company' means a foreign company that:
(a) performs an activity whose purpose corresponds to that of the supplementary pension scheme

under this Act;

(b) is incorporated separately from an employer from a Member State of the European Union, the Republic of Iceland, the Principality of Liechtenstein or the Kingdom of Norway;

(c) is established for the purpose of providing pension benefits in connection with the performance of an employee's activity; and

(d) performs activities directly arising from an agreement concluded individually or collectively between an employer and an employee or their representatives, or with a self-employed person in accordance with the legal regulations of the occupational pension company's Member State and the occupational pension company's host Member State.

Section 6b
Host Member State of an SPMC and host Member State of an occupational pension company

(1) 'Host Member State of an SPMC' means any of the following countries in which the SPMC operates or intends to operate: Republic of Iceland, Principality of Liechtenstein, Kingdom of Norway or a Member State of the European Union other than the Slovak Republic (hereinafter a 'host Member State').

(2) 'Host Member State of an occupational pension company' means any of the following countries in which the occupational pension company operates but is not incorporated: a Member State of the European Union, the Republic of Iceland, the Principality of Liechtenstein and the Kingdom of Norway.

Section 6c
Host Member State employer

'Host Member State employer' means any entity that comprises one or more legal persons or natural persons, acts as an employer or as a self-employed person or as an employer and self-employed person, and intends to pay or does pay contributions to an SPMC operating in the host Member State concerned or does pay contributions to an occupational pension company, which intends to make a cross-border transfer to an SPMC under Section 37d. A host Member State employer is not an employer under this Act.

Section 6d
Home Member State of an occupational pension company

'Home Member State of an occupational pension company' means any of the following countries in which the occupational pension company is incorporated: Republic of Iceland, Principality of Liechtenstein, Kingdom of Norway or a Member State of the European Union other than the Slovak Republic.

Section 6e
Pension plan

'Pension plan' means a piece of legislation of general application in a host Member State, or a contract or document, which is binding on an SPMC and regulates in particular the types of pension benefits provided by the SPMC in the host Member State and the conditions under which they are provided.

Section 6f
Competent authority

'Competent authority' means the authority exercising supervision over occupational pension companies in a Member State of the European Union, the Republic of Iceland, the Principality of Liechtenstein or in the Kingdom of Norway.

Section 6g
Member

'Member' means a natural person who is not a participant under this Act and who by virtue of their activity as employee is entitled to receive a pension benefit from an SPMC in a host Member State upon fulfilling conditions for the payment of the benefit.

Section 6ga
Potential Member

'Potential member' means a person interested in occupational pension insurance and eligible to acquire the rights and obligations arising from a pension plan.

Section 6h
Pension benefits

'Pension benefits' means benefits paid or provided by an SPMC operating in a host Member State, subject to the fulfilment of conditions for the payment or provision of the benefits as payments in the event of death, disability or termination of employment or as support payments or services in the event of illness, poverty or death; pension benefits are paid or provided as a lump sum, a temporary annuity, or a lifetime annuity.

Section 6i
Pension recipient

‘Pension recipient’ means a natural person who is not a beneficiary under this Act and to whom an SPMC in a host Member State pays a pension benefit.

Section 6j
Key function

‘Key function’ means any of the following functions: internal control function, risk management function, and internal audit function.

Section 6k
Financial institution

‘Financial institution’ means any of the following entities: management company, foreign management company, self-managed investment fund, investment firm, foreign investment firm, bank, foreign bank, foreign bank with its registered office in another country that is a contracting party to the Agreement on the European Economic Area, insurance company, insurance company from another country that is a contracting party to the Agreement on the European Economic Area, foreign insurance company, reinsurance company, reinsurance company from another country that is a contracting party to the Agreement on the European Economic Area, foreign reinsurance company, central depository of securities, foreign central depository of securities, stock exchange, pension management company, and entities with a similar scope of activity, having their registered office outside the territory of the Slovak Republic.

Section 7
Prohibition of discrimination

(1) The prohibition of discrimination in the implementation of the supplementary pension scheme shall be governed by other legislation,[3] unless this Act provides otherwise.

(2) Provisions of a collective agreement relating to the supplementary pension scheme and the provisions of an employer agreement, participant agreement, or rules of a supplementary pension fund shall be invalid if at variance with the principle of equal treatment.

(3) Discrimination by gender is not deemed to include the setting of a different level of an employer’s contributions in order to balance or almost balance the level of benefits for both sexes.

(4) The rights of a participant under the supplementary pension scheme shall be the same whether the participant lives abroad or in the Slovak Republic.

(5) Provisions of this Act relating to participants and beneficiaries apply equally to a member and pension recipient in the scope laid down by this Act.

DIVISION THREE
PAYMENT OF CONTRIBUTIONS

Section 12
Contribution payers

(1) Contributions shall be paid by:

(a) participants, unless this Act provides otherwise,

(b) employers for employees who are a member under Section 5(1)(a), where the employer has concluded an employer agreement under Section 58.

(2) The contributions of an employee who performs an occupation stated in Section 2(2)(b) and has concluded a participant agreement shall be paid by the employer as from the date on which the employee commenced performance of that occupation for the employer. During the period of performing this occupation, the participant may pay contributions.

(3) Where employers send participants to work in another country, they may, in accordance with this Act, pay contributions for such participants for the period while they are working abroad.

Section 13
Amount of contributions and method of paying contributions

(1) Contributions shall be paid to an account held with a bank, or the branch of a foreign bank, designated solely to receive payments from participants and employers until such time as the participant to whom the payment relates is identified (hereinafter an ‘unassigned payments account’).

(2) Employers shall by electronic means send the SPMC an itemised statement of the contributions they have paid on behalf of employees who are participants, and shall do so within the time limit stipulated in the employer agreement. Where an employer pays contributions for an employee performing an occupation stated in Section 2(2)(b), the itemised statement shall indicate that they pertain to an employee performing an occupation stated in Section 2(2)(b) and provide for the separate recording thereof, and it shall also indicate the period during which the payments were made.

(3) Employers referred to in Section 12(2) shall pay contributions in the amount and in the manner stipulated in the employer agreement, but in an amount not lower than 2% of:

(a) the employee’s assessment base for the payment of the old-age insurance premium under other legislation;[4]

(b) net salary, if the employee is not covered by mandatory pension insurance.

Section 14
Transfer of contributions

(1) A participant and employer who pay contributions shall transfer contributions themselves, unless this Act provides otherwise.

(2) Contributions for an employee who is a participant shall be transferred by the employer, provided that the employee so agrees.

DIVISION FOUR
BENEFITS

Section 15
Material scope of the supplementary pension scheme

The following benefits shall be paid under the supplementary pension scheme in accordance with the conditions laid down in this Act:

(a) a supplementary retirement pension in the form of:
   1. a lifetime supplementary retirement annuity;
   2. a temporary supplementary retirement annuity;

(b) a supplementary service pension in the form of:
   1. a lifetime supplementary service annuity;
   2. a temporary supplementary service annuity;

(c) a lump sum;

(d) an early withdrawal.

Section 16
Conditions for the payment of a supplementary retirement pension and the amount of a supplementary retirement pension

(1) Participants who request payment of a supplementary retirement pension from an SPMC shall be entitled to such payment provided that:

(a) they are entitled to receive an old-age pension under other legislation;[5] or

(b) they are entitled to receive an early retirement pension under other legislation;[5a] or

(c) they have attained the age of entitlement to an old-age pension under other legislation,[5b] valid in the relevant calendar year.

(2) Supplementary retirement pensions shall be paid for a period of at least five years.

(3) The amount of a lifetime supplementary retirement annuity shall be determined according to the current value of the personal account and to the participant's age from which the annuity is to be paid. If a participant concurrently requests a lump-sum payment, the amount of the lifetime supplementary retirement annuity shall be determined according to the current value of the personal account after the lump sum payment is made and to the participant's age as of when payment of the lifetime supplementary retirement annuity is to start.

(4) The amount of a temporary supplementary retirement annuity shall be determined according to the current value of the personal account, and the number of years over which the pension is to be paid. If a participant simultaneously requests a lump-sum payment, the amount of the temporary supplementary retirement annuity shall be determined according to the current value of the personal account after the lump-sum payment is made and to the number of years over which the temporary supplementary retirement annuity is to be paid.

(5) If a participant requests a lump-sum payment and simultaneously on the same date requests payment of a lifetime supplementary retirement annuity, the amount used to pay the annuity may not be less than 50% of the current value of the participant's personal account as at the date of the request for payment of the annuity.

(6) If a participant requests a lump-sum payment and simultaneously on the same date requests payment of a temporary supplementary retirement annuity, the amount used to pay the annuity may not be less than 75% of the current value of the participant's personal account as at the date of the request for payment of the annuity.

Section 17
Conditions for the payment of a supplementary service pension and the amount of a supplementary service pension

(1) Participants who request payment of a supplementary service pension from an SPMC shall be entitled to such payment provided that the period during which their employer has paid contributions for them owing to their performance of an occupation stated in Section 2(2)(b) is not less than ten years and that they have attained 55 years of age.

(2) Temporary supplementary service annuities shall be paid for at least five years.

(3) The amount of a lifetime supplementary service annuity shall be determined according to the current value of the personal account and on the participant's age from when the annuity will be paid.

(4) The amount of a temporary supplementary service annuity shall be determined according

to the current value of the personal account, and the number of years over which the annuity will be paid.

Section 18
Lump-sum payment conditions and the lump-sum amount

(1) Lump-sum payments to participants shall be made on grounds of:

(a) invalidity due to a more than 70% loss of their ability to perform a gainful activity under other legislation,[5] at the participant's request, provided that their entitlement to such settlement arose after the conclusion of a participant agreement;
(b) satisfaction of the requirements for payment of the supplementary retirement pension or supplementary service pension, if the participant has applied for payment thereof and if the amount corresponding to the current value of the personal account of the participant is less than twice the average monthly wage in the economy of the Slovak Republic in the previous calendar year as reported by the Statistical Office of the Slovak Republic;
(c) the dissolution of an accumulation supplementary pension fund; or
(d) the liquidation and dissolution of an SPMC, preceded by the dissolution of all supplementary pension funds.

(2) Participants shall also be paid a lump sum provided that they have met the conditions for payment of a supplementary retirement pension and have applied for payment of a supplementary retirement pension and payment of a lump sum in accordance with Section 20(4).

(3) A lump-sum payment under paragraph 2 shall be made in the amount requested by the participant, not exceeding 50% of the current value of the participant's personal account as at the day preceding the date on which an amount equal to the current value of the participant's personal account was transferred to an insurance company as defined in Section 20(3), if the participant has simultaneously requested such transfer.

(4) A lump-sum payment under paragraph 2 shall be made in the amount requested by the participant, not exceeding 25% of the current value of the participant's personal account as at the day proceeding the date on which the amount was paid, if the participant has simultaneously requested payment of a temporary supplementary retirement annuity.

(5) A lump-sum payment shall be made in the amount equal to 100% of the current value of the participant's personal account as at the day preceding the payment date, provided that the participant has met conditions stipulated in paragraph 1.

(6) A lump sum shall be paid to the authorised person stated in the participant agreement in the case of the participant's death, the death of the beneficiary of the temporary supplementary retirement annuity or the death of the beneficiary of the temporary supplementary service annuity,

in an amount equal to 100% of the current value of the participant's personal account.

Section 19
Early withdrawal

(1) Participants who do not meet the conditions for the payment of a benefit mentioned in Section 15(a) or (b) and who request an early withdrawal shall be paid an amount equal to the product of, on the one hand, the current value of the supplementary pension point as at the day preceding the date stated in the application for an early withdrawal and, on the other hand, the number of all the supplementary pension points credited from the contributions paid by the participant, or a proportion of this amount designated by the participant; the submission of an application for the payment of a benefit mentioned in Section 15(a) or (b) shall not for this purpose be deemed to be a condition for the payment of a benefit.

(2) Participant agreements shall not be terminated by the event of an early withdrawal.

(3) A first early withdrawal may not be made until at least ten years after the date on which the first participant agreement, under which were paid contributions constituting part of the assets from which the early withdrawal is to be made, was concluded. A subsequent early withdrawal may not be made until at least ten years after the date on which the previous early withdrawal was made; this ten-year time limit shall not be ended if the participant switches to another SPMC.

Section 20
Payment of benefits

(1) Temporary supplementary retirement annuities, temporary supplementary service annuities, lump-sum payments, and early-withdrawal payments shall be paid by SPMCs to participants who have applied for payment thereof and who meet the conditions for payment as laid down in this Act. Participants applying for the payment of a benefit mentioned in Section 15 shall submit their application to the SPMC with which they have their participant agreement.

(2) SPMCs shall transfer to the insurance company[7] selected by a participant an amount equal to the current value of the participant's personal account as at the day preceding the date on which this amount is transferred to the insurance company; if the participant has applied for a lump-sum payment under Section 18(3), this amount shall be reduced by the amount of the lump-sum payment made to the participant.

(3) Insurance companies shall pay lifetime supplementary retirement annuities and lifetime supplementary service annuities after the conditions for the payment thereof, laid down in this Act, have been met, and they shall do so on the basis of an insurance policy[8] between the insurance company and the participant. For the purposes of this Act, 'insurance company' means 'an insurance

company, an insurance company based in another Member State, or a foreign insurance company' as defined in other legislation.[7] The insurance policy may be concluded only after the application for payment of the lifetime supplementary retirement annuity or the lifetime supplementary service annuity has been submitted.

(4) An application for the payment of a benefit mentioned in Section 15 shall include:

(a) the participant's forename, surname and permanent address;
(b) the type of benefit or benefits for which the participant is applying and, where a supplementary retirement pension or supplementary service pension is being applied for, the form of the pension;
(c) if the application is for a lump-sum payment along with a supplementary retirement pension, the requested amount of the lump-sum payment expressed as a percentage or fixed amount;
(d) if the participant requests the transfer to an insurance company of an amount equal to the current value of their personal account in accordance with paragraph 2, the participant's declaration that they are aware that a lifetime supplementary retirement annuity and a lifetime supplementary service annuity cannot become a subject of inheritance under Section 21;
(e) the number of the account held with a bank or foreign bank branch to which the benefit is to be transferred, unless the participant has requested payment by postal order;
(f) annexes presenting facts essential for the assessment of whether the benefit payment conditions have been met.

(5) An application under paragraph 4 shall be signed by the participant and the authenticity of the signature shall be officially certified; this condition is deemed to be met if the applicant has proven their identity to a person authorised by the SPMC.

(6) If an application under paragraph 4 does not include the prescribed elements, the SPMC shall, within 15 days after receiving the application, make a written request to the participant to correct the deficiencies in the application. The request to correct deficiencies must include reasons for the correction.

(7) Benefits shall be paid by SPMCs within the time limit laid down in the participant agreement, which shall not be longer than 60 days after the company receives the complete application in accordance with paragraph 4.

(8) Benefits shall also be payable abroad. Where a benefit is paid in a Member State of the European Union other than the Slovak Republic or in the Republic of Iceland, the Principality of Liechtenstein, the Kingdom of Norway or in Switzerland, the SPMC shall not be entitled to a handling fee for the payment of such benefits.

Section 21
Inheritance conditions in the supplementary pension scheme

The current value of the personal account of a participant or the beneficiary of a temporary supplementary retirement annuity or of a temporary supplementary service annuity shall be the subject of inheritance proceedings, unless the deceased participant or beneficiary of a temporary supplementary retirement annuity or of a temporary supplementary service annuity designated a different natural person or legal person as the person authorised to receive payment of the current value of the personal account.

DIVISION FIVE
SPMCs AND CONDITIONS FOR THE ACTIVITIES OF SPMCs

Section 22
SPMCs

(1) SPMCs are joint stock companies incorporated in the Slovak Republic whose scope of business is the establishment and management of supplementary pension funds as part of the supplementary pension scheme, and on the basis of an authorisation, issued by Národná banka Slovenska, to establish and operate an SPMC (hereinafter an 'authorisation').

(2) 'Management of a supplementary pension fund' means:

(a) the collection of contributions and the recovery of contributions;
(b) the management of investments, which for the purposes of this Act means increasing the value of supplementary pension fund's assets;
(c) administration, which means:
    1. maintaining the personal accounts of participants and beneficiaries;
    2. paying benefits;
    3. keeping a list of participants and beneficiaries;
    4. keeping the accounts of supplementary pension funds;
    5. maintaining business documentation;
    6. providing legal services related to the management of supplementary pension funds' assets;
    7. fulfilling tax obligations related to the management of assets in a supplementary pension fund;
    8. exercising voting rights and other rights attached to the securities constituting supplementary pension funds' assets;
    9. determining the value of supplementary pension funds' assets`;
    10. distributing income from the management of supplementary pension funds' assets;
    11. meeting obligations under legal relations with third parties and enforcing claims under legal relations entered with third parties, being liabilities and claims of the SPMC related to the acquisition and management of supplementary pension funds' assets;
    12. providing information to participants and beneficiaries and handling any complaints they

may make;[10]

13. exercising internal control;
14. providing advisory and consultation services to participants;
15. risk management of supplementary pension funds;
16. performing internal audit;

(d) the promotion and advertising of supplementary pension funds.[11]

(3) No person other than an SPMC may perform activities under this Act unless this Act provides otherwise.

(4) SPMCs may, in accordance with other legislation,[8] enter into an insurance policy with an insurance company[7] against the event of a participant's invalidity or death, or may arrange such insurance if they have been authorised by Národná banka Slovenska to perform the activities of an insurance agent under other legislation.[12]

(5) SPMCs may not perform any activity other than an activity in accordance with this Act. SPMCs shall have a clean criminal record for the duration of their authorisation.

(6) SPMCs are subject to the Commercial Code unless this Act provides otherwise.

(7) The business name of an SPMC shall include, in addition to elements laid down by the Commercial Code, the designation '*doplnková dôchodková spoločnosť*' [SPMC], or the abbreviation '*d.d.s.*'. No other natural person or legal person may have a business name that includes this designation or a designation in the Slovak language or a foreign language which is confusable with it.

(8) The share capital of an SPMC shall be no less than EUR 1,650,000, or an equivalent amount in a foreign currency, and it shall be paid up in full prior to the filing of an application under Section 23(2).

(9) SPMCs may issue shares only in the form of registered book-entry securities.

(10) It is prohibited to:

(a) change the scope of business, change the legal form, or carry out a cross-border change in the legal form of an SPMC; an amendment to the authorisation approved by Národná banka Slovenska is not deemed to constitute a change in the scope of business;
(b) change the form and type of shares of an SPMC;
(c) merge, divide, or carry out a cross-border conversion of an SPMC;
(d) sell the business of an SPMC, or any part thereof, on the basis of a contract for the sale of a company[13] or part thereof.

Authorisation
Section 23

(1) For an authorisation to be granted, the fulfilment of the following conditions must be demonstrated:

(a) the share capital of the SPMC as mentioned in Section 22(8) is paid up in cash, this being deposited in a current account or deposit account held with a bank or foreign bank branch which fulfils the conditions to operate as a depository of supplementary pension funds (hereinafter a 'depository') and with which the founder has concluded a contract under paragraph 4(g);

(b) the share capital and other financial resources of the SPMC have a clear, trustworthy and legal provenance;

(c) persons with a qualifying holding[14] in the SPMC are eligible and their relationships with other entities are transparent, especially as regards interests in the share capital and in the voting rights;

(d) persons nominated to a position at the SPMC that is a member of the management board, a member of the supervisory board, a procurator, a manager responsible for investment management under this Act who reports directly to the management board, or a key function holder are professionally competent and of good repute;

(e) any closely linked group[15] that includes a shareholder with a qualifying holding in the SPMC is transparent;

(f) the exercise of supervision is not impeded by the close links of the group mentioned in point (e);

(g) the registered office of the SPMC and the place from which its operation is controlled and where its strategic decisions are made (hereinafter the 'headquarters') are located in the territory of the Slovak Republic;

(h) the articles of association of the SPMC comply with this Act;

(i) material provisions are in place for the operation of the SPMC, meaning the material and technical provisions required to perform the activities of the SPMC;

(j) the organisational provisions are in place for the operation of the SPMC, meaning prudential business rules and operating rules for the management of supplementary pension funds;

(k) the founder of the SPMC is not in receivership, is not in liquidation, is not subject to a bankruptcy order or to a decision to reject a bankruptcy petition against it on grounds of insufficient assets, has not been subject to bankruptcy proceedings within the past five years, and has not had any outstanding bankruptcy liabilities within the past year;

(l) the depository has been selected in accordance with this Act;

(m) the rules of the supplementary pension funds are in accordance with this Act and provide for adequate protection of participants and beneficiaries in regard to the investment strategy and risk profile of the supplementary pension fund; the risk profile of a supplementary pension fund means the indication of the degree of risk attached to investing in the supplementary pension fund;

(n) persons whose position at the depository is a member of the management board, a procurator, or a manager responsible for the performance of depository activities are professionally competent and of good repute;
(o) the founder of the SPMC is a person with a clean criminal record;
(p) the shareholders of the SPMC are persons with a clean criminal record;
(q) the organisational structure of the SPMC contains at least two employees who are responsible for investment management;
(r) the employees responsible for investment management report directly to the management board of the SPMC;
(s) the professional competence of employees who come into contact with retail clients[15a] is demonstrated pursuant to other legislation.[15b]

(2) An application for authorisation shall be submitted to Národná banka Slovenska by the founder of the SPMC unless this Act provides otherwise.

(3) An authorisation application as referred to in paragraph 2 shall include the following information about the prospective SPMC:
(a) its business name and registered office address;
(b) the amount of its share capital;
(c) a list of the shareholders with a qualifying holding[14] in the company; the list shall include the forename, surname, permanent residence, and date of birth of natural persons thereon and the business name, registered office address, and company registration number of legal persons thereon, and the amount of the qualifying holding;
(d) the forename, surname, permanent residence, and date of birth of natural persons nominated to be a member of the management board, a member of the supervisory board, a procurator, a manager responsible for investment management under this Act who reports directly to the management board, or a key function holder, and information as to whether they are professionally competent and of good repute;
(e) information on the material and organisational provisions for the operation of the company;
(f) the forename, surname, permanent address, and date of birth of persons whose position in the depository is a member of the management board, a procurator, or a manager responsible for the performance of depository activities;
(g) the names of the supplementary pension funds that the SPMC will establish and manage;
(h) the business name, registered office address and company registration number of the depository;
(i) a declaration by the applicants that the submitted information is complete and true;
(j) a list of activities outsourced under Section 37 to a natural person or legal person, if the founder of the SPMC has concluded an outsourcing contract under Section 37(1).

(4) The following documents shall be attached to an authorisation application:
(a) the deed of incorporation or the memorandum of association;

(b) the draft articles of association of the SPMC;
(c) the brief curricula vitae of the persons mentioned in paragraph 3(d), documents confirming their completed education and professional experience, their declarations of honour stating that they meet the requirements laid down by this Act and the information necessary for requesting criminal register extracts[15c] for these persons or, in the case of foreign nationals, proof of a clean criminal record pursuant to paragraph 12;
(d) a declaration by the founder of the SPMC that the founder is not in receivership, has not been subject to bankruptcy proceedings within the past five years, and has not had any outstanding bankruptcy liabilities within the past year;
(e) a document confirming that the share capital is paid up;
(f) the draft rules of the supplementary pension funds;
(g) a preliminary contract on the performance of depository services concluded by the founders of the supplementary pension fund company founders and the depository;
(h) the brief curricula vitae of the depository's manager responsible for the performance of depository activities, documents confirming their educational attainment and professional experience, their declarations of honour stating that they meet the requirements laid down by this Act, and the information necessary for requesting criminal register extracts for these persons or, in the case of foreign nationals, proof of a clean criminal record pursuant to paragraph 12;
(i) an outsourcing contract under Section 37(1), if the founder of the SPMC has concluded such a contract;
(j) the key information document ('KID') for the accumulation supplementary pension fund;
(k) the business plan for the future SPMC, including the company's organisational structure, covering the period of at least three years following the year in which the application for an authorisation was submitted;
(l) the draft internal regulations and operating procedures of the SPMC for ensuring compliance with prudential business rules;
(m) the draft internal regulations and operating procedures of the SPMC for ensuring that supplementary pension funds are managed in compliance with prudential business rules.

(5) Where documents attached to the authorisation application have been submitted to Národná banka Slovenska in proceedings that predated the submission of the authorisation application, it shall suffice to submit instead of them a written declaration that the documents are up to date, complete and true, that there has been no change in any of the facts they present, and that they continue to meet all the requirements laid down by this Act; the declaration shall bear the certified signatures of persons authorised to act on behalf of the applicant and shall include a list of documents already submitted to Národná banka Slovenska and the date of their submission.

(6) The proceedings and decision on an authorisation application shall be governed by other legislation[9] unless this Act provides otherwise. Národná banka Slovenska shall decide on an authorisation application within a period of six months from the date of the submission of the

authorisation application.

(7) Národná banka Slovenska shall reject an authorisation application if the founder does not fulfil, or does not prove fulfilment of, any of the conditions stated in paragraph 1. The economic needs of the market may not constitute a reason for rejecting an authorisation application.

(8) The conditions stated in paragraph 1 shall be fulfilled without interruption for the duration of the validity of the authorisation.

(9) Národná banka Slovenska shall issue a measure, to be promulgated in the Collection of Laws of the Slovak Republic, stipulating how compliance with the conditions laid down in paragraph 1 is to be demonstrated.

(10) For the purposes of this Act, 'professional competence' means: other legislation

(a) completed university education (master's degree) and at least three years' experience in the field of financial markets or at least three years' experience in a managerial position in the financial markets sector that is appropriate for:
    1. a member of the management board of an SPMC;
    2. a member of the supervisory board of an SPMC;
    3. a procurator of an SPMC; or
    4. a manager of the depository responsible for the performance of depository activities;
(b) completed university education (master's degree) and at least three years' experience in the field of financial markets that is appropriate for the professional activities to be performed by a person in charge of the following functions:
    1. internal control;
    2. risk management;
    3. internal audit;
(c) at least three years' experience in investment management in the capital market sector for an employee responsible for investment management;
(d) the basic level of professional competence as defined in other legislation[15b] for an employee coming into contact with retail clients.

(11) For the purposes of this Act, a natural person is deemed to be of good repute if that person has a clean criminal record and is someone who in the previous ten years:

(a) has not held a position mentioned in paragraph 3(d) at an SPMC, nor the position of a manager or a member of the statutory body or supervisory board at a financial institution, within one year before the authorisation of that SPMC or the business authorisation of that institution was withdrawn;
(b) has not held a position mentioned in paragraph 3(d) at an SPMC managing supplementary pension funds that have been placed in receivership, nor the position of a manager or a member of the statutory body or supervisory board at a financial institution placed in receivership, at

any time within one year before such fund or institution was placed in receivership;

(c) has not held a position mentioned in paragraph 3(d) at an SPMC, nor the position of a manager or a member of the statutory body or supervisory board at a financial institution, at any time within one year before a bankruptcy order was made against that company or institution, before a petition for a bankruptcy order against it was rejected on grounds of insufficient assets, or before it entered into liquidation;

(d) did not hold a position mentioned in paragraph 3(d) at an SPMC, nor the position of a manager or a member of the statutory body or supervisory board at another legal person, at the time when that SPMC or legal person committed an intentional crime of which it has been convicted by a final judgement;

(e) has not received a final fine exceeding 50% of the maximum fine that could be imposed on them under this Act or under other legislation;[18]

(f) has performed their duties and conducted their business activities reliably, honestly, and without infringing any legislation of general application, and, these facts being taken into account, guarantees that they will perform the duties of the position for which they have been nominated in a reliable and honest manner, without breaching any legislation of general application, and in fulfilment of their obligations under legislation of general application and under the articles of association and other internal regulations of the SPMC.

(12) A person is deemed to have a clean criminal record if that person has not been convicted by a final judgement of an intentional crime or of a crime committed in connection with the performance of managerial duties. A clean criminal record shall be proved with a criminal register extract or, if the person is a foreigner or a legal person established outside the Slovak Republic, with equivalent proof of a clean criminal record, not older than three months, issued by a competent authority of the country of which that person permanently or habitually resides or has its registered office. A national of another Member State of the European Union, the Republic of Iceland, the Principality of Liechtenstein or the Kingdom of Norway can prove they have a clean criminal record with the following documents:

(a) a criminal register extract issued in another Member State of the European Union, the Republic of Iceland, the Principality of Liechtenstein or in the Kingdom of Norway of which that person is a national or in which its registered office is situated;

(b) proof of a clean criminal record issued by the competent authority of the country of which that person is a national or in which its registered office is situated if a criminal register extract under point (a) is not issued;

(c) if proof of a clean criminal record under point (b) is not issued, the person’s declaration of honour that they have a clean criminal record, certified by a notary public in the Slovak Republic or by a competent judicial or administrative authority or notary public in another Member State of the European Union, the Republic of Iceland, the Principality of Liechtenstein or the Kingdom of Norway where that person has permanent residence or habitually resides or has their registered office.

(13) For the purposes of reviewing and demonstrating facts concerning a clean criminal record, the applicant and the person concerned shall provide in writing to Národná banka Slovenska the information[15c] necessary for requesting a criminal register extract; Národná banka Slovenska shall, without delay, send that information in electronic form by electronic communication to the Prosecutor-General's Office of the Slovak Republic for the issuance of the criminal register extract.

(14) An eligible person with a qualifying holding under this Act means an eligible person with a qualifying holding under other legislation.[20]

(15) The verification of whether members of the management board and procurators of a depository are professionally competent and of good repute shall be carried out in accordance with other legislation.[20a]

(16) In proceedings for the issuance of an authorisation mentioned in paragraph 2, Národná banka Slovenska may recognise that a natural person who has held a position mentioned in paragraph 11(a) to (d) is of good repute, provided that the nature of the matter implies that the natural person, in respect of the time for which that person held the position mentioned in paragraph 11(a) to (c), could not have influenced the activities of the SPMC or the financial institution, nor have caused the consequences mentioned in paragraph 11(a) to (d).

Section 24

(1) An authorisation shall be issued for an indefinite period and may not be transferred to another person, nor assigned to a successor of the SPMC, unless this Act provides otherwise. An authorisation may also contain conditions which the SPMC must meet prior to commencing its authorised activity.

(2) In addition to the general elements of a decision as defined in a decision under other legislation,[21] the statement of the decision to issue an authorisation shall state the following:

(a) the business name and registered office address of the SPMC whose establishment and operation are the subject of the authorisation;
(b) the scope of business of the SPMC;
(c) the forename, surname, permanent residence and date of birth of natural persons who may exercise the office of a member of the management board, a member of the supervisory board or a procurator;
(d) the approval of the articles of association of the SPMC;
(e) the names of the supplementary pension funds;
(f) the approval of the rules of the accumulation supplementary pension fund and the rules of the decumulation supplementary pension fund;
(g) the business name, registered office address and company registration number of the depository;

(3) At the request of an SPMC, Národná banka Slovenska may issue a decision to amend the company's authorisation. The assessment of an application to amend an authorisation is equally subject to Section 23. Where information stated in an authorisation is amended on the basis of prior approval granted by Národná banka Slovenska under Section 26, such amendment shall be considered approved upon the granting of that prior approval by Národná banka Slovenska. In order to amend an authorisation by changing only the forename, surname or place of permanent residence of a natural person or persons already approved under the procedure mentioned in Section 23 or Section 26, the approval of Národná banka Slovenska is not required. Written notification of any such change shall be given by the SPMC to Národná banka Slovenska no later than 10 days after the date on which the company was informed or otherwise learnt of this fact.

(4) The founder of an SPMC shall, on the basis of the company's authorisation, file with the competent registration court an application for the company's incorporation in the Commercial Register and it shall do so within 30 days from the effective date of the decision to grant such authorisation. Within 30 days after the effective date of an amendment to its authorisation, the SPMC shall file with the competent registration court an application to amend the company's entry in the Commercial Register.

(5) An application to incorporate an SPMC in the Commercial Register, or an application to amend the company's entry therein, shall include the final decision of Národná banka Slovenska to issue or amend the authorisation.

(6) Following its incorporation in the Commercial Register, an SPMC may commence the activities stated in its authorisation, or in an amendment thereto.

(7) SPMCs shall without undue delay notify Národná banka Slovenska in writing of their commencement of the activity stated in the authorisation or in an amendment thereto.

(8) SPMCs shall without undue delay notify Národná banka Slovenska in writing of any change in a condition on which the decision to issue the authorisation was based, and of any changes in the facts listed in Section 23(1)(a) to (e), (g) to (l), (o) and (p).

(9) Národná banka Slovenska shall notify the European supervisory authority (the European Insurance and Occupational Pensions Authority) of each authorisation that it issues.

Section 25

(1) An authorisation shall expire:

(a) as of the date when the SPMC transfers the management of its pension funds, along with the rights and obligations vis-à-vis participants and beneficiaries which arise under the

supplementary pension scheme, to another SPMC, provided that the transferor is to be dissolved for a reason other than the withdrawal of its authorisation;

(b) on the date of a bankruptcy order against the SPMC or on the date of a decision to refuse a petition for a bankruptcy order against the SPMC on grounds of insufficient assets, taken in accordance with other legislation;[16]

(c) on the date on which the authorisation is returned in writing to Národná banka Slovenska following the granting of prior approval under Section 26(1)(d);

(d) if within the time limit stipulated in Section 24(4), the SPMC or its founder has not met its obligation to have the SPMC incorporated in the Commercial Register;

(e) if within six months after its incorporation in the Commercial Register, the SPMC has not commenced the activities stated in its authorisation;

(f) on the effective date of a decision of Národná banka Slovenska to withdraw the authorisation.

(2) SPMCs shall without undue delay notify in writing Národná banka Slovenska of the existence of any facts mentioned in paragraph 1(a), (b) and (e).

(3) The founder of an SPMC shall without undue delay notify in writing Národná banka Slovenska of the existence of any facts mentioned in paragraph 1(d).

(4) Národná banka Slovenska shall without undue delay notify the competent registration court of the return of an authorisation under paragraph 1(c).

Conditions for the activities of an SPMC

Section 26
Prior approval of Národná banka Slovenska

(1) The prior approval of Národná banka Slovenska shall be required to:

(a) acquire a qualifying holding in an SPMC or to increase a qualifying holding in an SPMC to such an extent that it reaches or exceeds 20%, 30% or 50% of the SPMC's share capital or voting rights or that the SPMC becomes a subsidiary of another legal person in one or more transactions, executed either directly or acting in concert;[22]

(b) reduce the share capital of an SPMC exceeding the share capital mentioned in Section 22(8);

(c) elect a member of the management board or a member of the supervisory board, or in order to appoint a manager responsible for investment management who reports directly to the management board, a key function holder, or a procurator; prior approval is not required for the re-election or reappointment of such persons for a successive term of office;

(d) return an authorisation;

(e) dissolve an SPMC without liquidation by merging it with another SPMC, including the transfer to the successor SPMC of the management of the supplementary pension funds and the rights

and obligations arising under the supplementary pension scheme;

(f) transfer to another SPMC the management of supplementary pension funds, along with the rights and obligations of participants and beneficiaries under the supplementary pension scheme;
(g) amend the rules of a supplementary pension fund;
(h) outsource activities under Section 37 to another natural person or legal person;
(i) change a depository;
(j) establish a new supplementary pension fund;
(k) merge accumulation supplementary pension funds;
(l) dissolve a supplementary pension fund;
(m) make a cross-border transfer pursuant to Section 37d.

(2) The granting of prior approval:

(a) under paragraph 1(a) is subject to the conditions laid down in Section 23(1)(c), (e) to (g) and (p) and to proof of the clear and trustworthy provenance, sufficient amount and appropriate composition of the funds with which the operation is to be executed;
(b) under paragraph 1(b) is subject to the capital adequacy conditions for SPMCs and to the share capital conditions for SPMCs under Section 22(8);
(c) under paragraph 1(c) is subject to the conditions laid down in Section 23(1)(d);
(d) under paragraph 1(d) is subject to proof that the SPMC is no longer managing any supplementary pension funds, and that the management of the supplementary pension funds previously managed by the company has been duly transferred to another SPMC or that the company has settled all of its liabilities towards participants and beneficiaries, including any liabilities arising from dissolved supplementary pension funds;
(e) under paragraph 1(e) is subject to proof that the other SPMC with which the SPMC is to merge meets the conditions laid down in Section 23(1), and to compliance with the preconditions for the operations and activities related to the merger as mentioned in Section 38;
(f) under paragraph 1(f) is subject to proof that the management of the supplementary pension funds is to be transferred to an SPMC which has a valid authorisation and that the transfer of the supplementary pension funds' management does not prejudice the interests of participants and beneficiaries, to compliance with the preconditions for the operations and activities referred to in Section 51, and, where there is to be a simultaneous change of depository, to proof of compliance with the conditions laid down in Section 23(1)(l) and (n);
(g) under paragraph 1(g) is subject to compliance with the conditions laid down in Section 23(1)(m);
(h) under paragraph 1(h) is subject to compliance with the conditions laid down in Section 37;
(i) under paragraph 1(i) is subject to compliance with the conditions laid down in Section 23(1)(l) and (n);
(j) under paragraph 1(j) is subject to compliance with the conditions laid down in Section 23(1)(m) and (n) and to submission of the depository's preliminary consent to acting as depository for the new supplementary pension fund;

(k) under paragraph 1(m) is subject to compliance with the conditions laid down in Section 23(1)(m) and Section 50;
(l) under paragraph 1(l) is subject to proof that the SPMC is able to ensure performance of the activities related to the dissolution of the supplementary pension fund;
(m) under paragraph 1(m) is subject to the conditions set out in Section 37d.

(3) The provisions of paragraph 1(a) and (e) are without prejudice to the provisions of other legislation.[23]

(4) An application for prior approval:
(a) under paragraph 1(a) shall be submitted by the legal or natural persons planning to acquire a direct interest in the share capital of the SPMC, or by a person planning to become the parent company of the SPMC;
(b) under paragraph 1(b), (d), (g) to (i) and (m) shall be submitted by the SPMC;
(c) under paragraph 1(c) shall be submitted by the SPMC or a shareholder of the SPMC;
(d) under paragraph 1(e) shall be submitted jointly by the SPMCs that are to be merged;
(e) under paragraph 1(f) shall be submitted by the SPMC which manages the supplementary pension funds or the receiver thereof;
(f) under paragraph 1(j) shall be submitted by the SPMC that is establishing a new supplementary pension fund;
(g) under paragraph 1(k) shall be submitted by the SPMC that is merging the accumulation supplementary pension funds;
(h) under paragraph 1(l) shall be submitted by the SPMC that is dissolving the supplementary pension fund.

(5) Národná banka Slovenska shall issue a measure stipulating the elements of a request for prior approval under paragraph 1, and this measure shall be promulgated in the Collection of Laws of the Slovak Republic.

(6) The proceedings and decision on an application for prior approval shall be governed by other legislation,[9] unless this Act provides otherwise. Národná banka Slovenska shall decide on an application under paragraph 1(a) within three months after the delivery date of the complete application; in other cases referred to in paragraph 1, Národná banka Slovenska shall take its decision within the period laid down by other legislation.[9]

(7) Where the general meeting or a competent body of an SPMC takes a decision on a matter for which Národná banka Slovenska has granted prior approval, the SPMC shall submit a copy of the notarised minutes of the general meeting or a copy of the minutes of the competent body to Národná banka Slovenska within ten days after they are drawn up. Submission of the notarised minutes under the previous sentence is not required if, in accordance with the Commercial Code, the notarised minutes need not be drawn up. The SPMC shall without undue delay inform Národná

banka Slovenska of the performance of any acts for which prior approval has been granted.

(8) In its decision to grant prior approval, Národná banka Slovenska shall state the period after which the prior approval will expire if the operation for which it was granted has not been performed. This period may not be shorter than three months, nor longer than one year, from the effective date of the decision.

(9) Legal acts which require the prior approval of Národná banka Slovenska under this Act are deemed invalid if performed without this prior approval.

Section 27
Prudential business rules for SPMCs

(1) SPMCs shall comply with prudential business rules that apply to:
(a) the organisation and management of an SPMC under Section 28;
(b) the performance of key functions under Sections 29 to 29b;
(c) accounting procedures under Section 30;
(d) the maintenance of business documentation under Section 31;
(e) conflict of interests under Section 32 and 32a;
(f) capital adequacy under Section 33.

(2) SPMCs shall ensure the rights of participants under the supplementary pension scheme and the rights of beneficiaries under prudential business rules.

Section 28
Organisation and management of SPMCs

(1) SPMCs shall adopt an effective governance and management system appropriate to their size, internal organisation and nature, and to the scope and complexity of their activities. The governance and management system of an SPMC shall comprise an appropriate and transparent organisational structure with a clear division of responsibilities, as well as an effective system ensuring an exchange of information. SPMCs shall submit their organisational structure to Národná banka Slovenska within ten days after any change therein. Section

(2) SPMCs shall, in their articles of association, regulate the relations and cooperation between their management board, supervisory board, procurators, managers responsible for investment management who report directly to the management board, and key function holders. SPMCs also shall, in their articles of association, determine and regulate their responsibilities for protection against money laundering and terrorist financing.

(3) SPMCs shall adopt a contingency plan containing appropriate measures for ensuring, on

a permanent basis, the storage of basic data and functions, the provision of services and the performance of activities in the case of system failure or, if this is not possible, for ensuring the timely recovery of these data and functions and the timely continuance of the provision of services and the performance of activities.

(4) SPMCs shall carry out and document risk assessments of their own, appropriate to their size, internal organisation and nature, and to the scope and complexity of their activities. Such risk assessments shall be taken into account in the strategic decisions of SPMCs and shall be carried out at least once every three years and after any substantial change in their risk profile, without undue delay.

(5) An SPMC's own risk assessment shall contain in particular:

(a) a description of how the risk assessment is incorporated into the SPMC's organisation, management and decision processes;
(b) an assessment of the risk management system's effectiveness;
(c) a description of the how conflicts of interest are prevented where a key function is performed by the same person or by the same unit as for the employer as mentioned in Section 32(17);
(d) a qualitative assessment of the operating risk;
(e) an assessment of new or emerging risks, including risks associated with the climatic change, the exploitation of resources and of the environment, social risks and risks arising from regulatory changes if they affect the composition of assets in the SPMC, if that SPMC proceeds pursuant to paragraph 7.

(6) SPMCs shall adopt methods and procedures for the identification and assessment of risks to which they are or may be exposed and which may affect their ability to fulfil their obligations towards participants or beneficiaries.

(7) SPMCs shall, in their investment decisions concerning their assets, take into account the environmental factor, the social factor and the factor of organisation and management.

(8) SPMCs shall adopt internal regulations for ensuring the fulfilment of prudential business rules and operating rules, and for implementing the supplementary pension scheme, so as to ensure the due and secure performance of their activities and enable the due management of assets in supplementary pension funds in the favour and interest of participants and beneficiaries. In addition, SPMCs shall examine and adjust their internal regulations in connection with any material change, at least once every three years. The internal regulations shall be approved by the management board or supervisory board of the SPMC concerned.

(9) SPMCs shall ensure that their employees who come into contact with retail customers are professionally competent.

(10) An employee of an SPMC responsible for:
(a) the performance of an activity mentioned in Section 22(2)(b) or any part thereof may not concurrently perform an activity mentioned in Section 22(2)(c) or any part thereof;
(b) the risk management of a supplementary pension fund may not concurrently carry out the settlement of transactions in that supplementary pension fund;
(c) the accounting of a supplementary pension fund may not concurrently perform the settlement of transactions in that supplementary pension fund;
(d) the performance of the internal control function or the internal audit function may not concurrently perform other activities under Section 22(2).

(11) The management board of an SPMC shall have at least three members.

(12) Members of the management board or procurators who have caused damage by breaching the obligations of their office shall be held jointly and severally liable for this damage.

(13) Key function holders shall, without undue delay, inform the management board and supervisory board of the SPMC if they find:
(a) a significant risk stemming from non-compliance with a substantial obligation arising from legislation of general application, the breach of which may have a significant impact on the interests of participants and beneficiaries; or
(b) a serious breach of legislation of general application pertaining to the SPMC's activities.

(14) If the management board or supervisory board of an SPMC fails to take appropriate and timely measures in respect of the information mentioned in paragraph 13, the key function holder shall, without undue delay, inform Národná banka Slovenska of this fact. This is without prejudice to the right of that person to refuse to give testimony to their disadvantage.

(15) Key function holders at an SPMC shall be an employee of the SPMC in which the key function is performed.

Section 28a
Personal data protection

(1) In order to identify participants, beneficiaries, employers, authorised persons in Section 21, and financial agents for the supplementary pension scheme (hereinafter 'financial agents') and to conclude, perform and subsequently check participant agreements, employer agreements and contracts with financial agents, and for the purposes mentioned in paragraph 3, participants, beneficiaries, employers, authorised persons and financial agents shall, when concluding an agreement with the SPMC, with or without the consent of the persons concerned,[24a] meet the request of the SPMC:
(a) to provide:

1. personal identification information[58b] on the natural person, including their forename, surname, permanent address, temporary address, if any, personal number, if assigned, date of birth, nationality, and the type and number of their identity document, or, if the natural person is a sole proprietor, their field of business, their place of business address, the designation of the official register or other official record in which this person is registered, and the number of their entry in this register or record;
2. identification information on the legal person, including its name, company registration number, if assigned, registered office address, place of business address, or the address of the organisational units and any other place where its activities are performed, and its scope of business and other activities, as well as a list of the members of the legal person's statutory body and information on them as specified in point one, the designation of the official register or other official record in which this legal person is registered, and the number of its entry in this register or record;
3. a contact telephone number, fax number, and electronic mail address, if any;
4. documents and information proving the fulfilment of other requirements and conditions for concluding or performing a participant agreement, employer agreement, or contract with a financial agent in the supplementary pension sector;

(b) to enable the following to be obtained by photocopying, scanning, or other means of recording:

1. personal identification information[24b] on the natural person from an identity document, including a visual likeness, title, name, maiden name, personal number, date of birth, place and district of birth, permanent address, temporary address, nationality, record of any restriction of legal capacity, the type and number of the identity document, the issuing authority, and the date of issue and date of expiry of the identity document; and
2. additional information from documents proving the information to which point (a) applies.

(2) When concluding a participant agreement, employer agreement, or contract with a financial agent, an SPMC may, in order to identify the participant, beneficiary, employer, authorised person, or financial agent, and for the purposes mentioned in paragraph 3, require the participant, employer, or financial agent to provide the information referred to in paragraph 1(a) and may acquire this information in the way mentioned in paragraph 1(b). Participants, employers and supplementary scheme financial agents shall meet any such request made by an SPMC.

(3) SPMCs may, with or without obtaining the consent of or informing the persons concerned,[24a] establish, obtain, record, store, use, and otherwise process[24d] personal information and other information, to the extent laid down in paragraph 1, in order to identify participants, beneficiaries, employers, authorised persons, and financial agents in the supplementary pension sector, to conclude, perform and subsequently check participant agreements, employer agreements and contracts with financial agents, to protect and enforce the rights of the SPMC towards participants, beneficiaries, employers, authorised persons, and financial agents, to document activities of the SPMC, to supervise SPMCs and their activities, and to fulfil the obligations and tasks of the SPMC in accordance with this Act and with other legislation;[24c] the SPMC may for

this purpose, by automated or non-automated means, make copies of identity documents, and process the personal numbers and other information and documents set out in paragraph 1.

(4) Where a participant has granted the SPMC consent to provide to a third party the participant's supplementary pension scheme data that the SPMC processes pursuant to this Act, the SPMC shall provide access to these data to an authenticated third party automatedly, in a machine-processable format, through an automated application program interface. The SPMC shall communicate via the application program interface in a secure manner, and the recipient of the data referred to in the first sentence shall encrypt the data received as soon as possible.

(5) The information to which paragraphs 1 to 3 apply shall be made available and provided[24e] by the SPMC, with or without obtaining the consent of or informing the persons affected,[24a] to other persons for the purpose of processing in the cases laid down by other legislation and to Národná banka Slovenska for supervision purposes in accordance with this Act and other legislation.

(6) The information to which paragraphs 1 to 3 apply may be made available or provided to persons in another country only under the conditions laid down in other legislation[24f] or where so provided by an international agreement that is binding upon the Slovak Republic and takes precedence over the laws of the Slovak Republic.

Section 28b
Complaints handling

(1) SPMCs shall put in place a functioning system for handling and keeping records of complaints which enables complaints to be investigated fairly and enables potential individual, recurring or systemic problems, including potential legal and operational risks, to be identified, mitigated and remedied.

(2) SPMCs shall properly inform participants and beneficiaries about the conditions and method for filing complaints, including information on where complaints can be filed.

(3) SPMCs shall receive complaints at any time during business hours at any of their business premises[24fa] where it is possible to receive complaints given the type of services provided. SPMCs shall also receive complaints made by electronic means.

(4) Upon receiving a complaint from a participant or beneficiary, the SPMC shall issue them with a confirmation of receipt of the complaint. If the complaint is filed by means of distance communication, the SPMC shall deliver the confirmation of receipt of the complaint to the participant or beneficiary immediately; if immediate delivery is not possible, the confirmation of receipt of the complaint shall be delivered without delay, but no later than together with the record

of the resolution of the complaint. A confirmation of receipt of the complaint need not be delivered if the participant or beneficiary can prove the filing of the complaint by other means.

(5) SPMCs shall resolve complaints without delay; in justified cases, the resolution of the complaint may take longer, but no longer than 30 days from the date of the filing of the complaint, or, in complex cases, no more than three months from the date of filing, with the SPMC required to inform the participant or beneficiary of the reason for extending the 30 days' time limit. The resolution of a complaint means the completion of the complaint handling process by the complaint either being upheld or being rejected on reasonable grounds. The SPMC shall issue a written record of the resolution of the complaint without delay after the complaint has been resolved.

(6) At the request of Národná banka Slovenska, SPMCs shall provide a copy of the confirmation of receipt of a complaint or a copy of the record of the resolution of a complaint and shall notify Národná banka Slovenska of the reasons why a complaint cannot be resolved without delay.

(7) SPMCs shall keep a record of complaints and submit it to Národná banka Slovenska upon request. The record of complaints shall state for each complaint the date it was filed, the date and manner of its resolution, and the reference number of the record of the resolution of the complaint.

Section 29
Internal control function

(1) SPMCs shall establish an effective internal control function. The internal control function shall include the following:

(a) an internal control framework;
(b) the checking of compliance with the relevant legislation of general application, the decisions of Národná banka Slovenska, the rules of supplementary pension funds, and the SPMC's internal regulations and rules of activity; and
(c) the checking of processes and procedures regulating the exchange of information at all levels within the SPMC concerned.

(2) The supervisory board of an SPMC may require the chief internal control function to carry out an internal control audit of the SPMC.

(3) The chief internal control office at an SPMC shall, without undue delay, notify in writing the supervisory board of that SPMC, the depository, and Národná banka Slovenska of any breach of the obligations imposed upon the SPMC by legislation of general application, a decision of Národná banka Slovenska, the rules of a supplementary pension fund, or by the internal regulations and rules of the SPMC concerned.

(4) The chief internal control officer at an SPMC may not be a member of the management board, a member of the supervisory board, or a procurator of any other SPMC or financial institution.

(5) The chief internal control officer at an SPMC shall submit to Národná banka Slovenska by 31 March of each calendar year a report on their activities for the preceding calendar year, on any shortcomings identified in the activities of the SPMC and on measures adopted to remedy the shortcomings.

Section 29a
Risk management function

(1) SPMCs shall implement a continuous and effective risk management function.

(2) The risk management function in SPMCs shall be performed independently from the investment management function in supplementary pension funds.

(3) SPMCs shall take appropriate measures to prevent conflicts of interest and ensure independent risk management, and so that the risk management procedures meet the requirements laid down in Sections 55 to 55e.

(4) The risk management function shall entail at least the following tasks:

(a) to implement risk management policies and procedures;
(b) to ensure that risk-spreading rules are consistent with the respective supplementary pension fund, including global exposure and counterparty risk limits laid down in Sections 55a to 55d;
(c) to provide recommendations to the management board concerning the identification of the risk profile of each supplementary pension fund under management;
(d) to submit periodical reports to the management board on:
    1. whether the current risk exposure of each supplementary pension fund under management is consisted with the risk profile approved for the respective fund;
    2. compliance with the risk-spreading limits for each of the supplementary pension funds under management;
    3. the adequacy and effectiveness of risk management procedures, and particularly on the adoption of appropriate remedial measures in response to the deficiencies identified;
(e) to provide periodical reports to the SPMC's management board, procurator, and manager reporting directly to the management board on the current risk exposure of each supplementary pension fund under management and on every actual or foreseeable breach of risk-spreading limits, so as to allow the adoption of timely and appropriate measures;
(f) to examine and support measures and procedures for the valuation of over-the-counter ('OTC') derivatives[24g] pursuant to Section 55e;

(g) to examine and delimit the environmental factor, the social factor, and the factor of organisation and management, where the SPMC takes such factors into account in investment decisions concerning its assets or the assets of a supplementary pension fund.

(5) SPMCs shall ensure that the person or persons performing the risk management function are provided with appropriate powers and with all the information required to perform the tasks mentioned in paragraph 4.

Section 29b
Internal audit function

(1) SPMCs shall establish an effective internal audit function appropriate to their size, internal organisation and nature, and to the scope and complexity of their activities.

(2) The internal audit function shall be performed independently and separately from the SPMC's other activities. The person in charge of the internal audit function may not be a member of the management board, a member of the supervisory board, or a procurator of any other SPMC or financial institution. The SPMC shall ensure that the person in charge of the internal audit function has sufficient rights and access to any information that is necessary for the performance of the tasks mentioned in paragraph 3.

(3) For the purposes of this Act, 'internal audit function' means the valuation of the appropriateness and effectiveness of:
(a) the internal control function of an SPMC;
(b) the system of its organisation and management;
(c) the performance of delegated activities under Section 37.

(4) The person in charge of the internal audit function shall, without undue delay, report their findings and recommendations to:
(a) the management board and the supervisory board, which shall determine what measures are to be adopted in respect of each of the findings and recommendations and shall ensure the implementation of those measures;
(b) the depository, if the findings and recommendations are related to the depository's activities.

Section 30
Accounting

(1) SPMCs shall keep separate and independent accounts for themselves and each supplementary pension fund under their management and they shall prepare financial statements for themselves and for each of these supplementary pension funds.[25] The financial statement of an

SPMC and a supplementary pension fund shall be audited by an auditor or by an auditing company (hereinafter an 'auditor') and shall require the approval of the general meeting of the SPMC.

(2) SPMCs shall notify Národná banka Slovenska in writing of the auditor approved by the supervisory board of the SPMC and they shall do so by 30 June of the calendar year for which the audit is to be conducted. Before 30 September of the same year, Národná banka Slovenska may reject the auditor of an SPMC. Where an SPMC is issued an authorisation under Section 23, it shall provide the notification referred to in the first sentence within three months after the effective date of the decision to issue that authorisation, and Národná banka Slovenska may reject the auditor within 30 days after receiving this notification. If Národná banka Slovenska decides to reject the auditor, the SPMC shall notify Národná banka Slovenska of the new auditor, approved by its supervisory board, within 15 days after the effective date of the decision to reject the auditor, and Národná banka Slovenska may reject the new auditor within 30 days after being so notified. If Národná banka Slovenska rejects the new auditor, it shall designate an auditor to audit the financial statements of the SPMC and of the supplementary pension fund.

(3) If Národná banka Slovenska discovers any deficiencies in the financial statements referred to paragraph 1, audited by an auditor, it may order the performance of an extraordinary audit. Within 30 days after receiving an order to conduct an extraordinary audit, the SPMC shall in writing notify Národná banka Slovenska of the name of the auditor who will conduct this audit. An extraordinary audit shall be conducted by an auditor other than the one who audited the financial statements under paragraph 1.

(4) The costs of the extraordinary audit under paragraph 3 shall be met by the auditor who audited the financial statements under paragraph 1, and if the reasons for ordering the extraordinary audit are not confirmed, then these costs shall be met by Národná banka Slovenska.

(5) Apart from financial statements under other legislation,[25] an SPMC shall also prepare interim financial statements as at the last day of each calendar quarter.

(6) An auditor who audits the financial statements of an SPMC shall without undue delay notify Národná banka Slovenska of any facts learnt while performing the duties of this position which:

(a) indicate a breach of the statutory obligations of the SPMC;
(b) may affect the proper performance of the activities of the SPMC;
(c) may lead to a refusal to sign off on the ordinary financial statements or to the expression of reservations.

(7) The provisions of paragraph 6 also apply to an auditor that audits the financial statements of natural or legal persons that along with the SPMC constitute a closely linked group.[15]

(8) At the written request of Národná banka Slovenska, the auditor shall provide Národná banka Slovenska with documents concerning the facts referred to in paragraph 6 and other information and documents obtained during the course of the auditor's activities in the SPMC.

(9) SPMCs shall ensure the protection of electronic data processing and storage against any misuse, destruction, damage, theft or loss.

Section 31
Business documentation

(1) A supplementary pension fund's assets, as well as transactions in a pension fund's assets, shall be recorded separately from the assets of the SPMC and from the assets of other supplementary pension funds.

(2) SPMCs shall keep a register of contracts and instructions relating to the handling of a supplementary pension fund's assets. Access to this register shall be provided to Národná banka Slovenska and the depository without undue delay upon request. The register mentioned in the first sentence shall be maintained in such an extent and manner that makes it possible to document how a transaction was conducted and to identify retrospectively any transaction in the pension fund's assets made since the establishment of the pension fund, including the time and place of the transaction and the identification of the counterparties; it shall include at a minimum:
(a) the serial number of the contract or instruction;
(b) information on the other counterparty if this counterparty is known;
(c) the date when the contract was concluded and its effective date;
(d) information on the subject-matter of the contract.

(3) SPMCs shall keep the records mentioned in paragraphs 1 and 2 and other documents concerning the supplementary pension funds under their management and the services they provide for at least five years from when they cease to manage the supplementary pension fund to which the records and documents relate. SPMCs shall provide this documentation to Národná banka Slovenska without undue delay upon request. SPMCs shall keep documents concerning participants and beneficiaries for at least five years from the date on which the respective participant agreement expires.

(4) SPMCs may keep, in paper form or electronically on durable media, the records mentioned in paragraphs 1 and 2 and other documents concerning the pension funds under their management and the services they provide, provided that the requirement of retrospective identification of information is met and the SPMC has a system in place to protect against information loss.

Section 32

Conflicts of interest

(1) SPMCs shall identify the particular types of conflict of interest which arise during the performance of different activities within the management of supplementary pension funds and which may, by their existence, be detrimental to participants and pension beneficiaries, and they shall prevent conflicts of interests:

(a) between the SPMC, participants and benefit recipients;
(b) between participants and beneficiaries, and between participants;
(c) between the supplementary pension company and a closely linked group of which the company is part.

(2) SPMCs shall ensure that their organisational structures minimise the risk that the interests of participants and beneficiaries will be adversely affected by a conflict of interests referred to in paragraph 1.

(3) For the purposes of identifying a conflict of interest pursuant to paragraph 1, particular account shall be taken of whether a member of the management board, a procurator, a manager responsible for investment management who reports directly to the management board, or a person to whom investment management activities have been outsourced (hereinafter a 'competent person'), or the SPMC or a person who has a direct or indirect controlling interest in the company, is in a situation such that the SPMC, competent person, or person who has a direct or indirect controlling interest in the company:

(a) could make a financial profit or prevent a financial loss at the expense of a supplementary pension fund;
(b) has a vested interest in the outcome of a service or activity provided to a supplementary pension fund, or in the outcome of a transaction conducted for the account of a supplementary pension fund, and this interest diverges from the interest of the supplementary pension fund;
(c) has a financial or other incentive to give a client or group of clients preference over the interests of a supplementary pension fund;
(d) to perform the same activities for a supplementary pension fund and for another client or clients that are not a supplementary pension fund;
(e) is obtaining or will obtain, as part of the activity of managing supplementary pension funds, any benefit as referred to in Section 34d from a person that is not a supplementary pension fund, where such benefit is not a usual commission or fee for the service provided.

(4) SPMCs shall, in identifying different types of conflict of interest, take into account:

(a) the interests of the SPMC including interests stemming from its position as part of a group or from the performance of activities, the interests of participants and beneficiaries, and the obligations of the SPMC to its supplementary pension funds;
(b) the interests of participants in two or more of its pension funds.

(5) SPMCs may not acquire for a supplementary pension fund's asset portfolio:

(a) shares of a joint stock company that has a qualifying holding in the SPMC;
(b) shares of the SPMC that manages this pension fund;
(c) securities issued by a legal person to which risk management or risk management under Section 37 has been outsourced, except for shares/units of standard investment funds, securities of standard European investment funds, and shares/units of special real estate investment funds or other collective investment undertakings.

(6) SPMCs may not acquire for a supplementary pension fund's portfolio securities issued by a legal person in which:

(a) a member of the statutory body or a procurator is, at the SPMC, a member of the management board, a procurator, or a manager responsible for investment management who reports directly to the management board, or is close to any such person;[27]
(b) internal control[27a] is performed by a person who, at the SPMC, is a member of the management board, a member of the supervisory board, a procurator, or a manager responsible for investment management who reports directly to the management board, or is close to any such person.[27]

(7) SPMCs may not conduct transactions related to a supplementary pension fund's portfolio with a legal person in which a member of the statutory body or a procurator is, at the SPMC, a member of the management board, a procurator, a manager responsible for investment management who reports directly to the management board, or is close to any such person;[27] this does not apply if the SPMC ensures and demonstrates that such transactions are solely in the interest of participants and benefit beneficiaries; this does not apply to anonymous transactions.

(8) SPMCs may not use a supplementary pension fund's assets to cover or meet liabilities not directly concerning an activity related to the management or use of these assets. SPMCs may not handle assets held in an unassigned payments account except as provided for by this Act.

(9) SPMCs may not use a supplementary pension fund's assets to cover or meet the liabilities of another supplementary pension fund. SPMCs may not conduct transactions with a supplementary pension fund under their management.

(10) A person whose position at an SPMC is a member of the management board, a member of the supervisory board, a procurator, the chief internal control officer, or a manager responsible for investment management who reports directly to the management board may not be an employee, a procurator or a member of the statutory body of another financial institution; this provision does not apply where the financial institution and SPMC are part of a closely linked group,[15] and it is without prejudice to provisions on conflict of interests under other legislation.[29]

(11) A person whose position at an SPMC is a member of the management board, a

procurator, or an employee may not be a member of the supervisory board of:
(a) a depository with which the SPMC has concluded a depository contract;
(b) another SPMC;

(12) A person whose position at an SPMC is a member of the management board, member of the supervisory board, procurator or employee may not be a member of the Government of the Slovak Republic, the head of a central government authority who is not a member of the Government of the Slovak Republic, a member of the National Council of the Slovak Republic, a civil servant employed in a service office that is a central government body of the Slovak Republic, the Office of the President of the Slovak Republic, the Office of the National Council of the Slovak Republic, the Supreme Audit Office of the Slovak Republic or the Constitutional Court of the Slovak Republic, a judge, a prosecutor, an employee of the Slovak Intelligence Service, or a member of a body or an employee of Národná banka Slovenska or the Social Insurance Agency.

(13) A person whose position at an SPMC is a member of the management board, a member of the supervisory board, a procurator, or an employee may not, within the commercial activities of the SPMC, place their own interests ahead of those of participants and beneficiaries.

(14) Assets that may be an object of investment under this Act may be purchased by an SPMC for its own asset portfolio, or sold from its asset portfolio, provided that such purchase or sale does not conflict with the interests of participants or beneficiaries. SPMCs may not place their own interests ahead of those of participants and beneficiaries.

(15) A person whose position at an SPMC is a member of the management board, a member of the supervisory board, a procurator or an employee, and persons who have close links to any such person, may not acquire securities, money market instruments or derivative instruments from the portfolio of a supplementary pension fund managed by the SPMC, nor may they sell securities, money market instruments or derivative instruments to the portfolio of such a supplementary pension fund. If a person whose position at an SPMC is a member of the management board, a procurator, or a manager responsible for investment management who reports directly to the management board acquires or sells the security of an issuer whose securities are included in a supplementary pension fund's asset portfolio, they shall inform Národná banka Slovenska of this fact within three working days.

(16) If a security or other money market instrument held in the portfolio of a supplementary pension fund is found to be included also in the assets of the SPMC managing the supplementary pension fund, the SPMC shall inform Národná banka Slovenska of this fact within three working days.

(17) A person or unit performing a key function within an SPMC may not perform a similar key function for their employer, unless the second sentence provides otherwise. In respect of the

nature, scope and complexity of activities of the SPMC, a key function may be performed by the same person or unit as for the employer, if the SPMC has a system in place for the prevention and settlement of a conflict of interest.

Section 32a

(1) SPMCs shall implement, apply and comply with effective conflict of interest measures. These measures shall be set out and shall be appropriate to the size and organisation of the SPMC and to the nature, scale and complexity of its activities. If an SPMC is a member of a closely linked group,[15] these measures must be taken with regard to all and any circumstances of which the company is, or should be, aware, such that could give rise to a conflict of interest owing to the structure and business activities of other members of this group.

(2) Conflict of interest measures under paragraph 1 must:

(a) be taken in response to identified circumstances related to the management of supplementary pension funds by, or on behalf of, the SPMC, where such circumstances constitute, or could give rise to, a conflict of interests and entail a significant risk of adversely affecting a supplementary pension fund or to one or more participants or beneficiaries;
(b) be specified procedures that are to be complied with;
(c) be adopted with the purpose of dealing with these conflicts of interest.

(3) The procedures and measures under paragraph 2(b) and (c) must ensure that the competent person performing the activities that constitute a conflict of interests perform these activities with a level of independence appropriate to the size and activities of the SPMC and the closely linked group[15] of which it is part, as well as to the related degree of risk to participants and beneficiaries; such measures mean:

(a) effective procedures to prevent or monitor the exchange of information between competent persons performing such activities related to supplementary pension funds' management that constitute a risk of a conflict of interests, where this exchange of information could be detrimental to the interests of one or more participants or beneficiaries;
(b) special monitoring of competent persons whose principal tasks relate to the management of supplementary pension funds by the SPMC and the provision of services to participants and beneficiaries whose interests may be in conflict or who represent other interests that may be conflict, including the interests of the SPMC;
(c) the removal of any direct link between the remuneration of competent persons who perform mainly one activity and the remuneration or income generated by other competent persons performing mainly another activity, where the relationship between these activities could give rise to a conflict of interest;
(d) measures to prevent or restrict the possibility of other persons unduly affecting the way in which a competent person performs activities related to the management of supplementary pension funds by the SPMC;

(e) measures to prevent or check the concurrent or sequential participation of a competent person in various activities related to the management of supplementary pension funds by the SPMC, where such participation may be detrimental to the handling of conflicts of interests.

(4) If measures and procedures under paragraph 3 fail to guarantee the required level of independence, the SPMC shall take such alternative or measures, or additional measures or procedures, that are necessary and appropriate for these purposes.

(5) For the purposes mentioned in paragraph 4, Národná banka Slovenska may order an SPMC to take alternative measures, or additional measures or procedures.

Section 32b
Principles of remuneration

(1) SPMCs shall establish and observe clear, transparent and effective principles for remuneration, appropriate to their size, internal organisation and nature, and to the scope and complexity of their activities. SPMCs shall examine and update the principles of remuneration at least once every three years.

(2) SPMCs shall apply the principles of remuneration to:
(a) all members of the management board and supervisory board of the SPMC;
(b) employees who may, while performing their function or work, influence substantially – individually or collectively – the risks faced by the SPMC or the risks to which the assets of supplementary pension funds are exposed, as well as to the persons who may take decisions concerning the handling of assets for a supplementary pension fund;
(c) key function holders;
(d) the person to whom the performance of activities under Section 37 was assigned, unless that person is subject to the principles of remuneration under other legislation.[29a]

(3) The principles of remuneration of an SPMC shall:
(a) be in accordance with the risk management system but shall not stimulate the acceptance of risks that are inconsistent with the risk profile, rules and other documents of a supplementary pension fund;
(b) be laid down, applied and observed in accordance with the activities, goals, long-term interests, financial stability and capacity of the SPMC concerned and shall support its prudent and efficient management;
(c) comprise measures aimed at preventing any conflict of interest; and
(d) be in accordance with the long-term interests of participants and beneficiaries.

Section 32c
Principles for engagement of asset managers in the exercise of shareholder rights

(1) SPMCs shall prepare, and comply with, principles for engagement of asset managers in the exercise of shareholder rights under other legislation[29b] (hereinafter the 'engagement principles').

(2) SPMCs shall disclose:

(a) the way of aligning the main elements of a capital securities investment strategy[29c] with the nature and duration of commitments in the supplementary pension fund and their contribution to a medium to long-term increase in the value of assets in a supplementary pension fund;

(b) information on outsourcing contracts with asset managers,[29d] where the SPMC outsources the management of investments in a supplementary pension fund to an asset manager, mainly how the SPMC

1. motivates the asset manager to align its investment strategy and decisions with the nature and duration of liabilities in the supplementary pension fund;
2. motivates the asset manager to take investment decisions on the basis of evaluations of the medium to long-term financial and non-financial performance of the joint-stock company in which it invests and to engage in the decisions in order to improve the medium to long-term performance of the company;
3. harmonises the method and time of asset managers' performance assessment and the remuneration for asset management services with the nature and duration of liabilities in the supplementary pension fund;
4. reflects the methods and time of asset managers' performance assessment and the remuneration for asset management services and the overall long-term evaluation;
5. monitors the costs of portfolio turnover incurred by the asset manager;
6. defines and monitors the portfolio's target turnover or turnover range; and
7. what is the duration of the outsourcing contract with the asset manager;

(c) clear justification as to why the outsourcing contract does not contain the information referred to under (a) and (b), if the outsourcing contract does not contain the information referred to in points (a) and (b).

Section 33
Capital adequacy

(1) The initial capital of an SPMC shall be at least EUR 1,650,000.

(2) The initial capital shall be the sum of the paid-up share capital, share premium, retained profit from previous years, the reserve fund and other funds established from profit, less accumulated losses from previous periods.

(3) SPMCs are required to maintain capital adequacy. The own funds of an SPMC are deemed to be adequate if they are not lower than:

(a) the sum of EUR 1,650,000 and 0.05% of the asset value of its supplementary pension funds exceeding EUR 165,000,000; this sum shall not be increased above EUR 16,500,000; and
(b) 25% of the general operating expenses of the SPMC for the previous calendar year or, if the company has been a supplementary pension scheme provider for less than one year, 25% of the general operating expenses stated in its business-financial plan.

(4) The calculation of the amount under paragraph 3(a) shall include the total value of managed assets in the supplementary pension funds.

(5) SPMCs may replace up to 25% of the capital requirement under paragraph 3(a) exceeding EUR 1,650,000 with a guarantee issued by a bank, foreign bank incorporated in a Member State, or an insurance company other than a foreign insurance company. In such case, the bank, foreign bank incorporated in a Member State, or insurance company other than foreign insurance company shall undertake that the funds in question are unconditionally available to the SPMC for covering risks resulting from its activity.

(6) Národná banka Slovenska shall issue a measure defining the own funds that SPMCs are required to maintain and stipulating how to calculate the amount of own funds, how to demonstrate compliance with the condition on capital adequacy mention in paragraph 3, the methodology and manner of calculating the general operating expenses of an SPMC, and how to determine the value of the managed assets of supplementary pension funds; this measure shall be promulgated in the Collection of Laws of the Slovak Republic.

Section 34
Operating rules for the management of supplementary pension funds and the duty of confidentiality

(1) In managing the assets of supplementary pension funds, SPMCs shall act independently, in their own name, and in the interests of participants and beneficiaries; this is without prejudice to the right of SPMCs to outsource activities in accordance with Section 37. Each SPMC shall, when managing the assets of a supplementary pension fund, take into account the long-term character of the supplementary pension scheme, even in respect of the structure of participants and beneficiaries in the supplementary pension fund concerned.

(2) In managing supplementary pension funds, SPMCs shall:
(a) perform activities in the best interests and for the protection of participants and beneficiaries, in compliance with legislation of general application, the rules of the supplementary pension funds, and rules and decisions of Národná banka Slovenska;
(b) when performing their activities, act with integrity, in accordance with fair business practices, and in the best interests and for the protection of participants and beneficiaries;
(c) act with professional care and diligence in the best interests of participants and beneficiaries

and for their protection;

(d) have in place and make effective use of the resources and procedures required for the proper performance of their activities and shall apply the principle of equal treatment in relation to participants and beneficiaries.

(3) The obligation to act in the best interests and for the protection of participants and beneficiaries under paragraph 2(a) and (b) shall entail at a minimum:

(a) avoiding conflicts of interests and especially conflicts with the interests of participants and beneficiaries, and, where a conflict of interests arises or is unavoidable, giving the interests of participants and beneficiaries priority over their own interests, the interests of shareholders in the SPMC, and the interests of other persons, and ensuring the equal and fair treatment of all participants and beneficiaries;

(b) ensuring appropriate, correct and transparent models for the valuation of assets and liabilities in supplementary pension funds; SPMCs shall comply with any request of Národná banka Slovenska to demonstrate that their assets and liabilities are valued accurately;

(c) acting so as to ensure that inappropriate or redundant costs are not charged to the assets of a supplementary pension fund.

(4) The obligation to act with professional care under paragraph 2(c) shall entail at a minimum:

(a) ensuring that the assets of supplementary pension funds and the risk exposure of these assets are selected and continuously monitored with a suitable degree of care and in the interests of participants and beneficiaries;

(b) ensuring that persons responsible for investment management have appropriate expertise in and knowledge of the assets in which a supplementary pension fund's assets may be invested under the investment policy set out in the rules of the respective fund;

(c) when implementing risk management policy under Section 55, with respect to an investment of assets of a supplementary fund and where appropriate after considering the nature of the planned investment, producing, before the investment is made, a forecast for and analyses of the impact of the investment on the composition of the fund's assets and on its liquidity; the analyses must be made on the basis of up-to-date information.

(5) SPMCs shall adopt and comply with an internal regulation on measures and procedures related to professional care and shall introduce effective measures to ensure that decisions on the investment of assets of supplementary pension funds are appropriate and taken in accordance with the respective supplementary pension fund's investment strategy and objectives thereof, investment strategy, and risk limits.

(6) SPMCs shall, at the request of Národná banka Slovenska, provide credible evidence of the exercise of professional care. If an SPMC fails to comply with this request, it is deemed not to have acted with professional care.

(7) Národná banka Slovenska may issue a measure laying down details of what is meant by 'acting in the best interests' of participants and beneficiaries under paragraph 2(a) and (b), details of what is meant by 'acting with professional care' under paragraph 2(c), and how SPMCs are to demonstrate their compliance with these provisions; this measure shall be promulgated in the Collection of Laws of the Slovak Republic.

(8) SPMCs shall perform its activities so as not to breach the security of the financial system, shall implement appropriate measures to prevent unfair practices that may be reasonably assumed to affect market stability, and shall not engage in market manipulation.[30]

(9) SPMCs shall compensate participants and beneficiaries for any damage arising to them as a result of the company failing to fulfil, or inadequately fulfilling, its obligations under the law or under the rules of the supplementary pension fund.

(10) In the event that a claim to compensation under paragraph 7 is made in court proceedings under other legislation,[31] the SPMC shall, at the request of the participant or beneficiary, prove that it has exercised professional care. If an SPMC does not comply with this request, or does not provide credible evidence of having exercised professional care, it is deemed not to have acted with professional care.

(11) Participants and beneficiaries may not make a claim for compensation against Národná banka Slovenska for a breach of the law committed by an SPMC.

(12) Members of the management board, members of the supervisory board, employees, procurators, liquidators, receivers, insolvency practitioners, and other persons involved in the activities or liquidation of an SPMC shall keep confidential any facts which come into their possession by virtue of their position or in the fulfilment of their employment duties and which are relevant or concern the interests of participants and beneficiaries.

(13) The duty of confidentiality under paragraph 12 remains in effect after the termination of the employment relationship or other legal relationship.

(14) The duty of confidentiality under paragraph 12 is not deemed to be breached where information is disclosed to:
(a) Národná banka Slovenska for the purposes of supervision under this Act;
(b) a court;
(c) law enforcement authorities for the purposes of criminal proceedings;[65]
(d) the Police Force's criminal police service or financial police service for the purposes of fulfilling their tasks;
(e) tax authorities for the purposes of tax proceedings.

(15) The provisions of paragraphs 12 to 14 are without prejudice to the obligation imposed by other legislation[32] to prevent or report the commission of a crime.

(16) Information acquired by Národná banka Slovenska when exercising supervision in accordance with this Act may not be used for purposes other than the purposes of supervision.

Section 34a
Decision-making regarding the handling of assets of supplementary pension funds

(1) When taking decisions on the handling of assets of a supplementary pension fund and when managing the assets of a supplementary pension fund, SPMCs shall act in the best interests of participants and beneficiaries.

(2) For the purposes of paragraph 1, SPMCs shall adopt such measures that achieve the best possible outcome for participants and beneficiaries, having regard to the price, cost, speed and probability of the transaction's execution and settlement, the size and nature of the transaction order, and other circumstances concerning the execution of the order.

(3) The importance of the circumstances referred to in paragraph 2 shall be determined on the basis of:
(a) the supplementary pension's funds investment objectives, investment policy, and risk exposure pursuant to its risk profile;
(b) the particulars of the order;
(c) the particulars of the financial instruments to which the pertains;
(d) the particulars of the places of execution where the order may be assigned.

(4) SPMCs shall implement and comply with effective measures for the fulfilment of the obligation laid down in paragraph 2, and in particular they shall implement and comply with a policy that allows them to achieve the best possible outcome, referred to in paragraph 1, when executing orders as part of their handling of assets of a supplementary pension fund.

(5) SPMCs shall monitor the effectiveness of their measures and policies for the execution of orders in order to identify and rectify any deficiencies therein. The order execution policy must be updated at least once a year and whenever there are any substantial changes that affect the ability of the SPMC to achieve the best possible outcome for participants and beneficiaries of a supplementary pension fund under its management.

(6) SPMCs shall ensure that information on their order execution policies, and any substantial amendments to these policies, is made available to participants and beneficiaries.

(7) SPMCs shall demonstrate that their orders related to the management of a supplementary pension fund have been executed in accordance with their order execution policy.

Section 34b
Giving orders to other parties to handle the assets of a supplementary pension fund

(1) SPMCs shall act in the best interests of participants and beneficiaries also when giving orders to another party to handle the assets of a supplementary pension fund as part of the management of the fund.

(2) Pursuant to paragraph 1, SPMCs shall take measures to obtain the best possible outcome for participants and beneficiaries, having regard to the circumstances mentioned in Section 34a(2). The importance of these circumstances shall be determined in accordance with Section 34a(3).

(3) SPMCs shall implement and comply with a policy that allows them to fulfil the obligation mentioned in paragraph 2. This policy shall, in respect of each type of financial instrument, stipulate the parties to whom the SPMC may give orders. SPMCs may conclude an order execution agreement with another party only if this agreement allows the SPMC to comply with obligations under this Act for the giving of orders to other parties to handle the assets of a supplementary pension fund. SPMCs may not conclude an order execution agreement with another party if that party does not have in place an order execution policy that at least meets the requirements under Section 34a.

(4) SPMCs shall ensure that information on their policy for giving execution orders to other parties, and any substantial changes to this policy, is made available to participants and beneficiaries.

(5) SPMCs shall monitor the effectiveness of their policy for giving execution orders to other parties, and in particular the quality of order execution by the parties stated in the policy, in order to identify and rectify any deficiencies therein. The policy for giving execution orders to other parties must be updated at least once a year and whenever there are any substantial changes that affect the ability of the SPMC to achieve the best possible outcome for participants and beneficiaries of a supplementary pension fund under its management.

(6) SPMCs shall demonstrate that their orders to other parties to handle assets of a supplementary pension fund as part of the management of the fund have been given in accordance with paragraph 3.

Section 34c
Aggregation and allocation of orders

(1) SPMCs may aggregate orders related to the management of a supplementary pension fund with orders related to the management of other supplementary pension funds under their management and with orders for proprietary transactions of the SPMC, only if:

(a) it is unlikely that the aggregation of orders and transactions will on the whole be detrimental to any supplementary pension fund whose orders are to be included in the aggregation;

(b) the company has in place and complies strictly with an order allocation policy that ensures a fair allocation of aggregated orders and transactions under sufficiently precise terms – particularly with respect to how the allocation and terms and conditions for the handling of partially executed orders are determined by factors of amount and price.

(2) Where an SPMC aggregates an order related to a supplementary pension fund with one or more orders related to the management of other supplementary pension funds, and the aggregated order is partially executed, the company shall allocate the related transactions in accordance with its order allocation policy.

(3) Where an SPMC aggregates proprietary transactions with one or more orders related to the management of a supplementary pension fund, it may not allocate related transactions in a way detrimental to the supplementary pension fund.

(4) Where an SPMC aggregates an order related to the management of a supplementary pension fund with a proprietary transaction, and the aggregated order is partially executed, it shall allocate the related transactions preferentially to the supplementary pension fund. If the SPMC demonstrates that without this aggregation the order could not be executed either under advantageous terms or at all, it may allocate the proprietary transaction proportionally in accordance with its order allocation policy.

Section 34d
Incentives

(1) SPMCs are deemed to have breached their obligation to act pursuant to Section 34(2) if they or a competent person involved in investment management or administration related to the management of a supplementary pension fund pays or accepts a fee or commission, or provides or accepts a non-monetary payment, except for:

(a) a fee, commission or non-monetary payment debited from or credited to the portfolio of the supplementary pension fund, or a fee, commission or non-monetary payment made by or to another person acting for the account of the supplementary pension fund;

(b) a fee, commission or non-monetary payment made by another person or provided to another person, or a fee, commission or non-monetary payment paid by or to a person acting on behalf of such person, where the following conditions are met:

1. the SPMC must ensure, prior to the provision of the respective service, that the rules of the respective supplementary pension fund state in a clear, detailed, accurate and easy to

understand manner information about the existence, nature and amount of the fee, commission or non-monetary payment, and, if the amount cannot be established, the method by which it is calculated;

2. the payment of the fee or commission, or the provision of the non-monetary payment, must increase the quality of the service for which the fee is paid or non-monetary payment is provided, and it must not prevent the SPMC from fulfilling its obligation to act in the interests of participants and beneficiaries;

(c) an appropriate fee which allows or is necessary for the provision of the respective services, in particular a safe custody fee, settlement fee, regulated market operator's fee, supervisory fee, administrative fee or a court fee, and which by its nature cannot bring the SPMC into conflict with its obligations to act pursuant to Section 34(2).

(2) For the purposes of paragraph 1(b), point one, SPMCs may provide a participant or beneficiary with a summary of the principal terms and conditions of an agreement concerning fees, commissions or non-monetary payments, provided that they also allow the participant or beneficiary to obtain more detailed information on request; this obligation is deemed to be fulfilled by stating the relevant information in the rules of the respective supplementary pension fund. Národná banka Slovenska may decide to suspend or cancel this authorisation to provide a summary of the principal terms and conditions of the agreement if it finds that the SPMC has not complied with the request of a participant or beneficiary for more detailed information as referred to in the previous sentence.

Section 35
Remuneration of SPMCs and the payment of expenses and fees

(1) SPMCs are, under the conditions laid down in this Act, entitled to:

(a) remuneration for the management of a supplementary pension fund;
(b) remuneration for the performance of an accumulation supplementary pension fund;
(c) remuneration for the switching of a participant to another SPMC.

(2) The only expenses related to the supplementary pension scheme which may be paid out of the assets of a supplementary pension fund shall be:

(a) taxes payable on the assets of a supplementary pension fund;
(b) a proportion of the remuneration for the performance of depository activities corresponding to the assets of the supplementary pension fund as a share of the total amount of assets managed by the SPMC;
(c) fees charged by an entity providing settlement of securities transactions, and fees for current accounts and deposit accounts;
(d) fees charged by investment firms or foreign investment firms;
(e) fees charged by a central securities depository or member of a central securities depository, or by an entity that has a similar scope of business and is resident outside the Slovak Republic;

(f) the remuneration of an auditor for auditing the financial statements of a supplementary pension fund.

(3) The taxes, remuneration and fees mentioned in paragraph 2 may be paid only if the reason for their payment is related directly to the assets of the supplementary pension fund.

Section 35a
Remuneration for the management of a supplementary pension fund management

(1) The remuneration for the management of a supplementary pension fund for one year may not exceed:

(a) in the case of an accumulation supplementary pension fund, 1% of the fund's average annual net asset value;
(b) in the case of a decumulation supplementary pension fund, 0.6% of the fund's average annual net asset value.

(2) SPMCs shall on each working day calculate a proportion of the pension fund management remuneration for the previous working day. The net asset value of the supplementary pension fund as at the day on which the proportion is calculated shall be reduced by the amount of the proportion.

(3) SPMCs shall not reduce by the amount calculated under paragraph 2 the number of supplementary pension points recorded in the personal accounts of any participants or beneficiaries.

Section 35b
Performance remuneration for accumulation supplementary pension funds

(1) The performance remuneration for an accumulation supplementary pension fund shall be calculated on each working day according to the formula laid down in Annex 1. SPMCs are not entitled to performance remuneration for an accumulation supplementary pension fund if the amount calculated in accordance with the previous sentence is negative.

(2) On the working day immediately following the day on which they calculate the remuneration under paragraph 1, supplementary pension fund management companies shall reduce the net asset value of the respective supplementary pension fund as at the day on which the remuneration under paragraph 1 was calculated. SPMCs shall not reduce by the amount calculated under paragraph 1 the number of supplementary pension points recorded in the personal accounts of any participants.

Section 35c
Switching remuneration

(1) The remuneration for the switching of a participant to another SPMC within one year after concluding the participant agreement shall not exceed 5% of the balance of the participant's personal account as at the day preceding the switching date.

(2) SPMCs are not entitled to remuneration for the switching of a participant to another SPMC if more than one year has elapsed since the concluding the participant agreement.

Section 36
Notification obligation

(1) SPMCs shall without undue delay notify Národná banka Slovenska of any change in their financial position or any other facts which could impair their ability to meet liabilities towards participants, beneficiaries, or potential participants.

(2) A legal or natural person that has decided to cancel a qualifying holding in an SPMC or to reduce its interest in the share capital or voting rights of an SPMC below 20%, 30% or 50%, or so that the SPMC ceases to be its subsidiary company in one or more transactions, whether directly or by acting in concert, shall without undue delay notify this fact to Národná banka Slovenska.

(3) The notification mentioned in paragraph 2 shall state:

(a) for a natural person, their forename, surname, date of birth, and place of permanent residence, and, for a legal person, their business name, company registration number, and registered office address;
(b) the extent to which the legal person or natural person intends, in accordance with paragraph 2, to reduce their interest in the share capital or in the voting rights of the SPMC.

(4) SPMCs shall notify in writing Národná banka Slovenska of any change in their share capital which results in the interest of a single person, or persons acting in concert, reaching or exceeding 10%, 20%, 30%, or 50%, or where the interest of a single person, or persons acting in concert, in the share capital or in the voting rights of the SPMC decreases to below 50%, 30%, 20% or 10%, and they shall do so without undue delay after receiving this information.

Section 37
Outsourcing of activities related to the management of supplementary pension funds

(1) SPMCs or the founders of these companies may, with the prior approval of Národná banka Slovenska under Section 26(1)(h) and on the basis of an outsourcing contract,[33] outsource one or more activities mentioned in Section 22(2), except for the activity mentioned in Section 22(2)(b), which may be outsourced only to legal person that is an investment firm, asset management company, foreign investment firm, foreign asset management company, or a foreign

person authorised to perform portfolio management subject to supervision in the country of its incorporation, and except for the activity mentioned in Section 22(2)(c), points 13 and 16, to another natural person or legal person who is authorised to perform the outsourced activities. SPMCs or the founders of these companies may not outsource any such activity to another SPMC, a depository, or a person whose interests may be in conflict with those of the SPMC, participants or beneficiaries.

(2) Activities related to the management of a supplementary pension fund may be outsourced only if such outsourcing does not prevent the performance of the depository's activities and provided that:

(a) the SPMC has given Národná banka Slovenska prior notice of its intention to outsource one or more activities to another person and it has submitted to Národná banka Slovenska the draft outsourcing contract;
(b) the rules of the supplementary pension fund include a list of the activities which may be outsourced to the persons mentioned in paragraph 1;
(c) the outsourcing does not prevent the exercise of effective supervision over the SPMC;
(d) the outsourcing does not prevent the SPMC from acting in the best interests of participants and beneficiaries;
(e) the outsourcing does not prevent the supplementary pension fund from being managed in the best interests of participants and beneficiaries;
(f) the outsourcing does not prevent the SPMC from terminating the outsourcing contract[33] with immediate effect;
(g) having regard to the nature of the activities that are to be outsourced, the natural person or legal person referred to in paragraph 1 has in place the material, personnel, and organisational provisions for the performance of the outsourced activities;
(h) the person referred to in paragraph 1 has a clean criminal record, and in the case of a natural person, did not hold the position of a manager or a member of the statutory body or supervisory board at a legal person at the time when that legal person committed an intentional crime of which it has been convicted by a final judgement;
(i) the operating risk does not increase excessively.

(3) After concluding an outsourcing contract,[33] or any amendments thereto, SPMCs shall without undue delay deliver the contract to Národná banka Slovenska, and after terminating such contract, they shall without undue delay notify Národná banka Slovenska of this fact.

(4) The outsourcing of activities related to the management of supplementary pension funds is without prejudice to the liability of the SPMC and the depository for any damage caused during the management of a supplementary pension fund's assets to participants or beneficiaries.

(5) SPMCs may not outsource activities to such an extent that it will not be able to check and assume responsibility for the performance of the outsourced activities or will not be able to take

decisions concerning the performance of professional activities. Activities may not be outsourced under paragraph 1 so as to circumvent obligations laid down by this Act other than on the basis of an authorisation.

(6) SPMCs shall:

(a) before concluding a contract under paragraph 1, verify on the basis of available information whether the other person referred to in paragraph 1 has in place the material, personnel and organisational conditions required to perform the activity reliably, professionally and effectively;
(b) after concluding a contract under paragraph 1, adopt procedures to enable continuous assessment of how the other person referred to in paragraph 1 is performing the outsourced activity, particularly where it concerns risks related to the contract under paragraph 1; for this purpose, SPMCs shall ensure that the necessary material, technical and personnel conditions are in place.

Section 37a
SPMCs operating in a host Member State

(1) SPMCs that intend to operate in a host Member State shall notify Národná banka Slovenska in writing of this intention. The notification shall contain:

(a) the name of the host Member State in which the SPMC intends to operate;
(b) a plan of business activities;
(c) a pension plan;
(d) the name of the employer in the host Member State.

(2) SPMCs operating in a host Member State shall operate in accordance with regulations of social law and labour law governing occupational pension insurance in the host Member State and with regulations of the host Member State governing the information obligation to potential members, members and pension beneficiaries in the host Member State. If the competent authority of the host Member State requests in a notification delivered to Národná banka Slovenska under paragraph 5 that the SPMC invest assets held in a supplementary pension fund and acquired from the contributions of an employer of the host Member State in accordance with the requirements stated in that notification, the SPMC shall comply with these requirements as of the date when it commences activities in the host Member State. As of the date when it commences activities in a host Member State, an SPMC shall keep the assets mentioned in the preceding sentence separate from other managed assets, if required to do so by the competent authority of the host Member State.

(3) Národná banka Slovenska shall assess SPMCs intending to perform activities in a host Member State in regard to their organisational, material and personnel arrangements, their scope of business and their financial position; if Národná banka Slovenska is satisfied that, in these

respects, the company is fit to perform the activities set out in the plan under paragraph 1(b), it shall paragraph 1sends a notification to the competent authority of the host Member State within three months of the date of receipt of a complete notification under paragraph 1. Národná banka Slovenska shall without undue delay notify the SPMC intending to perform activities in the host Member State that the notification mentioned in the first sentence has been sent. Národná banka Slovenska shall notify the European supervisory authority (the European Insurance and Occupational Pensions Authority) of the delivery of a notification according to the first sentence. The notification shall include information about the conditions imposed on the SPMC under that decision and the name of the host Member State in which the SPMC may perform its activities.

(4) If Národná banka Slovenska decides that an SPMC intending to operating in a host Member State is not fit to do so owing to deficiencies in its organisational, material and staffing arrangements, scope of business and/or financial position, Národná banka Slovenska shall, within three months after receiving the complete notification under paragraph 1 pursuant to other legislation,[9] issue its decision to refuse to send the notification referred to in paragraph 3 to the competent authority of the host Member State. This decision shall be delivered to the SPMC intending to perform activities in a host Member State.

(5) Národná banka Slovenska shall, without undue delay, send an SPMC intending to perform activities in a host Member State a notification about the regulations of social law and labour law governing occupational pension insurance in that host Member State and about the host Member State's regulations governing the information obligation towards potential members, members and pension beneficiaries in the host Member State, which the competent authority of the host Member State sent to Národná banka Slovenska. An SPMC may commence activity in a host Member State only after receiving such notification from Národná banka Slovenska, or if six weeks have passed without response since Národná banka Slovenska sent the competent authority of the host Member State the notification mentioned in paragraph 3.

(6) SPMCs operating in a host Member State shall notify Národná banka Slovenska in writing of each change in the data listed in paragraph 1(b)(c) prior to making such change. After receiving the notification mentioned in the first sentence, Národná banka Slovenska shall proceed as under paragraphs 3 to 5. SPMCs may make a change under the first sentence only in accordance with the procedure under paragraph 5, second sentence.

(7) SPMCs operating in a host Member State and intending to collect contributions from another employer in the host Member State shall in writing notify Národná banka Slovenska of this fact. A notification under the first sentence shall contain the name of the host Member State in which the SPMC is operating, the name of the employer in the host Member State employer which intends to pay contributions to the SPMC operating in the host Member State and the pension plan. Paragraphs 3 to 5 apply equally to the procedure of Národná banka Slovenska and the SPMC.

(8) Národná banka Slovenska shall inform an SPMCs operating in the territory of a host Member State of any change occurring in the regulations of social law and labour law pertaining to occupational pension insurance in the host Member State or in the regulations of that host Member State governing the information obligation towards potential members, members and pension beneficiaries in the host Member State, without undue delay, after having been informed of this fact by the relevant authority of the host Member State.

Section 37b
Occupational pension companies operating in the Slovak Republic

(1) An occupational pension company may provide occupational pension insurance in the Slovak Republic on the basis of a notification given by the competent authority of its home Member State to Národná banka Slovenska.

(2) Within six weeks of the date of receipt of a notification from the competent authority of the home Member State of an occupational pension company in accordance with paragraph 1, Národná banka Slovenska shall notify that competent authority of:

(a) social law and labour law regulations governing occupational pension insurance in the Slovak Republic which will apply to the activity of the occupational pension company operating in the Slovak Republic; social law and labour law regulations governing occupational pension insurance in the Slovak Republic shall be regulations governing in particular participation in the supplementary pension scheme, the payment of contributions under the supplementary pension scheme, conditions for the distribution of supplementary pension benefits, and legal relations between the participant, beneficiary, employer and SPMC;
(b) regulations governing the information obligation of an SPMC towards potential participants, participants and beneficiaries which will govern the activity of the occupational pension company in the Slovak Republic.

(3) In the notification referred to in paragraph 2, Národná banka Slovenska may require that an occupational pension company operating in the Slovak Republic:

(a) invest in equities and bonds admitted to trading on a regulated market at least 70% of assets acquired from the contributions of an employer;
(b) invest in equities, bonds and other financial instruments[33a] issued by a single issuer no more than 5% of assets acquired from the contributions of an employer;
(c) keep assets acquired from the contributions of an employer separate from other assets.

(4) The assets of an occupational pension company acquired from activities performed in the territory of the Slovak Republic shall be entrusted to a depository in accordance with this Act.

(5) An occupational pension company may commence activity in the Slovak Republic only after the notification referred to in paragraph 2 has been delivered to the competent authority of the

home Member State, or if six weeks have passed without response since the competent authority of its home Member State notified Národná banka Slovenska under paragraph 1.

(6) Národná banka Slovenska shall inform the competent authority of the home Member State of an occupational pension company performing activities in the territory of the Slovak Republic of any change in the regulations referred to in paragraph 2. Section 37c

Section 37c
Cross-border transfers by SPMCs to occupational pension companies

(1) SPMCs intending to make a cross-border transfer of assets held in a supplementary pension fund or part thereof to an occupational pension company in the territory of the home Member State shall conclude a written agreement with that occupational pension company. The terms and conditions of such cross-border transfer shall be laid down in that agreement.

(2) A cross-border transfer must be approved in advance by the majority of participants and beneficiaries, whose assets are to be transferred. The SPMC shall provide the participants and beneficiaries mentioned in the first sentence with information about the terms and conditions of a cross-border transfer, before lodging an application for authorisation for a cross-border transfer. A cross-border transfer application shall be submitted by the occupational pension company concerned to the competent authority of the home Member State.

(3) Národná banka Slovenska, upon receipt of an application for authorisation for a cross-border transfer forwarded to it by the competent authority of the occupational pension company's home Member State, shall assess:
(a) the adequacy of protection of the long-term interests of participants and beneficiaries whose assets held in a supplementary pension fund will not be the subject of a cross-border transfer;
(b) the preservation of the individual claims of participants and beneficiaries during a cross-border transfer; and
(c) the composition of the assets held in a supplementary pension fund which will be the subject of a cross border transfer, and its compliance with this Act.

(4) The results of assessment of a cross-border transfer application shall be reported by Národná banka Slovenska to the competent authority of the occupational pension company's home Member State within eight weeks from the date of receipt of that application.

(5) If, after a cross-border transfer is carried out by an SPMC, an occupational pension company intends to provide occupational pension insurance in the territory of the Slovak Republic, Národná banka Slovenska shall, within four weeks of the delivery of information about the granting of prior approval for a cross-border transfer by the competent authority of the occupational pension company's home Member State, inform that authority about the regulations mentioned in Section

37b(2).

(6) The costs of a cross-border transfer may not be borne by a participant or beneficiary whose assets are not to be transferred.

Section 37d
Cross-border transfers by occupational pension companies to SPMCs

(1) SPMCs may accept the assets of an occupational pension company or part thereof on the basis of the prior approval of Národná banka Slovenska pursuant to Section 26(1)(m).

(2) An application for prior approval for a cross-border transfer shall contain:
(a) a written agreement on the terms and conditions of a cross-border transfer between an SPMC and an occupational pension company;
(b) a description of the pension plan;
(c) a description of the structure of an occupational pension company's assets that are to be transferred;
(d) the name, registered office and headquarters of an SPMC and of an occupational pension company, and the name of the occupational pension company's home Member State;
(e) the name and registered office of the employer in the host Member State;
(f) the consent of most of the members and beneficiaries whose assets are to be transferred and, if required, the consent of the employer in the host Member State;
(g) the name of the host Member State whose social-law and labour-law regulations pertaining to occupational pension insurance apply to the pension plan transferred.

(3) Národná banka Slovenska shall, without undue delay, forward for assessment each application for prior approval for a cross-border transfer to the competent authority of the occupational pension company's home Member State.

(4) For a prior approval for a cross-border transfer to be granted, the following conditions are to be met:
(a) the system of organisation and management and the financial situation of the SPMC concerned must be compatible with the cross-border transfer proposed, and the members of the management and supervisory boards, the procurators, managers responsible for investment management who report directly to the management board, and the persons in charge of the risk management and internal audit functions must be professionally competent persons with a clean criminal record;
(b) the long-term interests of participants and beneficiaries and the transferred assets of an occupational pension company must be adequately protected during and after the cross-border transfer;
(c) the structure of the assets to be transferred must be in accordance with this Act and there must

be enough assets to cover the liabilities arising from the pension plan;

(d) the majority of members and beneficiaries whose assets are to be transferred must agree to the cross-border transfer, and if necessary, the consent of the employer from the host Member State is also required;

(e) the result of assessment of an application for prior approval for a cross-border transfer by the competent authority of the occupational pension company's home Member State must be affirmative.

(5) Národná banka Slovenska shall decide in respect of an application for prior approval for a cross-border transfer within three months from the delivery of a complete application. Národná banka Slovenska shall inform the competent authority of the occupational pension company's home Member State of the decision mentioned in the first sentence within two weeks from the effective date of that decision. Národná banka Slovenska shall not decide in the matter of an application for prior approval for a cross-border transfer before being notified of the results of assessment of the application mentioned in paragraph 3 by the competent authority of the occupational pension company's home Member State.

(6) Národná banka Slovenska shall reject an application for prior approval for a cross-border transfer if the conditions set out in paragraph 4 are not met.

(7) An SPMC shall accept the assets of an occupational pension company only after the effective date of the decision to grant prior approval for a cross-border transfer.

(8) The costs of a cross-border transfer may not be borne by a participant or beneficiary whose assets held in a supplementary pension fund are not to be transferred.

(9) If, after carrying out a cross-border transfer with an occupational pension company, an SPMC intends to perform activities in the territory of the host Member State, Národná banka Slovenska shall inform that SPMC in accordance with Section 37a(5) of the regulations given in a notification sent by the competent authority of the occupational pension company's host Member State within a week of their delivery by the competent authority of the occupational pension company's host Member State within one week from the date of delivery to the competent authority of the occupational pension company's home Member State. The SPMC may start performing its activities in the territory of the host Member State after the notification mentioned in the first sentence is delivered or after nineteen (19) weeks from the delivery date of the completed application for prior approval for a cross-border transfer to Národná banka Slovenska.

(10) Národná banka Slovenska may request the European supervisory authority (the European Insurance and Occupational Pensions Authority) to carry out non-binding mediation[33aa] if it disagrees with the procedure, the scope of activities or with the inactivity of the competent authority of the occupational pension company's home Member State or if its disagrees with the

result of its assessment of the application for prior approval for a cross-border transfer.

Dissolution of SPMCs

Section 38
Dissolution of SPMCs without liquidation

(1) SPMCs may be dissolved without liquidation only through a merger with another SPMC, one which holds a valid authorisation issued by Národná banka Slovenska under Section 23 and which has established and manages supplementary pension funds that are not in receivership.

(2) The dissolution of an SPMC referred to paragraph 1 shall take effect upon completion of the merger; the business assets of the company (hereinafter the 'dissolving SPMC') shall pass to the SPMC with which it is merging and which is to become its legal successor (hereinafter the 'successor SPMC').

(3) As part of the merger mentioned in paragraph 1, the management of supplementary pension funds managed by the dissolving SPMC shall be transferred to the successor SPMC and, in accordance with Section 51, the decumulation supplementary pension fund managed by the dissolving SPMC shall be merged with the decumulation supplementary pension fund managed by the successor SPMC.

(4) As part of the merger mentioned in paragraph 1, the rights and obligations of the dissolving SPMC towards participants, employers and beneficiaries, arising from the supplementary pension scheme and from contracts concluded with the same, shall pass to the successor SPMC.

(5) For an SPMC to be dissolved without liquidation by merging it with another SPMC, the prior approval of Národná banka Slovenska is required in accordance with Section 26(1)(e). The general meeting of an SPMC may decide to dissolve the company through a merger only after the effective date of prior approval of Národná banka Slovenska.

(6) Where an SPMC is dissolved without liquidation in accordance with procedures laid down in this Act, the dissolution must not be detrimental to participants and beneficiaries, nor detrimental to creditors of the SPMC.

(7) The provisions of the Commercial Code apply to the dissolution without liquidation of an SPMC unless this Act provides otherwise.

Section 39
Liquidation and dissolution of an SPMC

(1) Before an SPMC is liquidated and dissolved, either the management of its supplementary pension funds, and the company's rights and obligations towards participants, employers and beneficiaries arising from the supplementary pension scheme and from contracts concluded with the same, shall be transferred to another SPMC (hereinafter the 'transferee SPMC'), subject to the prior approval of Národná banka Slovenska in accordance with Section 26(1)(f), or all the supplementary shall be dissolved subject to the prior approval of Národná banka Slovenska in accordance with Section 26(1)(l). With the transfer of the management of supplementary pension funds under the preceding sentence, the decumulation supplementary pension fund of the SPMC that is to be dissolved shall be merged with the decumulation supplementary pension fund of the transferee SPMC.

(2) SPMCs shall be liquidated and dissolved forthwith if their authorisation expires under Section 25(1)(e).

(3) At the same time as transferring the supplementary pension funds' management, the SPMC that is to be dissolved shall relinquish to the transferee SPMC all documentation concerning such management and its other rights and obligations referred to in paragraph 1.

(4) After Národná banka Slovenska has granted the prior approval under Section 26(1)(f) or Section 26(1)(l), the general meeting of the SPMC shall decide on the liquidation and dissolution of the SPMC, and the procedure mentioned in paragraph 1 shall take place.

(5) The provisions of the Commercial Code apply to the liquidation and dissolution of an SPMC unless this Act provides otherwise.

(6) The liquidation of an SPMC applies to the assets thereof.

(7) The liquidator of an SPMC shall be appointed and recalled by Národná banka Slovenska. The remuneration of the liquidator shall be set by Národná banka Slovenska. A liquidator may resign their position by giving a written notice to Národná banka Slovenska. The resignation of a liquidator shall take effect as of the effective date of the decision of Národná banka Slovenska on the appointment of a new liquidator for the SPMC.

(8) A proposal to appoint or recall the liquidator of an SPMC, or to set the remuneration of such liquidator, shall be submitted by the SPMC on the basis of a resolution by its general meeting.

(9) Národná banka Slovenska shall at its own initiative appoint and set the remuneration of a liquidator where:

(a) the SPMC has failed to submit the proposal mentioned in paragraph 9 within 30 days after its general meeting decided to liquidate and dissolve the SPMC or decided to recall the liquidator,

or appoint a new liquidator, of the SPMC;
(b) the liquidator has resigned their position.

(10) The liquidator of an SPMC appointed by Národná banka Slovenska shall submit an application for the liquidator to be entered in the Commercial Register. A liquidator who is to replace another liquidator appointed by Národná banka Slovenska shall submit an application to delete the other liquidator's entry in the Commercial Register.

Section 40
Court-ordered dissolution of an SPMC

(1) The provisions of the Commercial Code apply to the court-ordered dissolution of an SPMC unless this Act provides otherwise.

(2) On the basis of a petition by Národná banka Slovenska, a court shall dissolve an SPMC where the situation referred to in Section 25(1)(e) has arisen, where the general meeting of the SPMC has not decided on the dissolution of the company under Section 39(4) within a period of thirty days, or where a penalty has been imposed on the SPMC under Section 71(1)(p).

Section 41
Bankruptcy order against an SPMC

(1) Where a bankruptcy order has been made against an SPMC, the insolvency practitioner shall cooperate with Národná banka Slovenska, the depository and the receiver in regard to the imposition of receivership under Section 74.

(2) Assets of supplementary pension funds and assets held in an unassigned payments account shall not be included in bankruptcy proceedings against the SPMC, nor may they be used in an arrangement with creditors of the SPMC or in restructuring proceedings under other legislation.[16]

(3) Following the day when a bankruptcy petition[16] was delivered to it by a court, an SPMC shall without undue delay give Národná banka Slovenska written notification of this fact. In its notification, the SPMC shall identify the court to which the bankruptcy petition is addressed, who filed it, what matters it concerns, and what its purpose is, and it shall attach to the notification a copy of the bankruptcy petition.

(4) On the day when it learns that the effects of a bankruptcy order against it have taken place and no later than the day when it receives a bankruptcy order or a court's decision to reject a bankruptcy petition on grounds of insufficient assets, an SPMC shall give Národná banka Slovenska written notification of this fact.

(5) After Národná banka Slovenska has received the notification mentioned in paragraph 3, it shall without undue delay take a decision to place all supplementary pension funds managed by the SPMC in receivership. The purpose of receivership shall be to protect the assets of the supplementary pension funds and the interests of participants and beneficiaries in the event that a bankruptcy order is made against the SPMC or a bankruptcy petition against it is rejected on grounds of insufficient assets. This is without prejudice to the application of other provisions on receivership under Section 74.

(6) In its decision under paragraph 5, Národná banka Slovenska shall:

(a) stipulate that the receivership will end on the effective date of the bankruptcy order made against the SPMC against which the bankruptcy petition was filed, or on the effective date of a court's decision to reject the bankruptcy petition on grounds of insufficient assets, or on the effective date of a court's decision to reject the bankruptcy petition because insolvency has not been established;

(b) stipulate the SPMC to which the management of the supplementary pension funds will be transferred on the effective date of the bankruptcy order or the effective date of the decision to reject a bankruptcy petition on grounds of insufficient assets; the management of supplementary pension funds of the SPMC against which the bankruptcy order was made, and the company's other rights and obligations arising from the supplementary pension scheme and agreements concluded with participants, employers, and beneficiaries, shall be transferred to this SPMC.

Section 42

(1) Within 30 days after the management of supplementary pension funds has been transferred, the transferee SPMC shall notify the participants and beneficiaries affected by the transfer of the supplementary pension funds' management that this transfer has taken place. The notification to the participants and beneficiaries shall state in particular the company's business name and registered office address, information on the rules of the respective supplementary pension fund and on other related conditions of the supplementary pension scheme.

(2) At the same time as it transfers the management of its supplementary pension funds, an SPMC shall relinquish to the transferee SPMC all documentation concerning such management and its other rights and obligations.

(3) As of the date on which the management of supplementary pension funds is transferred to the transferee SPMC, the contract on the performance of depository services, contracts with financial agents, and outsourcing contracts under Section 37 concluded by the SPMC that managed the supplementary pension funds shall expire. When these contracts expire, the other parties thereto shall hand over all documentation concerning this contractual relationship to the transferee SPMC

and shall cease the performance of activities under the respective contract except for those activities which may not be delayed or which if not completed could cause damage or other adverse consequences to the transferee SPMC; at the same time, these contracting parties shall transfer to the transferee SPMC all things, other rights and other assets which the dissolved SPMC acquired during the course of its activities and which belong to the dissolved SPMC.

(4) Persons obligated under paragraph 3 shall also notify the transferee SPMC of measures that must be taken to prevent the expiry of the respective contract causing damage or other adverse consequences.

DIVISION SIX
SUPPLEMENTARY PENSION FUNDS AND THE INVESTMENT OF SUPPLEMENTARY PENSION FUNDS' ASSETS

Supplementary pension funds
Section 43

(1) SPMCs shall establish and manage:
(a) at least one accumulation supplementary pension fund;
(b) one decumulation supplementary pension fund.

(2) SPMCs may not establish supplementary pension funds other than those whose establishment and management is permitted by Národná banka Slovenska on the basis of a decision to issue an authorisation or of a decision to grant prior approval under Section 26(1)(j).

(3) SPMCs managing more than one accumulation supplementary pension fund shall ensure that natural persons are allowed to be a participant in one or more of the supplementary pension funds under their management and at the same time a beneficiary in the SPMC's decumulation supplementary pension fund.

(4) The assets of an accumulation supplementary pension fund shall comprise assets acquired from contributions and income from these contributions, assets transferred from another supplementary pension fund under Section 63 and 64, and income from the investment of these assets. The assets of an accumulation supplementary pension fund constitute common assets of the participants. Provisions on co-ownership under the civil code do not apply.

(5) If a participant requests payment of a temporary supplementary retirement annuity or a temporary supplementary service annuity and meets the conditions for payment of the respective pension, the SPMC shall transfer assets corresponding to the current value of the personal account of the participant as at the date of the transfer of these assets into the decumulation supplementary

pension fund.

(6) If a participant requests payment of a lifetime supplementary retirement annuity or a lifetime supplementary service annuity and meets the conditions for payment of the respective pension, the SPMC shall transfer the current value of the personal account of the participant as at the date of the transfer of this amount to an insurance company, and shall do so within 30 days of the date on which the request for payment of these pensions is delivered to the SPMC.

(7) The assets of a decumulation supplementary pension fund shall comprise assets transferred under paragraph 5 and income from the investment of these assets. The assets of a decumulation supplementary pension fund constitute common assets of the beneficiaries. Provisions on co-ownership under the Civil Code do not apply.

(8) A participant's share in the assets of an accumulation supplementary pension fund shall be the amount of those assets which is equal to the current value of the participant's personal account. A beneficiary's share in the assets of a decumulation supplementary pension fund shall be the amount of those assets which is equal to the current value of the beneficiary's personal account.

Section 44

The name of a supplementary pension fund shall include the business name of the SPMC that manages the fund, the name of the supplementary pension fund itself, and the words '*príspevkový doplnkový dôchodkový fond'* ['accumulation supplementary pension fund'] or '*výplatný doplnkový dôchodkový fond'* ['decumulation supplementary pension fund'], or the abbreviations '*príspevkový d.d.f.'* or '*výplatný d.d.f.*'. No other natural person or legal person may use the name of a supplementary pension fund, or a designation confusable with it in the Slovak language or a foreign language, for their own designation or to describe their own activities. The name of an accumulation supplementary pension fund must not be misleading and must not give a false impression of the level of risk associated with investing in the fund.

Section 45

(1) Supplementary pension funds shall be established for an indefinite period.

(2) The establishment of an accumulation supplementary pension fund by a supplementary pension fund management company shall commence as of when the first contribution is credited to the supplementary pension fund's current account held with the depository.

(3) The establishment of a decumulation supplementary pension fund by an SPMC shall commence as of when assets are transferred in accordance with Section 43(5).

(4) After initiating the establishment of a supplementary pension fund, the SPMC shall without undue delay notify Národná banka Slovenska of this fact.

Section 46

(1) Supplementary pension funds do not have a legal personality. The assets of a supplementary pension fund shall not be included in the assets of the SPMC.

(2) The assets of a supplementary pension fund and the management of these assets shall be recorded separately from the assets and the management of the SPMC, and from the assets, and the management of the assets, of other supplementary pension funds managed by the SPMC.

Section 47
Supplementary pension points and the net asset value of supplementary pension funds

(1) The supplementary pension points recorded in the personal pension account of a participant or beneficiary shall denote the share of the participant or beneficiary in the assets of the supplementary pension fund.

(2) The value of a supplementary pension point is expressed in euro and is calculated to six decimal places.

(3) The initial value of a supplementary pension point shall be EUR 0.033194 as at the date when the SPMC commences the establishment of the respective supplementary pension fund. The current value of a pension point shall be determined after this date.

(4) The net asset value of a supplementary pension fund shall be the difference between the value of the supplementary pension fund’s assets and its liabilities.

(5) The current value of a supplementary pension point as at a given date shall be calculated as the net asset value of the supplementary pension fund divided by the total number of supplementary pension points recorded in the personal pension accounts of all fund’s participants or beneficiary as at that date.

(6) For each supplementary pension fund under their management, SPMCs shall on each working day calculate the net asset value of the fund and the current value of the pension point, and they shall notify these values to Národná banka Slovenska and to the depository. On each working day, SPMCs provide shall provide Národná banka Slovenska with information about the net asset value of their supplementary pension funds and they shall do so by secure electronic data transfer. The structure, extent and content of such information, and how it is to be provided, shall

be stipulated by Národná banka Slovenska in a measure, which shall be promulgated in the Collection of Laws of the Slovak Republic.

(7) Supplementary pension points and the recording of supplementary pension points in personal accounts are not subject to other legislation.[33b]

Section 48
Rules of supplementary pension funds

(1) Each supplementary pension fund shall have its own rules.

(2) The rules of a supplementary pension fund shall come into effect as of the effective date of the decision of Národná banka Slovenska to issue the authorisation. Amendments to the rules of a supplementary pension fund shall take effect as of the 15th day after the amendments are published on the website of the SPMC.

(3) After every amendment to the rules of a supplementary pension fund, the SPMC shall without undue delay submit to Národná banka Slovenska the respective amendment and the updated full text of the rules, and it shall inform the participants and beneficiaries of the amendment thereto.

(4) Národná banka Slovenska shall, in agreement with the Ministry of Labour, Social Affairs and Family of the Slovak Republic (hereinafter 'the Ministry'), issue a measure laying down the elements of the rules of supplementary pension funds and the scope, content and structure of the information to be contained in such rules; this measure shall be promulgated in the Collection of Laws of the Slovak Republic.

(5) The rules of a supplementary pension fund shall be binding on the SPMC concerned, the participants and beneficiaries.

Section 48a
Report on investment policy

For each supplementary pension fund under their management, SPMCs shall, at least once every three years starting from the date of their authorisation or after each significant change in their investment policy, reassess without undue delay the profile and objectives of the fund's investment strategy and prepare a report on the fund's investment policy. Such report shall contain information about:

(a) the types of financial instruments constituting the supplementary pension fund's assets, the risks associated with these financial instruments, and the quantitative limitations and methods that were used to assess the risks associated with transactions in these financial instruments;

(b) the procedure used for investment risk management and for the strategic investment of the fund's assets with regard to the nature of the liabilities owed by the SPMC to participants and beneficiaries; and
(c) the environmental factors, social factors, and organisational and management factors that are to be taken into account.

Section 49
Dissolution and conversion of supplementary pension funds

(1) Supplementary pension funds may be merged in the manner described in Sections 50 and 51.

(2) It is prohibited for supplementary pension funds to be:
(a) merged by the formation of a new fund or divided;
(b) converted into an investment fund under other legislation[34] or into a pension fund under other legislation.[35]

Section 50
Merger of accumulation supplementary pension funds

(1) The merger of accumulation supplementary pension funds means the process by which the assets of accumulation supplementary pension funds are combined so that the assets of the funds being merged become the assets of the accumulation supplementary pension fund into which they are merged. Upon the merger of accumulation supplementary pension funds, the funds' participants shall become participants in the accumulation supplementary pension fund into which the funds are merged.

(2) Only accumulation supplementary pension funds managed by the same SPMC may merge, and only into an accumulation supplementary pension fund as defined in this Act.

(3) Accumulation supplementary pension funds shall dissolve as of the date of their merger. As of that date, participants in the dissolved accumulation supplementary pension funds become participants in the accumulation supplementary pension into which the funds are merged.

(4) SPMCs that intend to merge supplementary pension funds shall inform the funds' participants of this fact before filing an application for prior approval under Section 26(1)(k); within 30 days after the merger of the accumulation supplementary pension funds, the SPMC shall inform the participants of the merger in accordance with the procedure laid down in the fund's rules for notifying participants of amendments thereto. A participant's share in the assets of the accumulation supplementary pension fund into which accumulation supplementary pension funds are merged shall be proportional to the current value of the participant's personal account as at the

date on which the funds merged.

Section 51
Merger of decumulation supplementary pension funds

(1) Decumulation supplementary pension funds may merge only:

(a) where an SPMC is acquired by another SPMC, in which case the decumulation supplementary pension fund of the acquired company shall be dissolved by merging it with the decumulation supplementary fund of the acquiring company subject to the prior approval of Národná banka Slovenska mentioned in Section 26(1)(e); or

(b) where the management of all the supplementary pension funds of an SPMC are transferred to a transferee SPMC in accordance with this Act, subject to the prior approval of Národná banka Slovenska under Section 26(1)(f).

(2) The merger of decumulation supplementary pension funds means the process by which the assets of decumulation supplementary pension funds are combined so that the assets of the fund being merged become the assets of the fund into which it is merged. Upon the merger of a decumulation supplementary pension fund, the beneficiaries of the fund shall become beneficiaries of the decumulation supplementary pension fund into which the dissolved fund has been merged.

(3) The merger of a decumulation supplementary pension fund with an accumulation supplementary pension fund shall be prohibited.

(4) Where supplementary pension funds merge under paragraph 1(a), their merger shall take place on the date when the SPMC merges with the other SPMC.

(5) Where decumulation supplementary pension funds merge under paragraph 1(b), their merger shall take place on the date when the management of the supplementary pension funds is transferred to the SPMC to which the management of funds has passed.

Section 52
Dissolution of a supplementary pension fund

(1) The dissolution of a supplementary pension fund requires the prior approval of Národná banka Slovenska under Section 26(1)(l). A decumulation supplementary pension fund may be dissolved only if all supplementary pension funds managed by the same SPMC are simultaneously dissolved.

(2) A participant may not request the dissolution of a supplementary pension fund.

(3) As at the date immediately preceding the effective date of Národná banka Slovenska's

decision to grant prior approval under Section 26(1)(l), the SPMC shall prepare extraordinary financial statements of the dissolving supplementary pension fund. As at the effective date of that decision, the SPMC shall prepare an opening balance sheet of the dissolving supplementary pension fund. Once a decision of Národná banka Slovenska to grant prior approval under Section 26(1)(l) has become effective, the SPMC shall conclude its management of the supplementary pension fund's assets by following the procedure set out in paragraph 4. In order to protect the rights of participants and beneficiaries, Národná banka Slovenska may require this procedure to be carried out by a depository or another SPMC.

(4) SPMCs or person specified under paragraph 3 shall within six months after the occurrence of events under paragraph 3:

(a) sell the assets of the dissolving supplementary pension fund;
(b) ensure the repayment of claims attached to the assets of the dissolving supplementary pension fund;
(c) settle all liabilities arising from the management of the assets of the dissolving supplementary pension fund;
(d) pay participants and beneficiaries in the dissolving supplementary pension fund their share in the assets of the fund;
(e) prepare the financial accounts of the dissolving supplementary pension fund as at the date immediately following the date on which all the obligations mentioned in points (a) to (d) are met.

(5) Národná banka Slovenska may at the request of an SPMC extend the deadline referred to in paragraph 4 by up to 12 months, but only if such extension is required to protect participants and beneficiaries against losses that would arise if the assets of dissolving supplementary pension fund were sold within the shorter period of time.

(6) The obligation to comply with risk-spreading limits under this Act does not apply to the sale of assets of a dissolving supplementary pension fund under paragraph 4.

(7) Information on the progress of the procedure under paragraph 4 shall be provided to Národná banka Slovenska at least once each calendar month by the SPMC or person specified under paragraph 3.

Investment of supplementary pension funds' assets and risk-spreading rules for supplementary pension funds
Section 53

(1) SPMCs shall invest the assets of their supplementary pension funds in accordance with the prudential business rules, under paragraphs 2 to 6, only in the types of assets mentioned in Section 53a, and in compliance with risk-spreading rules for supplementary pension funds under

Section 53b. In making investment decisions concerning the assets of supplementary pension funds, SPMCs may take into account the environmental factor, the social factor, and the factor of organisation and management.

(2) SPMCs shall invest the assets of supplementary pension funds in the best interests of participants and beneficiaries. In the case of a potential conflict of interests, the SPMC shall ensure that the assets of the supplementary pension fund are invested in the best interests of participants and beneficiaries.

(3) SPMCs shall invest the assets of supplementary pension funds predominantly in assets admitted to trading on a regulated market. The investment of a supplementary pension fund's assets in assets which are not admitted to trading on a regulated market must be kept to prudent levels; prior to making such an investment, the SPMC shall assess all the risks associated with it and its potential impact on the asset returns of the supplementary pension fund. SPMCs shall set internal limits for risks associated with the investment of supplementary pension funds' assets, continuously monitor compliance with these limits, and take measures to counter any risk of these limits being exceeded.

(4) SPMCs shall appropriately spread the investment of supplementary pension funds' assets so as to prevent over-reliance on a given asset or issuer, excessive risk exposure to any asset class, issuer or group of persons, and the accumulation of risk in the overall portfolio of a supplementary pension fund. SPMCs shall not allow a supplementary pension fund's portfolio to have an excessive concentration of exposure to the same issuer, or group of issuers, whether through direct investment or through indirect investment via other instruments or products whose underlyings are exposed to such issuer or group of issuers. If investments in certain asset classes entail a high level of risk, whether by virtue of the nature of the asset or the quality of the issuer, they must be kept to prudent levels.

(5) SPMCs may not circumvent risk-spreading limits under Section 53b in such a way that in addition to investing assets of a supplementary pension fund in transferable securities and money market instruments, bank deposits pursuant to Section 53a(1)(b) and/or derivatives pursuant to Section 53a(2), they concurrently invest assets of the fund in financial instruments mentioned in Section 53b(9) or other instruments whose underlyings are exposed to the same issuer, the same bank or the same counterparty, or whose returns are derived from assets included in the supplementary pension fund. The investment of assets of a supplementary pension fund in other instruments referred to in the first sentence must be taken into account by the SPMC for the purposes of fulfilling the obligation under paragraph 4.

(6) When selling or buying transferable securities or money market instruments from or for the portfolio of a supplementary pension fund and when entering into a derivative transaction, SPMCs shall sell or buy these securities and money market instruments, and shall enter into the

derivative transaction, for the best price obtainable in the financial market in favour of the fund's asset portfolio.

(7) SPMCs may not sell, or otherwise dispose of, transferable securities or money market instruments from the portfolio of a supplementary pension fund under a contract stipulating delivery of the securities as a condition precedent for payment of the purchase price.

(8) SPMCs may not buy, or otherwise acquire, transferable securities or money market instruments for the portfolio of a supplementary pension fund under a contract stipulating payment for the securities as a condition precedent for their delivery, nor may they provide an advance for the acquisition thereof.

(9) SPMCs, in investing assets of a supplementary pension fund, may not make an uncovered sale of financial instruments. For this purpose, an 'uncovered sale' means any transaction in which the SPMC exposes a supplementary pension fund to the risk that it will have to buy the financial instrument at a price higher than the price agreed upon in the transaction and therefore that the fund will make a loss or be exposed to the risk of not being able to deliver the financial instrument that by entering into the transaction it has undertaken to deliver.

(10) The definition of an uncovered sale in paragraph 9 includes short-selling. Short-selling of equities or debt instruments means any sale of equities or debt instruments not held in the supplementary pension fund's portfolio when the sale agreement is concluded; this includes sales where the SPMC borrowed the equities or debt instruments, or concluded an agreement to borrow them for the fund's asset portfolio, in order to deliver them when the transaction is settled. Short-selling does not include:

(a) the sale of assets from a supplementary pension fund's portfolio under a repurchase agreement concluded between the SPMC and a counterparty, where one party undertakes to sell the securities to the other party at an agreed price and the other party agrees to sell back the securities to that party at a different agreed price;
(b) a transfer of securities under a securities lending agreement; or
(c) the conclusion of a derivative contract under which securities are to be sold at an agreed price on a specified date in the future only at financial settlement.

(11) SPMCs shall, at the request of Národná banka Slovenska, provide credible evidence of the fulfilment of the obligations laid down in paragraphs 1 to 9; if an SPMC fails to comply with such request, it is deemed to have breached these obligations.

(12) Národná banka Slovenska may issue a measure stipulating how the obligations laid down in paragraphs 1 to 9 and paragraph 11 are to be fulfilled and how compliance with these obligations is to be demonstrated; this measure shall be promulgated in the Collection of Laws of the Slovak Republic.

Section 53a

(1) Assets of supplementary pension funds may be invested in:

(a) financial instruments as defined in other legislation;[33a]

(b) deposits held with banks incorporated in the Slovak Republic or with foreign banks incorporated in a Member State of the European Union, a country that is a member of the European Economic Area, or a country that is a member of the Organisation for Economic Co-operation and Development (hereinafter a 'Member State'), or in a non-Member State that requires compliance with prudential business rules for banks which Národná banka Slovenska considers equivalent to those applied under other legislation[36] or with those applied by a Member State.

(2) Assets of supplementary pension funds may not be invested in:

(a) financial derivatives whose underlying is a transferable security,[37] a money-market instrument,[38] a financial index, an interest rate, an exchange rate, or a currency in which assets of the supplementary pension fund may be invested in accordance with the investment policy set out in the fund's rules, provided that the security is traded on a regulated market and carries a right of settlement or that the transaction is concluded over the counter;

(b) derivatives traded on a regulated market, on commodities exchange pursuant to other legislation[39] or on another regulated commodities market established in a Member State, where the derivative carries a right of settlement and its underlying is a commodity or commodity index.

(3) SPMCs may not invest in shares/units of standard European investment funds, shares/units of special investment funds or shares/units of special investment funds or of other collective investment undertakings which may, under their rules or similar documents, invest more than 10% of their net asset value in shares/units of other investments funds or securities of foreign collective investment undertakings.

(4) Assets of supplementary pension funds may not be used to provide loans, credits or gifts or to guarantee the liabilities of other natural persons or legal persons. This is without prejudice to the provisions of paragraph 1(a) and Section 53g.

(5) Financial loans or credits may be received for a supplementary pension fund only if they are consistent with the interests of participants and beneficiaries and they are to be used to ensure the liquidity of the fund's asset portfolio; the amount and maturity of such loans or credits may not exceed what is necessary for that purpose and the maturity may not be more than one year from when the loan or credit was disbursed.

(6) Assets of supplementary pension funds may be invested in:

(a) bonds, debt securities or money market instruments admitted to trading on regulated markets;
(b) current accounts and deposit accounts pursuant to paragraph 1(b);
(c) shares/units of standard investment funds, securities of standard European investment funds or securities of other foreign collective investment undertakings investing predominantly in bonds, debt securities and/or money market instruments;
(d) financial derivatives pursuant to paragraph 2(a) for the purposes of hedging currency risk or interest rate risk, provided that such transactions can be shown to reduce the risk of losses arising from exchange-rate or interest-rate movements and the impact of these movements on the asset value of the decumulation pension fund.

(7) The assets of a decumulation supplementary pension fund which are not hedged against currency risk may not constitute more than 5% of the fund's net asset value.

(8) The assets of a supplementary pension fund may not include shares in a depository; the provision of Section 53(5) does not apply.

Risk-spreading rules for the asset portfolios of supplementary pension funds
Section 53b

(1) The value of transferable securities and money market instruments issued by the same issuer may not constitute more than 5% of the net asset value of a supplementary pension fund, unless otherwise provided by paragraphs 4, 6, 8, 9 and 10.

(2) In all the supplementary pension funds managed by an SPMC, the sum of par values of transferable securities and money market instruments from the same issue may not exceed 30% of the net value of the total issue; this does not apply to securities and money market instruments issued or guaranteed by a Member State.

(3) Funds held in current and deposit accounts with one bank or branch of a foreign bank under Section 53a(1)(b) may constitute more than 20% of the net asset value of a supplementary pension fund.

(4) Mortgage bonds[39a] and covered bonds[39b] issued by one bank, or debt securities issued by one foreign bank incorporated in a Member State or non-Member State, whose par values and yields are covered by the bank's mortgage loan claims, shall not account for more than 25% of the net asset value of a supplementary pension fund.

(5) Not more than 10% of the net asset value of a supplementary pension fund may be accounted for by the total value of transferable securities and money market instruments not admitted to trading on a regulated market; this limit does not apply to investments mentioned in paragraph 9.

(6) Not more than 35% of the net asset value of a supplementary pension fund may be accounted for by transferable securities and money market instruments issued or guaranteed by a single Member State, the European Central Bank, the European Central Bank, the European Union, the European Investment Bank, the World Bank, the European Bank for Reconstruction and Development or the International Monetary Fund.

(7) The counterparty risk exposure of a supplementary pension fund's portfolio in OTC derivative transactions may not exceed:

(a) 10% of the net asset value of the supplementary pension fund, where the counterparty is a bank fulfilling the conditions under Section 53a(1)(b);
(b) 5% of the net asset value of the supplementary pension fund, where the counterparty is an entity other than a bank under point (a).

(8) Not more than 35% of the asset value of a supplementary pension fund may be accounted for by the sum of investments in transferable securities and money market instruments under paragraph 1 issued by a bank fulfilling the conditions pursuant to Section 53a(1)(b), mortgage bonds[39a] and covered bonds[39b] under paragraph 4 issued by the same bank, deposits held with this bank, and the value of counterparty risk under paragraph 7(a) which this bank represents.

(9) In a supplementary pension fund, the value of shares/units:

(a) of a single standard investment funds or securities of a single standard European investment fund may not exceed 20% of the fund's net asset value;
(b) of a single special investment fund or securities of another collective investment undertaking, as mentioned in point (a) may not exceed 10% of the fund's net asset value.

(10) Not more than 40% of the net asset value of a supplementary pension fund may be accounted for by the sum of investments in shares/units of standard investment funds, securities of standard European funds, shares/units of special investment funds, or securities of other collective investment undertakings managed by a single SPMC.

(11) The aggregate of the funds mentioned in Section 53a(5) may not constitute more than 10% of the net asset value of a supplementary pension fund as at the dates on which the loan and credit agreements are concluded.

(12) For the purposes of calculating the limits under paragraphs 1 to 10, legal persons that are part of a group for which consolidated accounts are prepared in accordance with other legislation[40] or with international accounting standards shall be treated as a single entity. Where the group referred to in the first sentence is a controlled financial institution, not more than 10% of the net asset value of the supplementary pension fund may be accounted for by the value of transferable securities and money market instruments issued by issuers pursuant to paragraph 1 that

are part of this group.

(13) Assets denominated in a currency other than the euro which are included in the assets of a supplementary pension fund and are not hedged against currency risk may not exceed 30% of the fund's net asset value. In managing currency risk, SPMCs shall take into account investments in euro-denominated instruments whose underlyings comprise instruments denominated in a currency other than the euro.

(14) When approving the rules of a supplementary pension fund, Národná banka Slovenska may increase the limit under paragraph 13 from 30% to 60%, provided that the investment policy of the fund, stated in these rules, is to generate income from exchange-rate movements.

(15) Národná banka Slovenska may issue a measure stipulating how currency risk may be hedged, and this measure shall be promulgated in the Collection of Laws of the Slovak Republic.

Section 53c

(1) SPMCs may not acquire either for themselves or supplementary pension funds under their management: shares with voting rights that would allow the SPMC to exercise significant influence over the issuer's management; to calculate the voting rights attached to shares, the procedure under the Commercial Code shall be followed.

(2) The assets and liabilities of supplementary pension funds must be valued each working day.

Section 53d

(1) SPMCs may conclude a deposit account agreement under Section 53a(1)(b) with a maturity of:
(a) not more than 12 months;
(b) more than 12 months, provided that this agreement may be terminated without notice at any time after twelve months from when it was concluded.

(2) SPMCs may invest in securities of foreign collective investment undertakings other than standard European investment funds, provided that:
(a) this foreign collective investment undertaking is of the open-end type, is authorised under the law of the country in which it is established, is subject to supervision equivalent to that exercised by Národná banka Slovenska or the supervisory authority of a Member State, and cooperation is ensured between Národná banka Slovenska and the competent supervisory authorities of the competent supervisory authorities;
(b) the level of protection of holders of securities issued by this foreign collective investment

undertaking is equivalent to the level of protection for unit-holders under other legislation,[34] particularly in regard to rules on the separation of assets, borrowings and lendings and on uncovered sales;

(c) this foreign collective investment undertaking publishes management reports for each calendar year and for the first six months of each year, allowing the evaluation of its assets and liabilities, income, and activities for the period covered by the given report.

Section 53e

(1) SPMCs, in investing the assets of a supplementary pension fund in shares/units of standard investment funds or special investment funds, or in shares/units or securities of standard European investment funds or other foreign collective investment undertakings, may not use the assets of a supplementary pension fund under their management to pay any fees or costs related to the issuance or redemption of such shares/units or securities that are managed, or in respect of which activities or functions outsourced under Section 37 are performed, by an asset management company or foreign asset management company with which the SPMC forms a closely linked group.[15]

(2) If a supplementary pension fund acquires shares/units or securities referred to in Section 53b(9), the fund's rules must contain information about the maximum amount of the management administration fees that may be charged to the fund. The amount of the fees mentioned in the first sentence, charged for the relevant calendar year, shall be specified by the SPMC in the annual report on the portfolio management of the supplementary pension fund.

Section 53f

(1) Derivative investments may, in compliance with risk-spreading rules, constitute part of an SPMC's investment policy for the assets of a supplementary pension fund. For the calculation of limits under Section 53b in respect of financial derivative investments, the values of the underlyings of these derivatives shall be counted; this does not apply to financial derivatives whose underlying is a financial index meeting the criteria laid down in other legislation.[40a]

(2) Counterparties in OTC derivative transactions must be financial institutions subject to prudential supervision; the rules of the supplementary pension fund must state the categories of financial institutions that may be counterparties in OTC derivative transactions.

(3) OTC derivative transactions shall be valued daily and this valuation shall be verified by the method laid down in Section 55e; it must be possible through another transaction, on the initiative of the SPMC, to sell, liquidate or close these derivatives at their market value.

(4) A supplementary pension fund's global exposure related to derivatives referred to in

Section 53a(2) may not exceed the net asset value of the fund. The calculation of the global exposure mentioned in the first sentence shall take into account the value of the derivatives' underlying, counterparty risk, assumptions for future financial market movements, and the time remaining until the closure of the derivative positions.

(5) A supplementary pension fund's global exposure related to derivatives referred to in Section 53a(2)(b) may not exceed 20% of the fund's net asset value.

(6) If a transferable security or money market instruments embeds a derivative, the embedded derivative must be taken into account in applying any limit or restriction.

(7) If the assets of a supplementary pension fund include a financial derivative which requires delivery of the underlying financial instrument, or if the counterparty has the right to require delivery of this underlying, the SPMC shall ensure that the fund's assets are able to cover such requirements by the fact they include a sufficient number of the derivative's underlying financial instruments or a sufficient amount of funds or other liquid assets that may be used to purchase the delivered underlying financial instruments, and that such purchase may be made as at the required delivery date of the underlying.

(8) When managing the assets of a supplementary pension fund, SPMCs may not conduct transactions in financial derivatives that would require coverage referred to paragraph 4 in the form of assets that cannot be acquired for the fund's portfolio under the fund's investment policy.

(9) Národná banka Slovenska shall issue a measure stipulating how liabilities related to financial derivatives in the asset portfolios of supplementary pension funds may be covered, and this measure shall be promulgated in the Collection of Laws of the Slovak Republic.

Section 53g

(1) Techniques and instruments relating to transferable securities and money market instruments may be used to the credit or debit of a supplementary pension fund, provided that such use is permitted by the fund's rules, that it is for the purpose of efficient portfolio management, and it complies with the conditions and limits laid down in the fund's rules.

(2) If the use of techniques and instruments mentioned in paragraph 1 includes the use of derivatives, the limits laid down by the rules of the supplementary pension fund, referred to in paragraph 1, must be consistent with risk-spreading rules pursuant to this Act and these derivatives must meet the criteria laid down by this Act and the requirements for counterparties in derivative transactions pursuant to Section 53f(2).

(3) Techniques and instruments referred to in paragraphs 1 and 2 may be used only to such

an extent that does not change how the assets of the supplementary pension fund are invested or the investment policy and investment objective set out in the fund's rules and does not attract a substantial risk additional to that envisioned in the risk policy; the use of such techniques and instruments must be consistent with the best interests of participants and beneficiaries.

(4) All commissions and fees that an SPMC receives in relation to the use of techniques and instruments mentioned in paragraph 1, adjusted to include the amount of direct and indirect operating costs, shall be added to the assets of the supplementary pension fund.

(5) Where an SPMC uses techniques and instruments mentioned in paragraph 1, it shall ensure that the risks associated with these activities are appropriately handled and managed within the risk management system of the respective supplementary pension fund.

(6) Where an SPMC conducts a transaction as part of techniques and instruments mentioned in paragraph 1, it shall take such operations into account when drawing up a liquidity management system, so as to ensure that it is able to discharge all liabilities arising under Sections 15 to 21.

(7) Národná banka Slovenska shall issue a measure, which shall be promulgated in the Collection of Laws of the Slovak Republic, stipulating:
(a) the criteria that the techniques and instruments mentioned in paragraph 1 must meet;
(b) what must be included in any securities lending agreement, securities repurchase agreement, or securities purchase and resale agreement concluded within the use of techniques and instruments under paragraph 1.

(8) Národná banka Slovenska may issue a measure laying down detail provisions on the techniques and instruments mentioned in paragraph 1, and this measure shall be promulgated in the Collection of Laws of the Slovak Republic.

Section 54

(1) The limits and restrictions concerning the assets of a supplementary pension fund laid down in Sections 53a to 53f shall not be apply for the first 12 months after the effective date of Národná banka Slovenska's decision to issue the company's authorisation or after the authorisation was amended in respect of the management of the supplementary pension fund.

(2) Once the period mentioned in paragraph 1 has expired, the SPMC may exceed the limits and restrictions under Sections 53a to 53f only upon the exercise of pre-emptive subscription rights arising from securities or money market instruments included in the assets of the supplementary pension fund, when a cross-border transfer is made pursuant to Section 37c and 37d or when supplementary pension funds are merged. If the limits and restrictions mentioned in Sections 53a to 53f are exceeded as a result of a merger of supplementary pension funds, the SPMC shall bring

the assets into line with the limits and restrictions under this Act within six months from the merger, unless Národná banka Slovenska has set a longer time limit.

(3) If any of the limits or restrictions mentioned in Sections 53a to 53f are exceeded for reasons beyond the control of the SPMC, or owing to the exercise of pre-emptive rights under paragraph 2, the SPMC shall without undue delay notify Národná banka Slovenska of this fact and take measures to conform with the limits and restrictions under this Act. This is without prejudice to the obligation of the SPMC to proceed in accordance with the first sentence also in the case that the limits and restrictions under this Act are breached as a consequence of wilful negligence. Transactions made in order to bring the composition of the supplementary pension fund's assets into compliance with the limits and restrictions under this Act shall take precedence over other transactions. The obligation to take measures under the first and second sentences shall not expire upon the imposition of a penalty under this Act.

(4) Národná banka Slovenska may set a time limit for an SPMC to bring the composition of a supplementary pension fund's assets into compliance with the limits and restrictions under this Act. This is without prejudice to the right of Národná banka Slovenska to impose a penalty on the SPMC for a breach of the limits and restrictions laid down in Sections 53a to 53f. Národná banka Slovenska may at the request of the SPMC extend the time limit mentioned in the first sentence, on one more occasions, provided that the request is submitted no later than ten working days before the end of the period granted for bringing the composition of the fund's assets into compliance with this Act and that such extension is justified in the interest of protecting participants and beneficiaries.

(5) SPMCs shall inform Národná banka Slovenska without undue delay if the net asset value of a supplementary pension fund has fallen by one third against the fund's average net asset value for the previous six consecutive months.

Risk management

Section 55

(1) SPMCs, in managing the assets of supplementary pension funds, shall:

(a) introduce and maintain a risk management system enabling:
   1. timely identification, continuous measurement and management of all significant risks to which the assets of participants or beneficiaries in supplementary pension funds are or may be exposed;
   2. continuous monitoring and measurement of position risk and the impact of positions on the global exposure related to the investment of funds' assets;
   3. continuous monitoring and measurement of the global exposure related to derivatives

mentioned in Section 53f(4) and (5), and the ensuring of compliance with its limit;

4. proper performance of the risk management function pursuant to Section 29a;

(b) use procedures for the accurate and reliable valuation of OTC financial derivatives.

(2) For the purposes of this Act, a distinction shall be made between:

(a) credit risk, being the risk that a supplementary pension fund incurs a loss due to the failure of a debtor or other contracting party to meet their obligations; credit risk includes counterparty risk, meaning the risk that the fund incurs a loss because the counterparty in a transaction fails to meet its obligations before final settlement of the transaction;

(b) market risk, being the risk that a supplementary pension fund incurs a loss due to movements in the market value of the fund's asset positions caused by changes in variable market factors, such as interest rates, exchange rates, equity prices, commodity prices and the creditworthiness of issuers;

(c) operational risk, being the risk that a supplementary pension fund incurs a loss due to inappropriate internal procedures and failures associated with persons and systems of the SPMC or to external events; operational risk includes legal and documentation risks and risks related to trading, settlement and valuation procedures conducted on behalf of the supplementary pension fund.

(3) In order to meet the obligations laid down in paragraph 1, SPMCs shall introduce, apply and maintain an appropriate and documented risk management policy that identifies risks to which supplementary pension funds under its management are or could be exposed.

(4) Risk management policies shall include procedures necessary to ensure that SPMCs can assess the exposure of each supplementary pension fund under their management to the risks mentioned in paragraph 2 as well as to all other significant risks. For the purposes of risk management, 'significant risk' means any risk that may with reasonable probability be expected to affect the interests of participants and beneficiaries.

(5) The risk management policies of SPMCs shall define:

(a) procedures, instruments and measure that will enable the SPMC to meet its obligations under paragraphs 10 to 12 and Section 55a; and

(b) the division of responsibilities related to risk management within the SPMC.

(6) SPMCs shall ensure that risk management policies pursuant to paragraphs 3 to 5 shall define the terms, content and periodicity of performance reports for the risk management function submitted to the senior management and supervisory board.

(7) In meeting their obligations under paragraphs 3 to 6, SPMCs shall take into account the nature, scale and complexity of their activities and the supplementary pension funds under their management.

(8) SPMCs shall assess, monitor and regularly examine:

(a) the suitability and effectiveness of their risk management policy as well as the procedures, instruments and measures pursuant to paragraphs 10 to 12 and Section 55a;
(b) the extent to which they are complying with their risk management policy and with the procedures, instruments and measures pursuant to paragraphs 10 to 12 and Section (55)a;
(c) the suitability and effectiveness of measures adopted to address any shortcomings in the implementation of risk management procedures.

(9) SPMCs shall without undue delay notify Národná banka Slovenska of any significant change in their risk management system.

(10) SPMCs shall adopt suitable and effective procedures, instruments and measures for:

(a) the continuous measurement and management of risks to which the supplementary pension funds under their management are or could be exposed;
(b) ensuring compliance with limits for global exposure and counterparty risk.

(11) The procedures, instruments and measures referred to paragraph 10 must be suitable with regard to the nature, scale and complexity of the activities of the SPMC and the supplementary pension funds under its management, and they must be consistent with the risk profiles of these supplementary pension funds.

(12) For the purposes of meeting the obligations under paragraph 10, SPMCs shall:

(a) introduce such risk management measures and procedures that are necessary to ensure that risks associated portfolio positions and their effect on the overall risk profile are measured precisely on the basis of sound and reliable data and that the risk measurement measures and procedures are duly documented;
(b) if they measure market risk, or calculate global risk related to derivatives pursuant to Section 53f(4) and (5), by the method mentioned in Section 55a(1)(b), perform back-testing in order to examine the functionality of risk measurement measures, with this testing to include forecasts and estimates based on relevant models;
(c) if they measure market risk, or calculate global risk related to derivatives pursuant to Section 53f(4) and (5), by the method mentioned in Section 55a(1)(b), perform periodical stress testing and analyses of stress scenarios in order to take account of market risks that could adversely affect supplementary pension funds under their management;
(d) introduce and apply a documented system of internal limits for measures used in the management and checking of risks relevant to each supplementary pension fund, taking into account all the risks that that could be significant for each fund and ensuring compliance with the respective fund's risk profile;
(e) ensure that for each supplementary pension fund the current level of risks is consistent with the internal limit system mentioned in point (d);

(f) introduce, apply and maintain suitable procedures which in response to an actual or expected breach of the internal limit system mentioned in point (d) will ensure timely remedial measures in the best interests and for the protection of participants and beneficiaries.
(g) refrain from relying solely or mechanistically on credit ratings, issued by credit rating agencies,[40b] for assessing the creditworthiness of a supplementary pension fund's assets.

(13) Národná banka Slovenska may issue a measure, which shall be promulgated in the Collection of Laws of the Slovak Republic, specifying:
(a) other risks that are to be distinguished for risk management purposes;
(b) details about:
    1. the risk management system for the management of supplementary pension funds' asset portfolios;
    2. the conduct of back-testing pursuant to paragraph 12(b);
    3. the conduct of stress testing pursuant to paragraph 12(c);
    4. qualitative and quantitative requirements for stress testing pursuant to point three.

Section 55a
Calculation of global exposure related to financial derivatives

(1) A supplementary pension fund's global exposure related to derivatives mentioned in Section 53f(4) and (5) shall be calculated by the SPMC as:
(a) the incremental exposure and leverage generated by using derivatives, including securities embedding a derivative pursuant to Section 53f(6), which, under Section 53f(4), may not exceed the fund's net asset value and, under Section 53f(5) may not exceed 20% of the fund's net asset value; or
(b) the market risk exposure of the fund's asset portfolio.

(2) The calculation of a supplementary pension fund's global exposure related to derivatives shall be calculated by the SPMCs at least once every working day.

(3) Where an SPMC calculates global exposure as the exposure mentioned in paragraph 1(a), it shall do so using the commitment approach pursuant to Section 55b. Where an SPMC calculates global exposure as the exposure mentioned in paragraph 1(b), it shall do so using the Value-at-Risk ('VaR') approach pursuant to Section 55c; 'VaR' shall be understood to mean the highest expected loss over a given period of time at a given confidence level.

(4) SPMCs shall ensure that the method selected for measuring global exposure pursuant to paragraph 3 is appropriate for the given supplementary pension fund, and in doing so they shall take into account the investment strategy of the fund, the type and complexity of the derivatives included in the fund's asset portfolio, and the share of these derivatives in the fund's assets.

(5) If as part of its management of a supplementary pension fund, an SPMC uses, pursuant to Section 53g, techniques and instruments that include a securities repurchase agreement, securities purchase and resale agreement or securities lending agreement in order to increase leverage or the level of market risk exposure, the company shall take these transactions into account when calculating global exposure pursuant to Section 53f(4) and (5).

Section 55b
Commitment approach

(1) Where an SPMC uses the commitment approach to calculate a supplementary pension fund's global exposure pursuant to Section 53f(4) and (5), it shall apply this approach to all positions in derivatives, including securities embedding derivatives under Section 53f(6), regardless of whether such positions are taken as part of the fund's investment policy for the purposes of risk mitigation or for the purposes of efficient portfolio management under Section 53g.

(2) When using the commitment approach to calculate a supplementary pension fund's global exposure pursuant to Section 53f(4) and (5), the SPMC shall convert each derivative position into the market value of the equivalent position in the respective underlying.

(3) If the derivative investments of a supplementary pension fund are not generating any incremental exposure for the fund, the SPMC is not required to include positions in the respective underlyings in the commitment.

(4) When calculating the global exposure of a supplementary pension fund, SPMCs may take into consideration hedging and netting arrangements, provided that these arrangements take account of clear and significant risks and result in an appreciable reduction in exposure.

(5) Where an SPMC uses the commitment approach to calculate global risk exposure, the calculation need not include liabilities in the form of loans and credits received pursuant to Section 53a(5) and 53b(11).

(6) If, for the purpose of efficient portfolio management, the rules of a supplementary pension fund allow techniques and instruments relating to transferable securities and money market instruments to be used to the credit or debit of the fund and the use of these techniques and instruments generates additional leverage through the reinvestment of collateral, the SPMC shall take account of the use of these techniques and instruments when calculating global risk using the commitment approach.

(7) Národná banka Slovenska shall issue a measure, which shall be promulgated in the Collection of Laws of the Slovak Republic, laying down:

(a) methodologies for the conversion of derivative positions pursuant to paragraph 2 for different types of position;
(b) criteria for determining derivatives that do not generate incremental exposure for the portfolio of a supplementary pension fund pursuant to paragraph 3;
(c) how the hedging and netting arrangements referred to in paragraph 4 are to be taken into account when calculating global exposure using the commitment approach;
(d) how the techniques and instruments mentioned in paragraph 6 are to be taken into account when using the commitment approach to calculate global exposure.

(8) Národná banka Slovenska may issue a measure laying down detail provisions on the calculation of global exposure using the commitment approach, and this measure shall be promulgated in the Collection of Laws of the Slovak Republic.

Section 55c
Value-at-Risk approach

(1) Where an SPMC uses the VaR approach to calculate global exposure pursuant to Section 53f(4) and (5), it shall apply this approach to all positions in the fund's asset portfolio.

(2) When using the VaR approach, SPMCs shall, pursuant to Section 55(12)(d), set the maximum VaR in accordance with the defined risk profile of the respective supplementary pension fund.

(3) When using the VaR approach to calculate global exposure, SPMCs shall use either the relative VaR approach or the absolute VaR approach, whichever is appropriate for the risk profile and investment strategy of the respective supplementary pension fund.

(4) SPMCs are required, at the request of Národná banka Slovenska, to demonstrate that the approach selected under paragraph 3 is appropriate for the respective supplementary pension fund. The company's decision to use the given approach, and the assumptions and grounds on which it based that decision, must be properly documented.

(5) The approach selected under paragraph 3 shall be used on an ongoing basis.

(6) Národná banka Slovenska shall issue a measure, which shall be promulgated in the Collection of Laws of the Slovak Republic, stipulating:
(a) how to calculate global exposure using the relative VaR approach;
(b) how to calculate global exposure using the absolute VaR approach;
(c) quantitative and qualitative requirements for the VaR approach;
(d) the maximum limit that may not be exceeded when using the absolute VaR approach.

(7) Národná banka Slovenska may issue a measure laying down detailed provisions on the calculation of global exposure using the VaR approach, and this measure shall be promulgated in the Collection of Laws of the Slovak Republic.

Section 55d
Counterparty risk

(1) SPMCs shall ensure that counterparty risk arising from OTC financial derivatives does not exceed the limits laid down in Section 53b.

(2) When calculating counterparty risk exposure pursuant to Section 53b(7), SPMCs shall use the positive mark to market value of the OTC financial derivative contracts with the counterparty.

(3) When calculating counterparty risk exposure in the portfolio of a supplementary pension fund, SPMCs may net financial derivative positions with the same counterparty provided that they are able, on behalf of the fund, to enforce the netting agreement concluded with the counterparty. Positions netted with the same counterparty may not include positions other than those in OTC financial derivatives.

(4) SPMCs may reduce their counterparty risk exposure pursuant to Section 53b(7) through the receipt of collateral. Collateral received must be sufficiently liquid in order that it can be sold quickly at a price that is close to its pre-sale valuation.

(5) Where an SPMC passes collateral to a counterparty in an OTC financial derivative transaction conducted on behalf of a supplementary pension fund, this must be taken into account in calculating counterparty risk exposure pursuant to Section 53b(7). Collateral passed may be taken into account on a net basis, provided that the SPMC is able, on behalf of the fund, to enforce the netting agreement concluded with the respective counterparty.

(6) SPMCs shall calculate the limits referred to in Section 53b using the commitment approach, on the basis of underlying asset positions arising from the use of financial derivatives.

(7) In the calculation of the limit referred to in Section 53b(8), SPMCs shall include all counterparty risk exposures in the portfolio of the supplementary pension fund which arise from OTC financial derivative transactions.

(8) Národná banka Slovenska shall issue a measure, which shall be promulgated in the Collection of Laws of the Slovak Republic, stipulating:
(a) requirements for collateral through which SPMCs may reduce counterparty risk;
(b) rules for the calculation of limits referred to in Section 53b.

Section 55e
Procedures for the valuation of OTC derivatives

(1) SPMCs shall ensure that the valuation of financial derivative positions in the asset portfolios of supplementary pension funds is verified; this is without prejudice to the provisions of Section 53a(2) and Section 53f(2) and (3). Verification pursuant to the first sentence shall consist of establishing whether the valuation of the financial derivative positions corresponds to the fair value, which does not rely only on market quotations by the counterparties of the OTC derivatives.

(2) In the valuation of financial derivatives, the following criteria must be met:

(a) the basis for the valuation is either a reliable up-to-date market value of the instrument, or, if such a value is not available, a pricing model using an adequate recognised methodology;

(b) verification of the valuation pursuant to paragraph 1 is carried out by one of the following:

1. a third party which is independent from the counterparty of the OTC derivative, at an adequate frequency and in such a way that the SPMC is able to check it;
2. a unit within the SPMC which is independent from the department in charge of managing the assets and which is adequately equipped for such purpose.

(3) For the purposes of paragraph 1, SPMCs shall introduce, apply and maintain measures and procedures to ensure appropriate, transparent and fair valuation of OTC financial derivative positions in the asset portfolios of supplementary pension funds. SPMCs shall duly document measures and procedures mentioned in the first sentence.

(4) SPMCs shall ensure that the fair value of OTC derivatives is established in an appropriate, accurate and independent way.

(5) Measures and procedures referred to in paragraph 3 must be appropriate and proportionate with regard to the nature and complexity of the respective OTC financial derivatives.

(6) Where measures and procedures relating to the valuation of OTC derivatives involve other parties, the SPMC shall comply with the obligations laid down Section 37(6) in regard to these other parties.

(7) In order to ensure fulfilment of the obligations laid down in paragraphs 1 to 5, SPMCs shall set specific tasks and responsibilities relating to these obligations for the risk management function under Section 29a.

DIVISION SEVEN
DEPOSITORY

Section 56

(1) Assets in a supplementary pension fund and assets in an unassigned payments account shall be entrusted to a depository in accordance with this Act.

(2) The depository of a supplementary pension fund shall be a bank or a foreign bank operating through its branch[41] which:

(a) is authorised under other legislation[41a] to perform non-core investment services involving the safe custody or management of financial instruments for the client's account, including depository activities and related services, mainly cash management and financial collateral management; and,

(b) is not in receivership.

(3) A legal person referred to in paragraph 2 which does not have clean criminal record may not be the depository of a supplementary pension fund.

(4) The depository of a supplementary pension fund may, on the basis of a contract, outsource the safe custody of foreign securities to another entity that is authorised to perform the outsourced activities. A depository may not outsource such activities to an entity whose interests may conflict with the interests of participants and beneficiaries. A depository which holds foreign securities in safe custody, or the entity to which it has outsourced this activity, shall always keep these securities separate from other assets and in a way that ensures the protection of the rights of participants and beneficiaries in accordance with Section 74.

(5) All the supplementary pension funds of an SPMC managing these supplementary pension funds (hereinafter the 'managing SPMC') must have the same depository.

(6) The activities of a depository are subject to the provisions of other legislation,[41b] unless otherwise provided in paragraphs 1 to 5 and in Sections 56a to 56e.

Section 56a

(1) A depository shall perform its activities on the basis of a written contract on the performance of depository activities concluded with the SPMC (hereinafter the 'depository contract').

(2) A depository contract shall set out the depository activities, the scope of which must not be narrower than that laid down in Section 56c(2), instruments and procedures through which the depository is entitled to obtain all the important information that is necessary for the performance of their activities, and the amount of remuneration for the performance of depository activities.

(3) A depository contract shall be concluded for an indefinite period. The contracting parties to a depository contract may terminate it. The minimum period of notice shall be three months unless a shorter period of notice is stipulated in the depository contract. The period of notice shall begin from the first day of the calendar month following the calendar month when the notice is delivered to the other contracting party.

(4) In the event of the withdrawal or expiry of a depository's banking licence,[41c] or its licence to provide investment services[41d] in respect of the part required for depository activities, or where a depository has been placed in receivership, then as at the effective date of the respective decision, the depository's licence to perform depository activities as defined in this Act shall expire and the depository contract concluded with this depository shall cease to be valid.

(5) The termination of a depository contract or the occurrence of a situation mentioned in paragraph 4 shall without undue delay be notified by the depository to Národná banka Slovenska and to the SPMC with which the depository contract was concluded.

(6) After a depository contract has ceased to be valid, the SPMC shall without undue delay suspend the handling of the supplementary pension funds' assets, except for the payment of liabilities incurred before the expiry of the depository contract and operations necessary for securing the supplementary pension funds' assets against damage, until a contract is concluded with a new depository.

(7) No later than the last day of the notice period of a depository contract or one month after a depository contract became invalid in a way mentioned in paragraph 4, the SPMC shall prepare a draft depository contract with another depository and shall request Národná banka Slovenska to grant prior approval in writing for the change of depository.

(8) If within the period mentioned in paragraph 7, an SPMC has not requested Národná banka Slovenska to grant prior approval in writing for a change of depository, Národná banka Slovenska shall appoint the new depository within one month after this period has elapsed. An SPMC and its depository appointed by Národná banka Slovenska shall without undue delay conclude a depository contract. After this depository contract has been concluded, the SPMC shall without undue delay submit it to Národná banka Slovenska.

(9) A depository that has ceased to perform its activities for the supplementary pension funds of a managing SPMC shall without undue delay hand over to the new depository the supplementary pension funds' assets, related documentation, and information on the performance of depository activities concerning this handover of assets. Until the handover of the assets and related documentation, the depository must not handle or allow handling of the supplementary pension funds' assets, except for operations required to secure the supplementary pension funds' assets against damage or to ensure the payment of benefits in accordance with this Act. The provisions

of the first and second sentences apply mutatis mutandis to assets in an unassigned payments account.

(10) A depository shall continue to fulfil its obligations arising from the depository contract in the event that the SPMC has gone into bankruptcy or restructuring, and shall do so until a depository contract is concluded with the SPMC to which the management of the supplementary pension funds has been transferred or until all the supplementary pension funds managed by the SPMC have been dissolved in accordance with Section 52.

Section 56b

(1) Depositories shall maintain a current account[41e] in a stipulated currency for the SPMC with which they have concluded a depository contract. Depositories shall maintain one current account[85] in a stipulated currency for each supplementary pension fund of the managing SPMC with which they have depository contract. Depositories shall maintain one unassigned payments account for each SPMC with which they have a depository contract.

(2) All payments, redemptions, or transfers of funds included in a supplementary pension fund's assets shall be carried out through the supplementary pension fund's current account mentioned in paragraph 1.

(3) Assets held in an unassigned payments account shall not constitute assets of the SPMC. Fees charged by a depository for the maintenance of an unassigned payments and the provision of payment services shall be paid by the SPMC.

(4) SPMCs may not open a current account in a bank or foreign bank branch which is not their depository. SPMCs may open a deposit account[86] in a bank or foreign bank branch which is or is not their depository.

(5) Depositories may release funds from a supplementary pension fund's current account under paragraph 1 for the purpose of purchasing securities provided that the securities have already been transferred or that the funds are used as a payment against delivery of the securities.

(6) Any paper securities included in a supplementary pension fund's assets shall be deposited with the depository. If it is not possible to ensure their safe custody with the depository, the paper securities shall be deposited with a third party designated by the depository. For securities deposited in this way, the depository shall bear liability as if they were deposited with it.

(7) For the purpose of using their own assets that are book-entry securities recorded in the issuers' register at the central depository, SPMCs shall open and use only one owner's account.

(8) For the purpose of using supplementary pension funds' assets that are book-entry securities recorded in the issuers' register at the central depository, SPMCs shall, separately for each supplementary pension fund under their management, open and use an independent owner's account. For the purpose of recording and using a supplementary pension fund's assets, SPMCs may not open and use more than one owner's account for each supplementary pension fund under their management, nor use the owner's account mentioned in paragraph 7.

(9) If its depository is a member of the central securities depository, an SPMC shall open owner's accounts under paragraphs 7 and 8 with that depository. If its depository is not a member of the central depository, an SPMC shall establish owner's accounts under paragraphs 7 and 8 with another member of the central depository; these owner's accounts shall be established with the same member of the central depository.

(10) If a supplementary pension fund's assets include foreign book-entry securities, the depository shall without undue delay ensure that the managing SPMC receives statements of the owner's account or an account fulfilling a similar function, or copies thereof, unless the managing SPMC receives them directly.

(11) SPMCs may not handle supplementary pension funds' assets and the assets in an unassigned payments account without the knowledge of the depository.

Section 56c

(1) Depositories shall, in performing their activities, act independently and honourably with professional care, in compliance with the depository contract, and exclusively in the interests of participants and beneficiaries.

(2) Depositories, in performing their activities, are required at a minimum to:

(a) carry out the instructions of the SPMC, provided these are not inconsistent with this Act, other legislation of general application, or the rules of a supplementary pension fund;
(b) check that the asset value of a pension fund has been determined in accordance with this Act and with the rules of the supplementary pension fund;
(c) check that the handling of a supplementary pension fund's assets complies with the principles of;
(d) check that the managing SPMC complies with the provisions of this Act, other legislation of general application, and the rules of supplementary pension funds under its management;
(e) ensure that the countervalue in transactions involving the supplementary pension funds' assets is transferred in favour of the pension funds' assets on the principle of payment against delivery, providing this is not precluded by the nature of the transaction or business customs, and that it is transferred within the time limits usual for the regulated market in which the transaction is made or, where the transaction is made outside a regulated market, within the

contractually agreed time limits usual for the given type of transaction;

(f) check the calculation of a pension point's value.

(3) Depositories shall without undue delay inform Národná banka Slovenska of any breach of the provisions relating to investment.

(4) If a depository establishes, in the performance of its activities, that the SPMC has breached this Act, legislation of general application, or the rules of a supplementary pension fund, it shall without undue delay notify this fact to Národná banka Slovenska and to the SPMC. Where the limits mentioned in Sections 53 to 55 have been exceeded, the depository shall without undue delay notify Národná banka Slovenska thereof.

(5) Depositories shall without undue delay, upon written request, provide Národná banka Slovenska, the Criminal Police or the Financial Police with information acquired in the course of their depository activities concerning the SPMC, an unassigned payments account, or supplementary pension funds, for the purpose of fulfilling tasks laid down by another law.[41f]

(6) Depositories shall carry out only those instructions of the SPMC that comply with this Act, legislation of general application, the depository contract, and supplementary pension funds' rules. If an instruction given by an SPMC is inconsistent with this Act, legislation of general application, the depository contract or the rules of a supplementary pension fund, the depository shall not carry it out and shall in writing inform the SPMC of this fact; if despite having been so informed, the SPMC insists that the instruction be carried out, the depository shall not carry it out and shall without undue delay notify Národná banka Slovenska in writing about this situation.

(7) Depositories may, in performing their activities, require the SPMC to furnish in addition to information and documents on supplementary pension funds under its management, information and documents on its activities. SPMCs shall without undue delay submit such information and documents to the depository.

(8) Depositories may not provide a third party with information or documents acquired in the course of their depository activities unless otherwise provided by this Act, nor may they use such information or documents for a purpose other than the performance of depository activities.

(9) Members of the management board, members of the supervisory board, procurators, and employees of a depository shall keep confidential any facts which come into their possession in the course of performing the depository's activities, and shall continue to do so after these activities have ceased, unless otherwise provided by this Act or other legislation.

(10) Where the depository's activities are not separated functionally and hierarchically from the depository's other activities which may cause a conflict of interest, if the possible conflicts of

interests are not properly identified, managed, monitored, and reported to the participants, beneficiaries, and to the management or supervisory board of the SPMC, the depository may not perform activities concerning a supplementary pension fund or the SPMC, which may create conflicts of interest between the depository and the SPMC, supplementary pension funds, participants and beneficiaries.

Section 56d
Liability of a depository

(1) A depository that in the course of its activities breaches or fails to fulfil an obligation arising under this Act, legislation of general application, the rules of a supplementary pension fund, or the depository contract concluded with the SPMC shall be liable to the SPMC, participants and beneficiaries for damage resulting therefrom and shall remain liable after these activities have ceased. This is without prejudice to the liability of the SPMC under Section 37(4).

(2) The liability of a depository for damage caused by a breach or failure to fulfil an obligation arising under this Act, under legislation of general application, under the rules of a supplementary pension fund, or under the depository contract shall not be affected by the fact that the depository has outsourced the performance of that obligation to a third party.

(3) SPMCs shall claim compensation for damage caused by their depository.

(4) Where a depository has breached or failed to fulfil an obligation arising under this Act, under legislation of general application, under the rules of a supplementary pension fund, or under the depository contract and has thereby caused damage to participants or beneficiaries, the SPMC shall represent the interests of these participants and beneficiaries when claiming compensation for this damage; this applies also where the depository's banking licence or investment services licence has expired or has been withdrawn.

Section 56e
Solvency of a depository

Assets which are entrusted to a depository in accordance with this Act and which are the assets of a supplementary pension fund, assets held in an unassigned payments account or assets of an SPMC may not be subject to any decision or execution enforced against the depository under other legislation,[41g] nor may they be subject to any receivership in which the depository is placed, nor may they be included in bankruptcy proceedings[16] of the depository.

DIVISION EIGHT
PARTICIPANT AGREEMENT AND EMPLOYER AGREEMENT

Section 57
Participant agreement

(1) A participant may conclude one or more participant agreements with the same SPMC.

(2) In a participant agreement, the SPMC shall undertake to enable the participant to pay contributions under the conditions stipulated in the agreement and the SPMC shall undertake to pay the participant benefits or to transfer to an insurance company[7] assets equal to the current value of the participant's personal account, if the participant has elected to be paid a lifetime supplementary retirement annuity or a lifetime supplementary service annuity.

(3) A participant agreement shall include:
(a) the business name, registered office address and company registration number of the SPMC, the name of the commercial register in which the company is entered, and the number of its entry in that register;
(b) the participant's forename, surname, permanent address and date of birth;
(c) the name of the accumulation supplementary pension fund which the participant has chosen;
(d) a declaration by the SPMC that it has fulfilled the obligation under paragraph 4;
(e) the date on which and place where the participant agreement was concluded;
(f) the signatures of the contracting parties.

(4) Before concluding a participant agreement, an SPMC shall familiarise the potential participant with:
(a) the rules of the supplementary pension fund;
(b) the key information document;
(c) the manner in which environmental factors, including climatic factors, social factors, and organisational and management factors are to be taken into account;
(d) the terms and conditions under which benefits are paid pursuant to this Act; and
(e) the possibilities for obtaining further information.

(5) Participant agreements shall terminate only in the following cases:
(a) when the last payment of a temporary supplementary retirement annuity or a temporary supplementary service pension is made;
(b) when a lump-sum payment under Section 18(1) is made;
(c) when assets equivalent to the current value of the participant's personal account are transferred to an insurance company, if the participant has applied for the payment of a lifetime supplementary retirement annuity or a lifetime supplementary service annuity;
(d) by the order of a court;
(e) when the participant's personal account is cancelled in accordance with Section 64(2);
(f) when there is a cancellation of a distance participant agreement pursuant to other legislation;

(g) when no contribution under the participant agreement is made for a period of two years from the date on which the agreement was concluded;
(h) when the value of the personal account is zero for a period of two years;
(i) when an amount equivalent to the current value of the participant's personal account is transferred to an occupational pension company;
(j) when the business relationship ends in accordance with other legislation;[41i] or
(k) when an amount equivalent to the current value of the participant's personal account kept for a participant agreement concluded earlier (hereinafter the 'expiring participant agreement') to the participant's personal account kept for a participant account concluded as last (hereinafter the 'successor participant agreement'), while the expiring participant agreement expires.

(6) Participant agreements shall not terminate for the reasons stated in paragraph 5(a) to (c) if the participant is an employee performing an occupation stated in Section 2(2)(b).

(7) Participant agreements may not make the rights of the participants or obligations of the SPMC subject to facts that hinder or preclude the exercise of the participant's rights recognised under this Act and other legislation of general application. The terms and conditions for the payment of benefits may not be amended by a participant agreement.

(8) Participant agreements are subject to the Commercial Code unless this Act provides otherwise.

Employer agreement
Section 58

(1) In an employer agreement, the employer shall undertake to pay and transfer contributions under the conditions, in the amount, by the due date, and in the manner stipulated in the agreement for those of its employees who are participants and to fulfil its other obligations arising from the employer agreement, and the SPMC shall undertake to fulfil its obligations towards the employer arising from the employer agreement.

(2) Where an employer that has concluded an employer agreement is in a situation where it has concluded a participant agreement with an employee but does not have an employer agreement with the SPMC which concluded that participant agreement, it shall conclude an employer agreement with that company within 30 days from the date on which it learnt of this situation. Where an employee has concluded more than one participant agreement, the employer shall pay contributions for that employee only once and to the unassigned payments account of an SPMC which has a participant agreement with the employee and which the employee has selected for this purpose.

(3) An employer agreement shall include:

(a) the business name, registered office address and company registration number of the SPMC, the name of the commercial register in which the company is entered, and the number of its entry in that register;
(b) the business name, registered office address and company registration number of the employer, the name of the commercial register or other register in which the company is entered, and the number of its entry in that register;
(c) the amount, due date, and payment method of the contribution payable by the employer, and the waiting period if agreed;
(d) the period in which the employer is to transfer the contributions paid by a participant under Section 5(1)(a);
(e) the terms and conditions for terminating the employer agreement and the required period of notice, which may not be longer than three months;
(g) the date on which and place where the employer agreement was concluded;
(h) the signatures of the contracting parties.

(4) An employer that has concluded an employer agreement with an SPMC shall in a comprehensible way inform employees about the content of the employer agreement so that they acquire the necessary information on the possibilities and conditions of their participation in the supplementary pension scheme.

(5) Employer agreements are subject to the Civil Code unless this Act provides otherwise.

Section 59

(1) Employer agreements shall terminate in the following cases:
(a) when the employer agreement is cancelled;
(b) when the employer agreement is contractually terminated;
(c) by agreement between the contracting parties;
(d) when the SPMC or employer is dissolved.

(2) An employer may cancel an employer agreement if:
(a) it is the subject of a petition for bankruptcy or a petition for restructuring[16] in accordance with other legislation;
(b) for a period of six months, owing to insolvency, it is unable to pay the SPMC contributions for its employees who are participants.

(3) In the case of cancellation of an employer agreement, the employer agreement shall terminate on the day after the date on which the notice of cancellation of the employer agreement is delivered to the SPMC. As of the date of termination of the employer agreement, the employer shall cease to pay contributions for its employees who are participants.

(4) Within 30 days after the effective date of a decision to dissolve an SPMC, the company shall in writing notify employers with which it has concluded an employer agreement, participants, and beneficiaries of the dissolution of the SPMC and on the manner of its dissolution.

DIVISION NINE
PERSONAL ACCOUNT OF A PARTICIPANT AND PERSONAL ACCOUNT OF A BENEFICIARY

Section 61

(1) For each participant agreement they have concluded, SPMCs shall establish and maintain a personal account for each participant and beneficiary thereunder, in order to keep record of the number of supplementary pension points. Where a natural person is a participant in more than one supplementary pension fund, the SPMC shall maintain one personal account for this participant. Where a natural person is concurrently a participant and a beneficiary, the SPMC shall establish and maintain for this person, under one participant agreement, one personal account of a participant and one personal account of a beneficiary. SPMCs shall record the number of supplementary pension points in each personal account separately from the personal accounts of other participants and beneficiaries.

(2) The personal account of a participant shall include:

(a) the number of the participant's personal account and the date of its establishment;
(b) the participant's forename, surname, date of birth, and permanent residence;
(c) the name of the accumulation supplementary pension fund selected by the participant;
(d) the number of supplementary pension points established under Section 62 by the participant's contributions being credited to the current account held by the supplementary pension fund with the depository;
(e) the number of the supplementary pension points established under Section 62 by the employer's contributions being credited to the current account held by the supplementary pension fund with the depository;
(f) the current level of the remuneration mentioned in Section 35(1)(a) and (b) in percentage terms;
(g) the total number of supplementary pension points;
(h) information on all entries made in personal account.

(3) Entries in the personal account, which in the case that the participant has opted to pay contributions to more than one supplementary pension shall be separated accordingly, shall include:

(a) the date when the supplementary pension points were credited;

(b) the sum of the current values of all credited supplementary pension points as at the date of crediting;
(c) the current value of the supplementary pension point as at the date when the contribution that was the basis for crediting supplementary pension points was credited to the current account held by the supplementary pension fund with the depository;
(d) the amount of the participant's contribution credited to the current account held by the supplementary pension fund with the depository;
(e) the amount of the employer's contribution credited to the current account held by the supplementary pension fund with the depository;
(f) the date when the contribution under point (c) was credited.

(4) The personal account of a beneficiary shall include:
(a) the number of the beneficiary's personal account and the date of its establishment;
(b) the beneficiary's forename, surname, date of birth, and permanent residence;
(c) the name of the decumulation supplementary pension fund;
(d) the number of supplementary pension points established by the transfer of the beneficiary's assets to the decumulation supplementary pension fund under Section 43(5), and the date when they were credited to the personal account of the beneficiary;
(e) the current value of the supplementary pension point at the date when the beneficiary's assets were transferred to the decumulation supplementary pension fund under point (d);
(f) the number of supplementary pension points used for the payment of each benefit instalment, and the date when they were debited from the personal account of the beneficiary;
(g) the current value of the supplementary pension point as at the payment date of each benefit instalment;
(h) the current level of the remuneration mentioned in Section 35(1)(a) in percentage terms;
(i) the total number of supplementary pension points in the personal account of the beneficiary.

(5) Supplementary pension points recorded in a participant's personal account or in a beneficiary's personal account may be handled only in accordance with the relevant provisions of this Act.

(6) SPMCs shall provide all participants, through a passive electronic access to their personal account, with information on how the termination of a labour-law relationship or of a similar legal relationship will affect the amount of their expected pension benefits. This information shall contain in particular:
(a) the forecasts of pension amounts pursuant to Section 66a, in which the employer's contributions paid in the period since the compilation of this information, shall not be taken into account;
(b) the assumptions used in the preparation of forecasts for the pension benefits.

(7) SPMCs shall ensure that each participant and beneficiary have free-of-charge passive electronic access to their personal account.

Section 62

(1) As at the date on which the contribution and assets transferred under Sections 63 and 64, or transferred from an occupational pension company under Section 64c, are credited to the current account of a supplementary pension fund held with the depository, the respective supplementary pension company shall credit the participant's personal account with supplementary pension points of the supplementary pension fund in such number that corresponds to the quotient of the value of the contribution and assets transferred under Sections 63 and 64, or transferred from an occupational pension company under Section 64c, and the current value of the supplementary pension point of the supplementary pension fund concerned.

(2) If within 90 days from when an unassigned payments account is credited with a contribution, the participant to whom the contribution pertains is identified, the SPMC shall credit supplementary pension points corresponding to the amount of the contribution, and any income from it, to the participant's personal account by no later than the first working day following the date on which the participant was identified ('the participant identification date'). The participant identification date shall be understood to mean the working day on which the SPMC was apprised of all the particulars of this payment. The number of supplementary pension points referred to in the first sentence shall be determined using the current value of the supplementary pension point applicable as at the first working day following the participant identification date. If the participant to whom the payment pertains has not been identified within 90 days after the contribution is credited to the unassigned payments account, the SPMC shall return the contribution, and any income from it, to the payer.

Section 63

(1) A participant may, based on an amendment to the participant agreement, switch from one accumulation supplementary pension fund to another accumulation supplementary pension fund managed by the same SPMC, or change the ratio in which their assets are distributed between supplementary pension funds managed by the same SPMC; no fee for such switch or change in the distribution of assets shall be charged to the participant by the SPMC.

(2) On the day when a participant switches from one accumulation supplementary pension fund to other accumulation supplementary pension fund managed by the same SPMC, the SPMC shall in the participant's personal account close the record of entries relating to the accumulation supplementary pension fund from which the participant is switching (hereinafter the 'transferor supplementary pension fund'), and within a period of five working days it shall establish in the personal account a record of entries relating to the accumulation supplementary pension fund to which the participant is switching (hereinafter the 'transferee supplementary pension fund'). The participant shall be a participant in the transferor supplementary pension fund until the day

preceding the date on which a record is established in the transferee supplementary pension fund. The switching date shall be the date following the day on which the SPMC received the participant's application to switch to the other accumulation supplementary pension fund.

(3) Within five working days after the switching date, the SPMC shall transfer the amount corresponding to the current value of the participant's assets in the transferor supplementary pension fund as at the switching date to the current account of the transferee supplementary pension fund. If the switching date falls on a Saturday or non-working day, the period referred to in the first sentence shall start on the first working day after the switching date.

(4) On the switching date, the SPMC shall deduct from the participant's personal account all supplementary pension points of the transferor supplementary pension fund and, within five working days at the latest, credit that account with such number of supplementary pension points of the transferee supplementary pension fund which corresponds to the quotient of the current value of the assets in the transferor supplementary pension fund and the current value of the supplementary pension point of the transferee supplementary pension fund.

(5) Where a participant requests a change in the ratio in which their assets are distributed between supplementary pension funds managed by the same SPMC, the date of the change in the asset distribution ratio shall be the day following the date on which the participant's request for this change was delivered to the SPMC. Within five days after this date, the SPMC shall make the change in the asset distribution ratio referred to in the first sentence, so that the distribution ratio of the participant's assets between accumulation supplementary pension funds, as stated in the participant's personal account, is aligned with the asset distribution ratio stated in the request. The change in the asset distribution ratio mentioned in the first sentence and second sentence shall not give rise to a change in ratio in which future contributions, and income from these contributions, is credited. If the date on which the change in the asset distribution ratio falls on a Saturday or non-working day, the last sentence of paragraph 3 applies equally to this date.

Section 64

(1) Participants may switch from their accumulation supplementary pension fund to an accumulation supplementary pension fund managed by a different SPMC on the basis of a written application; after receiving a participant's application for such a switch, the SPMC from which the participant is switching shall effect the switch within 30 days. Beneficiaries may not switch to another decumulation supplementary pension fund managed by a different supplementary pension company.

(2) Unless otherwise agreed between the participant and the SPMC, the switching date shall be the date following the day on which the SPMC received the participant's application to switch to another SPMC. On the switching date, the SPMC from which the participant is switching and

the SPMC to which the participant is switching shall, respectively, close and establish the participant's personal account. On the switching date, the participant shall be a participant in the accumulation supplementary pension fund of the SPMC from which the participant is switching.

(3) The SPMC from which a participant is switching shall, within one month after the switching date, transfer an amount corresponding to the current value of the participant's personal account as at the switching date to the unassigned payments account of the SPMC to which the participant is switching. If the switching date falls on a Saturday or non-working day, the period referred to in the first sentence shall start on the first working day after the switching date.

(4) Prior to the closing of a participant's personal account under paragraph 2, the SPMC from which the participant is switching shall deduct from that account all supplementary pension points of the accumulation supplementary pension fund under its management. On the date when the amount mentioned in paragraph 3 is transferred, the SPMC to which the participant is switching shall credit the current account held by the supplementary pension fund with the depository with such number of supplementary pension points for the participant which corresponds to the quotient of the amount transferred under paragraph 3 and the current value of the supplementary pension point on the day preceding date on which the pension points were credited.

(5) Before a participant's personal account is closed pursuant to paragraph 2, the SPMC from which the participant is switching shall notify the SPMC to which the participant is switching of information required for the purposes of complying with this Act. A list of these items of information and details of how the obligation under the first sentence is to be fulfilled may be laid down by the Ministry in a measure; the full text of such a measure shall be promulgated by publication in the Collection of Laws of the Slovak Republic.

Section 64a
Consolidation of participant agreements

(1) If a participant having more participant agreements with the same SPMC, on the basis of which no benefit is paid, requests that SPMC to consolidate such participant agreements, the SPMC shall:

(a) on the day following the date of receipt of a request from the participant (hereinafter the 'day of consolidation'):
    1. close the register of records in the participant's personal account kept for an expiring participant agreement;
    2. write off, from the participant's personal account kept for an expiring participant agreement, all the supplementary pension points;
(b) within five working days from the date of consolidation:
    1. transfer an amount equivalent to the current value of the participant's personal account kept for an expiring participant agreement as of the date of consolidation to the current

account of the supplementary pension fund determined by the participant in the successor participant agreement;

2. record, in the participant's personal account kept for a successor participant agreement, the number of supplementary pension points corresponding to the proportion of the amount equivalent to the current value of the participant personal account kept for an expiring participant agreement to the current value of a supplementary pension point of the supplementary pension fund determined by the participant in the successor participant agreement as of the day preceding the date when the supplementary pension points were recorded;
3. add, to the number of supplementary pension points in the participant's personal account kept for a successor participant agreement, the number of supplementary pension points in the participant's personal account kept for an expiring participant agreement if the supplementary pension fund determined by the participant in the expiring participant agreement and that determined in the successor participant agreement are identical.

(2) If the supplementary pension fund determined by a participant in an expiring participant agreement and that determined in a successor participant agreement are not identical, the participant shall, until the date of the previous crediting of supplementary pension points to the participant's personal account kept for a successor participant agreement, be a participant in the supplementary pension fund determined by the participant in the expiring participant agreement.

(3) For the purposes of benefit payments on the basis of a successor participant agreement, the SPMC shall take into account:

(a) the period for which the employer paid contributions for its employees in respect of work done under Section 2(2)(b) in the case of benefits paid pursuant to Section 15(b);
(b) the period since the date when the expiring participant agreement was concluded in the case of benefits paid pursuant to Section 15(d).

Section 64b
Transfer to an occupational pension company of an amount equivalent to the current value of a participant's personal account

(1) If an outgoing worker to whom no benefit is paid from a decumulation supplementary fund submits a written request for the transfer of an amount equivalent to the current value of their personal account to an occupational pension company included on the list of registered occupational pension companies on the website of the European supervisory authority (the European Insurance and Occupational Pensions Funds Authority) in accordance with other legislation,[41j] the SPMC shall transfer to the occupational pension company's account an amount equivalent to the current value of the participant's personal account reduced by the costs and charges mentioned in paragraph 3 within 30 days from the date when all the elements necessary

for such transfer were adequately demonstrated to the SPMC.

(2) On the day when an amount equivalent to the current value of a participant's personal account is transferred from an SPMC to an occupational pension company, the SPMC shall write off from the participant's personal account all the supplementary pension points of the relevant supplementary pension fund and shall cancel the participant's personal account.

(3) The costs and charges related to the transfer of an amount equivalent to the current value of a participant's personal account from an SPMC to an occupational pension company shall be borne by the participant.

Section 64c
Transfer of a participant's pension rights from an occupational pension company

(1) Each SPMC shall, at the request of a participant, accept the cash equivalent of the participant's pension rights acquired in an occupational pension company (hereinafter an 'amount equivalent to pension rights') which it intends to transfer from the occupational pension company in question.

(2) Each SPMCs shall register:

(a) part of the amount equivalent to a participant's pension rights, marked by the occupational pension company as an amount equivalent to the contributions paid by the participant or employer and their assessment, as the participant's or employer's contributions and their assessment, according to how they were marked by the occupational pension company;

(b) the total amount equivalent to the pension rights as contributions paid by the employer on behalf of an employee if the occupational pension company did not proceed in accordance with point (a).

(3) The costs and charges related to the transfer of an amount equivalent to a participant's pension rights from an occupational pension company to an SPMC shall be borne by the participant.

DIVISION TEN
INFORMATION OBLIGATION

Section 65
Information for the public

(1) Each SPMC shall publish at least the following on its website:

(a) the information mentioned in Section 42(1);

(b) where a decision on prior approval pursuant to Section 26(1)(k) has been made, this decision and the key information document for the supplementary pension fund into which the dissolving accumulation supplementary pension funds were merged;
(c) the latest versions of the rules of the company's supplementary pension funds;
(d) information about the net asset value of each of the company's supplementary pension fund for the previous working day;
(e) information about the current value of the supplementary pension point in each of the company's supplementary pension funds for the previous working day;
(f) for each of the company's supplementary pension funds, information about the how the value of the supplementary pension point and net asset value of the fund have developed, including a chart of this information for the period from when the supplementary pension point was established in the fund;
(g) a key information document pursuant to Section 66;
(h) up-to-date information about the shareholders of the SPMC, specifying:
    1. for corporates, their business name, registered office address and percentage share in the voting rights and share capital of the SPMC;
    2. for natural persons, their forename, surname, permanent address, and percentage share in the voting rights and share capital of the SPMC;
(i) information about persons to whom activities were outsourced by the SPMC under Section 37, and to what extent such activities were outsourced;
(j) the annual report on the management of the company's own assets (including the audited financial statements), the annual report on the portfolio management of supplementary pension funds (including the audited financial statements), the half-yearly report on the management of the company's own assets, and the half-yearly report on the portfolio management of the supplementary pension funds;
(k) information on benefits paid under the supplementary pension scheme;
(l) information on the forms of transfer of an amount equivalent to the current value of a participant's personal account to an occupational pension company and on the forms of transfer of an amount equivalent to a participant's pension rights from an occupational pension company;
(m) the principles of remuneration;
(n) a report on investment policy; such report is provided to a participant or beneficiary, at their request;
(o) the engagement principles and information pursuant to section 32c(2); if the engagement principles including voting on behalf of the SPMC are applied by the asset manager to whom the SPMC has outsourced the investment management of the supplementary pension fund, the SPMC shall also state the information on where the asset manager published the engagement principles.

(2) Each SPMC shall publish on its website monthly reports on developments in the investment of the assets of the supplementary pension funds under its management. The monthly reports shall contain at a minimum:

(a) the designation of the supplementary pension fund, business name of the depository, information about the net asset value of the supplementary pension fund, the date on which the supplementary pension fund was established, and the current value of the supplementary pension point as at the date of the monthly report;

(b) information about the market risk exposure of the supplementary pension fund, which shall be understood to mean:
   1. the share of equity investments in the net asset value;
   2. the share of bond investments in the net asset value, broken down by maturity date;
   3. the share of financial investments in the net asset value;
   4. the share of other assets, in particular options and claims, in the net asset value;
   5. the modified duration of bond and financial investments in the supplementary pension fund;

(c) information about the geographical risk of the supplementary pension fund, which shall be understood to mean the share of equity investments issued by the issuer or reflecting developments in the prices of the issuers, and specifying the country in which the issuer has its registered office;

(d) information about the currency risk exposure of the supplementary pension fund, which shall be understood to mean the share of assets denominated in currencies not hedged against currency risk, and specification of the currencies concerned;

(e) information about the largest investments in terms of their share in the net asset value of the supplementary pension fund, in particular the name of the financial instrument, its identification data and percentage share in the net asset value of the supplementary pension fund;

(f) the information mentioned in point (e) must comprise, in the case of a supplementary pension fund, 15 issues of financial instruments;

(g) an opinion of the employee responsible for managing the supplementary pension fund's investments on changes in the fund's portfolio and on the most significant events having an impact on the composition and appreciation of the fund's assets in the month for which the monthly report is produced.

(3) Each SPMC shall update the information on its website at least once every month, unless otherwise provided by this Act. Each SPMC shall produce the monthly reports mentioned in paragraph 2 as at the last working day of the calendar month and post them on its website within ten days after the end of the calendar month. The SPMC shall update the information pursuant to paragraph 1(o) once a year if there has been a significant change. The website of an SPMC shall show the date when it was last updated; out-of-date information on the website must be retained and made accessible to the public.

(4) The reports, data and information which SPMCs publish on their websites shall be published in such a way that they are accessible without restriction and at no charge, that the form of data sets and text files allows their downloading in a commonly used format and that they are continuously accessible until the dissolution of the SPMC. The operation of an SPMC's website may be restricted or suspended in order to perform technical maintenance or system upgrades and only for time necessary to perform such activity.

(5) SPMCs shall ensure that participants can view the following documents at the company's registered office and branches:

(a) the annual report on the management of the company's own assets, including the audited annual financial statements for the previous calendar year, no later than four months after the end of the accounting period;
(b) the annual reports on the portfolio management of supplementary pension funds for the previous calendar, including the audited annual financial statements for the previous calendar year, no later than four months after the end of the accounting period;
(c) the half-yearly report on the management of the company's own assets for the first half of the calendar year, including the half-yearly financial statements for the first half of the calendar year, no later than two months after the end of the first half of the accounting period;
(d) the half-yearly reports on the portfolio management of supplementary pension funds for the first half of the calendar year, including the half-yearly financial statements of the supplementary pension funds for the first half of the calendar year, no later than two months after the end of the first half of the accounting period.

(6) If the financial statements are not audited within the time limit specified in paragraph 5(a) and (b), the SPMC shall make the auditor's report available in the manner stipulated in paragraph 5 without undue delay after receiving it.

(7) The reports mentioned in paragraph 5 shall contain objective information about developments in the portfolio management of supplementary pension funds and their results and about developments in the management of the company's own assets.

(8) The content, scope and structure of the reports mentioned in paragraph 5, the deadlines for their submission, and the form, method, procedure and place of their submission shall be stipulated by Národná banka Slovenska in a measure, which shall be promulgated in the Collection of Laws of the Slovak Republic.

(9) SPMCs shall, on request, provide a participant or beneficiary with the annual report on the management of the company's own assets and the annual report on the portfolio management of the supplementary pension fund, including the report on the exercise of voting rights attached to securities held by the supplementary pension fund as well as the financial statements and auditor's report.

(10) If a participant requests early withdrawal, the SPMC shall inform that participant in writing of the availability of professional assistance consisting in the provision of information and recommendations under other legislation[41k] on how the money received might be invested to provide for retirement.

Section 65a

Within three months after the end of the accounting period, SPMCs shall file the following in the public section of the Register of Financial Statements:[41h]

(a) the audited annual financial statements of the company for the previous calendar year;
(b) the audited annual statements of the company's supplementary pension funds for the previous calendar year.

Section 65b
Principles of providing information to potential participants, participants and beneficiaries

(1) SPMCs shall, in accordance with this Act, supply potential participants, participants and beneficiaries with information that is:

(a) up to date and true;
(b) compiled without the use of professional terms, understandable and consistent in terms of both contents and terminology;
(c) not misleading;
(d) accessible in the commonly used formats and clearly legible;
(e) written in the Slovak language; if an SPMC operates in the territory of a host Member State, it shall provide information in the official language of that Member State;
(f) provided free of charge, unless Section 66a(8) provides otherwise;
(g) accessible in:
    1. electronic form in a medium that allows the storage of information in a way accessible for future reference by the participant or beneficiary during the period corresponding to the purpose of this information and enabling a faithful reproduction of the information stored through their website.
    2. paper form, unless this Act provides otherwise.

(2) The information that SPMCs are required to provide to potential participants, participants and beneficiaries shall contain a warning that the conclusion of a participant agreement with an SPMC carries a risk and that the current income of a supplementary pension fund managed by that SPMC is not a guarantee that the fund will earn the same income in the future.

Section 66
Key information document

(1) SPMCs shall draw up a key information document ('KID') for each supplementary pension fund under their management, and the Ministry, in agreement with Národná banka Slovenska, shall issue a measure stipulating the content, structure and form of KIDs, under what conditions and by what method KIDs are to be updated, and the time limits for the publication of KIDs; this measure shall be promulgated in the Collection of Laws of the Slovak Republic.

(2) KIDs shall be drawn up in accordance with the respective parts of the rules of the supplementary pension fund concerned.

(3) SPMCs shall provide a potential participant, at no charge, the KID for the respective supplementary pension fund and shall do so in good time before the participant agreement is concluded.

(4) SPMCs shall provide financial agents,[42] on request and at no charge, the KID for any of the accumulation supplementary pension funds under their management. Financial agents[42] shall provide a potential participant, at no charge, the KID for the respective supplementary pension fund and shall do so in good time before the participant agreement is concluded.

(5) SPMCs shall update KIDs at least once a year and shall without undue delay notify Národná banka Slovenska of every amendment of a KID.

Section 66a
Statement of a participant's personal account and expected pension benefits and statement of a beneficiary's personal account and pension benefits

(1) SPMCs shall send to each participant a statement of their personal account and a statement of their expected pension benefits and to each beneficiary a statement of their personal account and a statement of their expected pension benefits as of 31 December, within three months after the end of the calendar year for which the statement was compiled. An SPMC from which a participant is switching to another SPMC, or transferring an amount equivalent to the current value of their personal account to an occupational pension company, shall send that participant a personal account statement and a statement of their expected pension benefits as of the day preceding the date of switching to another SPMC or the date of transfer of an amount equivalent to the current value of their personal account to an occupational pension company, no later than 15 days after the date of switch or transfer. The SPMC to which the participant is switching from another SPMC or transferring an amount equivalent to their pension rights from an occupational pension company shall, within 15 days from the date of switch or transfer, send to that participant a statement of their personal account and a statement of their expected pension payments in an amount equivalent to the current value of their personal account as of the date when that amount was credited to the supplementary pension fund's current account kept at the depository. The SPMC shall not charge

the participant and beneficiary any fee for the compilation and delivery of these statements.

(2) A statement of a participant's personal account and expected pension benefits and a statement of a beneficiary's personal account and pension benefits shall be sent by the SPMC to the participant and beneficiary in electronic form to their last known electronic mail address, and access to these statements shall be allowed through a free passive electronic access to their personal accounts. At the participant's or beneficiary's request, the SPMC shall send a statement of the participant's personal account and expected pension benefits and a statement of the beneficiary's personal account and pension benefits in paper form to the address given in the request, or to their last known permanent address.

(3) A statement of a participant's personal account and a statement of their expected pension benefits shall contain in particular:

(a) the business name and registered office of the SPMC managing the relevant supplementary pension fund;
(b) the name of the accumulation supplementary pension fund selected by the participant;
(c) the participant's personal data, including the age of entitlement to a supplementary retirement pension, and, in the case of a participant for whom the employer paid contributions in respect of work done under Section 2(b), including the age of entitlement to a supplementary service pension and the overall period for which the employer paid contributions in respect of work done under Section 2(2)(b);
(d) the date to which the information given in the personal account statement and in the statement of expected pension benefits relate;
(e) the amount corresponding to the current value of the participant's personal account as at the date given in point (d) and the amount equivalent to the current value of the participant's personal account as at the day preceding by 12 months the date given in point (d);
(f) information on the participant's contributions and the employer's contributions as at the date given in point (d), which were credited to the participant's personal account during the last 12 months;
(g) the specification and total amount of the participant's remuneration, costs and charges for the last 12 months;
(h) information on any significant change affecting the pension benefits expected in the period for which the statement of the participant's personal account and the statement of their expected pension benefits are compiled;
(i) information on forecasts of pension benefits on the basis of age pursuant to point (c), which also include an optimistic scenario and a pessimistic one based on the possible economic scenarios;
(j) a warning that the forecasts mentioned in point (i) may differ from the final values of the benefits received;
(k) information on where further information can be obtained about:
    1. the participant's possibilities associated with their participation in the supplementary

pension scheme;
2. the documents mentioned in Section 30(1), Section 48a, and Section 65(1)(j);
3. the impact of termination of a labour-law relationship or of a similar legal relationship on the amount of the participant's expected pension benefits;
4. the rules governing investment through a supplementary pension fund;
5. the benefits that can be expected from the supplementary pension scheme.

(4) A statement of a beneficiary's personal account and a statement of their pension benefits shall contain in particular the following:
(a) the business name and registered office of the SPMC managing the relevant supplementary pension fund;
(b) the name of the decumulation supplementary pension fund;
(c) the personal data of the beneficiary;
(d) the date to which the information given in the personal account statement and in the statement of pension benefits relate;
(e) the amount corresponding to the current value of the beneficiary's personal account as at the date given in point (d) and the amount equivalent to the current value of the beneficiary's personal account as at the day preceding by 12 months the date given in point (d);
(f) the specification and total amount of the beneficiary's remuneration, costs and charges for the last 12 months;
(g) the information as to where further information can be obtained about:
1. the documents mentioned in Section 30(1), Section 48a and Section 65(1)(j);
2. the rules governing investment through a supplementary pension fund.

(5) The Ministry shall, in agreement with Národná banka Slovenska, issue a measure, which shall be promulgated in the Collection of Laws of the Slovak Republic, laying down:
(a) a template for the statement of a participant's personal account and of the statement of their expected pension benefits;
(b) a template for statement of a beneficiary's personal account and of the statement of their expected pension benefits;
(c) rules for the preparation of forecasts for pension benefits.

(6) SPMCs shall, if requested, send to each participant a current statement of their personal account and a statement of their expected pension benefits and to each beneficiary a current statement of their personal account and a statement of their pension benefits within 15 working days of the date of receipt of a written request from the participant or beneficiary.

(7) An SPMC sending to a participant a personal account statement and a statement of their expected pension benefits and to a beneficiary a personal account statement and a statement of their pension benefits as of a date other than the date stated in paragraph 1, first sentence, shall adjust the information specified in paragraph 3(e), (f) and (g) and paragraph 4(e) and (f), as appropriate,

according to the period covered by these statements. A statement of a personal account and that of the expected pension benefits sent to a participant under paragraph 1, third sentence, by an SPMC to which that participant is switching from another SPMC or is transferring an amount equivalent to their pension rights from an occupational pension company shall not contain the following information:

(a) the amount equivalent to the current value of the participant's personal account as at the day preceding by 12 months the date stated in paragraph 3(d); and
(b) the information specified in paragraph 3(f) and (g).

(8) The costs of delivery of statements of a participant's personal account and expected pension benefits or of statements of a beneficiary's personal account and pension benefits at more frequent intervals than according to paragraph 1 shall be paid by the participant or by the beneficiary.

(9) SPMCs shall publish the assumptions they have used to prepare forecasts for pension benefits pursuant to paragraph 3(i) on their websites and shall, upon request, send these assumptions to the participants and beneficiaries concerned.

Section 66b
Information on benefits paid under the supplementary pension scheme

(1) SPMCs shall compile information on benefits paid under the supplementary pension scheme. The contents, structure and form of this information, the conditions and manner of its continuous updating, and the deadlines for its delivery shall be stipulated in a measure issued by the Ministry; the measure shall be promulgated in the Collection of Laws of the Slovak Republic.

(2) At a participant's request, an SPMCs shall send that participant information on benefits paid under the supplementary pension scheme in any of the following forms:

(a) electronic form, to the participant's last known electronic mail address;
(b) paper form, to the address given in the request or to the last known permanent address, if the participant has requested information in paper form.

Section 67
Information obligation towards Národná banka Slovenska and the Statistical Office of the Slovak Republic

(1) SPMCs shall submit to Národná banka Slovenska:

(a) no later than four months after the end of the accounting period, the annual report on the management of their own assets for the previous calendar year, and the annual reports on the portfolio management of their supplementary pension funds for the previous calendar year;
(b) within two months after the end of the first half of the accounting period, the half-yearly report on the management of their own assets for the first half of that calendar year, and the half-yearly reports on the portfolio management of their supplementary pension funds for the first

half of that calendar year;

(c) no later than one month after the end of a calendar quarter, information on the amount and composition of the company's own funds;

(d) without undue delay following an amendment of the company's articles of association, the new version of the articles of association; in addition, they shall submit the notarised minutes of the general meeting at which the amendment of the articles of association was approved and shall do so within ten working day after the notarised minutes were drawn up.

(2) In addition to the reports mentioned in paragraph 1(b), SPMCs shall submit half-yearly financial statements to Národná banka Slovenska.

(3) SPMCs shall submit to Národná banka Slovenska, upon request:

(a) a detailed statement of purchases of financial instruments for the portfolio of a supplementary pension fund and of the sales of financial instruments from the portfolio of a supplementary pension fund, including identification of the financial instruments, date, and price;

(b) information on the amount of expenses and fees referred to in Section 35(2);

(c) information on the remuneration of members of the management board and members of the supervisory board of the SPMC;

(d) a list of participants and beneficiaries;

(e) other information requested by Národná banka Slovenska.

(4) SPMCs shall submit to Národná banka Slovenska the report mentioned in Section 48a.

(5) SPMCs shall fulfil obligations under paragraphs 2 and 3 in the scope and manner specified in the request by Národná banka Slovenska.

(6) SPMCs shall, by secure electronic data transfer, provide Národná banka Slovenska with information on the balance of assets in their supplementary pension funds as at the last day of each calendar month, by no later than the 10th day of the following calendar month. The structure, scope and content of such information, the deadlines for its submission, and the method, procedure and place of its submission shall be stipulated by Národná banka Slovenska in a measure, which shall be promulgated in the Collection of Laws of the Slovak Republic. The information so submitted shall be comprehensible, well-arranged, and demonstrable, shall provide a true and fair view of the reported facts, and shall be submitted on time. If the submitted information does not comply with the stipulated methodology, or if any reasonable doubts exist as to its accuracy or completeness, the SPMC shall, at the request of Národná banka Slovenska, submit supporting documents and an explanation within a period set by Národná banka Slovenska.

(7) SPMCs and their depositories shall without undue delay notify Národná banka Slovenska if limits laid down in provisions on risk spreading have been exceeded or met, with such notification to be made by secure electronic data transfer. The structure, scope and content of such

notification and the method, procedure and place of its submission shall be stipulated by Národná banka Slovenska in a measure, which shall be promulgated in the Collection of Laws of the Slovak Republic.

(8) SPMCs shall provide the Statistical Office of the Slovak Republic with statistical data and data from administrative sources under other legislation.[43]

(9) For the purposes of supervision, Národná banka Slovenska may request that an occupational pension company submit information in the same scope and manner that an SPMC is required to do under this Act.

(10) SPMCs operating in a host Member State shall comply with a request of the competent authority of the host Member State to submit periodic reports on its activity in the host Member State for the purposes of supervision.

(11) SPMCs shall prepare and submit to Národná banka Slovenska data and information necessary for the exercise of supervision, in the form of statements, reports, summaries and notifications, both in the way and at the times stipulated. The content, scope, and structure of such disclosures, the deadlines for their submissions, the method, procedure and place of their submission, and the methodology used for their preparation shall be stipulated by Národná banka Slovenska in a measure, which shall be promulgated in the Collection of Laws of the Slovak Republic.

Section 67a
Cooperation with the National Labour Inspectorate

SPMCs shall cooperate with the National Labour Inspectorate, at its request, in its supervision of compliance with the provisions of this Act governing the position of employees performing an occupation stated in Section 2(2)(b).

Section 67b
Information obligation of SPMCs towards public authorities

SPMCs shall provide the Ministry, the Ministry of Finance of the Slovak Republic (hereinafter 'the Ministry of Finance') and the Council for Budget Responsibility via the Office of the Council for Budget Responsibility with information it processes pursuant to this Act, including personal data of participants, beneficiaries and authorised persons, to the extent necessary for the purpose of performing tasks under other legislation.[43a] The authorities referred to in the first sentence shall encrypt the personal data received pursuant to the first sentence as soon as possible or, if encryption is not possible for justified reasons, pseudonymise them as soon as possible.

Section 67c
Information obligation of participants and beneficiaries

Participants and beneficiaries shall, without undue delay, notify the SPMC concerned of any change in the data used in participant agreements or in requests for the payment of benefits.

DIVISION TWELVE
SUPERVISION

Section 69

(1) Supervision as defined in this Act shall be exercised by Národná banka Slovenska. The proceedings of Národná banka Slovenska within the exercise of supervision under this Act shall be governed by other legislation.[9] For the purposes of supervision, the persons entrusted to exercise supervision shall have the necessary professional knowledge and authorisations under this Act and under other legislation.[9]

(2) The objective of supervision is principally to protect the assets of supplementary pension funds and assets in unassigned payments accounts, and to ensure financial market stability and a competitive and transparent environment. The exercise of supervision shall focus on revealing indications of imprudent business conduct, preventing scope for embezzlement, ensuring the portfolio management of supplementary pension funds in accordance with restrictions under this Act, ensuring the provision of information to participants and beneficiaries, and minimising investment risks. Národná banka Slovenska shall exercise supervision at the prescribed intervals in a range appropriate to the nature, scope and complexity of activities of the SPMC or of the occupational pension company concerned.

(3) In exercising supervision, Národná banka Slovenska shall protect the interests of participants and beneficiaries and the interests of members and pension beneficiaries in the scope laid down by this Act, and shall proceed so that the rights and legally-protected interests of the persons subject to this supervision are not affected.

(4) Where supervision is exercised through an on-site inspection, the relations between Národná banka Slovenska and the entities subject to this supervision shall be governed by the provisions of other legislation.[9]

(5) In exercising supervision, Národná banka Slovenska may require the entities subject to this supervision to provide data, documents and information necessary for the exercise of supervision, and these entities shall submit the required data, documents and information to Národná banka Slovenska within the time limit stipulated by Národná banka Slovenska.

(6) SPMCs shall allow persons authorised to exercise supervision to attend their general meetings and meetings of their supervisory board and management board. Occupational pension companies operating in the Slovak Republic shall ensure that persons authorised to exercise supervision over the company are allowed to perform their duties.

(7) In exercising supervision, Národná banka Slovenska may cooperate with domestic and foreign supervisory authorities.

(8) Národná banka Slovenska may use information acquired from domestic or foreign supervisory authorities solely for the purposes of supervision.

(9) Národná banka Slovenska shall keep a register of SPMCs, SPMCs operating in a host Member State, and occupational pension companies operating in the territory of the Slovak Republic. In the register mentioned in the first sentence, Národná banka Slovenska shall also record the name of the host Member State in the territory of which a specific SPMC performs its activities. Data from this register shall be provided by Národná banka Slovenska to the European supervisory authority (the European Insurance and Occupational Pensions Authority).

(10) Národná banka Slovenska shall, in exercising supervision on the basis of the information available, take into the possible impact of its decisions or procedures on the stability of the European Union's financial systems, mainly in exceptional situations.

(11) Národná banka Slovenska shall, in exercising supervision, employ its control and monitoring system, including testing of an SPMC's ability to cope with possible events or future changes in the economic conditions that may have adverse effects on its overall financial standing. This will enable Národná banka Slovenska to identify in due time the worsening financial situation of an SPMC and to check the measures used to remedy the situation.

(12) Národná banka Slovenska shall publish on its website:

(a) legislation of general application, methodological guidelines, opinions and recommendations concerning the implementation of the supplementary pension scheme and legally binding acts of the European Union governing the activities of occupational pension companies;
(b) summarised statistical data on the main indicators associated with the application of prudential business rules;
(c) the main goals of prudential supervision and information on the main functions and activities of the financial market supervision unit;
(d) other important notifications of Národná banka Slovenska concerning the entities under supervision or their activities, provided they are intended for publication.

Section 70

Remit of Národná banka Slovenska in exercising supervision

(1) Activities performed by the following are subject to supervision:

(a) SPMCs, and occupational pension companies within the scope of their activities in the Slovak Republic, unless this Act provides otherwise;
(b) members of the management board, members of the supervisory board, and procurators of an SPMC;
(c) shareholders of an SPMC;
(d) financial agents,
(e) depositories of SPMCs;
(f) receivers of SPMCs;
(g) natural persons or legal persons to whom or which SPMCs outsource part of their activities in accordance with Section 37;
(h) natural persons or legal persons who or which are, on an unauthorised basis, performing an activity that under this Act may only be performed by an SPMC, or depository.

(2) The supervision mentioned in paragraph 1 shall include:

(a) overseeing compliance with the provisions of this Act and other legislation;
(b) overseeing compliance with the rules of supplementary pension funds and with the Sections of association of SPMCs;
(c) monitoring the adequacy of SPMCs' credit assessment processes for the assets of the supplementary pension funds under their management, assessing the use of references to credit ratings issued by credit rating agencies[40b] in the investment policies of the supplementary pension funds, and, where appropriate, encouraging mitigation of the impact of such references with a view to reducing sole and mechanistic reliance on such credit ratings nature, while in all cases taking into account the nature, scale and complexity of the supplementary pension funds;
(d) overseeing compliance with the conditions under which authorisations are issued;
(e) overseeing the fulfilment of penalty measures imposed by a final decision of Národná banka Slovenska;
(f) overseeing compliance with the internal control function mentioned in Section 29, the risk management function mentioned in Section 29a, and the internal audit function mentioned in Section 29b.

(3) The subject-matter of supervision shall not include the resolution of contractual disputes of SPMCs or occupational pension companies operating in the Slovak Republic where the hearing and adjudication of such dispute falls within the competence of a court or other authority under other legislation,[45] nor, in the case of an employer whose employee performs an occupation stated in Section 2(2)(b), shall it include the performance of the employer's obligation to conclude an employer agreement with such employee and to pay and transfer contributions on their behalf.

Section 70a

(1) The competent authority of the home Member State of an occupational pension company operating in the Slovak Republic may, after notifying Národná banka Slovenska in advance, conduct an on-site inspection at the occupational pension company in the Slovak Republic.

(2) In exercising supervision over an occupational pension company operating in the Slovak Republic, Národná banka Slovenska shall cooperate with the competent authority of the that company's home Member State, and in exercising supervision over an SPMC operating in a host Member State, it shall cooperate with the competent authority of that host Member State; for the purposes of such supervision, Národná banka Slovenska shall ensure exchange of information.

(3) If the competent authority of the home Member State of an occupational pension company operating in the Slovak Republic requests Národná banka Slovenska to exercise supervision over this company, Národná banka Slovenska shall meet this request.

(4) Národná banka Slovenska may request the competent authority of a host Member State to exercise supervision over an SPMC operating in that Member State.

(5) Occupational pension companies operating in the Slovak Republic are subject to supervision by Národná banka Slovenska only in respect of their compliance with regulations under Section 37b(2) and its compliance with rules under Section 37b(3), if Národná banka Slovenska has imposed a requirement under Section 37b(3).

(6) SPMCs in a host Member State are subject to supervision by Národná banka Slovenska except in respect of their compliance with regulations and requirements under Section 37a(2).

(7) If the competent authority of a host Member State notifies Národná banka Slovenska that an SPMC operating in this Member State has breached a regulation or requirement under Section 37a(2), Národná banka Slovenska shall, in coordination with the competent authority of the host Member State, take measures to remedy the breach.

(8) If Národná banka Slovenska finds that an occupational pension company operating in the Slovak Republic has breached a regulation under Section 37b(2) or a rule under 37b(3), it shall, after informing the competent authority of the company's home Member State, without undue delay require the company to remedy the breach within a stipulated time limit.

(9) If an occupational pension company fails to remedy the breach referred to in paragraph 8 within the prescribed time limit, Národná banka Slovenska shall inform the competent authority of the occupational pension company's home Member State and shall request it to take all the necessary measures to end the unlawful state and to provide information about the measures taken.

In this respect, Národná banka Slovenska may request the European supervisory authority (the European Insurance and Occupational Pensions Authority) for assistance in accordance with other legislation.[45aa]

(10) If, despite the measures taken under Section 9, an occupational pension company operating in the Slovak Republic remains in breach of a regulation under Section 37b(2) or a rule under Section 37b(3), Národná banka Slovenska may, after notifying the competent authority of the occupational company's home Member State, take measures necessary to remedy the breach, including measures necessary for restricting or terminating the occupational pension company's activity.

(11) If the competent authority of the home Member State of an occupational pension company operating in the Slovak Republic withdraws the licence of this company, Národná banka Slovenska shall, after learning of this fact, without undue delay take measures to restrict this company's activity in the Slovak Republic.

(12) If Národná banka Slovenska withdraws the authorisation of an SPMC operating in a host Member State, it shall without undue delay inform the competent authority of that Member State of this fact.

Section 70b
International cooperation in information disclosure and supervision

(1) Národná banka Slovenska shall, in agreement with the Ministry, notify at least once every second year the European supervisory authority (the European Insurance and Occupational Pensions Authority) of the rules applying to the supplementary pension scheme. The subject of such notification shall not include the regulations of social law and labour law, which apply to the supplementary pension scheme of employees in the Slovak Republic.

(2) Národná banka Slovenska shall cooperate with the supervisory authorities of other EU Member States in performing their duties arising from a legally binding act of the European Union pertaining to the supplementary pension scheme, including the exchange of information necessary for this purpose. Národná banka Slovenska is entitled to use its powers for the purposes of such cooperation, even if the case under investigation is not classified as a breach of legislation of general application in the Slovak Republic.

Section 71
Penalties

(1) If Národná banka Slovenska finds that an entity mentioned in Section 70(1) has breached or is evading its obligations laid down in this Act, in other legislation[45a] governing its obligations,

in the rules of a supplement pension fund, in the articles of association of an SPMC, or in an authorisation, or it has not fulfilled a measure imposed by a final decision of Národná banka Slovenska, or it is not complying with the internal control system, Národná banka Slovenska may:

(a) impose measures to eliminate and rectify the shortcomings identified, a time limit for their fulfilment, and an obligation to inform Národná banka Slovenska within a stipulated time limit of their fulfilment;
(b) require the SPMC to adopt recovery measures;
(c) order an audit of the management of a supplementary pension fund's assets at the expense of the SPMC;
(d) require the correction of accounting records or other records in accordance with the findings of Národná banka Slovenska or an auditor;
(e) require the publication of the correction of incomplete, incorrect or false information, promotional material or advertising;
(f) order the submission of special statements, reports and disclosures;
(g) order the SPMC to cease performing an activity in regard to the management of a supplementary pension fund by another person to whom the SPMC has outsourced part of its activities under Section 37;
(h) order a change of persons on the bodies of the SPMC or a change of procurator;
(i) order a change of depository;
(j) recall a receiver and appoint a new receiver;
(k) suspend the exercising of shareholder rights;
(l) order the termination of an unauthorised activity, a prohibited promotional activity or prohibited advertising;
(m) suspend for a stipulated period and to a stipulated extent the handling of a supplementary pension fund's assets and the assets of an unassigned payments account, and, at the same time, place the supplementary pension fund in receivership for this period and appoint the receiver;
(n) impose a fine of up to EUR 650,000;
(o) place a supplementary pension fund in receivership;
(p) withdraw the authorisation of an SPMC under Section 76;
(q) withdraw another authorisation under this Act; or
(r) impose an obligation to publish the statement of a final decision in a periodical publication with nationwide circulation;
(s) order an SPMC operating in a host Member State to cease performing an activity mentioned in the notification under Section 37a(1)(b) or order an occupational pension company operating in the Slovak Republic to cease operating in the Slovak Republic.

(2) If, at an SPMC, a member of the management board, a member of the supervisory board, a procurator, a manager responsible for investment management who reports directly to the management board, or a key function holder has breached an obligation imposed on them by this Act, by legislation of general application applicable to the activities of the SPMC, by the articles of association of the SPMC or by the rules of a supplementary pension fund, or if they have

breached a condition or obligation imposed by a decision of Národná banka Slovenska, Národná banka Slovenska may fine that person up to twelve times the monthly average of their total income from the SPMC or of their income from a company which is part of a closely linked group. Where a person has ceased to be of good repute as defined in Section 23(11) as a result of receiving a final fine, the SPMC shall without undue delay recall that person from their position.

(3) In imposing penalties, Národná banka Slovenska shall take as a basis the nature, gravity, manner, duration and consequences of the breach of obligation, while taking into account whether the person mentioned in paragraph 2 or in Section 70(1) has himself identified the breach of obligation and restored the legal status quo ante before the decision on the penalty is issued.

(4) Penalties under this Act may be imposed within two years from the date when Národná banka Slovenska identified the breach of obligation, but no later than ten years after the date on which the breach of obligation occurred. The limitation periods mentioned in the first sentence shall be interrupted upon the occurrence of an event which under another law[45b] warrants interruption of the period, and a new limitation period shall begin as of when the interruption occurs. Penalties may be imposed concurrently and repeatedly. The imposition of penalties under this Act is without prejudice to liability as defined in other legislation. Deficiencies in the activities of SPMCs subject to supervision under this Act, as stated in an on-site inspection report, are deemed to be identified as of the date on which the on-site inspection was concluded in accordance with another law.[45c]

(5) If within two years from the effective date of a decision to impose a fine there is a reoccurrence of the breach of obligation for which the fine was imposed, Národná banka Slovenska may impose a fine of up to two times the level of the fine under Section 71(1)(n).

(6) A fine shall be payable within 30 days from the effective date of the decision under which it was imposed. A fine imposed under this Act shall represent income of the state budget of the Slovak Republic.

(7) If Národná banka Slovenska, in exercising supervision, finds a breach of law by a person mentioned in Section 70(1), it may impose penalties whether or not this person is in liquidation.

(8) SPMCs shall inform their supervisory board of a final decision by Národná banka Slovenska to impose a penalty on the SPMC, and, within 30 days after the effective date of the decision, it shall send Národná banka Slovenska the minutes of the supervisory board’s discussion of this information.

(9) Národná banka Slovenska shall, without undue delay, publish on its website the text of its executable decision to impose a penalty under paragraphs 1 to 3, including the identification data of the person or persons on whom the penalty has been imposed in accordance with paragraphs

1 to 3. Národná banka Slovenska may postpone the publication of its decision mentioned in the first sentence, decide not to publish it at all, or to publish it without the identification data of the person or persons on whom a penalty has been imposed under paragraphs 1 to 3 if the publication of these person's identification data would be inappropriate to the nature of the breach or if the publication of the decision mentioned in the first sentence would threaten the stability of financial markets or the ongoing supervision.

(10) Národná banka Slovenska may, whether or not as part of the penalty proceedings, discuss shortcomings in the activities of an SPMC with one or more persons whose position in the company is a member of the management board, a member of the supervisory board, a procurator, a manager responsible for investment management who reports directly to the management board, or a key function holder, or may discuss shortcomings in the activity of an occupational pension company operating in the Slovak Republic. These persons shall provide the cooperation requested by Národná banka Slovenska.

(11) Národná banka Slovenska shall notify the European supervisory authority (the European Insurance and Occupational Pensions Authority) of any penalty imposed under paragraph 1(p) or (s).

Section 72
Recovery measures

(1) Measures for the recovery of an SPMC shall comprise:

(a) a recovery programme, which must contain:
   1. a plan for capital strengthening in regard to capital adequacy or the draft of another measure to improve capital adequacy;
   2. a plan projecting current and future developments in the economic situation of the SPMC, including, at a minimum, balance sheets, income statements, a budget, a strategic business plan, and an analysis of the profitability in achieving the programme objectives;
   3. other information that Národná banka Slovenska deems necessary;
(b) the introduction of daily monitoring of the financial position of the SPMC;
(c) the restriction or suspension of the payment of dividends,[46] bonuses,[47] other shares in profit, remuneration, and non-monetary compensation to shareholders, members of the management board, members of the supervisory board and employees of the SPMC;
(d) the restriction or suspension of salary increases for members of the management board, members of the supervisory board, and all employees of the SPMC;
(e) the restriction or suspension of the undertaking of new transactions by the SPMC; for such transactions, the SPMC shall require the prior approval of Národná banka Slovenska.

(2) Národná banka Slovenska may impose recovery measures on an SPMC where the company:

(a) has seriously failed to fulfil an obligation laid down by this Act or by other legislation and the resulting situation may impair the ability of the SPMC to meet liabilities arising from its performed activities;
(b) reports losses which if settled out of the disposable funds of the SPMC would lead to a reduction in its share capital to below the level mentioned in Section 22(8).

(3) Národná banka Slovenska shall require an SPMC to adopt recovery measures if the company has ceased to meet the capital adequacy requirement under this Act.

(4) Within 30 days after the delivery of a decision requiring an SPMC to adopt recovery measures, the management board of the company shall submit a draft of the recovery measures to Národná banka Slovenska. The draft recovery measures must have been approved by the management board and the supervisory board of the company. Within 20 days after receiving of the draft recovery measures, Národná banka Slovenska shall approve or reject them. If within this time limit, Národná banka Slovenska does not delivered a decision to reject the submitted recovery measures to the SPMC, the draft measures are deemed to be approved.

(5) As of the date on which an SPMC receives a decision requiring it to adopt recovery measures, the right of participants to switch from a fund managed by this company to one managed by another SPMC in accordance with Section 63 or 64 shall be suspended for the period stated in the decision.

Section 73
Suspension of the exercising of the shareholder rights

(1) Where a natural person or legal person has performed an act constituting a breach of Section 26(1)(a), or has obtained prior approval under Section 26 on the basis of false information, or is reasonably suspected by Národná banka Slovenska of having breached Section 26(1)(a), Národná banka Slovenska may suspend that person's right to attend and vote at a general meeting of the SPMC and that person's right to request the convening of an extraordinary general meeting of the SPMC. Národná banka Slovenska may also suspend from exercising such rights any person whose actions in regard to the SPMC are detrimental to the proper and prudential conduct of the business of the company.

(2) From its issuer's register and list of shareholders, an SPMC shall submit to Národná banka Slovenska an extract produced on a relevant date that is no later than five working days before the date of its general meeting. The SPMC shall submit this extract to Národná banka Slovenska on the date it was produced. Národná banka Slovenska shall without delay name in writing on the extract the person whose rights mentioned in paragraph 1 are suspended and shall deliver the extract to the SPMC no later than the day preceding the date of the general meeting.

(3) For the person named in writing on the extract under paragraph 3, proceedings to suspend the exercise of rights mentioned in paragraph 1 are deemed to have commenced also where Národná banka Slovenska has newly established a reason to suspend this person's rights mentioned in paragraph 1.

(4) A decision on suspending a person's rights mentioned in paragraph 1 shall be delivered by Národná banka Slovenska to that person and to the SPMC prior to the commencement of the general meeting. This decision shall be binding upon the SPMC. Delivery of a decision on a preliminary ruling to a proxy authorised to represent the person concerned at the general meeting shall also be deemed delivery.

(5) SPMCs shall not permit the attendance at their general meeting of a person named by Národná banka Slovenska under paragraph 2 or paragraph 3, nor persons authorised to act on their behalf in proceedings.

(6) Shares to which attach rights suspended under paragraph 1 shall not, for so long as the suspension is in force, be deemed voting shares. These shares shall not be taken into consideration when determining whether the general meeting has a quorum or for decisions of the general meeting. The resulting increase in the proportion of the voting rights held by other persons stated in the extract submitted by the SPMC under paragraph 3 shall not require the prior approval of Národná banka Slovenska under Section 26.

(7) If the reasons for the suspension of rights mentioned in paragraph 1 have ceased to exist, Národná banka Slovenska shall without undue delay lift the suspension. Entities requested by Národná banka Slovenska to publish this decision shall comply with this request.

(8) Národná banka Slovenska may petition a court to annul a decision made by the general meeting of an SPMC on grounds that the decision is in breach of the law or the company's articles of association. This right shall, however, expire if Národná banka Slovenska has not exercised it within three months after the general meeting passed the decision or, if the general meeting was not duly convened, from the date when Národná banka Slovenska could have learnt of the decision.

Section 74
Receivership of a supplementary pension fund

(1) For the purposes of this Act, 'receivership' means the management of a supplementary pension fund that has been placed in receivership under an enforceable decision of Národná banka Slovenska. Receivership shall be conducted by a receiver appointed under the decision of Národná banka Slovenska to place the pension fund in receivership.

(2) The principle purpose of receivership shall be:

(a) to protect the supplementary pension fund's assets from damage or the exacerbation of damage and to stop the depreciation of these assets;
(b) to ascertain the actual balance of the supplementary pension fund's assets, if this is not ascertainable under other provisions of this Act.

(3) Národná banka Slovenska shall place a supplementary pension fund in receivership whenever:
(a) it suspends for a stipulated period and to a stipulated extent the handling of the supplementary pension fund's assets and assets in the unassigned payments account;
(b) it withdraws the authorisation of the SPMC;
(c) a petition for a bankruptcy order against the SPMC, or a petition for its restructuring, has been submitted;
(d) criminal proceedings are begun against the SPMC for a crime that carries a potential sentence of dissolution of the legal person or seizure of its assets;
(e) this Act so stipulates.

(4) Národná banka Slovenska shall appoint as the receiver of a supplementary pension fund the depository of the fund. If the depository cannot be appointed as the receiver, Národná banka Slovenska shall appoint as the receiver another legal person that is authorised under this Act to perform the activities of a depository.

(5) The substitute receiver under paragraph 4 shall be another legal person authorised under this Act to perform the activities of a depository.

(6) If Národná banka Slovenska places a supplementary pension fund in receivership, the SPMC shall hand over the management of the fund and all related documents to the designated receiver no later than 15 days after the delivery of the decision to place the fund in receivership or within a time limit laid down by Národná banka Slovenska. As of the date when the decision is delivered, the supplementary pension fund shall be placed in receivership and all persons concerned will be subject to the receivership. An appeal against a decision of Národná banka Slovenska to place a pension fund in receivership shall not have suspensory effect. When a pension fund is placed in receivership, the powers of the SPMC in regard to the supplementary pension fund shall pass to the receiver. The receiver shall be entered in the Commercial Register on the basis of an application filed by Národná banka Slovenska. The SPMC and receiver shall without undue delay submit to Národná banka Slovenska a report on the handover of the supplementary pension fund's management to the receiver.

(7) Once a supplementary pension fund has gone into receivership, the right of participants in the fund to switch to another fund under Section 63 or Section 64 shall be suspended until the termination of the receivership.

(8) Within 30 days after the termination of receivership, the receiver appointed under Section 71(l)(m) shall hand back management of the supplementary pension fund to the SPMC; this also applies where receivership ordered under Section 41(6) terminates upon the effective date of a court's decision to reject the bankruptcy petition. Within 30 days after the effective date of a decision of Národná banka Slovenska under Section 71(3) or Section 41(6)(b), the receiver appointed under Section 71(l)(m) or Section 71(5) shall hand back management of the supplementary pension fund and related documentation to the SPMC specified in the decision of Národná banka Slovenska.

(9) The provisions of this Act governing the obligations of an SPMC in regard to the management of a supplementary pension fund also apply to a receiver. A receiver shall manage a supplementary pension fund only to the extent necessary to protect the interests of participants and beneficiaries, and in so doing it is bound by the restrictions laid down in the decision to place the fund in receivership.

(10) A receiver shall act in its own name and for the account of participants and beneficiaries; a receiver shall-
(a) manage the assets under management with professional care;
(b) have regard to the protection of the interests of participants and beneficiaries;
(c) keep separate accounts for each supplementary pension fund under such management.

(11) For conducting receivership, a receiver shall be entitled to remuneration proportional to the period of receivership and provided under the same conditions as were attached to the agreed remuneration of the SPMC for the management of the pension fund.

(12) Receivership shall terminate upon the date stipulated in the decision of Národná banka Slovenska to place the pension fund in receivership or in the decision of Národná banka Slovenska to terminate the receivership.

(13) Národná banka Slovenska shall without undue delay appoint a new receiver where:
(a) the receiver is recalled;
(b) the receiver resigns their position by giving notice in writing to Národná banka Slovenska;
(c) the receiver is in breach of their obligations;
(d) the receiver is no longer authorised to perform the activities of a depository.

(14) An appeal against the decision mentioned in paragraph 12 shall not have suspensory effect.

(15) A receiver that is changed for a reason mentioned in paragraph 13(b) or (c) is required to fulfil the obligations of the receiver until the effective date of the decision of Národná banka Slovenska on the appointment of a new receiver.

(16) The provisions of paragraph 5 apply to the appointment of a new receiver under paragraph 13.

Section 75
Suspension of the handling of a supplementary pension fund's assets and assets in the unassigned payments

Where Národná banka Slovenska issues a decision to suspend the handling of a supplementary pension fund's assets and assets in an unassigned payments account under Section 71(1)(m), the SPMC shall, from date when the decision is delivered, be allowed to handle the fund's assets and assets in the unassigned payments account only to the extent stipulated in the decision.

Section 76
Withdrawal of an authorisation

(1) Národná banka Slovenska shall withdraw an authorisation where the own funds of the SPMC have fallen to below 75% of the amount needed to meet the capital ratio or where the SPMC has ceased to have a clean criminal record.

(2) Národná banka Slovenska may withdraw an authorisation where:
(a) the authorisation was issued on the basis of false or incomplete information;
(b) there has been a serious change in any facts relevant to the issuance of the authorisation;
(c) the SPMC has committed a serious, multiple, or repeated breach of the law and this has not been rectified by the imposition of another penalty under this Act;
(d) the SPMC has failed to fulfil the conditions for the commencement of activities within the time limit stipulated in the authorisation;
(e) the SPMC has not handed over the management of a supplementary pension fund to the receiver.

(3) Where an authorisation is withdrawn under paragraph 2, Section 71(3) does not apply.

(4) Where Národná banka Slovenska withdraws an authorisation, it shall also, from the date when the decision is delivered, place the supplementary pension funds managed by the SPMC in receivership and appoint a receiver.

(5) As of the date when an SPMC receives the decision to withdraw its authorisation, the company may not perform activities under this Act.

(6) Within 30 days after the effective date a decision to withdraw an authorisation, Národná

banka Slovenska shall send the decision for publication in the Commercial Bulletin.

(7) The withdrawal of an authorisation shall be entered in the Commercial Register. Within 15 days after the effective date of the decision to withdraw an authorisation, Národná banka Slovenska shall file an application to have the withdrawal entered in the Commercial Register.

DIVISION THIRTEEN
TRANSFORMATION OF A SUPPLEMENTARY PENSION MANAGEMENT COMPANY

Section 77
Production of a transformation project

(1) A supplementary pension insurance company may transform into an SPMC in the legal form of a joint-stock company in accordance with this Act, unless otherwise provided hereunder. The establishment, incorporation and legal status of an SPMC formed by the transformation of a supplementary pension insurance company and its entry in the Commercial Register shall be governed by the Commercial Code, unless this Act provides otherwise.

(2) The transformation of a supplementary pension insurance company shall be carried out on the basis of a transformation project, which the founders of the supplementary pension insurance company shall approve on the basis of a resolution passed by a founders' meeting. A founders' meeting of the SPMC shall be convened by the company's management to be held at the registered office of the company no later than 30 days after the commencement of this Act. The management body of the supplementary pension insurance company shall invite to the founders' meeting all founders except for any whose purpose-specific contribution to the company has been returned in accordance with the company's statute, or whose purpose-specific contribution to the company is to be returned in accordance with the company's statute, or who have assigned, transferred or otherwise alienated their purpose-specific contribution to the company, or part thereof, or who have assigned, transferred or otherwise alienated the founder's rights attached to their purpose-specific contribution to the company, or who have waived their founder's rights (a person eligible to be invited to such founders' meeting shall hereinafter be referred to as a 'founder').

(3) If the management of a supplementary pension insurance company does not convene a founders' meeting within the time limit mentioned in paragraph 2, the Minister of Labour, Social Affairs and Family of the Slovak Republic shall convene such meeting within 60 days after 1 January 2005.

(4) Persons defined as founders for the purposes of the transformation of a supplementary pension insurance company under this Act shall include legal persons and natural persons who

prior to 31 December 2003 provided a purpose-specific contribution to the company, or acquired from a founder, or a founder's successor, under paragraph 2 such contribution, or part thereof, or rights attached to such contribution, or who prior to 31 December 2003 provided funding to ensure the performance of supplementary pension insurance activities on the basis of a contract with the supplementary pension insurance company, whether or not they had the position of a founder under other legislation.[49]

(5) The management of a supplementary pension insurance company shall not invite to the founders' meeting any founder who is in liquidation, who is subject to a bankruptcy order, who is subject to an authorised settlement, or against whom a petition for a bankruptcy order has been rejected on grounds of insufficient assets.

(6) On the decision of the founders' meeting, a notarial deed attesting to the decision to produce a transformation project shall be drawn up; this deed shall list the names of the founders who attended the founders' meeting and state the result of the vote on the production of a transformation project.

(7) For the purposes of the transformation of a supplementary pension insurance company, a purpose-specific contribution to the company means a purpose-specific contribution to the company made by a founder under paragraph 2 in accordance with other legislation,[49] rights acquired from a purpose-specific contribution to the company, a purpose-specific contribution to the company made by a legal or natural person under paragraph 4, and funding provided by a legal or natural person under paragraph 4.

(8) In order to pass a resolution on the production of a transformation project (hereinafter 'the resolution'), the founders' meeting must approve the resolution with at least a two-thirds majority of the votes of the founders present. Each founder shall have one vote for each SKK 10,000 of their purpose-specific contribution to the company.

(9) Following approval of the resolution, the further process of the transformation of the supplementary pension insurance company shall be governed by the founders' meeting. At the same time, the competence to appoint and recall the company's management shall pass to the founders' meeting. In order to appoint or recall the company's management or to take another decision within the transformation process, the founders' meeting must approve such decision with at least a two-thirds majority of the votes of the founders present. The second sentence of paragraph 8 applies equally in this case.

Section 78

(1) The responsibility for producing a transformation projected shall lie with the supplementary pension insurance company. The supervisory board of the supplementary pension

insurance company shall give a written opinion on the transformation project produced. The draft transformation project shall be signed by the company's management, which, within 60 days after the adoption of the resolution, shall submit it to a founders' meeting for approval. Section 77 applies equally to the adoption of a resolution to approve the transformation project.

(2) Within three days after the approval of the transformation project, the supplementary pension insurance company shall submit the project, along with the written opinion on the project given by the company's supervisory board, to the Ministry, the Ministry of Finance and Národná banka Slovenska, and request them for their opinion on the project. These institutions shall give their opinion on the transformation project within 30 days after its submission. The approved transformation project along with a notarial deed attesting its approval by the founders' meeting and the above opinions shall be attached to the application for an authorisation, and together with a legally valid authorisation under this Act shall be deposited in the collection of documents under other legislation.[50]

(3) The first shareholders of an SPMC formed by the transformation of a supplementary pension insurance company shall comprise the founders who constituted the founders' meeting, their shares in the company being specified in the transformation project, except for those founders who did not approve the transformation project or who, on the basis of an agreement under Section 79(3), will not have a share in the capital of the SPMC.

Section 79

(1) A transformation project shall be a document which, meeting the conditions laid down by this Act, includes a detailed procedure for the transformation of the supplementary pension insurance company into an SPMC. A transformation project shall include information about the supplementary pension insurance company and the future SPMC; it shall specify in time sequence the separate activities in the transformation process, such that all laws and legally protected interests of the founders and of persons insured with, and receiving benefits from, the supplementary pension insurance company are complied with.

(2) A transformation project shall state or contain at a minimum:

(a) the name, registered office address and company registration number of the supplementary pension insurance company;
(b) the business name and registered office address of the SPMC into which the supplementary pension insurance company is to transform;
(c) audited financial statements of the supplementary pension insurance company not older than three months as at the date on which the transformation project was approved;
(d) a listing of those pieces of real estate owned by the supplementary pension insurance company which constitute part of a non-cash contribution, accompanied by documents proving that the supplementary pension insurance company has ownership title to this real estate;

(e) the amount of the equity of the supplementary pension insurance company;
(f) the share in the share capital of the SPMC which the founders, as the company's future shareholders, are to hold;
(g) a proposal on the method of settlement between any founders who did not approve the transformation project and the SPMC into which the supplementary pension insurance company is to transform, and a proposal on the method of settlement between third parties who prior to 31 December 2003 provided a purpose-specific contribution to the company, or acquired from a founder, or a founder's successor, under Section 77(2) such contribution, or part thereof, or rights attached to such contribution and the SPMC into which the supplementary pension insurance company is to transform;
(h) the proposed amount of the share capital and the reserve fund of the SPMC and a specification of the subject-matter of the contribution to the share capital;
(i) in the case of a non-cash contribution, a description of this contribution and, if it is a movable asset other than a tangible fixed asset or intangible fixed asset, a statement of its book value, or, if it is an immovable asset, tangible fixed asset or intangible fixed asset, a statement of its value according to an expert's report;
(j) the issue value and number of shares;
(k) the draft articles of association of the SPMC which will be in force following the transformation of the supplementary pension insurance company;
(l) a list of the persons proposed as members of the management board, members of the supervisory board and procurators of the SPMC;
(m) a proposal for the division of the operating assets of the supplementary pension insurance company between the SPMC, the accumulation supplementary pension fund and the decumulation supplementary pension fund under Sections 80 and 83;
(n) information about the number of persons insured with the supplementary pension insurance company and the number of person receiving benefits from the supplementary pension insurance company, including a breakdown of the benefits by type, as at the last day of the calendar month preceding the month in which the transformation project was approved;
(o) the one accumulation supplementary pension fund in which persons insured with the supplementary pension insurance are to become participants;
(p) the number of employer agreements, occupational agreements and insurance policy agreements as at the date stated in (n);
(q) a proposal on how to settle the claims of persons who receive benefits from the supplementary pension insurance company; in the proposal, the risk of survival to a stipulated age shall be taken into account in a way that preserves the claims of these persons, including the valuation of the risk associated with the payment of the benefits and with the insurance contract concluded between the supplementary pension insurance company and an insurance company, under which the insurance company undertakes to pay the outstanding amount of these benefits;
(r) a time and material schedule for the further procedure of the transformation, in particular the projected deadlines for the establishment of the SPMC, for the submission of the application

for an authorisation, for the submission of the application to incorporate the SPMC in the Commercial Register, and for the drafting of documents necessary for the termination of the supplementary pension insurance company and for the incorporation of the SPMC.

(3) The transformation project shall specify the shares in the share capital of the SPMC which will be held by the founders who are to be the first shareholders of the company in accordance with Section 78(3), with the share of each founder corresponding proportionally to the ratio between, on the one hand, their purpose-specific contribution to the company and funds deposited under Section 77(4) and, on the other hand, the total amount of all these founders' purpose-specific contributions to the company and funds deposited under Section 77(4). The founders may agree to a different division of shares in the share capital of the SPMC, or that one or more of the founders will not have a share in the company's share capital. Such an agreement, as well as any agreement on a mutual settlement of founders' property, shall form a part of the transformation project.

Section 80
The equity of a supplementary pension insurance company for the purposes of a transformation project

(1) For the purposes of a transformation project, a supplementary pension insurance company shall ascertain the amount of equity under paragraph 2.

(2) For the purposes of a transformation project, the equity of the supplementary pension insurance company shall be the difference between the company's assets and liabilities expressed in monetary terms. The assets and liabilities expressed in monetary terms shall be the assets and liabilities as recorded in the audited financial statements of the supplementary pension insurance company, prepared on the basis of data not older than three months as at the date on which the transformation project was approved, excluding real estate under Section 79(2)(d), the value of which in monetary terms shall be determined by an expert's report. For the purpose of calculating the value of the equity, the assets of the supplementary pension insurance company shall not include the value of assets corresponding to the outstanding amount of the company's reserve fund, the company's income (revenue) under other legislation,[49] and real estate to which the company acquired ownership title from paid-up supplementary pension insurance contributions, other than gifts and legacies under other legislation,[49] unless this Act provides otherwise. For the purpose of calculating the value of equity, the liabilities of the supplementary pension insurance company shall not include the value of liabilities towards persons insured with the supplementary pension insurance company or receiving supplementary insurance benefits from the company, or the outstanding amount of the company's reserve fund.

(3) For the purpose of calculating equity, assets may include real estate to which the supplementary pension insurance company acquired ownership title from paid-up supplementary pension insurance contributions only if, no later than 15 days after the approval of the

transformation project, the founders undertake to pay the value of such real estate, determined on the basis of an expert's report, into the assets that will constitute the accumulation supplementary pension fund and the decumulation supplementary pension fund in the ratio of the liabilities of the supplementary pension insurance company towards persons insured with the company and persons receiving supplementary insurance benefits from the company, and to do so as at the incorporation date of the SPMC.

(4) The sum value of the share capital and reserve fund of the SPMC may not be higher than the equity of the supplementary pension insurance company under paragraph 2.

Section 81
Establishment of an SPMC

(1) On the basis of a transformation project, the supplementary pension insurance company shall, as the sole founder, establish an SPMC and shall make a non-cash contribution to the SPMC, namely the supplementary pension insurance company, which for the purposes of this Act is deemed an undertaking under Section 5 and Section 59(4) of the Commercial Code. The provisions of Section 59(2), third sentence, Section 477(3), the part of the sentence after the comma, and Section 478 of the Commercial Code do not apply. The provisions of the approved transformation project shall be binding on the supplementary pension insurance company, SPMC and founders.

(2) The value of the non-cash contribution to the SPMC shall comprise the amount of the equity of the supplementary pension insurance company determined under Section 80(2). Thus determined, the value of the non-financial contribution to the SPMC constitutes the sum of the contribution to the company's share capital and the value of the reserve fund established as at the date of the company's incorporation. Section 58(1) of the Commercial Code does not apply in respect of the establishment and incorporation of an SPMC. Section 59(3) of the Commercial Code applies, mutatis mutandis, to the provisions of Part Thirteen of this Act.

(3) The share capital of an SPMC shall be at least SKK 50,000,000 and must be fully paid-up at its establishment. The reserve fund of an SPMC at its incorporation shall be at least 10% of the value of its share capital, but not less than SKK 5,000,000. If the equity of a supplementary pension insurance company under Section 80 does not amount to SKK 55,000,000, the founders who are to become the first shareholders of the SPMC under Section 78(3) shall increase their contributions to the supplementary pension insurance company in proportion to their share in the share capital of the SPMC, so that the equity of the supplementary pension insurance company amounts to at least SKK 55,000,000, and they shall do so within the time limit under Section 83(1).

(4) On the basis of the transformation project, the supplementary pension insurance company shall establish an SPMC without an invitation to subscribe for shares. The deed of incorporation of the SPMC shall be drawn up in the form of a notarial deed on a legal act.

(5) The deed of incorporation shall contain, in addition to the elements specified in other legislation,[25] information on the shares in the share capital of the SPMC which the founders, as its future shareholders, are to hold.

Section 82
Issuance of an authorisation

(1) Sections 23 to 25, with the exception of Section 23(1)(a) and (4)(e), apply equally to the issuance of an authorisation for an SPMC. A dissenting opinion under Section 78(2) may constitute grounds for refusing an application for an authorisation.

(2) An authorisation may include a condition requiring an increase in contribution to the supplementary pension insurance company under Section 81(3). A founder shall prove to Národná banka Slovenska that this condition has been met. If the founders fail to meet this condition within the time limit under Section 83(1), the authorisation shall expire.

Section 83
Incorporation of an SPMC

(1) An application to incorporate an SPMC in the Commercial Register shall be submitted by the company's management board within 30 days after the issuance of the authorisation by Národná banka Slovenska under Section 82. This application shall be signed by all members of the management board of the SPMC. The application to incorporate the SPMC in the Commercial Register shall include the approved transformation project and the legally valid authorisation issued by Národná banka Slovenska. A document confirming that the non-cash contribution to the SPMC has been paid up before the company's incorporation shall not be attached to the application to incorporate the company in the Commercial Register.

(2) As of the date on which the SPMC is incorporated, the supplementary pension insurance company shall dissolve and be deleted from the register of supplementary pension insurance companies. The SPMC shall be the legal successor of the supplementary pension insurance company. The SPMC shall satisfy the claims of the founders who did not approve the transformation of the supplementary pension insurance company, in the amounts determined under Section 79(2)(g).

(3) As of the date on which the SPMC is incorporated, all rights and obligations of a supplementary pension insurance company as the founder and subscriber of the shares of the SPMC shall pass to the founders in the proportion specified in the approved transformation project and deed of incorporation.

(4) The ownership title to the non-cash contribution shall pass to the SPMC on the date of the company's incorporation. The document for recording the transfer of the ownership title to real estate in the Land Register shall be listing of the pieces of real estate which forms an integral annex to the deed of incorporation. As at the date on which the SPMC is incorporated, the founder shall hand over, and the SPMC shall accept, the assets included in the non-cash contribution. A statement on the handover and acceptance of these assets shall be drafted and signed by both parties. The provisions of Section 60 and Section 483(3) of the Commercial Code do not apply in this case.

(5) As of the date on which the SPMC is incorporated, assets corresponding to the value of the liabilities of the supplementary pension insurance company towards persons insured with the supplementary pension insurance company shall pass to the assets of the accumulation supplementary pension fund, and assets corresponding to the value of the liabilities of the supplementary pension insurance company towards persons receiving supplementary insurance benefits from the company, other than assets corresponding to the value of liabilities of the supplementary pension insurance company towards persons receiving supplementary pension insurance benefits from the company in which the risk of survival to a stipulated age is taken into account, shall pass to the assets of the decumulation supplementary pension fund. The value of the liabilities of the supplementary pension insurance company shall be divided between the accumulation supplementary pension fund and the decumulation supplementary pension fund so that the value of liabilities of the supplementary pension insurance company towards persons insured with the supplementary pension insurance company passes to the accumulation supplementary pension fund and the value of liabilities of the supplementary pension insurance company towards persons receiving supplementary pension insurance benefits from the company, excluding the value of the company's liabilities towards persons receiving supplementary pension insurance benefits in which the risk of survival to a stipulated age is taken into account, shall pass to the decumulation supplementary pension fund. Assets corresponding to the outstanding amount of the reserve fund of the supplementary pension insurance company following the deduction of assets corresponding to the difference between assets necessary for paying the premium to the insurance company under the insurance contract mentioned in Section 79(2)(q) and assets corresponding to the value of liabilities of the supplementary pension insurance company towards persons receiving supplementary pension insurance benefits from the company in which the risk of survival to a stipulated age is taken into account shall be divided as at the incorporation date of the SPMC between the accumulation supplementary pension fund and the decumulation supplementary pension fund in the ratio of the value of the liabilities of the supplementary pension insurance company towards persons insured with the company and the value of liabilities of the supplementary pension insurance company towards persons receiving supplementary pension insurance benefits from the company, other than the value of liabilities of the supplementary pension insurance company towards persons receiving supplementary pension insurance benefits from the company in which the risk of survival to a stipulated age is taken into account. As of the date on which the SPMC is incorporated, those assets not transferred to the assets of the accumulation supplementary pension fund or to the assets of the decumulation supplementary

pension fund according to the first sentence and the third sentence shall pass to the assets of the SPMC, and those liabilities of the supplementary pension insurance company towards persons receiving supplementary pension insurance benefits from the company in which the risk of survival to a stipulated age is taken into account shall pass to the liabilities of the SPMC. As at the date on which the SPMC is incorporated, the founder of the SPMC and the SPMC shall produce a statement specifying the amount of the assets and liabilities of each of these funds.

(6) As of the date on which the SPMC is incorporated, all rights and obligations resulting from employment relations with employees of the supplementary pension insurance company[51] shall pass to the SPMC.

(7) Within three months after its incorporation, the SPMC shall prepare the closing financial statements of the supplementary pension insurance company that constituted a corporate contribution to the SPMC, and shall prepare the opening financial statements. If the amount of assets of supplementary pension funds, as determined in the opening financial statements, is less than the amount of liabilities towards persons insured with the supplementary pension insurance company and persons receiving supplementary pension insurance benefits from the company, excluding liabilities of the supplementary pension insurance company towards persons receiving supplementary pension insurance benefits from the company in which the risk of survival to a stipulated age is taken into account, as determined in the closing financial statements, the SPMC shall transfer to the assets of the supplementary pension funds managed under its management such amount of its own assets so that the supplementary pension funds' assets as determined in the opening financial statements are equal in amount to the liabilities of the supplementary pension insurance company towards persons insured with the supplementary pension insurance company and persons receiving supplementary pension insurance from the company, excluding liabilities of the supplementary pension insurance company towards persons receiving supplementary pension insurance benefits from the company in which the risk of survival to a stipulated age is taken into account.

DIVISION FOURTEEN
COMMON, TRANSITIONAL AND FINAL PROVISIONS

Common provisions

Section 84

Disputes arising under this Act shall be settled by courts of law.

Section 84a

The amount of the commission directly related to the conclusion of one participant agreement shall be 8% of the average monthly salary in the Slovak Republic, as reported by the Statistical Office of the Slovak Republic for the calendar year two years prior to the calendar year in which the participant agreement was concluded.

Transitional provisions

Section 85

(1) The legal status of a supplementary pension insurance company, its internal legal relations and rights, and obligations and liability related to the implementation of the supplementary pension insurance scheme, as well as the rights of persons insured with the company and the claims of persons receiving benefits from the company, shall be maintained, and until the dissolution of the supplementary pension insurance company they shall be administered under the legislation previously in effect, unless this Act provides otherwise. Section 28a applies equally to the activity of a supplementary pension insurance company.

(2) A supplementary pension insurance company whose founders' meeting does not approve a transformation project shall be dissolved with liquidation by no later than 31 December 2005.

(3) A supplementary pension insurance company which does not submit an application for an authorisation by 30 June 2006 shall be dissolved with liquidation on 1 July 2006. A supplementary pension insurance company shall be dissolved with liquidation also on the effective date of a decision of Národná banka Slovenska to reject an application for an authorisation.

(4) SPMCs whose founder is a supplementary pension insurance company shall be incorporated by no later than 30 June 2007. If an SPMC whose founder is a supplementary pension insurance company has not been incorporated by 30 June 2007, the supplementary pension insurance company shall be dissolved with liquidation on 1 July 2007.

(5) The procedure to be followed in the liquidation of a supplementary pension insurance company to be dissolved under paragraphs 2 to 4 and in the satisfaction of the rights of persons insured with the supplementary pension insurance company and the claims of persons receiving supplementary pension insurance benefits from the company shall be that laid down by the legislation previously in effect.

Section 86

(1) As of the date on which an SPMC founded by a supplementary pension insurance company is incorporated, persons insured with the supplementary pension insurance company and

persons receiving supplementary pension insurance benefits from the company shall become, respectively, participants in the supplementary pension scheme and beneficiaries under the supplementary pension scheme, in accordance with the conditions laid down in the employer agreement, occupational agreement and insurance policy agreement concluded under the legislation previously in effect. Within two months after the date of its incorporation, the SPMC shall notify participants and beneficiaries enrolled with the company and employers that have concluded an employer agreement with the company, under the legislation previously in effect, that:

(a) the company has transformed into an SPMC;
(b) persons insured with the supplementary pension insurance are now participants in the supplementary pension scheme;
(c) that persons receiving supplementary pension insurance benefits from the supplementary pension insurance company have become beneficiaries under the supplementary pension scheme.

(2) Within 30 days after its incorporation, an SPMC shall publish the notification mentioned in paragraph 1 in a periodical publication with nationwide circulation.

(3) Employer agreements, occupational agreements and insurance policy agreements concluded under the legislation previously in effect are deemed employer agreements and participant agreements concluded under this Act. This is without prejudice to the provision of Section 86(1) first sentence, except for benefit plan provisions governing the principles under which persons insured with the supplementary pension insurance company and persons receiving supplementary pension insurance share in the income from the management of the supplementary pension insurance company and the method of distributing supplementary pension insurance benefits in which the risk of survival to a stipulated age is taken into account, and except for those provisions of the occupational agreements and insurance policy agreements governing inheritance in supplementary pension insurance. The share of participants and beneficiaries referred to in paragraph 1, first sentence, in the investment returns on the assets of the supplementary pension fund shall be determined in accordance with this Act, and the method of distributing supplementary pension insurance benefits in which the risk of survival to a stipulated age is taken into account shall be governed by this Act. In agreements referred to in the first sentence, inheritance in supplementary pension insurance is subject to the provisions on inheritance conditions in the supplementary pension scheme as laid down in this Act. Termination payments paid under the law previously in effect are not subject to the provisions laid down in this Act, and included in the rules of the supplementary pension fund, for determining the amount of remuneration for termination. The aggregate employer's contributions paid for a participant to whom a termination payment is paid under the preceding sentence and the share in the income from the management of these contributions constitute common assets of participants in the supplementary pension fund.

(4) The period of participation in the supplementary pension scheme until 30 June 2007 shall

thereafter be deemed a period of enrolment in the supplementary pension scheme.

Section 87

(1) In the period from 1 January 2005 to 30 June 2007, supplementary pension insurance companies are deemed financial institutions under Section 29(4).

(2) In legislation of general application in effect before 1 January 2005, the term 'supplementary pension insurance' means also the 'supplementary pension scheme'.

Section 87a
Transitional provisions for amendments in effect from 1 January 2006

(1) Authorisations, permissions and approvals issued by the Financial Market Authority before 1 January 2006 and in effect as at 1 January 2006 are deemed authorisations, permissions and approvals issued under this Act. The provisions of this Act apply to the restriction or suspension of activities performed under such authorisation, and to the amendment, withdrawal or expiry of such authorisation; the same applies to the termination or expiry of consents and approvals issued by the Financial Market Authority before 1 January 2006.

(2) The issuance of legislation of general application which before 1 January 2006 was issued for the implementation of enabling provisions in this Act shall from 1 January 2006 fall within the competence of Národná banka Slovenska to the extent laid down by this Act.

(3) Proceedings that commenced but were not finally concluded before 1 January 2006 shall be brought to their conclusion in accordance with this Act and another law.[9] The legal effects of actions taken in the course of proceedings before 1 January 2006 are preserved.

(4) On-site inspections that commenced but were not completed before 1 January 2006 shall be completed in accordance with this Act and another law.[9] The legal effects of actions taken in the course of an on-site inspection before 1 January 2006 are preserved.

Section 87b

(1) By no later than 31 December 2007, an employee who performs or began to perform the occupation of a dance artist in the period from 1 August 2006 to 30 November 2007 shall conclude a participant agreement and the employee's employer shall conclude an employer agreement.

(2) By no later than 31 October 2006, SPMCs shall bring their benefit plans into compliance with this Act and submit a request for prior approval under Section 26(1)(i).

(3) By no later than 31 October 2006, SPMCs shall bring the rules of their supplementary pension funds into compliance with this Act and submit a request for prior approval under Section 26(1)(h). Within six months after the amendments to the rules of a supplementary pension fund have entered into force, the SPMC shall bring the composition of the fund's assets into compliance with this Act. Národná banka Slovenska may extend the time limit under the second sentence only if the SPMC submits a request for such extension by no later than the last day of that time limit and providing that such extension is warranted in interests of protecting participants and beneficiaries.

(4) Where an authorisation to perform the activities of a financial agent in the supplementary pension scheme sector is issued under the legislation previously in effect and is still valid as at date that this Act takes effect, it is deemed an agent authorisation issued under this Act.

(5) Until 31 July 2007, conflicts of interest are subject to Section 32(6) as in effect until 31 July 2006.

Transitional provisions for amendments in effect from 1 January 2008

Section 87c

Participants who concluded a participant agreement under Section 57 shall be paid a supplementary service pension from 1 January 2008, at the earliest, if before 1 January 2005 and by no later than 31 December 2011 they have attained 40 years of age and have been performing the occupation of a dance artist or wind instrument musician for at least 20 years. The payment of a supplementary service pension to such participant is not subject to the payment conditions for a supplementary service pension governed by the benefit plan.

Section 87d

(1) SPMCs shall bring their organisational structure into compliance with the provisions of this Act by 30 June 2008.

(2) SPMCs shall bring the composition of their supplementary pension funds' assets into compliance with the provisions of this Act by 30 June 2008. The period mentioned in the first sentence may be extended, as appropriate, by Národná banka Slovenska at the request of an SPMC.

Section 87e
Transitional provisions in effect from 1 January 2008

(1) With respect to the establishment and management of pension funds under the supplementary pension scheme, each SPMC shall, at least three months before the euro changeover

date in the Slovak Republic, prepare and implement measures, rules and procedures to ensure a smooth and uninterrupted transition from the Slovak currency to the euro, including at a minimum:

(a) rules and procedures for redenominating, converting and rounding the value and net asset value of supplementary pension funds, the value of participants' personal accounts, the value of beneficiaries' personal accounts, the value of benefits under the supplementary pension scheme, and data on developments in the value and net asset value of supplementary pension funds of assets and on returns and average returns on their assets;
(b) measures for managing supplementary pension fund's assets in relation to the changeover from the Slovak currency to the euro;
(c) a method and rules of providing information to participants and beneficiaries in regard to significant circumstances related to the changeover from the Slovak currency to the euro, in particular a method and rules of providing and making available to individual participants and individual beneficiaries information on the value of their personal account, and value of their benefit under the supplementary pension scheme, as well as on any amendment or updating of rules and prospectuses of supplementary pension funds ensuing from the changeover from the Slovak currency to the euro.

(2) No later than three months before the euro changeover date in the Slovak Republic and for a period of at least six months after the euro changeover date in the Slovak Republic, SPMCs shall publish on their website and at all their business premises used as points of contact with participants, beneficiaries, and other persons relevant information on measures, rules and procedures that will be implemented, are being implemented or have been implemented to ensure the transition from the Slovak currency to the euro.

(3) SPMCs shall prepare information to the extent specified in paragraph 1. Within three months before the euro changeover date in the Slovak Republic, SPMCs shall provide this information, free of charge, to each participant with whom they conclude a participant agreement during that period; other participants and beneficiaries shall be provided with such information, free of charge, upon their request.

(4) For the purpose of preparing for the changeover from the Slovak currency to the euro and for the changeover itself, monetary data on amounts related to the supplementary pension g scheme, including data on developments in the value and net asset value of supplementary pension funds of assets and on returns and average returns on their assets, which are included in pension funds' documents or in other information intended for participants or beneficiaries shall be converted according to the conversion rate and other rules governing the changeover from the Slovak currency to the euro. Monetary data on amounts related to the supplementary pension scheme, including data on developments in the value and net asset value of supplementary pension funds of assets and on returns and average returns on their assets, which are included in information intended for participants or beneficiaries are subject to dual display in the scope stipulated in other

legislation,[52] where such information is issued or published during the mandatory period of dual display pursuant to other legislation on the introduction of the euro in the Slovak Republic.[52]

(5) No later than the end of the first quarter after the euro changeover date in the Slovak Republic, SPMCs shall at no charge notify participants in writing about the balance of the participant's personal account as at the euro changeover date in the Slovak Republic, and this information shall, in accordance with this Act, include the conversion and rounding of this amount from the Slovak currency to euro, performed in accordance with the conversion rate and other rules governing the changeover from the Slovak currency to the euro. Also no later than the end of the first quarter after the euro changeover date in the Slovak Republic, SPMCs shall without undue delay and at no charge notify beneficiaries in writing about the conversion and rounding of the balance of the beneficiary's personal account, and of the value of their benefit under the supplementary pension scheme, from the Slovak currency to euro, performed in accordance with the conversion rate and other rules governing the changeover from the Slovak currency to the euro.[52]

(6) Národná banka Slovenska may issue a measure stipulating the scope and content of information to be published under paragraph 2, and the full text of such a measure shall be promulgated in the Collection of Laws of the Slovak Republic.

Transitional provisions for amendments in effect from 1 January 2009

Section 87f

As from 1 January 2009, the supplementary service pension of participants referred to in Section 86(1), first sentence, shall be paid in accordance with the conditions laid down by this Act as in effect from 1 January 2009 for the payment of supplementary service pensions and for the determination of their amount.

Section 87g

SPMCs shall bring the composition of supplementary pension funds' assets into compliance with this Act as in effect from 1 January 2009 by no later than on 31 December 2009. Národná banka Slovenska may extend the period defined in the first sentence upon the request of the supplementary pension insurance company and by not more than one year.

Section 87h

For a period of six months after the euro changeover date in the Slovak Republic, depositories may keep two current accounts in euro for each supplementary pension fund managed by an SPMC.

Section 87i

For supplementary pension funds whose establishment commenced before 1 January 2009, SPMCs shall set the initial value of the supplementary pension point at EUR 0.033194 as at the date on which the establishment of the supplementary pension fund commenced. Thereafter, the current value of the supplementary pension point shall be determined. SPMCs shall begin recording supplementary pension points by 30 June 2009 at the latest.

Transitional provisions for amendments in effect from 1 January 2010

Section 87j

(1) In 2010, the remuneration for the management of an accumulation supplementary pension fund may not exceed 0.2084% of the fund's average net asset value for the respective month.

(2) In 2011, the remuneration for the management of an accumulation supplementary pension fund may not exceed 0.205% of the fund's average net asset value for the respective month.

(3) In 2012, the remuneration for the management of an accumulation supplementary pension fund may not exceed 0.200% of the fund's average net asset value for the respective month.

(4) In 2013, the remuneration for the management of an accumulation supplementary pension fund may not exceed 0.195% of the fund's average net asset value for the respective month.

(5) In 2014, the remuneration for the management of an accumulation supplementary pension fund may not exceed 0.190% of the fund's average net asset value for the respective month.

(6) In 2015, the remuneration for the management of an accumulation supplementary pension fund may not exceed 0.185% of the fund's average net asset value for the respective month.

(7) In 2016, the remuneration for the management of an accumulation supplementary pension fund may not exceed 0.180% of the fund's average net asset value for the respective month.

(8) In 2017, the remuneration for the management of an accumulation supplementary pension fund may not exceed 0.175% of the fund's average net asset value for the respective month.

(9) In 2018, the remuneration for the management of an accumulation supplementary pension fund may not exceed 0.170% of the fund's average net asset value for the respective month.

Section 87k

By 1 January 2010, supplementary pension companies shall ensure that the rules of their supplementary pension funds and their benefit plans are compliant with the provisions of this Act in effect from 1 January 2010, and by no later than 31 January they shall submit them to Národná banka Slovenska for prior approval in accordance with Section 26(1)(h) and (i). The deadline mentioned in the first sentence may be extended, as appropriate, by Národná banka Slovenska at the request of an SPMC.

Section 87l

(1) By 30 April 2010, SPMCs shall send all participants enrolled in their supplementary pension funds, including participants referred to in Section 86(1), a proposal for a participant agreement amendment effective from 1 July 2010, including a benefit plan amendment referred to in paragraph 2 and guidance on the legal consequences of signing the participant agreement amendment; participants shall have until 30 June 2010 to accept the proposal for a participant agreement amendment.

(2) An amendment to the benefit plan shall include only modifications that are compliant with this Act as in effect from 1 January 2010 and concern:

(a) the distribution conditions and amount of the different types of benefit mentioned in Section 15(a) to (c) and how they are to be paid;
(b) the provision mentioned in Section 19(2); and
(c) the conditions under which the participant may switch from the accumulation supplementary pension fund to an accumulation supplementary pension fund managed by a different SPMC and the amount of the switching remuneration.

Section 87m
Transitional provisions for amendments in effect from 31 December 2011

The provision of Section 24(9) applies to the notification of authorisations issued as from 31 December 2011.

Transitional provisions for amendments in effect from 1 January 2014

Section 87n

(1) Participant agreements and employer agreements concluded before 1 January 2014 are deemed to be participant agreements and employer agreements as defined in this Act as in effect from 1 January 2014, and the rights and obligations arising under such agreements shall be maintained, with the exception of the provision concerning the termination of participant agreements of employees performing an occupation defined in Section 2(2)(b).

(2) The provisions of a benefit plan constituting part of a participant agreement concluded before 1 January 2014 shall cease to apply after 31 December 2013 if:
(a) they are at variance with the principle of equal treatment;
(b) they do not relate to benefits; the provisions of a benefit plan which relate to benefits may not be amended after 31 December 2013;
(c) they are at variance with Section 87f.

(3) Proceedings that commenced but were not finally concluded before 1 January 2014 shall be brought to their conclusion in accordance with this Act as in effect from 1 January 2014 and with another law[9] unless the following sentence provides otherwise; time limits that have not expired before 1 January 2014 are subject to this Act as in effect from 1 January 2014 and another law.[45b] Proceedings concerning applications for prior approval for the amendment of a benefit plan which commenced but were not finally concluded before 1 January 2014 shall be concluded. Deficiencies identified in the activities of persons before 1 January 2014 shall after 31 December continue to be treated in accordance this Act as in effect until 31 December 2013. The legal effects of actions that took place in proceedings before 1 January 2014 shall be preserved.

(4) SPMCs shall bring the rules of supplementary pension funds into line with this Act as in effect from 1 January 2014 by no later than 31 December 2014. In the rules of supplementary pension funds, provisions concerning termination remuneration shall cease to apply.

(5) SPMCs shall draw up the key information documents mentioned in Section 66 by no later than 31 December 2014; before drawing up key information documents, SPMCs shall fulfil their obligations related to prospectuses as laid down in this Act as in effect until 31 December 2013.

(6) Until the termination of the last participant agreement concluded under the legislation in effect until 31 December 2013:
(a) control shall include checking benefit plan compliance;
(b) supervision shall include supervising benefit plan compliance;
(c) supplementary pension companies shall perform activities pursuant to Section 34(2)(a) also in respect of benefit plan compliance;
(d) the breach or circumvention of obligations stated in benefit plans is subject to the provisions of Section 71(1) and (2) of this Act as in effect until 31 December 2013.

(7) By no later than 31 December 2014, SPMCs shall introduce passive electronic access to the personal accounts of participants and the personal accounts of beneficiaries, pursuant to Section 61(8).

(8) Until no later than 30 June 2014, SPMCs shall allow contributions to be paid to unassigned payment accounts. Depositories shall establish the unassigned payment account for an SPMC by no later than 30 June 2014. Before establishing an unassigned payments account, the

method of paying and crediting contributions, and the transfer of assets between supplementary pension funds, are subject to this Act as in effect until 31 December 2013.

(9) By no later than 31 December 2014, SPMCs shall bring the composition of their supplementary pension funds' asset into compliance with this Act as in effect from 1 January 2014. The period mentioned in the first sentence may be extended, as appropriate, by Národná banka Slovenska at the request of an SPMC.

(10) SPMCs are entitled to termination remuneration in the amount specified in benefit plans, or, where not specified in a benefit plan, in the amount specified by this Act as in effect until 31 December 2013, provided that the termination payment was paid on the basis of a participant agreement concluded before 1 January 2014. An amount equivalent to the difference between, on the one hand, the current value of the participant's personal account for which the termination payment under the first sentence was paid and, on the other hand, the sum of the termination payment under the first sentence and the termination remuneration under the first sentence shall be treated as income of the accumulation supplementary pension fund from which the participant's termination payment was paid.

Section 87o

(1) In 2014, the remuneration for the management of:
(a) an accumulation supplementary pension fund for one year may not exceed 1.80% of the fund's average annual net asset value;
(b) a decumulation supplementary pension fund for one year may not exceed 0.90% of the fund's average annual net asset value.

(2) In 2015, the remuneration for the management of:
(a) an accumulation supplementary pension fund for one year may not exceed 1.70% of the fund's average annual net asset value;
(b) a decumulation supplementary pension fund for one year may not exceed 0.85% of the fund's average annual net asset value.

(3) In 2016, the remuneration for the management of:
(a) an accumulation supplementary pension fund for one year may not exceed 1.60% of the fund's average annual net asset value;
(b) a decumulation supplementary pension fund for one year may not exceed 0.80% of the fund's average annual net asset value.

(4) In 2017, the remuneration for the management of:
(a) an accumulation supplementary pension fund for one year may not exceed 1.50% of the fund's average annual net asset value;

(b) a decumulation supplementary pension fund for one year may not exceed 0.75% of the average annual net asset value.

(5) In 2018, the remuneration for the management of:

(a) an accumulation supplementary pension fund for one year may not exceed 1.40% of the average annual net asset value;

(b) a decumulation supplementary pension fund for one year may not exceed 0.70% of the average annual net asset value.

(6) In 2019, the remuneration for the management of:

(a) an accumulation supplementary pension fund for one year may not exceed 1.30% of the average annual net asset value;

(b) a decumulation supplementary pension fund for one year may not exceed 0.65% of the average annual net asset value.

(7) The provisions of Section 87j(5) to (9) shall cease to apply as from 1 January 2014.

Section 87p
Transitional provision for amendments in effect from 1 July 2016

Proceedings that commenced but were not finally concluded before 1 July 2016 shall be brought to their conclusion in accordance with the legislation in effect until 30 June 2016.

Transitional provisions in effect during the exceptional situation, emergency situation and the state of emergency declared in connection with the COVID-19 disease

Section 87q

The employer referred to in Section 12(2) that meets conditions under other legislation[53] must pay contributions under Section 13(3) on premium due dates in accordance with other legislation;[53] contribution due dates agreed in the employer agreement or collective agreement shall not apply.

Section 87r

If the employer referred to in Section 12(2) meets conditions under other legislation,[54] it must not pay contributions under Section 13(3) for the period specified in other legislation.[54]

Section 87s
Transitional provisions for amendments in effect from 1 January 2023

(1) Section 35a(1)(a) does not apply until 31 December 2024.

(2) The remuneration for the management of a supplementary pension fund for:

(a) the whole of 2023 may not exceed 1.15% of an accumulation supplementary pension fund's average annual net asset value;

(b) the whole of 2024 may not exceed 1.05% of an accumulation supplementary pension fund's average annual net asset value.

Section 87t
Transitional provision for amendments in effect from 1 July 2024

Complaints that were lodged but not resolved before 1 July 2024 shall be resolved in accordance with the legislation in effect until 30 June 2024. The legal effects of actions taken in connection with the lodging of complaints before 1 July 2024 are preserved.

Final provisions

Section 88

This Act enacts in Slovak law the legally binding acts of the European Union listed in Annex 2.

Section 89
Repealing provision

This Act repeals Act No 123/1996 on supplementary pension insurance of employees (and amending certain laws), as amended by Act No 409/2000 and Act No 551/2003.

Articles II and III comprise provisions amending other legislation and are not included in this translation. Article IV, now repealed, also amended other legislation.

ARTICLE V
Date of effect

In the Slovak text of this Act, Article V is the commencement provision.
For the purposes of this translation, the dates of effect of this Act and the laws amending it are summarised as follows:

This Act took effect on 1 January 2005.

Act No 584/2005 took effect on 1 January 2006, with the exception of the following: Article III, point 5, and Article IV, all of which took effect on its publication date.

Act No 747/2004 took effect on 1 January 2006.

Act No 310/2006 took effect on 1 August 2006.

Act No 209/2007 took effect on 1 May 2007.

Acts No 555/2007 and No 659/2007 took effect on 1 January 2008, with the exception of Article XVI, point 2 (in respect of Section 61), which took effect on the euro adoption date in the Slovak Republic.

Act No 449/2008 took effect on 1 January 2009.

Act Nos 186/2009 and 557/2009 took effect on 1 January 2010.

Act No 520/2011 took effect on 31 December 2011.

Act No 318/2013 took effect on 1 January 2014, with the exception of the following: Article I, point 126 (in respect of Section 43(3)), which took effect on 1 July 2014; Article I, points 86 (Section 32(3)(e)) and 104, which took effect on 1 January 2015; Article I, point 108, which took effect on 1 January 2020.

Act No 352/2013 took effect on 1 January 2014.

Act No 301/2014 took effect on 1 December 2014, with the exception of Article I, points 1, 2 and 6, which took effect on 1 March 2015.

Act No 375/2015 took effect on 1 January 2016.

Act Nos 91/2016 and 125/2016 took effect on 1 July 2016.

Act No 292/2016 took effect on 1 December 2016.

Act No 279/2017 took effect on 1 January 2018.

Act No 109/2018 took effect on 1 May 2018, with the exception of Article I, points 1 to 3, 5, 6, 8 to 70, 72, 73, 75 to 79, 81 to 86, 88 to 102 and 104, which took effect on 1 January 2019.

Act No 177/2018 took effect on 1 September 2018, with the exception of Article LXXIII, points 1 to 3, which took effect on 1 January 2019.

Act No 35/2019 took effect on 1 July 2019.

Act No 156/2019 took effect on 1 July 2019.

Act No 68/2020 took effect on 6 April 2020.

Act No 95/2020 took effect on 25 April 2020.

Act No 310/2021 took effect on 1 January 2021.

Act No 101/2022 took effect on 1 April 2022.

Act No 410/2022 took effect on 1 January 2023, with the exception of Article I, point 1, which takes effect on 1 June 2023.

Act No 210/2023 took effect on 1 January 2024.

Act No 309/2023 took effect on 1 August 2023, with the exception of the following: Article XIV, points 3 to 5 and 23 to 29, which took effect on 1 January 2024; Article I, Article II, points 1 to 16, Article III, Article IV, points 1, 2 and 4, Articles V to XIII, Article XIV, points 1, 8 to 22 and 30 to 38, Articles XV to XX, Article XXI, points 2, 3, 8, 55, 76, 93 and 94, Article XXII, point 6, Articles XXIII to XXXII, Article XXXIII, point 2, and Article XXXIV, all of which took effect on 1 March 2024; Article II, point 17, Article IV, points 3 and 5, Article XXI, points 1, 4 to 7, 9 to 54, 56 to 75, 77 to 92, 95 to 126, 128 to 130 and 131 (the last in respect of Section 206q), Article XXII, points 1 to 5 and 7, and Article XXXIII, points 1, 4 and 5, all of which take effect on 1 January 2025.

Act No 108/2024 took effect on 1 July 2024.

Ivan Gašparovič [signed]

Pavol Hrušovský [signed]

Mikuláš Dzurinda [signed]

Annex 1 to Act No 650/2004, as amended by Act No 318/2013

FORMULA FOR THE CALCULATION OF THE PERFORMANCE REMUNERATION FOR AN ACCUMULATION SUPPLEMENTARY PENSION FUND

The performance remuneration for an accumulation supplementary pension fund shall be calculated using the following formula:

$$Ot = K \times NAVt \times \left(\frac{AHDDJt}{maxAHDDJt-1} - 1 \right)$$

where:

Ot	is the performance remuneration for the accumulation supplementary pension fund for day *t*,
NAVt	is the net asset value of the accumulation supplementary pension fund for day *t*,
AHDDJt	is the current value of the pension fund's pension point for day *t*,
maxAHDDJt-1	is the maximum current value of the pension fund's pension point recorded between 1 January 2010 and day *t-1*,
K	is the coefficient for determining the performance remuneration for the accumulation supplementary pension fund, which may not exceed 0.10;
t	is the working day immediately preceding the date as at which the performance remuneration for the supplementary pension fund is calculated.

Annex 2 to Act No 650/2004, as amended by Act No 318/2013

SCHEDULE OF LEGALLY BINDING ACTS OF THE EUROPEAN UNION ENACTED IN SLOVAK LAW BY THIS ACT

1. Council Directive 98/49/EC of 29 June 1998 on safeguarding the supplementary pension rights of employed and self-employed persons moving within the Community (OJ L 209, 25.7.1998).

2. Council Directive 2000/43/EC of 29 June 2000 implementing the principle of equal treatment between persons irrespective of racial or ethnic origin (OJ L 180, 19.7.2000).

3. Council Directive 2001/23/EC of 12 March 2001 on the approximation of the laws of the Member States relating to the safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of undertakings or businesses (OJ L 82, 22.3.2001).

4. Directive 2006/54/EC of the European Parliament and of the Council of 5 July 2006 on the implementation of the principle of equal opportunities and equal opportunities and equal treatment of men and women in matters of employment and occupation (recast) (OJ L 204, 26.7.2006).

5. Directive 2008/94/EC of the European Parliament and of the Council of 22 October 2008 on the protection of employees in the event of the insolvency of their employer (Codified version) (OJ L 283, 28.7.2008).

6. Directive 2013/14/EU of the European Parliament and of the Council of 21 May 2013 amending Directive 2003/41/EC on the activities and supervision of institutions for occupational retirement provision, Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and Directive 2011/61/EU on Alternative Investment Funds Managers in respect of over-reliance on credit ratings (OJ L 145, 31.5.2013).

7. Directive 2014/50/EU of the European Parliament and of the Council of 16 April 2014 on minimum requirements for enhancing worker mobility between Member States by improving the acquisition and preservation of supplementary pension rights (OJ, L 128, 30.4.2014).

8. Directive (EU) 2016/2341 of the European Parliament and of the Council of 14 December 2016 on the activities and supervision of institutions for occupational retirement provision (IORPs) (recast) (OJ, L 354, 23.12.2016).

9. Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder

engagement (OJ L 132, 20.5.2017).

Endnotes

[1] Section 31 of Act No 355/2007 on the protection, support and development of public health (and amending certain laws).
[1a] Section 4 of Act No 461/2003 on social insurance, as amended.
[1b] Act No 73/1998 on the civil service of members of the Police Force, the Slovak Intelligence Service, the Court Guards and Prison Wardens Corps, and the Railway Police, as amended.
[1c] Act No 315/2001 on the Fire Brigade and Rescue Corps, as amended.
[1d] Act No 544/2002 on the Mountain Rescue Service, as amended.
[1e] Section 71(6) of Act No 35/2019 on financial administration (and amending certain laws).
[1f] Act No 346/2005 on the civil service of professional soldiers of the Armed Forces of the Slovak Republic (and amending certain laws), as amended.
[1g] Act No 570/2005 on compulsory military service (and amending certain laws), as amended.
[1h] Act No 328/2002 on social security for police officers and soldiers (and amending certain laws), as amended.
[2] Section 7(1) and (2) of Act No 461/2003
[3] Act No 365/2004 on equal treatment in certain areas and protection against discrimination (and amending certain laws) (the Anti-Discrimination Act).
[4] Sections 138, 139b and 139c of Act No 461/2003, as amended.
[5] Act No 461/2003, as amended.
[5a] Section 67 of Act No 461/2003, as amended.
[5b] Section 65a(1) of Act No 461/2003, as amended.
[7] Act No 39/2015 on insurance (and amending certain laws), as amended.
[8] Section 788 et seq. of the Civil Code.
[9] Act No 747/2004 on financial market supervision (and amending certain laws).
[11] Act No 147/2001 on advertising (and amending certain laws), as amended by Act No 23/2002
[12] Act No 340/2005 on insurance mediation and reinsurance mediation (and amending certain laws).
[13] The Commercial Code.
[14] Section 8(f) of Act No 566/2001 on securities and investment services (and amending certain laws) (the Securities Act), as amended.
[15] Section 8(e) of Act No 566/2001.
[15a] Section 5(3) of Act No 186/2009 on financial intermediation and financial advisory services (and amending certain laws).
[15b] Section 21 of Act No 186/2009, as amended.
[15c] Section 10(4) and (5) of Act No 330/2007 on the criminal register (and amending certain laws), as amended by Act No 91/2016
[16] Act No 7/2005 on bankruptcy and restructuring (and amending certain laws), as amended.
[18] Section 50(2) of Act No 483/2001 on banks (and amending certain laws).
Section 144(7) of Act No 566/2001, as amended.
Section 60(3) of Act No 429/2002 – the Stock Exchange Act, as amended by Act No 747/2004.
Section 139(7) of Act No 39/2015.
[20] Section 48(14) of Act No 43/2001, on the old-age pension scheme (and amending certain laws), as amended.
[20a] Section 7(14) and (15) of Act No 483/2001, as amended.
[21] Section 27(1) to (5) of Act No 747/2004
[22] Section 28(12) of Act No 483/2001, as amended by Act No 279/2017
[23] Act No 136/2001 on the protection of competition (and amending Act No 347/1990 on the organisation of ministries and other central government authorities of the Slovak Republic, as amended), as amended.
[24a] Sections 4(5) and 7(3) of Act No 428/2002 on the protection of personal data, as amended.
[24b] Section 3 of Act No 428/2002, as amended.
[24c] For example: Act No 297/2008 on the prevention of money laundering and terrorist financing (and amending certain laws), as amended.
[24d] Sections 4(1)(a) to (c), 7(3), (5), second sentence, (6), second sentence, 8(2), and 10(6) of Act No 428/2002, as amended.
[24e] Section 7(6) of Act No 428/2002, as amended.
[24f] Sections 23 and 55 of Act No 428/2002, as amended.
[24fa] Section 7(3) of the Commercial Code.
[24g] Section 3(1) of Act No 429/2002, as amended.
[25] Sections 17 to 22 of Act No 431/2002 on accounting as amended by Act No 561/2004
[27] Section 116 of the Civil Code.

[27a] Section 8(h) of Act No 566/2001

[29] For example: Section 133 of Act No 566/2001; Section 25 of Act No 483/2001, as amended by Act No 603/2003

[29a] For example: Act No 566/2001, as amended; Act No 203/2011 on collective investment, as amended; Act No 39/2015, as amended.

[29b] Section 78 of Act No 566/2001, as amended.

[29c] Section 8(1)(n) of Act No 566/2001, as amended by Act No 336/2005.

[29d] Section 78(3) of Act No 566/2001, as amended

[30] Section 131a of Act No 566/2001, as amended.

[31] The Code of Civil Dispute Procedure.

[32] The Criminal Code.

[33] Section 51 of the Civil Code.

[33a] Section 5 of Act No 566/2001

[33aa] Article 31(c) of Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European supervisory authority (the European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC (OJ, L 331, 15.12.2010), as amended.

[33b] Act No 566/2001, as amended.

[34] Act No 203/2011, as amended.

[35] Act No 43/2004, as amended.

[36] Act No 483/2001, as amended.

[37] Section 8(m) of Act No 566/2001, as amended by Act No 209/2007

[38] Section 8(k) of Act No 566/2001, as amended by Act No 209/2007

[39] Act No 92/2008 on commodity exchanges (and amending Act No 145/1995 on administrative fees, as amended), as amended by Act No 397/2008.

[39a] Section 27g of Act No 530/1990 on bonds, as amended by 279/2017
Section 122ya of Act No 483/2001, as amended by Act No 279/2017

[39b] Section 67 of Act No 483/2001, as amended.

[39c] Section 70(1) of Act No 483/2001, as amended by Act No 279/2017

[40] Section 22 of Act No 431/2002, as amended.

[40a] Section 90(2) of Act No 203/2011

[40b] Article 3(1)(b) of Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (OJ L 302, 17.11.2009), as amended.

[41] Section 2(1), (5) and (8) of Act No 483/2001 on banks (and amending certain laws), as amended.

[41a] Act No 566/2001, as amended.
Act No 483/2001, as amended.

[41b] For example: the Commercial Code, as amended; Act No 566/2001, as amended.

[41c] Sections 50 to 65 of Act No 483/2001, as amended.

[41d] Section 156 of Act No 566/2001

[41e] Sections 708 to 715 of the Commercial Code, as amended.

[41f] For example: Sections 2(1)(d) and 4(1) and (3) of Act No 171/1993 on the Police Force, as amended; Section 91(4)(g) of Act No 483/2001, as amended.

[41g] Act No 65/2001 on the administration and enforcement of judicial claims, as amended; Act No 233/1995 on bailiffs and enforcement proceedings (the Enforcement Code) (and amending certain laws), as amended.

[41h] Section 23 of Act No 431/2002, as amended.

[41i] Section 15(a) of Act No 297/2008

[41j] Article 8 of Regulation (EU) No 1094/2010, as amended.

[41k] Act No 186/2009, as amended.

[42] Section 6 of Act No 186/2009, as amended by Act No 129/2010.

[43] Act No 540/2001 on state statistics, as amended by Act No 215/2004.

[43a] For example: Sections 35 to 38 of Act No 575/2001 on the organisation of government activities and the organisation of central government, as amended; Sections 14(5) and 30aa(21) of Act 523/2004 on budgetary rules for public administration (and amending certain laws), as amended; Article 4 of Constitutional Act No 493/2011 on fiscal responsibility.

[44] The Commercial Code.

[45] Act No 244/2002 on arbitration proceedings.

[45a] For example: Act No 367/2000, as amended; Act No 659/2007 on the introduction of the euro in the Slovak Republic (and

amending certain laws).

[45aa] Article 19 of Regulation (EU) No 1094/2010, as amended.

[45b] Section 19(4) of Act No 747/2004, as amended.

[45c] Section 10(5) of Act No 747/2004

[46] Section 178(1) and (2) of the Commercial Code.

[47] Section 178(3) of the Commercial Code.

[49] Act No 123/1996 on supplementary pension insurance of employees (and amending certain laws), as amended.

[50] Section 3 of Act No 530/2003, as amended by Act No 432/2004.

[51] Section 27 of the Labour Code.

[52] Sections 1(2)(i), 2, and 18 of Act No 659/2007.

[53] Section 293ew(1) and (2) of Act No 461/2003, as amended by Act No 68/2020.

[54] Section 293ex(1) to (3) of Act No 461/2003, as amended by Act No 95/2020.

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