

## **Act on the old-age pension scheme**

The full text of Act No 43/2004 Coll. of 20 January 2004 on the old-age pension scheme, as amended by Act No 186/2004 Coll., Act No 439/2004 Coll., Act No 721/2004 Coll., Act No 747/2004 Coll., Act No 310/2006 Coll., Act No 644/2006 Coll., Act No 677/2006 Coll., Act No 209/2007 Coll., Act No 519/2007 Coll., Act No 555/2007 Coll., Act No 659/2007 Coll., Act No 62/2008 Coll., Act No 434/2008 Coll., Act No 449/2008 Coll., Act No 137/2009 Coll., Act No 572/2009 Coll., Act No 105/2010 Coll., Judgement of the Constitutional Court of the Slovak Republic No 355/2010 Coll., Act No 543/2010 Coll., Act No 334/2011 Coll., Act No 546/2011 Coll., Act No 547/2011, Act No 252/2012 Coll., Act No 413/2012 Coll., Act No 132/2013 Coll., Act No 352/2013 Coll., Act No 183/2014 Coll., Act No 301/2014 Coll., Act No 25/2015 Coll., Act No 140/2015 Coll., Act No 91/2016 Coll., Act No 125/2016 Coll., Act No 292/2016 Coll., Act No 279/2017 Coll., Act No 97/2017 Coll., Act No 109/2018 Coll., and Act No 177/2018 Coll. (provisions in force from 1 September 2018).

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

### **SECTION I**

#### **PART ONE GENERAL PROVISIONS**

##### **TITLE ONE Basic provisions**

###### **Article 1 Scope of the Act**

This Act defines the old-age pension scheme, the scope of the old-age pension scheme, the legal relations under which the old-age pension scheme is implemented, the organisation of the old-age pension scheme, the funding of the old-age pension scheme, and the supervision of the old-age pension scheme.

###### **Article 2 Old-age pension scheme**

For the purposes of this Act, ‘old-age pension scheme’ means a saving scheme the purpose of which is, in combination with pension insurance as defined by a separate regulation,<sup>3</sup> to ensure an income for savers in old-age and for their survivors in the event of their death.

##### **TITLE TWO Definitions**

### **Article 3 – repealed**

#### **Article 4 Employee**

For the purposes of this Act, ‘employee’ means an employee as defined by a separate regulation.<sup>4</sup>

#### **Article 5 Self-employed person**

For the purposes of this Act, ‘self-employed person’ means a self-employed person as defined by a separate regulation.<sup>5</sup>

#### **Article 6 Saver**

For the purposes of this Act, ‘saver’ means a natural person who has concluded an old-age pension scheme agreement, this agreement being registered in the Register of Old-Age Pension Scheme Agreements (hereinafter the ‘Register of Agreements’), or who has concluded an agreement on the payment of an old-age pension or early retirement pension through scheduled payments (hereinafter a ‘scheduled pension payment agreement’). A saver under this Act also means a natural person to whom a pension fund management company (hereinafter a ‘PFMC’) has been assigned by the Social Insurance Agency.

#### **Article 7 Legal capacity for enrolment in the old-age pension scheme**

(1) The legal capacity of a natural person for enrolment in the old-age pension scheme means the legal capacity of a natural person for participation in social insurance as laid down in a separate regulation.<sup>6</sup>

(2) For the purpose of this act, ‘deceased’ means a natural person declared dead by a court.

### **Article 8 – repealed**

#### **Article 9 Prohibition of discrimination**

The prohibition of discrimination in the implementation of the old-age pension scheme is governed by a separate regulation.<sup>6a</sup>

#### **Article 10 Employer**

For the purposes of this Act, ‘employer’ means an employer as defined by a separate

regulation.<sup>7</sup>

## **Article 11**

### **Insurer**

For the purposes of this Act, ‘insurer’ means an insurance company,<sup>8</sup> an insurance company based in another Member State, or a foreign insurance company, which is authorised to perform insurance activities in the insurance line ‘Assurance related to the length of human life’, this being governed by legal regulations in the area of social insurance.<sup>8c</sup>

## **Article 12 – repealed**

## **Article 13 – repealed**

# **PART TWO**

## **PERSONAL SCOPE OF ENROLMENT IN THE OLD-AGE PENSION SCHEME**

## **Article 14**

### **Persons enrolled in the old-age pension scheme**

(1) Persons enrolled in the old-age pension scheme are savers, participating in pension insurance under a separate regulation,<sup>3</sup> for a period beginning no earlier than their first enrolment in the old-age pension scheme to the day preceding the date on which they become a beneficiary of an old-age pension or an early retirement pension.

(2) Persons enrolled in the old-age pension scheme include also natural persons in receipt of an injury annuity under a separate regulation<sup>3</sup> for whom the Social Insurance Agency pays old-age insurance premiums and who were a saver before becoming entitled to the injury annuity; they are a saver until the day preceding the date on which they become a beneficiary of an old-age pension or an early retirement pension.

## **Article 15**

### **Establishment and termination of first enrolment in the old-age pension scheme**

(1) For savers covered by pension insurance under a separate regulation<sup>3</sup> as at the first day of the calendar month following the month in which their old-age pension scheme agreement was entered in the Register of Agreements by the Social Insurance Agency, their first enrolment in the old-age pension scheme shall begin as from that date.

(2) For savers not covered by pension insurance under a separate regulation<sup>3</sup> as at the first day of the calendar month following the month in which their old-age pension scheme agreement was entered in the Register of Agreements by the Social Insurance Agency, their first enrolment in the old-age pension scheme shall begin after that date on the day when their participation in pension insurance is established.

(3) First enrolment in the old-age pension scheme shall expire as of the termination date of that pension insurance under a separate regulation<sup>3</sup> by which the saver was covered as at the date of first enrolment, or as of the day preceding the date on which the saver became a beneficiary of an old-age pension or an early retirement pension.

(4) Within 180 days after the date on which a person mentioned in Article 64(1) and (2) first participates in pension insurance under a separate regulation,<sup>3</sup> this insurance being established after 31 December 2012, the Social Insurance Agency shall inform that person in writing about their right to conclude an old-age pension scheme agreement.

### **Article 16**

#### **Establishment and termination of enrolment in the old-age pension scheme after the termination of first enrolment in the scheme**

After the termination of a saver's first enrolment in the old-age pension scheme, the saver shall be re-enrolled in the scheme:

- (a) as of the date of the commencement of their pension insurance under a separate regulation;<sup>3</sup> this does not apply where enrolment in the old-age pension scheme was terminated because the saver became a beneficiary of an old-age pension or an early retirement pension;
- (b) as of the date of the expiry of their pension insurance under a separate regulation.<sup>3</sup>

### **Article 17 – repealed**

#### **Article 17a**

#### **Termination of a saver's legal status**

For savers who have not been awarded an old-age pension, early retirement pension, or disability pension under a separate regulation,<sup>3</sup> or are not a beneficiary of an old-age pension, and who apply for a transfer of pension rights acquired in the pension scheme of the Slovak Republic to a scheme of the European Union or an institution thereof which agrees with this transfer, their legal status as a saver shall terminate as of the day on which the European Union or an institution thereof delivered notification of its agreement with such transfer to the Social Insurance Agency, and the termination of this status applies retrospectively as from the date of the saver's first enrolment in the old-age pension scheme.

### **Article 18 – repealed**

#### **Article 19**

#### **Suspension of enrolment in the old-age pension scheme**

(1) For employees and self-employed persons covered by mandatory pension insurance under a separate regulation,<sup>3</sup> their enrolment in the old-age pension scheme shall be suspended for so long as their mandatory pension insurance is suspended in accordance with a separate regulation.<sup>19</sup>

(2) Suspension of enrolment in the old-age pension scheme is deemed to constitute termination of enrolment, and the expiry of such suspension is deemed to constitute a re-enrolment

in the scheme.

### **PART THREE**

#### **CONTRIBUTIONS TO THE OLD-AGE PENSION SCHEME**

##### **Article 20**

##### **Types of contribution to the old-age pension scheme**

Contributions to the old-age pension scheme (hereinafter ‘contributions’) are:

- (a) mandatory contributions to the old-age pension scheme (hereinafter ‘mandatory contributions’; and
- (b) voluntary contributions to the old-age pension scheme (hereinafter ‘voluntary contributions’).

##### **Article 21**

##### **Payers of contributions**

(1) Mandatory contributions shall be paid by:

- (a) employers on behalf of their employees who are enrolled in the old-age pension scheme;
- (b) self-employed persons who are covered by mandatory pension insurance under a separate regulation<sup>3</sup> and are enrolled in the old-age pension scheme;
- (c) persons who are covered by voluntary pension insurance under a separate regulation<sup>3</sup> and are enrolled in the old-age pension scheme;
- (d) the State;
- (e) the Social Insurance Agency.

(2) The State shall pay mandatory contributions on behalf of persons who are enrolled in the old-age pension scheme and for whom it pays pension insurance premiums under a separate regulation.<sup>3</sup>

(3) The Social Insurance Agency shall pay mandatory contributions on behalf of persons who are enrolled in the old-age pension scheme pursuant to Article 14(2).

(4) Pension rights transferred to the old-age pension scheme from a pension scheme of the European Union or an institution thereof also constitute mandatory contributions.

(5) Savers who in their old-age pension scheme agreement have undertaken to pay voluntary contributions shall pay voluntary contributions until at latest the issuance date of the certificate mentioned in Article 45 or until the application submission date mentioned in Article 46d. If on the basis of an application under Article 44 or an application under Article 46d, a saver has not concluded either a contract on pension insurance under the old-age pension scheme (hereinafter a ‘pension insurance contract’) or a scheduled pension payment agreement, the saver shall continue to pay voluntary contributions until the offers drawn up for the saver through the central information offer system (hereinafter the ‘offer system’) have ceased to be binding or as from the expiry date of the period in which the saver may conclude a scheduled pension payment agreement pursuant to Article 46d. A saver who has not concluded a pension insurance contract or scheduled

pension payment agreement may pay additional voluntary contributions for the period from the issuance date of the certificate or from submission date of the application mentioned in Article 46d.

- (6) Where voluntary contributions are paid after the issuance of the certificate mentioned in Article 45 or after the submission of the application mentioned in Article 46d, and a pension insurance contract or scheduled pension payment agreement has been concluded, the PFMC shall:
- (a) transfer the contributions to the current account for unassigned payments (hereinafter the 'unassigned payments account') of the PFMC with which the saver has concluded a scheduled pension payment agreement;
  - (b) in the absence of a PFMC under point (a), transfer the contributions to the insurer with which the saver has concluded a pension insurance contract that is the basis for the payment of an old-age annuity or an early retirement annuity;
  - (c) in the absence of a PFMC under point (a) or an insurer under point (b), transfer the contributions to the insurer with which the saver has concluded a pension insurance contract that is the basis for the payment of a temporary old-age pension or a temporary early retirement pension;
  - (d) in the absence of a PFMC under point (a) or an insurer under point (b) or (c), pay the contributions back to the natural person who originally paid them.

#### **Article 21a**

#### **Method of determining mandatory contributions**

The amount of mandatory contributions shall be determined as a percentage rate of the assessment base established for the relevant period.

#### **Article 22**

#### **Rate of mandatory contributions**

The rate of mandatory contributions shall be:

- (a) from 1 September 2012 to 31 December 2016, 4% of the assessment base;
- (b) in 2017, 4.25% of the assessment base;
- (c) in 2018, 4.50% of the assessment base;
- (d) in 2019, 4.75% of the assessment base;
- (e) in 2020, 5% of the assessment base;
- (f) in 2021, 5.25% of the assessment base;
- (g) in 2022, 5.50% of the assessment base;
- (h) in 2023, 5.75% of the assessment base;
- (i) in 2024 and subsequent years, 6% of the assessment base.

#### **Article 23**

#### **Assessment base**

(1) The assessment base of an employer means the assessment base of an employer for the payment of pension insurance premiums under a separate regulation.<sup>20</sup>

(2) The assessment base of a self-employed person covered by mandatory pension insurance under a separate regulation<sup>3</sup> and enrolled in the old-age pension scheme means the assessment base of a self-employed person covered by mandatory pension insurance under a separate regulation.<sup>20</sup>

(3) The assessment base of a person covered by voluntary pension insurance under a separate regulation<sup>3</sup> means the assessment base of a person covered by voluntary pension insurance for the payment of pension insurance premiums under a separate regulation.<sup>20</sup>

(4) The assessment base in monthly terms shall not be less than the amount of the assessment base under a separate regulation.<sup>20</sup>

(5) The assessment base of a self-employed person covered by mandatory pension insurance under a separate regulation<sup>3</sup> who is enrolled in the old-age pension scheme, and the assessment base of a person covered by voluntary pension insurance under a separate regulation<sup>3</sup> who is enrolled in the old-age pension scheme, shall in its total monthly amount not exceed the assessment base from which these persons pay pension insurance premiums under a separate regulation.<sup>20</sup>

(6) For savers who perform more than one gainful activity in respect of which they are covered by pension insurance under a separate regulation,<sup>3</sup> or who in addition to performing a gainful activity or gainful activities are covered by voluntary pension insurance under a separate regulation<sup>3</sup> and are enrolled in the old-age pension scheme, their obligation to pay mandatory contributions shall be ranked according to the order in which the saver is obliged to pay premiums under a separate regulation.<sup>20</sup>

(7) If a saver has been enrolled in the old-age pension scheme for only part of a calendar month, or for a calendar month that includes the periods referred to in Article 25, the adjustment and rounding of the assessment base specified in paragraph (4) shall be carried out in the same way as the adjustment and rounding of the assessment base under a separate regulation.<sup>20</sup>

(8) The assessment base of a natural person mentioned in Article 27(7) means the amount designated by that person which is not less than the amount of the assessment base laid down in paragraph (4) and applicable as at the date when the mandatory contributions are paid up.

(9) The assessment base from which the Social Insurance Agency pays mandatory contributions on behalf of the beneficiary of an injury annuity under a separate regulation<sup>3</sup> means the assessment base from which the Social Insurance Agency pays old-age insurance premiums on behalf of the beneficiary of an injury annuity under a separate regulation.<sup>20</sup>

(10) The assessment base from which the State pays mandatory contributions pursuant to Article 21(2) means the assessment base from which the State pays old-age insurance premiums and disability insurance premiums under a separate regulation.<sup>20</sup>

(11) The assessment base shall be rounded down to the nearest euro cent.

### **Article 23a**

#### **Determining the assessment base on income from an invalidly terminated legal relationship between an employee and employer**

Where a court has ruled that the legal relationship between an employee and employer has been invalidly terminated, the assessment base for each calendar month of the invalidly terminated legal relationship constitutes part of the income from the invalidly terminated legal relationship for each of these calendar months; Article 23(1), (4), (6), (7) and (11) also applies.

#### **Article 24**

##### **Applicable period for determining the assessment base**

The applicable period for determining the assessment base of a self-employed person covered by mandatory pension insurance under a separate regulation<sup>3</sup> who is enrolled in the old-age pension scheme, and of an employer, shall be the period applicable for determining the assessment base of such a self-employed person, or employer, in accordance with a separate regulation.<sup>29</sup>

#### **Article 25**

##### **Exclusion of the obligation to pay mandatory contributions**

(1) A self-employed person who is covered by mandatory pension insurance under a separate regulation<sup>3</sup> and is enrolled in the old-age pension scheme is not required to pay mandatory contributions for the period in which such person is not required to pay premiums under a separate regulation.<sup>30</sup>

(2) A person who is covered by pension insurance under a separate regulation<sup>3</sup> and is enrolled in the old-age pension scheme is not required to pay mandatory contributions for the period in which such a person is not required to pay premiums under a separate regulation.<sup>31</sup>

(3) An employer is not required to pay mandatory contributions for an employee for the period in which the employee is not required to pay premiums under a separate regulation.<sup>32</sup>

#### **Article 26**

##### **Transfer of contributions**

(1) A natural person or legal entity that is required to pay contributions shall transfer the contributions, unless otherwise provided by this Act.

(2) For the persons mentioned in Article 21(2), mandatory contributions shall be transferred on behalf of the State by the Ministry of Labour, Social Affairs and Family of the Slovak Republic (hereinafter 'the Ministry').

(3) An employer shall transfer the voluntary contributions of its employee provided that the employer and employee have concluded an agreement on such transfer.

#### **Article 27**

##### **Payment and transfer of contributions**

(1) Mandatory contributions shall be paid to the account of the Social Insurance Agency held



at the State Treasury. Any return on mandatory contributions that constitute temporarily available funds is not subject to a separate regulation.<sup>33</sup>

(2) For each saver, the Social Insurance Agency shall transfer mandatory contributions and penalty payments to the unassigned payments account of the PFMC with which the saver has concluded an old-age pension scheme agreement, unless paragraphs (3) and (4) provide otherwise.

(3) The Social Insurance Agency shall not transfer a saver's mandatory contributions and penalty payments from the certificate issuance date to the date on which the offers drawn up for the saver through the offer system cease to be binding.

(4) Where, pursuant to paragraph (3), mandatory contributions and penalty payments have not been transferred, the Social Insurance Agency shall:

- (a) transfer the contributions and penalty payments to the unassigned payments account of the PFMC with which the saver has concluded a scheduled pension payment agreement;
- (b) in the absence of a PFMC under point (a), transfer the contributions and penalty payments to the insurer with which the saver has concluded a pension insurance contract providing for the payment of an old-age annuity or an early retirement annuity;
- (c) in the absence of a PFMC under point (a) or an insurer under in point (b), transfer the contributions and penalty payments to the insurer with which the saver has concluded a pension insurance contract providing for the payment of a temporary old-age pension or a temporary early retirement pension;
- (d) in the absence of a PFMC under point (a) or an insurer under point (b) or (c), transfer the contributions and penalty payments to the unassigned payments account of the PFMC with which the saver has concluded an old-age pension scheme agreement, from the date following the day on which the offers drawn up for the saver through the offer system ceased to be binding;
- (e) in the absence of a PFMC under point (a) or (d) or an insurer under point (b) or (c), pay the contributions and penalty payments back to the natural person for whom they were originally paid.

(5) The payment of mandatory contributions to the Social Insurance Agency's account at the State Treasury in accordance with paragraph (1) shall be made for one calendar month in arrears, unless otherwise provided by this Act.

(6) If a saver has been enrolled in the old-age pension scheme for only part of a calendar month, the saver's mandatory contributions shall be paid for that part alone. The assessment base for the payment of the mandatory contributions shall be determined according to Article 23(7).

(7) Additional mandatory contributions may be paid for a natural person during the period for which additional pension insurance premiums may be paid for that person under a separate regulation.<sup>34</sup>

(8) Self-employed persons who are covered by mandatory pension insurance under a separate regulation<sup>3</sup> and are enrolled in the old-age pension scheme and whose assessment base for mandatory contributions and premiums has been amended on the basis of a supplementary tax declaration or supplementary payment assessment shall pay mandatory contributions adjusted

according to the new assessment base as from the date on which they pay premiums adjusted according to the new assessment under a separate regulation.<sup>35</sup>

(9) Where persons who are covered by voluntary pension insurance under a separate regulation<sup>3</sup> and are enrolled in the old-age pension scheme change their assessment base, their mandatory contributions adjusted according to the new assessment base shall be paid as from the first day of the calendar month following the month in which the Social Insurance Agency was notified of the change in the assessment base.

(10) Mandatory contributions shall be paid:

- (a) by non-cash transfer,
- (b) by postal order, or
- (c) in cash.

## **Article 28**

### **Due date for mandatory contributions**

(1) Mandatory contributions shall fall due on the eighth day of the calendar month following the calendar month for which the contributions are to be paid, unless otherwise provided by this Act.

(2) The mandatory contributions to be paid and transferred by an employee shall fall due on the due date for the premium that the employer is to pay and transfer under a separate regulation.<sup>36</sup>

(3) Where the payment of mandatory contributions under Article 27(1) to the Social Insurance Agency's account at the State Treasury is past due, the contributions are deemed to have been paid on time if:

- (a) for a payment by non-cash transfer, the transfer date is stated as the last due date for mandatory contributions mentioned in paragraph (1) or (2);
- (b) for a payment by postal order, the mandatory contributions are remitted on the last due date mentioned in paragraph (1) or (2).

## **Article 28a**

### **Return of contributions and penalty payments**

(1) If the amount of mandatory contributions that the Social Insurance Agency has transferred to a PFMC exceeds the amount that it should have transferred, the Social Insurance Agency shall deduct the difference between the transferred amount and correct amount of mandatory contributions from the amount of mandatory contributions that it transfers after the discovery of this fact.

(2) Where undue mandatory contributions have been transferred on behalf of a saver to a PFMC, the Social Insurance Agency shall make an electronic request to the company for the return of the contributions, provided that:

- (a) the saver has not been re-enrolled in the old-age pension scheme within one year after the termination of their enrolment in the scheme;
- (b) the saver has attained 53 years of age.

(3) Within five working days after learning of the death of a saver, the PFMC shall notify the Social Insurance Agency of this fact. Within 90 days after learning of the death of the saver, the Social Insurance Agency shall, with respect to any undue mandatory contributions transferred on behalf of the saver, make an electronic request to the PFMC for the return of the contributions or notify the PFMC that it will transfer the contributions to the company, or it shall notify the company that it has no record of undue mandatory contributions having been transferred on behalf of the saver. Without delay after the delivery of the request mentioned in the previous sentence, the PFMC shall return:

- (a) the mandatory contributions requested under the previous sentence in an amount equal to the current value of the personal pension account of the deceased saver as at the date on which the company learnt of the saver's death; and
- (b) the amount of management fees charged to the deceased saver's personal pension account on the basis of undue mandatory contributions transferred from the company's equity capital.

(4) After receiving the Social Insurance Agency's request mentioned in paragraph (2), the PFMC shall without delay transfer from the current account of the pension fund to the Social Insurance Agency's account at the State Treasury an amount equal to the product of the number of pension points credited to the saver's personal pension account from the undue mandatory contributions that were transferred and the current pension-point value on the day preceding the transfer date, as well as the amount of management fees charged to the saver's personal pension account on the basis of undue mandatory contributions that were transferred, with these transfers to be funded from the equity capital of the PFMC. If the number of pension points credited to a saver's personal pension account is lower than the number of pension points credited from the undue mandatory contributions that were transferred, the PFMC shall, without delay after delivery of the Social Insurance Agency's request mentioned in paragraph (2), transfer from the current account of the pension fund to the account of the Social Insurance Agency at the State Treasury an amount corresponding to the current value of the personal pension account as of the date preceding the transfer.

(5) After 90 days have elapsed from when it learnt of the death of a saver, the Social Insurance Agency may not request the PFMC to return the saver's undue mandatory contributions that were transferred.

(6) Paragraphs (1) to (5) apply equally to the return of penalty payments in accordance with a separate regulation.<sup>36a</sup>

## **PART FOUR PENSIONS**

### **TITLE ONE Material scope of the old-age pension scheme**

#### **Article 29**

(1) Under the conditions laid down by this Act, the payment of an old-age pension under the old-age pension scheme shall be made in the form of:

- (a) an annuity;
- (b) a temporary pension;
- (c) scheduled payments.

(2) Under the conditions laid down by this Act, the payment of a survivor's benefit under the old-age pension scheme shall be made in the form of:

- (a) a widow(er)'s pension;
- (b) an orphan's allowance.

(3) Under the conditions laid down by this Act, income shall be paid out of income from the investment of pension funds under the old-age pension scheme (hereinafter 'investment income').

## **TITLE TWO**

### **Pensions under the old-age pension scheme**

#### **Article 30**

#### **Condition for the payment of old-age pensions**

Old-age pensions shall not be paid before the first day of the calendar month in which the saver attains the retirement age.

#### **Article 31**

#### **Conditions for the payment of early retirement pensions**

Early retirement pensions shall be paid no earlier than before:

- (a) the saver has become entitled to payment of an early retirement pension pursuant to a separate regulation;<sup>36b</sup> or
- (b) the amount of the early retirement pension to which a saver has become entitled pursuant to a separate regulation<sup>36c</sup> and the amount of the saver's early retirement annuity total, as at the date on which their disbursement commences, more than 1.2 times the subsistence minimum for one adult natural person pursuant to a separate regulation.<sup>37</sup>

### **Modes of payment of old-age pensions and early retirement pensions**

#### **Article 32**

#### **Annuity**

(1) Old-age annuities and early retirement annuities shall be paid by the insurer to the beneficiaries of these annuities until their death.

(2) Where the beneficiary of an annuity dies before having been paid 84 monthly instalments of the annuity, but before the date on which the insurer's obligation to perform the pension insurance contract arises, an amount equal to the difference between the amount designated for the

payment of the 84 monthly instalments of the annuity and the sum of these instalments that have already been paid shall:

- (a) be paid by the insurer pursuant to Article 40a, with the amount reduced by the insurer's legitimate expenditures related to the payment of the amount in cash or its transfer to a non-euro area country; or
- (b) be transferred by the insurer pursuant to Article 40a.

### **Article 33** **Temporary pensions**

(1) Temporary old-age pensions and temporary early retirement pensions shall be paid by the insurer for the duration of the period stipulated in the pension insurance contract; if the saver dies before the end of the period stipulated in the pension insurance contract, the insurer shall pay the temporary old-age pension or temporary early retirement pension until the death of the beneficiary of that pension.

(2) A temporary old-age pension or a temporary early retirement pension may be paid if, as at the date on which the insurer's obligation to perform the pension insurance contract arises, the sum of, on the one hand, the total amount of the saver's pension benefits payable under a separate regulation,<sup>3</sup> a service pension,<sup>38</sup> a disability service pension,<sup>38a</sup> a disability pension or partial disability pension,<sup>38b</sup> a widow's service pension,<sup>38c</sup> a widower's service pension,<sup>38d</sup> and similar foreign pension schemes, and, on the other hand, the total amount of the saver's old-age annuity or early retirement annuity is, as at the date when the conclusion of the pension insurance contract providing for payment of the temporary old-age pension or temporary early retirement pension is recorded, higher than the reference amount referred to in Article 46da.

(3) The payment of a temporary old-age pension or a temporary early retirement pension pursuant to Article 31(a) may also be agreed where the Social Insurance Agency notifies the saver that no insurer has drawn up an offer of an old-age annuity or an early retirement annuity and the saver does not meet the conditions to be paid a temporary old-age pension or a temporary early retirement pension pursuant to paragraph (2).

(4) The payment period for a temporary old-age pension and a temporary early retirement pension under paragraph (2) shall be five years, seven years, or ten years. The payment period for an old-age pension or early retirement pension mentioned in the previous sentence shall be determined by the saver in the pension insurance contract.

(5) The monthly amount of temporary old-age pensions and temporary early retirement pensions mentioned in paragraph (3) shall not be more than the amount that is referred to in Article 46e(9) and is valid for the calendar year in which the offer of the temporary old-age pension or temporary early retirement pension is drawn up.

(6) If, as at the date when the conclusion is recorded of a pension insurance contract providing for payment of an old-age annuity or early retirement annuity, a pension insurance contract providing for the payment of a temporary old-age pension or a temporary early retirement pension, or a scheduled pension payment agreement, the saver meets the conditions under paragraph (2), these conditions shall be deemed to be met when concluding the pension insurance

contract providing for payment of the temporary old-age pension or temporary early retirement pension.

### **Article 33a**

#### **Scheduled payments**

(1) Where PFMCs pay old-age pensions and early retirement pensions through scheduled payments, they shall do so either from the amount corresponding to the current value of the saver's personal pension account attached to a guaranteed bond pension fund, or from part of that amount.

(2) An old-age pension or an early retirement pension may be paid if, as at the effective date of the scheduled pension payment agreement, the sum of, on the one hand, the total amount of the saver's pension benefits payable under a separate regulation,<sup>3</sup> a service pension,<sup>38</sup> a disability service pension,<sup>38a</sup> a disability pension or partial disability pension,<sup>38b</sup> a widow's service pension,<sup>38c</sup> a widower's service pension,<sup>38d</sup> and similar foreign pension schemes, and, on the other hand, the total amount of the saver's old-age annuity or early retirement annuity is, as at the date when the conclusion of the scheduled pension payment agreement is recorded, higher than the reference amount referred to in Article 46da.

(3) The payment of an old-age pension or an early retirement pension pursuant to Article 31(a) through scheduled payments may also be agreed where the Social Insurance Agency notifies the saver that no insurer has drawn up an offer of an old-age annuity or an early retirement annuity and the saver does not meet the conditions to be paid an old-age pension or an early retirement pension pursuant to paragraph (2).

(4) The payment of an old-age pension or an early retirement pension through scheduled payments may also be agreed where the current value of the saver's personal pension account partly comprises voluntary contributions; the payment of the old-age pension or an early retirement pension may be made using an amount corresponding to the current value of the pension points credited from voluntary contributions or a part of that amount.

(5) The payment period for an old-age pension or an early retirement pension through scheduled payments pursuant to paragraphs (2) and (4), or the monthly amount of such pension, shall be determined by the saver in the scheduled pension payment agreement.

(6) The monthly amount of old-age pensions and early retirement pensions mentioned in paragraph (3) shall not be more than the amount that is referred to in Article 46e(9) and is valid for the calendar year in which the scheduled pension payment agreement was concluded.

(7) PFMCs are not required to pay old-age pensions or early retirement pension through scheduled payments in an amount lower than the amount that is referred to in Article 46e(9) and is valid for the calendar year in which the scheduled pension payment agreement is concluded; this does not apply to the final instalment of an old-age pension or early retirement pension paid as an early withdrawal.

(8) If, as at the date when the conclusion is recorded of a pension insurance contract providing for payment of an old-age annuity or early retirement annuity, a pension insurance

contract providing for the payment of a temporary old-age pension or a temporary early retirement pension, or a scheduled pension payment agreement, the saver meets the conditions under paragraph (2), these conditions shall be deemed to be met when concluding the scheduled pension payment agreement.

### **Survivors' benefits**

#### **Article 34**

#### **Conditions for the payment of a widow's pension and a widower's pension**

(1) A widow's pension shall be paid to a widow where the payment of the widow's pension is stipulated in a pension insurance contract and the widow has requested payment of the widow's pension.

(2) A widow's pension shall be paid to a widow as from the submission date of the application for its payment. The payment period for a widow's pension shall be determined by the saver in the pension insurance contract; it shall be one year or two years from the commencement date of the payment of the first survivor's benefit following the death of the widow's spouse who was the beneficiary of an old-age annuity or an early retirement annuity. The running of the payment period for a widow's pension shall be suspended if the widow's pension is not being paid.

(3) For the purposes of this Act, 'widow' means a woman whose deceased husband was, at the time of his death, the beneficiary of an old-age annuity or an early retirement annuity.

(4) Where there is no survivor:

- (a) and the deceased was, at the time of their death, the beneficiary of an old-age annuity or early retirement annuity, the amount designated for the payment of a widow's pension shall be the subject of the deceased beneficiary's inheritance proceedings;
- (b) the amount of the undisbursed widow's pension shall be the subject of inheritance proceedings.

(5) Paragraphs (1) to (4) apply equally to the payment of a widower's pension.

### **Article 35 – repealed**

#### **Article 36**

#### **The amount of a widow(er)'s pension**

(1) The widow's pension paid to a woman whose deceased spouse was the beneficiary of an old-age annuity or an early retirement annuity shall be paid by the insurer in the amount of the old-age annuity or early retirement annuity as at the date of the spouse's death, unless Article 43 provides otherwise.

(2) Paragraph (1) applies equally to the payment of a widower's pension.

#### **Article 37**

#### **Conditions for the payment of an orphan's allowance**



(1) An orphan's allowance shall be paid to an orphan where the payment of the orphan's allowance is stipulated in a pension insurance contract and the orphan has requested payment of the orphan's allowance. Orphans' allowances shall be paid to all orphans who have requested the payment thereof.

(2) For the purposes of this Act, 'orphan' means a child whose deceased parent or adoptive parent was, as at the time of their death, the beneficiary of an old-age annuity or an early retirement annuity.

(3) Article 34(2) and (4) applies equally to the payment of an orphan's allowance.

### **Article 38 – repealed**

### **Article 39**

#### **The amount of an orphan's allowance**

(1) The orphan's allowance paid to an orphan whose (adoptive) parent was the beneficiary of an old-age annuity or an early retirement annuity shall be paid by the insurer in the amount of the old-age annuity or early retirement annuity as at the date of the (adoptive) parent's death, unless Article 43 provides otherwise.

## **TITLE THREE**

### **Inheritance under the old-age pension scheme**

### **Article 40**

(1) The authorised person designated by the saver in an old-age pension scheme agreement shall, upon the death of the saver, become entitled to the payment of an amount corresponding to the current value of the deceased saver's personal pension account as at the date on which the PFMC learnt of the saver's death, with this amount to be reduced by the amount of undue mandatory contributions transferred on behalf of the deceased saver and requested back by the Social Insurance Agency and by the amount of legitimate expenditures of the PFMC incurred in relation to the payment of the amount in cash or its transfer to a non-euro area country, and increased by the amount of mandatory contributions that the Social Insurance Agency has still to transfer. Where a saver has not designated an authorised person in the old-age pension scheme agreement, or no such person exists, the assets in the saver's personal pension account shall become the subject of inheritance proceedings.

(2) An authorised person shall not become entitled to payment of the amount mentioned in paragraph (1) if a court has ruled that this person caused the death of the saver by an intentional criminal act.

(3) Based on a written request from an authorised person or an heir, PFMCs shall within five working days after receiving notification from the Social Insurance Agency that the Agency has no record of having transferred undue mandatory contributions to the company on behalf of the saver,



or after the date on which transferred undue mandatory contributions were returned, or after the date on which transferred mandatory contributions were credited,

- (a) pay the amount mentioned in paragraph (1); or
- (b) transfer the amount mentioned in paragraph (1) to the unassigned payments account of the PFMC with which the authorised person or heir is a saver; the PFMC shall then without undue delay transfer this amount to the current account of the pension fund in which the authorised person or heir is a saver and shall credit this saver's personal pension account with the number of pension points corresponding to the quotient of the amount transferred and the current value of the pension point of that pension fund as of the day preceding the transfer date.

(4) If the written request mentioned in paragraph (3) is delivered after the delivery of the notification from the Social Insurance Agency mentioned in paragraph (3), the period for paying the amount shall begin from date on which the written request is delivered.

(5) As at the date on which it learns of the death of a saver, a PFMC shall deduct all pension points from the personal pension account of the deceased saver. The PFMC shall cancel this personal pension account by no later than the date as at which the amount was paid or transferred pursuant to paragraph (3).

#### **Article 40a**

(1) The authorised person designated by the beneficiary of an old-age annuity in a pension insurance contract shall, upon the death of the beneficiary, become entitled to the payment of the amount mentioned in Article 32(2) or to the amount of the lump-sum premium mentioned in Article 46g(5) as at the date on which the insurer learnt of the beneficiary's death. Where a beneficiary of an old-age annuity has not designated an authorised person in the pension insurance contract, or no such person exists, the amount mentioned in the first sentence shall become the subject of inheritance proceedings.

(2) The authorised person referred to in the paragraph (1) shall not become entitled to payment of the amount mentioned in Article 32(2), or to the amount of the lump-sum premium mentioned in Article 46g(5), if a court has ruled that this person caused the death of the beneficiary by an intentional criminal act.

(3) Based on a written request of the authorised person mentioned in paragraph (1), or an heir, who pursuant to paragraph (1) has become entitled to the payment of the amount mentioned in Article 32(2) or to the amount of the lump-sum premium mentioned in Article 46g(5), the insurer shall within five working days after receiving this written request:

- (a) pay that amount; or
- (b) transfer that amount to the unassigned payments account of the PFMC with which the authorised person mentioned in paragraph (1) or the heir is a saver; the PFMC shall then without undue delay transfer this amount to the current account of the pension fund in which the authorised person mentioned in paragraph (1) or the heir is a saver and shall credit this saver's personal pension account with the number of pension points corresponding to quotient of the amount transferred and the current value of the pension point of that pension fund as of the day preceding the transfer date.

## **TITLE FOUR**

### **COMMON PROVISIONS ON PENSIONS UNDER THE OLD-AGE PENSION SCHEME**

#### **Article 41**

##### **Payment of old-age pensions, early retirement pensions and survivors' benefits**

(1) Old-age pensions, early retirement pensions and survivors' benefits shall be payable no later than the eighth day of the calendar month following the calendar month for which the pension or benefit is to be paid. Insurers may defer by one calendar month the due date of the first instalment of an early retirement pension paid to a beneficiary who meets the conditions under Article 31(b) and whose early retirement pension under a separate regulation<sup>3</sup> is lower than 1.2 times the subsistence minimum for one adult natural person pursuant to a separate regulation.<sup>37</sup>

(2) PFMCs and insurers may reduce the monthly amount of old-age pensions, early retirement pensions and survivors' benefits by the amount of their legitimate expenses related to the payment of the pension or benefit in cash or its transfer to a non-euro area country.

(3) Old-age pensions, early retirement pensions and survivors' benefits shall be paid to the respective beneficiaries of these pensions or benefits, or to the legal representatives thereof, or to a person to whom a court has granted the guardianship of an orphan. Beneficiaries of an old-age pension, early retirement pension or survivor's benefit who are remanded in custody<sup>40</sup> or serving a custodial sentence<sup>41</sup> shall be paid their pension or benefit through the institution in which they are remanded in custody or serving their custodial sentence.

#### **Article 42**

##### **Raising of annuities**

(1) Where it is agreed in a pension insurance contract to raise the old-age annuity or early retirement annuity, the increase shall be carried out each year on the same date on which the insurer's obligation to perform the contract arises and by the percentage rate applicable as at the submission date of the offer mentioned in Article 46.

(2) The percentage rate of increase of pensions under paragraph (1) may be set by Národná banka Slovenska in a decree to be published in the Collection of Laws of the Slovak Republic. In setting the percentage rate of increase for pensions, Národná banka Slovenska shall take into account the principal objective of the European Central Bank. The decree mentioned in the first sentence may not enter into force earlier than 90 days after its publication date.

#### **Article 42a**

##### **Share in the income surplus from the investment of technical provisions**

(1) Where, over an accounting period, the investment of technical provisions produces an income higher than that projected when the monthly amount of a pension was calculated (hereinafter an 'income surplus'), this income shall be calculated as the product of, on the one hand, the amount of technical provisions as at the last day of the accounting period and, on the

other hand, the difference between the percentage rate of return on assets allocated for the insurance line 'Assurance related to the length of human life' (this being governed by legal regulations in the area of social insurance<sup>8c</sup> and that guaranteed income from the investment of technical provisions which is used to calculate the monthly amount of the pension. The income surplus shall be apportioned between insured persons and the insurer in the ratio stipulated in the pension insurance contract, but with the part apportioned to insured persons not to be less than 90% of the income surplus.

(2) The share of an insured person in the part of the income surplus apportioned to insured persons (hereinafter the 'share in the income surplus') shall equal the monthly amount of the insured person's pension as a share of the sum of the monthly amounts of all the insured persons' pensions as at the last month of the accounting period.

(3) The income surplus for an accounting period shall be distributed in the subsequent accounting period.

(4) Shares in the income surplus shall be paid:

- (a) as a one-off payment in the accounting period in which the income surplus is to be distributed; or
- (b) by increasing the monthly amount of the pension.

### **Article 43** **Combination of pensions**

Where after the death of the beneficiary of an old-age annuity or an early retirement annuity a survivor's benefit is paid to more than one survivor, the amount of each survivor's benefit shall be adjusted in equal proportions so that the sum of these benefits is equal to the amount of the old-age annuity or early retirement annuity as at the time of deceased beneficiary's death.

### **Article 44** **Application for an old-age pension and application for an early retirement pension**

- (1) Savers may apply at no charge for an old-age pension or an early retirement pension:
- (a) to the PFMC with which they have an old-age pension scheme agreement;
  - (b) to the local branch of the Social Insurance Agency as determined by their permanent address, or if they are temporarily residing away from their permanent address and are unable for health reasons to submit an application to that branch, to the local branch of the Social Insurance Agency as determined by their temporary address;
  - (c) to the headquarters of the Social Insurance Agency, if they do not have a permanent residence in the Slovak Republic and apply for a pension to the Social Insurance Agency; or
  - (d) through the institution in which they are remanded in custody<sup>40</sup> or serving a custodial sentence,<sup>41</sup> to the local branch of the Social Insurance Agency as determined by the address of that institution.

(2) Savers who have not become entitled to payment of an early retirement pension under a separate regulation<sup>3</sup> may apply for an early retirement pension only to the Social Insurance Agency.

(3) After receiving an application mentioned in paragraph (1), and unless paragraph (5) provides otherwise, the PFMC or Social Insurance Agency shall enter in the offer system an order for the certificate to be issued on the day:

- (a) which is 30 days before the saver will attain the retirement age but no earlier than the day on which the PFMC or the Social Insurance Agency learnt of this fact, provided that the saver applies for the old-age pension, that the application was received no later than 30 days before the saver attained the retirement age, and that the saver has not designated in the application an earliest date for the entry of the order; the application mentioned in paragraph (1) shall not be received by the PFMC or the Social Insurance Agency earlier than 60 days before the saver attains the retirement age;
- (b) on which the application mentioned in paragraph (1) was received, provided that the saver will attain the retirement age in fewer than 30 days, that this day is no earlier than the day on which the PFMC or the Social Insurance Agency learnt of this fact, that the saver applies for the old-age pension, and that the saver has not designated in the application an earliest date for the entry of the order;
- (c) on which the application mentioned in paragraph (1) was received, provided that the saver has attained the retirement age, that this day is no earlier than the day on which the PFMC or the Social Insurance Agency learnt of this fact, that the saver applies for the old-age pension, and that the saver has not designated in the application an earliest date for the entry of the order;
- (d) on which the application mentioned in paragraph (1) was received, provided that the saver is being paid an early retirement pension under a separate regulation,<sup>3</sup> that the saver requests an early retirement pension pursuant to Article 31(a) and the saver has not designated in the application an earliest date for the entry of the order.

(4) Based on an application mentioned in paragraph (2), and unless paragraph (5) provides otherwise, the Social Insurance Agency shall enter in the offer system an order for the certificate to be issued on the day designated by the saver in the application, but no earlier than the day:

- (a) which is two years before the saver will attain the retirement age;
- (b) on which the Social Insurance Agency is apprised of the amount of the saver's early retirement pension under a separate regulation,<sup>36c</sup> the saver having become entitled to the payment thereof after meeting the conditions laid down in a separate regulation;<sup>36c</sup> and
- (c) on which the saver has been participating in pension insurance for at least 15 years.

(5) From the day on which the Social Insurance Agency registers an old-age pension scheme agreement under Article 64b(1) in the Register of Agreements, until the fifth working day following the saver's switching date, no order to issue the certificate for this saver may be entered; either the PFMC from which the saver is switching or the Social Insurance Agency shall inform the saver that the order to issue the certificate has not been entered.

(6) For applications submitted to PFMCs, the submission method shall be specified by the company, and for applications submitted to the Social Insurance Agency the submission method shall be specified by the Agency.

(7) Savers shall specify in the application whether the offer letter is to be sent in paper form or electronically.

(8) Savers may specify in the application to what extent the amount corresponding to the current value of pension points credited from their voluntary contributions are to be included in the amount stated on the certificate.

(9) The procedure for handling applications under paragraphs (1) and (2) is not a social insurance procedure or administrative procedure.

## **Article 45**

### **Certificate**

(1) For the purposes of this act, the ‘certificate’ is an electronic confirmation, issued through the offer system, which shows the amount in euro that corresponds to the current value of a saver’s personal pension account as at the date on which pension points were deducted from that account pursuant to paragraph (3). For savers who have specified the extent to which the amount corresponding to the current value of pension points credited from voluntary contributions shall be included in the amount stated on the certificate, the amount mentioned in the previous sentence shall be reduced by that amount which corresponds to the current value of pension points credited from voluntary contributions and which the saver did not include in the amount stated on the certificate.

(2) PFMCs shall issue the certificate on the third working day following date on which the order was entered in the offer system.

(3) On the issuance date of the certificate, the PFMC shall deduct all pension points from the saver’s personal pension account at the latest known current value of the pension point.

(4) Where a saver has not concluded a pension insurance contract, or where a saver has concluded a pension insurance contract or a scheduled pension payment agreement and either the PFMC has transferred, pursuant to Article 46g(6) or Article 46h(7), assets whose total value is lower than the amount stated on the certificate, or the pension insurance contract of scheduled pension payment agreement has been cancelled, the PFMC shall without undue delay credit the saver’s personal pension account with the number of pension points corresponding to the quotient of the value of the saver’s remaining assets and the current value of the pension point as at the date on which the pension points are credited to the saver’s personal pension account; paragraph (5) does not apply. Where a saver has two personal pension accounts on the issuance date of the certificate, the PFMC shall credit the pension points mentioned in the previous sentence in such a way that the current ratio in which the saver’s assets are divided between pension funds corresponds to the ratio in which they were divided as at the issuance date of the certificate.

(5) The amount stated on the certificate is also deemed to be that part of the current value of the saver’s personal pension account, expressed in euro as at the entry date of the order, which the saver has decided to use for the offer pursuant to Article 46(4), Article 46a(4) and Article 46b(3).

(6) If the amount stated on the certificate is lower than the amount referred to in Article 46e(9), the PPMC shall pay the saver this amount as a lump sum.

#### **Article 46**

##### **Offer of an old-age annuity and offer of an early retirement annuity**

- (1) On the issuance date of the certificate, the insurer shall, through the offer system:
- (a) draw up for the saver an offer of an old-age annuity or an early retirement annuity which:
    - 1. does not include raising of the pension and does not include survivors' benefits,
    - 2. includes raising of the pension but does not include survivors' benefits,
    - 3. does not include raising of the pension and includes survivors' benefits with a payment period of one year;
    - 4. does not include raising of the pension and includes survivor's benefits with a payment period of two years,
    - 5. includes raising of the pension and includes survivors' benefits with a payment period of one year,
    - 6. includes raising of the pension and includes survivors' benefits with a payment period of two years; or
  - (b) inform the saver that the offer of an old-age annuity or an early retirement annuity has not been drawn up because the amount stated on the certificate is insufficient for the payment:
    - 1. of the old-age annuity or the early retirement annuity in an amount at least equal to that mentioned in Article 46e(8), or
    - 2. of the early retirement annuity in the amount necessary for meeting the condition mentioned in Article 31(b).

(2) The offer mentioned in paragraph (1)(a) shall be binding for 30 days after it is drawn up and shall be irrevocable.

(3) The amount of the pension stated in the offer under paragraph (1)(a) shall be determined by the insurer using actuarial techniques, so as to ensure the sustained feasibility of the insurer meeting its obligations to the insured. For risk assessment in setting the amount of the pension stated in the offer under paragraph (1)(a), the insurer shall use its own reliable assumptions made on the basis of available data; the calculated probability of mortality shall take into account future demographic trends, and the only personalised risk factor shall be the age of the future pension beneficiary.

(4) A saver who meets the conditions for the payment of a temporary old-age pension or a temporary early retirement pension pursuant to Article 33(2), or the conditions for the payment of an old-age pension or an early retirement pension through scheduled payments pursuant to Article 33a(2), shall, while the offer mentioned in paragraph (1)(a) has binding force, undertake to use only part of the amount stated on the certificate for that offer; consequently, the monthly amount of the pension stated in the offer shall be reduced so that it equals the monthly amount of the pension which, when the offer was drawn up, would be specified on the basis of that part of the amount.

#### **Article 46a**

##### **Offer of a temporary old-age pension and offer of a temporary early retirement pension**



(1) On the issuance date of the certificate, the insurer may, through the offer system, draw up for the saver an offer of a temporary old-age pension or a temporary early retirement pension.

(2) The offer mentioned in paragraph (1) shall be binding for 30 days after it is drawn up and shall be irrevocable.

(3) The amount of the pension stated in the offer under paragraph (1) shall be determined by the insurer using actuarial techniques, so as to ensure the sustained feasibility of the insurer meeting its obligations to the insured. For risk assessment in setting the amount of the pension stated in the offer under paragraph (1), the insurer shall use its own reliable assumption made on the basis of available data; the calculated probability of mortality shall take into account future demographic trends, and the only personalised risk factor shall be the age of the future pension beneficiary.

(4) A saver who meets the conditions for the payment of a temporary old-age pension or a temporary early retirement pension pursuant to Article 33(2), or the conditions for the payment of an old-age pension or an early retirement pension through scheduled payments pursuant to Article 33a(2), shall, while the offer mentioned in paragraph (1) has binding force, undertake to use only part of the amount stated on the certificate for that offer; consequently, the monthly amount of the pension stated in the offer shall be reduced so that it equals the monthly amount of the pension which, when the offer was drawn up, would be specified on the basis of that part of the amount.

#### **Article 46b**

##### **Offer of scheduled payments**

(1) On the issuance date of the certificate, the PFMC may offer the saver, on the basis of the results of the offer system, an old-age pension paid through scheduled payments or an early retirement pension paid through scheduled payments.

(2) The offer mentioned in paragraph (1) shall be binding for 30 days after it is drawn up and shall be irrevocable.

(3) A saver who meets the conditions for the payment of a temporary old-age pension or a temporary early retirement pension pursuant to Article 33(2), or the conditions for the payment of an old-age pension or an early retirement pension through scheduled payments pursuant to Article 33a(2), may, while the offer mentioned in paragraph (1) has binding force, use only part of the amount stated on the certificate for that offer.

#### **Article 46c**

##### **Offer letter**

(1) No later than the working day after the issuance of the certificate, the Social Insurance Agency shall send the saver an offer letter by the method stated in the application pursuant to Article 44(7).

(2) The offer letter shall include as applicable:

- (a) the offer mentioned in Article 46 on which basis the payment of an old-age annuity or an early retirement annuity may be agreed;
- (b) the offer mentioned in Article 46a and 46b on which basis the payment of old-age pension or an early retirement pension, pursuant to Article 33(2) or (3) and Article 33a(2) or (3) may be agreed;
- (c) a notification that no insurer has drawn up an offer under Article 46, where the offer letter does not include the offer under point (a);
- (d) a notification that the saver has met the conditions for the payment of an old-age pension or an early retirement pension pursuant to Article 33(2) or (3) and Article 33a(2) or (3), but no insurer nor the PFMC has drawn up an offer under Article 46a and 46b, where the offer letter does not include the offer under point (b);
- (e) other information concerning the payment of pension and investment income.

(3) A template for an offer letter that may be drawn up without using specialist terminology shall be laid down by the Ministry in a decree to be published in the Collection of Laws of the Slovak Republic.

**Article 46d**  
**Application for an old-age pension or an early retirement pension**  
**where the certificate has not been issued**

(1) Savers may apply to the PFMC with which they have an old-age pension scheme agreement for the payment of an old-age pension through scheduled payments or an early retirement pension through scheduled payments, provided that:

- (a) they have submitted an application pursuant to Article 44 and have not received an offer under Article 46, 46a or 46b;
- (b) they meet the conditions under Article 33a(4) for the payment of the old-age pension or the early retirement pension through scheduled payments and have not received a binding offer under Article 46, 46a and 46b;
- (c) the conditions under Article 33a(8) for the payment of the old-age pension or the early retirement pension through scheduled payments are deemed to be met, and that the saver has not received a binding offer under Article 46, 46a and 46b; or
- (d) they meet the conditions under Article 33a(2) for the payment of the old-age pension or the early retirement pension through scheduled payments, and that they have not received from the PFMC with which they have concluded the old-age pension scheme agreement a binding offer under Article 46b:
  1. by the end of the calendar year in which an offer under Articles 46, 46a and 46b is drawn up for the saver between 1 January and 31 October of that calendar year;
  2. within 30 days after offers under Articles 46, 46a and 46b drawn up in the period from 1 November to 31 December of that calendar year have ceased to be binding.

(2) Where, under paragraph (1), a saver has applied for the payment of an old-age pension through scheduled payments or an early retirement pension through scheduled payments, the PFMC shall conclude a scheduled pension payment agreement with that saver within 30 days after the date on which it received the application.



(3) Article 44 does not apply to an application under paragraph (1) for the payment of an old-age pension through scheduled payments or an early retirement pension through scheduled payments.

#### **Article 46da** **Reference amount**

(1) ‘Reference amount’ means the average monthly payment of old-age pensions under a separate regulation,<sup>3</sup> set as at 30th November of a specified calendar year.

(2) The reference amount shall be set using old-age pensions under a separate regulation<sup>3</sup> which:

- (a) became payable under that regulation<sup>3</sup> after 31 December 2003 and remain payable on the date as at which the reference amount is set;
- (b) in the case of becoming payable to an insured person who is or was a saver, would be paid in an amount reduced for the period of that person’s enrolment in the old-age pension scheme; and
- (c) have not been reduced on grounds of concurrence with another pension benefit.

(3) The reference amount is valid for the calendar year following the calendar year in which it is set.

#### **Article 46e** **Offer system**

(1) The Social Insurance Agency shall be the administrator<sup>42</sup> of the offer system.

(2) The Social Insurance Agency shall, in the offer system, process information:

- (a) about the establishment, amendment, or termination of pension insurance contracts;
- (b) about the establishment, amendment, or termination of scheduled pension payment agreements;
- (c) required for the payment of temporary old-age pensions pursuant to Article 31(b);
- (d) about compliance with conditions for the payment of old-age pensions or early retirement pensions to savers who, although having become entitled to payment of an old-age pension or an early retirement pension pursuant to a separate law,<sup>42</sup> have been awarded an old-age pension or an early retirement pension under a separate regulation<sup>3</sup> or are in receipt of a disability pension;
- (e) about the attainment of the retirement age, where it was stipulated under a separate regulation;<sup>42b</sup>
- (f) about the amount of old-age pensions, early retirement pensions and survivor’s benefits paid to beneficiaries;
- (g) about the amount of a pension benefit under a separate regulation<sup>3</sup> paid to natural persons who are or were savers;
- (h) about the amount of service pensions under a separate regulation,<sup>38</sup> disability service pensions under a separate regulation,<sup>38a</sup> disability pensions under a separate regulation,<sup>38b</sup> or partial disability pensions under a separate regulation<sup>38b</sup> paid to natural persons who are or were savers;

- (i) about the death of beneficiaries of old-age pensions, early retirement pensions or survivor's benefits, and about persons who, following the death of a beneficiary, have become entitled to payment of a survivor's benefit;
- (j) about the lowest monthly amounts of old-age annuities, not including either raising of the pension or survivors' benefits, which insurers are prepared to pay;
- (k) about the median mentioned in paragraph (9);
- (l) required for the Social Insurance Agency, insurer, and PFMC for the purposes of this Act, stipulated in the contract mentioned in paragraph (11);
- (m) about the annual amount of investment income paid to savers;
- (n) about the entry into the Register of Agreements of old-age pension scheme agreements pursuant to Article 64b(1);
- (o) about that percentage of the guaranteed income from the investment of technical provisions which is used to calculate the monthly amount of a pension;
- (p) about the reference amount under Article 46da.

(3) The information mentioned in paragraph (2)(b), (f), (l) and (m) shall be provided to the Social Insurance Agency by the PFMC.

(4) The information mentioned in paragraph (2)(a), (f), (j), (l) and (o) shall be provided to the Social Insurance Agency by the insurer.

(5) The information mentioned in paragraph (2)(h) shall be provided to the Social Insurance Agency by the Social Security Department (Útvar sociálneho zabezpečenia) and by the Social Security Office of the Armed Forces (Vojenský úrad sociálneho zabezpečenia).

(6) Information in the offer system shall be accessible to:

- (a) PFMCs to the extent that it concerns a saver with whom the company has an old-age pension scheme agreement, and no earlier than the date on which the company receives the saver's application pursuant to Article 44;
- (b) PFMCs to the extent that it concerns a saver with whom the company has an old-age pension scheme agreement, and no earlier than date on which the saver expressed the intention to conclude a scheduled pension payment agreement;
- (c) insurers to the extent that it concerns a saver, or the beneficiary of an old-age pension or early retirement pension, with whom the insurer has concluded a pension insurance contract, and any survivors thereunder;
- (d) the Central Office of Labour Social Affairs and Family for the purposes of assessing claims for material-need assistance, to the extent specified in paragraph (2)(f) to (h) and (m).

(7) The information mentioned in paragraph (2)(f) to (h), (j) to (m), and (o) shall be provided by the Social Insurance Agency to the Ministry and to Národná banka Slovenska for statistical and analytical purposes.

(8) Prior to the submission of the first offer mentioned in Article 46(1)(a) or the notification mentioned in Article 46(1)(b), the insurer shall enter in the offer system the lowest monthly amount of the annuity, not including either raising of the pension or survivors' benefits, which the insurer is prepared to pay.

(9) The Social Insurance Agency shall determine, and publish on its website, the median amount mentioned in paragraph (8) as at the first day of the calendar year. The amount referred to in the previous sentence shall be valid for the calendar year in which it was determined and published.

(10) The Social Insurance Agency shall publish on its website:

- (a) the reference amounts under Article 46da by no later than 31 December of the calendar year in which the reference amount is set;
- (b) the average amounts of old-age pensions, early retirement pensions, survivors' benefits, and investment income by no later than 31 January of the calendar year following the calendar year for which these average amounts are calculated.

(11) The Social Insurance Agency shall conclude an agreement with each insurer and PFMC concerning the rights and obligations relating to the use of the offer system. The elements of the agreement mentioned in the previous sentence may be stipulated by the Ministry in a decree to be published in the Collection of Laws of the Slovak Republic.

## **Pension insurance contract**

### **Article 46f**

(1) On the basis of a pension insurance contract, insurers shall undertake that in exchange for a lump-sum premium, under the conditions laid down in this Act, they will:

- (a) pay the insured or the survivor thereof the agreed pension;
- (b) pay or transfer to an authorised person pursuant to Article 40a(1) the amount referred to in Article 32(2).

(2) For the purposes of this Act, 'the insured' means the policyholder only. Under this Act, 'policyholder' means a saver who has concluded a pension insurance contract. The survivor of a policyholder may only be the widow, widower or orphan thereof.

(3) The pension insurance contract providing for the payment of:

- (a) an annuity shall provide insurance against the risk of:
  - 1. longevity, as the insurer's obligation to pay the pension agreed in the pension insurance contract for the respective month shall arise where the insured survives to the first day of that month;
  - 2. the death of the insured, as the insurer's obligation to perform the pension insurance contract shall arise if:
    - 2a. the contract makes provision for the payment of a survivor's benefit;
    - 2b. the insured died before having been paid 84 monthly instalments of the annuity;
- (b) a temporary annuity shall provide insurance against longevity risk, as the insurer shall be obliged to pay the pension stipulated in the pension insurance contract for the respective month if the insured survives to the first day of that month.

(4) Pension insurance contracts may not provide insurance against risks other than those mentioned in paragraph (3).

(5) Pension insurance contracts may be concluded only on the basis of a binding offer under which the conditions for the payment of an old-age pension or an early retirement pension will be met, unless the next sentence provides otherwise. Pension insurance contracts providing for the payment of a temporary old-age pension pursuant to Article 31(b) may be concluded only on the basis of a binding offer in which the sum of the old-age annuity and the early retirement annuity under a separate regulation<sup>36c</sup> is more than 1.2 times higher than the amount of the subsistence minimum for one adult natural person pursuant to a separate regulation.<sup>37</sup>

(6) The lump-sum premium shall be the amount stated in the certificate. The agreed amount of the pension shall be the amount stated in the offer pursuant to Article 46 and Article 46a. The agreed premium and agreed amount of the pension may only be raised where mandatory contributions have been transferred to the insurer in accordance with Article 27(4)(b) or (c), or where the policyholder has agreed in the pension insurance contract to be paid a share of the income surplus pursuant to Article 42a(4)(b).

(7) Where a saver has exercised the right under Article 46(4) or Article 46a(4), the insurer shall conclude a pension insurance contract with that saver.

(8) Where a pension insurance contract is concluded by a saver's authorised representative, the power-of-attorney signature of that authorised representative must be officially certified.

- (9) A pension insurance contract may be amended by agreement only where:
- (a) the lump-sum premium was not paid in the amount stated in the certificate, and the amendment shall be made within three months after the date on which the concluding of the contract was recorded;
  - (b) the amount stated in the offer under Article 46 or Article 46a was calculated on the basis of incorrect information about the age of the saver, and the amendment shall be made within three months after the date on which the concluding of the contract was recorded;
  - (c) the payment of a survivor's benefit is to be changed pursuant to paragraph (12);
  - (d) the policyholder arranges a change in the payment method of the pension or income surplus referred to in paragraph (11);
  - (e) the agreed amount of the pension is to be changed for the reason stated in paragraph (6); or
  - (f) the authorised person mentioned in Article 40a(1) is to be changed.

(10) A pension insurance contract may be cancelled only for the reasons and within the time limit mentioned in paragraph (9)(a) or (b); no cancellation fee may be agreed. If a pension insurance contract is cancelled pursuant to the previous sentence, the amount of the pension paid under the contract shall not be repayable. The lump-sum premium less the amount of the pension paid under the pension insurance contract shall be returned by the insurer within three working days after the date of the contract's cancellation.

(11) A pension insurance contract shall stipulate inter alia the payment method of the pension, that percentage of the guaranteed income from the investment of technical provisions which is used to calculate the monthly amount of the pension, the ratio in which the income surplus will be divided between the insurer and the insured pursuant to Article 42a(1), and the payment method of the share of the income surplus pursuant to Article 42a(4).

(12) Where a pension insurance contract includes provision for the payment of a survivor's benefit:

- (a) only under Article 29(2)(a), it may be agreed to pay also a survivor's benefit under Article 29(2)(b) or to change the benefit to a survivor's benefit under Article 29(2)(b);
- (b) only under Article 29(2)(b), it may be agreed to pay also a survivor's benefit under Article 29(2)(a) or to change the benefit to a survivor's benefit under Article 29(2)(a); or
- (c) under Article 29(2)(a) and (b), it may be agreed to pay only one of these survivor's benefits.

(13) Only after the pension insurance contract has been concluded may the insurer request the saver to provide information about the assessment of the policyholder's longevity risk. The saver is not required to provide the information mentioned in the previous sentence.

(14) Savers may conclude no more than one pension insurance contract providing for the payment of an old-age annuity or early retirement annuity and no more than one pension insurance contract providing for the payment of a temporary old-age pension or a temporary early retirement pension.

(15) No goods or services may be offered in connection with the concluding of a pension insurance contract unless such goods or services are related to the subject matter of the contract.

(16) No financial intermediation pursuant to a separate regulation<sup>42c</sup> may be carried out in connection with the concluding of a pension insurance contract.

(17) Where the policyholder has designated a natural person to be the authorised person under Article 40a(1) in the event of the policyholder's death, the pension insurance contract shall state that person's full name, personal identification number, and permanent address; if a legal entity is designated to be the authorised person under Article 40a(1), the pension insurance contract shall state the name, identification number, and the registered office address of that legal entity.

(18) Within eight days after a change to a policyholder's full name, personal identification number, or permanent address, the policyholder shall notify the insurer of that change, and without undue delay after a change to the full name, personal identification number, or permanent address of the authorised person under Article 40a(1) who is a natural person, or to the name, identification number, or registered office address of the authorised person under Article 40a(1) who is a legal entity, the policyholder shall notify the insurer of that change.

(19) Where contact information, personal information, or information about the sending of pension payments is changed from what is stated in the pension insurance contract, such change is not deemed an amendment of the pension insurance contract.

## **Article 46g**

(1) Without undue delay after concluding a pension insurance contract, the insurer shall record the concluding of the contract in the offer system.

(2) After recording the concluding of a pension insurance contract pursuant to paragraph (1), the insurer shall record the details of the contract in the offer system.

(3) For each saver, the recording of information in the offer system pursuant to paragraphs (1) and (2) may be carried out only once with respect to a pension insurance contract providing for the payment of an old-age annuity or an early retirement annuity and only once with respect to a pension insurance contract providing for the payment of temporary old-age pension or a temporary early retirement pension.

(4) An insurer's obligation to perform a pension insurance contract shall arise on the first day of the calendar month following the calendar month in which the concluding of the contract was recorded pursuant to paragraph (1). If the conditions referred to in Article 31(a) are not met, the insurer's obligation to perform the pension insurance contract providing for the payment of an early retirement pension shall arise on the day following the last day on which the offer has binding force pursuant to Article 46.

(5) Where the policyholder dies before the date on which the insurer's obligation to perform the pension insurance contract arises, the amount of the lump-sum premium paid under the terms of this contract:

- (a) less the amount of the insurer's legitimate expenditures related to the payment of the amount in cash or its transfer to a non-euro area country, shall be paid by the insurer pursuant to Article 40a; or
- (b) shall be transferred by the insurer pursuant to Article 40a.

(6) To the policyholder with whom an insurer has concluded a pension insurance contract, the PFMC shall transfer funds in the amount equal to that stated in the certificate, or, with the insurer's consent, other assets of a value corresponding to the amount stated in the certificate, within three working days after details of the contract were recorded pursuant to paragraph (2). Funds or other assets transferred pursuant to the previous sentence constitute the one-off premium.

(7) Investment risk attached to the investment of technical provisions shall be borne solely by the insurer.

(8) Pension insurance contracts may not be cancelled and may not be terminated by agreement. The terms of a pension insurance contract may not include a contractual penalty. The insurer may not net the pension payable under a pension insurance contract against a claim on the insured that did not arise thereunder.

(9) Unless otherwise provided in paragraphs (1) to (8) and Article 46(2), Article 46a(2) and Article 46f, pension insurance contracts are subject to the provisions of the Civil Code with the exception of Article 43a(2), Article 788(2)(f) and (3), Article 792a(2)(d), (g) to (i), Article 794, Article 796, Article 797(3), Article 798, Article 799(2) and (3), Article 800 to 802a, Article 803(2) and (4), Article 804, 816, 817, 819 and Article 842 to 844.

#### **Article 46h**

#### **Scheduled pension payment agreement**

(1) Without undue delay after concluding a scheduled pension payment agreement, the PFMC shall record the concluding of the agreement in the offer system.



(2) After recording the concluding of a scheduled pension payment agreement pursuant to paragraph (1), the PFMC shall record the details of the agreement in the offer system.

(3) The effective date of scheduled pension payment agreements shall be the first day of the calendar month following the calendar month in which the concluding of the agreement was recorded pursuant to paragraph (1). If the conditions referred to in Article 31(a) are not met, the effective date of the scheduled pension payment agreement providing for the payment of an early retirement pension shall be the date following the last day on which the offer has binding force pursuant to Article 46b.

(4) For each saver, the recording of information in the offer system pursuant to paragraphs (1) and (2) may be carried out only once.

(5) Paragraphs (1) to (3) do not apply where the saver has requested, pursuant to Article 46d, that the PFMC conclude a scheduled pension payment agreement.

(6) The details of a scheduled pension payment agreement concluded on the basis of application under Article 46d shall be recorded by the PFMC in the offer system. The effective date of a scheduled pension payment agreement concluded on the basis of an application under Article 46d shall be the first day of the calendar month following the calendar month in which the information referred to in the previous sentence was recorded.

(7) Where savers conclude a scheduled pension payment agreement with a PFMC other than the one with which they were a saver, the company with which the saver has an old-age pension scheme agreement but not a scheduled pension payment agreement shall transfer to the company with which the saver has a scheduled pension payment agreement funds in an amount equal to that stated in the certificate, or, with the consent of the company with which the saver has concluded the scheduled pension payment agreement, other assets of a value corresponding to the amount stated in the certificate, within three working days after details of the scheduled pension payment agreement were recorded pursuant to paragraph (2).

(8) Savers may conclude only one scheduled pension payment agreement, unless the following sentence provides otherwise. Where the current value of a saver's personal pension account comprises in part voluntary contributions, that saver may conclude one scheduled pension payment agree pursuant to Article 33a(4) and one scheduled pension payment agreement:

- (a) pursuant to Article 33a(2); or
- (b) pursuant to Article 33a(3).

(9) No goods or services may be offered in connection with the concluding of a scheduled pension payment agreement unless such goods or services are related to the subject matter of the agreement.

(10) No financial intermediation pursuant to a separate regulation<sup>42c</sup> may be carried out in connection with the concluding of a scheduled pension payment agreement.

(11) A scheduled pension payment agreement entered between a saver and a PFMC on the basis of a binding offer under Article 46b or of an application under Article 46da constitutes part of the saver's old-age pension scheme agreement. The provisions of Articles 64(6)(f), 64a, 64b and 97 do not apply.

(12) A scheduled pension payment agreement may be amended by agreement only where:

- (a) the assets referred to in paragraph were not transferred in an amount corresponding to that stated in the certificate, and the amendment shall be made within three days after the date on which the concluding of the agreement was recorded;
- (b) the saver and PFMC agree to change the period over which the old-age pension or early retirement pension will be paid through scheduled payments pursuant to Article 33a(2) and (4) or to change the amount of this pension;
- (c) the saver arranges a change in the payment method of the pension; or
- (d) mandatory contributions have been transferred to the PFMC pursuant to Article 27(4)(a) and (d).

(13) A scheduled pension payment agreement may be cancelled only for the reason and within the time limit mentioned in paragraph (12)(a); no cancellation fee may be agreed. If a scheduled pension payment agreement is cancelled pursuant to the previous sentence, the saver is not required to repay the amount of the pension paid under that agreement. Assets referred to in paragraph (7) less the amount of the pension paid under the scheduled pension payment agreement shall be returned by the PFMC within three working days after the date of the agreement's cancellation.

(14) Where contact information, personal information, information about the sending of pension payments, or the method of sending statements of the saver's personal pension account information is changed from what is stated in scheduled pension payment agreement, such change is not deemed an amendment of the scheduled pension payment agreement.

## **TITLE FIVE**

### **Investment income**

#### **Article 46i**

(1) PFMCs shall pay investment income to savers on a regular basis from the returns on the saver's pension-fund assets recorded after the date on which the saver requested payment of the investment income, but not before the saver has attained the retirement age. Investment income does not constitute a benefit under the old-age pension scheme.

(2) Investment income shall be paid to savers who have attained the retirement age, who are not the beneficiary of an old-age pension or an early retirement pension through scheduled payments, and who have requested payment of the investment income from the PFMC with which they are a saver. The payment of investment income shall be agreed between the saver and the PFMC in the old-age pension scheme agreement.



(3) PFMCs may reduce the amount of investment income paid to a saver by the amount of the company's legitimate expenditures incurred in relation to the payment of the amount in cash or its transfer to a non-euro area country.

## **PART FIVE**

### **PFMCs**

#### **TITLE ONE**

#### **Scope of business of a PFMC and the authorisation to establish and operate a PFMC**

#### **Article 47**

#### **PFMCs**

(1) PFMCs are joint stock companies incorporated in the Slovak Republic whose scope of business comprises the establishment and management of pension funds for the implementation of the old-age pension scheme as defined in this Act and on the basis of an authorisation, issued<sup>43</sup> by Národná banka Slovenska, to establish and operate a PFMC (hereinafter an 'authorisation').

(2) For the purposes of this Act, 'Management of pension funds' means:

- (a) the management of investments, which for the purposes of this Act means increasing the value of a pension funds' assets through decisions taken by the PFMC;
- (b) administration, which for the purposes of this Act means:
  - 1. maintaining personal pension accounts of savers;
  - 2. maintaining the unassigned payments account;
  - 3. paying old-age pensions through scheduled payments, paying early retirement pensions through scheduled payments, and paying investment income;
  - 4. keeping a list of savers;
  - 5. calculating the value of pension funds' assets and setting the value of pension points;
  - 6. keeping the accounts of pension funds;
  - 7. maintaining business documentation;
  - 8. ensuring legal services for pension funds;
  - 9. fulfilling tax liabilities related to pension funds' assets;
  - 10. exercising voting and other rights attached to the securities constituting pension funds' assets;
  - 11. distributing income from the management of pension funds' assets;
  - 12. meeting liabilities under legal relations with third parties and enforcing claims under legal relations with third parties, being liabilities and claims of the PFMC related to the acquisition of pension funds' assets and to the management of a pension funds' assets;
  - 13. providing information to savers, and handling any complaints they may make;
  - 14. internal control of compliance with legislation of general application, decisions of Národná banka Slovenska, and internal regulations;
  - 15. Risk management of pension funds;
- (c) the promotion and advertising of pension funds;

(d) the collection of voluntary contributions.

(3) PFMCs shall establish the pension funds mentioned in Article 72(4), and may establish the pension funds mentioned in Article 72(5), in the manner and for the purpose laid down in this Act.

(4) PFMCs may manage only pension funds established in accordance with this Act.

(5) PFMCs may not carry out an activity other than an activity in accordance with this Act. PFMCs must be of good repute throughout the duration of their authorisation.

(6) PFMCs are subject to the Commercial Code, except where otherwise provided by this Act.

(7) The business name of a PFMC shall include the designation ‘dôchodková správcovská spoločnosť, a.s.’ [PFMC, a.s.] or the abbreviation ‘d.s.s., a.s.’. No other natural person or legal entity 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 a PFMC shall be no less than EUR 9,950,000 and it shall be paid up in full prior to the filing of an application under Article 48(1).

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

(10) It is prohibited to:

- (a) change the scope of business or the legal form of a PFMC; 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 a PFMC;
- (c) dissolve a PFMC by merging it to form a new company or by dividing it;
- (d) sell the business of a PFMC, or of any part thereof, on the basis of a contract for the sale of a company or part thereof.<sup>45</sup>

#### **Article 47a**

(1) For financial intermediation activities within the old-age pension scheme, PFMCs shall use only independent financial agents and tied financial agents as defined in a separate regulation.<sup>45a</sup> PFMCs may not use persons mentioned in the first sentence who are not registered in accordance with a separate regulation.<sup>45b</sup>

(2) PFMCs shall ensure that their employees who come into contact with retail customers are suitably qualified.<sup>45c</sup>

(3) Employees are deemed suitably qualified for the purpose of paragraph (2), if they have attained the basic level of professional qualification defined in a separate regulation.<sup>45d</sup>

(4) In verifying whether employees are suitably qualified under paragraph (3), PFMCs shall follow the procedure laid down in a separate regulation.<sup>45e</sup>

(5) PFMCs shall keep a list of the employees referred to in paragraph (2).

### **Authorisation to establish and operate a PFMC**

#### **Article 48**

(1) An application for an authorisation shall be submitted to Národná banka Slovenska by the founder of the PFMC.

(2) The authorisation mentioned in paragraph (1) shall not be issued unless the following conditions are proved to have been met:

- (a) the share capital of the PFMC as mentioned in Article 47(8) is paid up in cash, this being deposited in a current account or deposit account (Article 101) held with a bank, or a foreign bank operating in Slovakia via its local branch, which fulfils the conditions to operate as a depository under Article 99(2) and with which the founder has concluded a contract under paragraph (4)(k) as at the date when Národná banka Slovenska issued the authorisation;
- (b) the share capital and other financial resources of the PFMC have a transparent, credible and legal provenance;
- (c) persons with a qualifying holding<sup>46</sup> in the PFMC are eligible and their relations with other entities are transparent, especially as regards interests in the share capital and in the voting rights;
- (d) persons nominated to a position in the PFMC that is a member of the management board, a member of the supervisory board, an authorised representative, a senior employee<sup>47</sup> responsible for specialist activities under this Act who reports directly to the management board, or the internal control officer are suitably qualified, fit and proper;
- (e) any group with close links<sup>48</sup> that includes a shareholder with a qualifying holding in the PFMC is transparent;
- (f) the exercise of supervision is not impeded by the close links of the group mentioned in point (e);
- (g) the exercise of supervision is not impeded by the national law, or the application or enforceability of that law, in a country which is a Member State of the European Union, a member of the European Economic Area, or a member of the Organisation for Economic Co-operation and Development (hereinafter 'Member State') and in the territory of which the group mentioned in point (e) has close links, nor is the exercise of supervision impeded by the national law, or the application or enforceability of that law, in a country which is not a Member State (hereinafter 'non-Member State') or in the territory in which the group mentioned in point (e) has close links;
- (h) the registered office and head office of the PFMC are in the territory of the Slovak Republic; for the purposes of this Act, 'head office' means the place from which the operation of the PFMC is managed to a greater extent than from the registered office of the PFMC or the place where documents on the operation of the undertaking are kept for the exercise of supervision;
- (i) the articles of association of the PFMC comply with this Act;
- (j) the material provisions are in place for the operation of the PFMC, meaning the material and technical provisions for performing the activities of the PFMC, including the provision of

secure electronic data transfer to the register of insured persons and savers (Article 110) and to the offer system;

- (k) the organisational provisions are in place for the operation of the PFMC, meaning prudential business rules (Article 53) and operating rules (Article 61);
- (l) the choice of depository for the pension funds complies with this Act;
- (m) members of the management board, authorised representatives, and senior employees of the depository who ensure the performance of the depository's activities are suitably qualified, fit and proper;
- (n) the rules of the pension funds are in accordance with this Act and provide for adequate protection of savers in regard to the investment policy and risk profile of the pension fund; for the purposes of this Act, the risk profile of a pension fund means the indication of the degree of risk attached to investing in the pension fund;
- (o) the prospectus of the pension fund is compiled in accordance with this Act;
- (p) the founder of the PFMC is a person of good repute;
- (q) the shareholders of the PFMC are persons of good repute.

(3) An application for the authorisation mentioned in paragraph (1) shall include the following information about the prospective PFMC:

- (a) its business name and registered office address;
- (b) its company registration number, if assigned;
- (c) the amount of its share capital;
- (d) a list of the shareholders with a qualifying holding in the company; the list shall include the full name, permanent address, and date of birth of natural persons thereon and the business name, registered office address, and company registration number of legal entities thereon, and the amount of the qualifying holding;
- (e) the full name, permanent address, and date of birth of persons nominated to positions in the company that include member of the management board, member of the supervisory board, authorised representative, senior employee<sup>47</sup> responsible for specialist activities under this Act who reports directly to the management board, and the internal control officer, and information on whether they are suitably qualified, fit and proper;
- (f) information on the material and organisational provisions for the operation of the company;
- (g) a summary of the technical equipment of the company, containing information about its computer equipment (hardware, software), information system, and system for the technical processing of data, including information on data transfer security and on the system for connecting to the register of insured persons and savers (Article 110) and to the offer system;
- (h) the names of the pension funds that the PFMC will establish and manage;
- (i) the business name, registered office address, and company registration number of the depository of the pension funds;
- (j) the full name, permanent address, and date of birth of the depository's authorised representatives and the senior employees who ensure the performance of the depository's activities;
- (k) the procedure for handling complaints made by savers;
- (l) information on the system for managing the risks arising from the activities of the PFMC;
- (m) a declaration by the applicants that the submitted information is complete and true.

(4) The following shall be attached to the application mentioned in paragraph (1):

- (a) the deed of incorporation or the memorandum of association;

- (b) the draft articles of association of the PFMC;
- (c) a proposal for the organisational structure and organisational rules of the PFMC;
- (d) the draft internal regulations and operational procedures of the PFMC for ensuring that prudential business rules are fulfilled;
- (e) the draft internal regulations and operating procedures of the PFMC for ensuring the fulfilment of operating rules;
- (f) brief professional curricula vitae and documents on educational attainment and professional experience of the persons mentioned in paragraph (3)(e), documents affirming their good repute as defined in paragraph (12) which are not older than three months, and their declarations of honour certifying that they meet the requirements laid down by this Act;
- (g) a declaration by the applicants that no bankruptcy order has been made against them and that no petition for a bankruptcy order against them has been rejected on grounds of insufficient assets;<sup>49</sup>
- (h) a document confirming that the share capital is paid up;
- (i) the draft rules of the pension funds;
- (j) the draft prospectuses of the pension funds;
- (k) a preliminary contract on the performance of depository services concluded by the founders of the PFMC and the depository;
- (l) brief professional curricula vitae and documents on the educational attainment and professional experience of the depository's senior employees who ensure the performance of the depository's activities, documents affirming their good repute as defined in paragraph (12) which are not older than three months, and their declarations of honour that they meet the requirements laid down by this Act;
- (m) the business and financial plan of the PFMC for a period of at least ten years following the year in which the PFMC submitted the application for its authorisation;

(5) Where documents mentioned in paragraph (4) have been submitted to Národná banka Slovenska in proceedings that predated the submission of the authorisation application mentioned in paragraph (1), it shall suffice to submit instead of them a written declaration that the documents are up to date, complete, true and correct, that there has been no change in any of the facts they present, and that they continue to meet 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 the documents already submitted to Národná banka Slovenska and the date of their submission.

(6) Národná banka Slovenska shall decide on an authorisation application made under paragraph (1) within a time limit stipulated by a separate regulation,<sup>50</sup> but no later than six months after the application was submitted.

(7) Národná banka Slovenska shall reject an application made under paragraph (1) where the applicant does not fulfil, or does not prove fulfilment of, any of the conditions stated in paragraph (2). The economic needs of the market may not constitute a reason for rejecting an application made under paragraph (1).

(8) The conditions mentioned in paragraph (2) shall be fulfilled without interruption for the duration of the validity of the authorisation.

(9) Národná banka Slovenska shall issue a decree stipulating how compliance with the conditions laid down in paragraph (2) is to be demonstrated and the full text of this decree shall be published in the Collection of Laws of the Slovak Republic.

(10) In order to be considered suitably qualified, persons nominated to a position in the PFMC that is a member of the management board, a member of the supervisory board, an authorised representative, a senior employee responsible for specialist activities under this Act who reports directly to the management board, or the internal control officer, and the person nominated as the depository's senior employee responsible for ensuring the performance of the depository's activities, shall be a natural person who has completed the second stage of university education, has at least three years' experience in the capital market sector or in another financial sector, and has at least three years' management experience in the capital market sector or in another financial market sector. PFMCs shall ensure that their organisational structure includes at least two employees responsible for investment management who are responsible for specialist activities as defined in this Act. An employee responsible for investment management shall report directly to the management board of the PFMC. An employee responsible for investment management shall have at least three years' experience in investment management in the capital market sector.

(11) For the purposes of this Act, a natural person is fit and proper if that person is of good repute and is someone who in the previous ten years:

- (a) has not held a position mentioned in paragraph (3)(e) in a PFMC, nor the position of a senior employee or a member of the statutory body or supervisory board of a financial institution, within one year before the revocation of that PFMC's authorisation or before the revocation of that institution's operational licence;
- (b) has not held a position mentioned in paragraph (3)(e) in a PFMC managing pension funds that have been placed in receivership, nor the position of a senior employee or a member of the statutory body or supervisory board of 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)(e) in a PFMC, nor the position of a senior employee or a member of the statutory body or supervisory board of a financial institution, at any time within one year before a bankruptcy order was made against this company or institution, or a petition for a bankruptcy order against it was refused on grounds of insufficient assets, or this company or institution went into liquidation;
- (d) did not hold a position referred to in paragraph (3)(e) in a PFMC, nor the position of a senior employee or a member of the statutory body or supervisory board of another legal entity, at the time when that PFMC or legal entity committed an intentional crime, the trial for which has been finally disposed of;
- (e) has not been lawfully fined an amount in excess of 50% of an amount that could be imposed under this Act or under a separate regulation;<sup>51</sup> and
- (f) who during the previous ten years performed their duties and conducted their business activities reliably, honestly, and without breaching any legislation of general application, and who, these facts being taken into account, guarantees that they will exercise the office 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, under the articles of association of the PFMC and under other internal regulations.

(12) A natural person or legal entity is deemed to be of good repute if that person or entity has not committed an intentional crime, or a crime related to the exercise of their management duties, the trial for which has been finally disposed of; good repute shall be demonstrated by providing proof of a clean criminal record which is not older than three months or, if the person is a foreigner or a legal entity established outside Slovakia, with a similar confirmation of good repute issued by a competent authority of the country in which that person has a permanent address, or by an authority of the country in which that person or entity habitually resides or has its registered office.

(13) In proceedings for the issuance of an authorisation mentioned in paragraph (1), Národná banka Slovenska may recognise that a natural person who has held a position mentioned in paragraph (11)(a) to (d) is fit and proper, 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 (d), could not have influenced the activities of the PFMC or the financial institution, nor have caused the consequences mentioned in paragraph (11)(a) to (d).

(14) For the assessment of the conditions mentioned in paragraph (2)(c), it is understood that eligible persons with a qualifying holding:

(a) are persons that:

1. provide credible evidence of having met the conditions laid down in paragraph (2)(b) and, as is clear from all the circumstances, will ensure the proper implementation of the old-age pension scheme, as defined in this Act, in order to protect the interests of savers;
2. demonstrate their financial capacity to overcome a potential adverse financial situation of the PFMC; and
3. have been carrying on activities within the scope of their business for three years without interruption prior to submission of the application for the authorisation of the PFMC;

(b) are not persons that:

1. are not of good repute;
2. have been a senior employee or a member of the statutory body or supervisory board of a legal entity at the time when that entity committed an intentional crime, the trial for which has been finally disposed of;
3. have entered into liquidation;
4. are subject to a bankruptcy order, or against whom a bankruptcy order has been refused on grounds of insufficient assets;
5. were previously subject to a bankruptcy order, or the confirmation of a compulsory arrangement, less than five years ago, and had their liabilities under a previous bankruptcy order settled in accordance with a court-approved timetable<sup>49</sup> less than one year ago.

(15) The documents that the founders of a PFMC submit to Národná banka Slovenska along with the authorisation application made under paragraph (1) shall be original documents; if the original documents cannot be submitted, their certified copies shall be submitted.

(16) When a PFMC is founded, an interest of more than 50% in its share capital may be held only by a bank, an insurance company, a reinsurance company, an investment firm, or an entity established outside the territory of the Slovak Republic which has a similar scope of business and which is authorised to conduct such business by the competent authority of the Member State in which it is established.

(17) When a PFMC is founded, an aggregate of interests in its share capital amounting to more than 50% of the total may be held only by legal entities mentioned in paragraph (16).

(18) Only a legal entity mentioned in paragraph (16) may be the sole founder of a PFMC.

(19) Only a legal entity mentioned in paragraph (16) may be a shareholder holding more than 50% of the share capital of a PFMC.

(20) Only legal entities mentioned in paragraph (16) may be shareholders holding more than 50% of the share capital of a PFMC.

(21) A shareholder's number of votes shall be determined by the nominal value of its shares relative to the amount of the share capital. The shareholders of a PFMC mentioned in paragraphs (19) and (20) may not be restricted in the exercise of their voting rights by the articles of association of the PFMC.

(22) For the purposes of this Act, 'financial institution' means an asset management company, the branch of a foreign asset management company, an investment firm, the branch of a foreign investment firm, a bank, a foreign bank operating in Slovakia via its local branch, an insurance company, the branch of a foreign insurance company, a reinsurance company, the branch of a foreign reinsurance company, a central securities depository, a stock exchange, a supplementary pension management company, or an entity with a similar scope of business which is established outside the territory of the Slovak Republic.

(23) Members of a depository's management board and the authorised representative of a depository shall be suitably qualified, fit and proper as defined in a separate regulation.<sup>51a</sup> Applicants for an authorisation under paragraph (1) are deemed suitably qualified, fit and proper if they have demonstrated that they are suitably qualified, fit and proper under a separate regulation.<sup>51a</sup>

## **Article 49**

Before issuing an authorisation to a legal entity which:

- (a) is a subsidiary<sup>52</sup> of a foreign asset management company, a foreign investment firm, a foreign bank, or a foreign insurance company;
  - (b) is a subsidiary of the parent company<sup>53</sup> of a foreign asset management company, foreign investment firm, foreign bank, or foreign insurance company;
  - (c) is controlled<sup>54</sup> by the same natural persons or legal entities who control a foreign asset management company, foreign investment firm, foreign bank, or foreign insurance company;
- Národná banka Slovenska shall consult the issuance of the authorisation with the competent supervisory authority of the Member State which authorised the establishment in that Member State of the respective foreign asset management company, foreign investment firm, foreign bank, or foreign insurance company.

## **Article 50**

- (1) Authorisations shall be issued for an indefinite period and may not be transferred to



another entity, nor assigned to a successor of the PFMC, unless otherwise provided by this Act.

(2) In addition to the general elements of a decision as defined in a separate regulation,<sup>43</sup> the statement of the decision to issue an authorisation shall state the following:

- (a) the business name and registered office address of the PFMC whose establishment and operation are the subject of the authorisation;
- (b) the scope of business;
- (c) the full name, permanent address, 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 an authorised representative;
- (d) the approval of the articles of association of the PFMC;
- (e) the names of the pension funds;
- (f) the approval of the rules of the pension funds;
- (g) the approval of the prospectuses of the pension funds;
- (h) the business name, registered office address, and company registration number of the depository.

(3) Authorisations may also state conditions which the PFMC must meet prior to commencing its authorised activities.

(4) At the request of a PFMC, Národná banka Slovenska may issue a decision to amend the authorisation. The assessment of an application to amend an authorisation is subject, mutatis mutandis, to Article 48. Where information stated in an authorisation is amended on the basis of a prior approval granted by Národná banka Slovenska under Article 52, such amendment shall be considered approved upon the granting of the prior approval by Národná banka Slovenska. In order to amend an authorisation by changing only the full name or permanent address of a natural person or persons already approved under the procedure mentioned in Article 48 or 49, the approval of Národná banka Slovenska is not required. Written notification of any such change shall be given by the PFMC to Národná banka Slovenska no later than 10 days after the day on which the company was informed or otherwise learnt of this fact. Amendments to the prospectus which do not affect the compliance of its elements with this Act are not deemed amendments to the authorisation.

(5) PFMCs shall, on the basis of its authorisation or an amendment thereto, file with the competent registration court an application to incorporate the PFMC in the Commercial Register, or to amend its entry in the Commercial Register, and it shall do so within 30 days from when the decision on the authorisation, or the amendment thereto came into effect.

(6) An application for the incorporation of a PFMC in the Commercial Register, or an application to amend its entry therein, shall include the final decision of Národná banka Slovenska, taken in accordance with this Act, to issue the authorisation of the PFMC.

(7) Following its incorporation in the Commercial Register, a PFMC may commence the activities stated in its authorisation, or in an amendment thereto, unless otherwise provided by this Act.

(8) PFMCs shall without undue delay give Národná banka Slovenska written notification of the commencement of the activities stated in their authorisation, or in an amendment thereto.

(9) PFMCs shall without undue delay give Národná banka Slovenska written notification of a change in any condition that was a basis for the decision to issue their authorisation, and of any changes in the facts mentioned in Article 48(2)(a) to (e), (g) to (m), (p) and (r).

## **Article 51**

(1) An authorisation shall expire:

- (a) as of the date when the PFMC transfers the management of its pension funds, along with the rights and obligations vis-à-vis savers which arise under old-age pension scheme, to another PFMC, provided that the transferor is to be dissolved for a reason other than the revocation of the authorisation;
- (b) on the effective date of a bankruptcy order against the PFMC or on the effective date of a decision to refuse a petition for a bankruptcy order against the PFMC on grounds of insufficient assets, taken in accordance with a separate regulation;<sup>49</sup>
- (c) on the date when the authorisation is returned; the authorisation may only be returned in writing and with the prior approval of Národná banka Slovenska in accordance with Article 52(1)(h);
- (d) if the PFMC has not filed an application for its incorporation in the Commercial Register on the basis of its authorisation in accordance with Article 50 (5);
- (e) if within six months after its incorporation in the Commercial Register, the PFMC has not commenced the activities stated in its authorisation, unless otherwise provided by this Act.

(2) PFMCs shall without undue delay give Národná banka Slovenska written notification of the existence of any facts mentioned in paragraph (1)(a), (b), and (e).

(3) The founders of a PFMC shall without undue delay give Národná banka Slovenska written notification of any facts mentioned in paragraph (1)(d).

(4) Národná banka Slovenska shall without undue delay notify the competent registration court of the granting of the prior approval mentioned in paragraph (1)(c).

## **TITLE TWO**

### **Conditions for the activities of a PFMC**

## **Article 52**

### **Prior approval of Národná banka Slovenska**

(1) The prior approval of Národná banka Slovenska is required in order to:

- (a) acquire or increase in one or more transactions, executed either directly or acting in concert,<sup>56</sup> a direct interest in a PFMC whereby the proportion of the share capital or of the voting rights held by the acquirer of the stake reaches or exceeds 5%, 10%, 20%, 33%, 50%, or 66%, or to make a PFMC the subsidiary of another parent company; this is without prejudice to the provisions of Article 48(16) to (22);
- (b) reduce the share capital of a PFMC exceeding the share capital mentioned in Article 47(8), unless the reduction is made because of losses;

- (c) elect a member of the management board of a PFMC, or a member of the supervisory board of a PFMC, or in order to appoint a PFMC's authorised representative, senior employee responsible for the performance of specialist activities who reports directly to the management board, or internal control officer, but this approval is not required to re-elect or reappoint any such person for a subsequent term;
- (d) dissolve a PFMC without liquidation by merging it with another PFMC, including the transfer to the successor PFMC of the pension funds' management and the rights and obligations of savers under the old-age pension scheme;
- (e) transfer to another PFMC the management of pension funds, along with the rights and obligations of savers;
- (f) change the depository of a PFMC;
- (g) amend the rules of a pension fund;
- (h) return an authorisation;
- (i) establish a new pension fund;
- (j) merge pension funds.

(2) The granting of prior approval:

- (a) under paragraph (1)(a) is subject to the conditions laid down in Article 48(2)(c), (e) to (g) and (q), to proof of the transparent and credible origin, sufficient amount, and appropriate composition of the funds with which the operation is to be executed, and to compliance with the conditions laid down in Article 48(19) and (20);
- (b) under paragraph (1)(b) is subject to the capital adequacy conditions for PFMCs (Article 60) and to the share capital conditions for PFMCs under Article 47(8);
- (c) under paragraph (1)(c) is subject to the conditions laid down in Article 48(2)(d);
- (d) under paragraph (1)(d) is subject to proof that the other PFMC with which the PFMC is to merge meets the conditions laid down in Article 48(2) and to compliance with the preconditions for the operations and activities related to the merger as mentioned in Article 68;
- (e) under paragraph (1)(e) is subject to proof that the management of the pension funds is to be transferred to a PFMC which has a valid authorisation, that the transfer of the pension funds' management does not prejudice the interests of savers, to compliance with the preconditions for the operations and activities referred to in Article 79, and, where there is to be a simultaneous change of depository, to proof of compliance with the conditions laid down in Article 48(2)(l) and (m);
- (f) under paragraph (1)(f) is subject to the conditions laid down in Article 48(2)(l) and (m);
- (g) under paragraph (1)(g) is subject to compliance with the conditions laid down in Article 48(2)(n);
- (h) under paragraph (1)(h) is subject to proof that the PFMC is no longer managing any pension funds, that the management of the pension funds previously managed by the company has been duly transferred to another PFMC, and that the company has settled all of its liabilities towards savers, including any liabilities arising from dissolved pension funds;
- (i) under paragraph (1)(i) is subject to compliance with the conditions laid down in Article 48(2)(n) and (o) and to submission of the depository's preliminary consent to acting as depository for the new pension fund;
- (j) under paragraph (1)(j) is subject to the conditions laid down in Article 48(2)(j) to (l), (n) and (o), both for the pension fund with which pension funds are merged and for the pension fund established by a merger of pension funds (hereinafter the 'successor pension fund').

(3) The provisions of paragraph (1)(a) and (d) are without prejudice to the provisions of a separate regulation.<sup>57</sup>

(4) An application for prior approval:

- (a) under paragraph (1)(a) shall be submitted by the legal or natural persons planning to acquire an interest in the share capital of the PFMC, or an entity planning to become the parent company of the PFMC;
- (b) under paragraph (1)(b) and (f) to (h) shall be submitted by the PFMC;
- (c) under paragraph (1)(c) shall be submitted by the PFMC or a shareholder of the PFMC;
- (d) under paragraph (1)(d) shall be submitted by the PFMCs which are to be merged;
- (e) under paragraph (1)(e) shall be submitted by the PFMC which manages the respective pension funds or the receiver thereof;
- (f) under paragraph (1)(i) shall be submitted by the PFMC establishing a new pension fund;
- (g) under paragraph (1)(j) shall be submitted by the PFMC which is to merge the pension funds.

(5) A decision on an application under paragraph (1)(a) shall be taken by Národná banka Slovenska within three months from when the application was delivered or supplemented. A decision on an application under paragraph (1)(c) shall be taken by Národná banka Slovenska within 30 days from when the application was delivered or supplemented. A decision on an application under paragraph (1)(b) and (d) to (j) shall be taken by Národná banka Slovenska within a period stipulated by a separate regulation,<sup>43</sup> unless otherwise provided by this Act.

(6) In addition to the general elements of a decision as defined in a decision under a separate regulation,<sup>43</sup> the statement of the decision under paragraph (1)(e) shall include the following:

- (a) the names of the pension funds that are to be transferred to the transferee PFMC;
- (b) the business name, registered office address, and company registration number of the PFMC to which the management of the pension funds is to be transferred;
- (c) the approval of amendments to the pension funds' rules concerning the PFMC to which the pension funds' management is to be transferred;
- (d) the business name, registered office address and company registration number of the depository; if the transfer of the pension funds' management involves a change of the pension funds' depository, the decision shall include the approval of the change of depository;
- (e) specification of the day on which the pension funds' management will be transferred;
- (f) the approval of the merger of the pension funds, where the transfer of management concerns pension funds pursuant to Article 72(4).

(7) The statement of a decision made under paragraph (1)(j) shall state, in addition to the general elements laid down in a separate regulation,<sup>43</sup> the following:

- (a) the name of the newly established pension fund;
- (b) the business name, registered office address and company registration number of the depository of the newly established pension fund;
- (c) the approval of the rules and prospectus of the newly established pension fund.

(8) The statement of a decision made under paragraph (1)(j) shall state, in addition to the general elements laid down in a separate regulation,<sup>43</sup> the following:

- (a) the name of the dissolving pension fund and the name of the successor pension fund;
- (b) the business name, registered office address and company registration number of the

- depository of the successor pension fund;
- (c) the approval of the rules and prospectus of the successor pension fund or the approval of the amendments to the rules and to the prospectus of the successor pension fund.

(9) Where the general meeting or a competent body of a PFMC takes a decision on a matter for which Národná banka Slovenska has granted prior approval, the PFMC 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. The PFMC shall without undue delay inform Národná banka Slovenska of the performance of any acts for which prior approval has been granted.

(10) The prior approval of Národná banka Slovenska pursuant to paragraph (1)(g) is not required if prior approval has been granted by Národná banka Slovenska under paragraph (1)(f) and the sole reason for amending the rules of the pension fund is a change in the depository of the PFMC.

(11) If a natural person for whom Národná banka Slovenska has granted prior approval under paragraph (1)(c) is not appointed or elected to the respective position within three months after the entry into force of the decision, the prior approval shall expire.

(12) In its decision to grant approval under paragraph (1)(a), (b), (d), (f), (g), (i) and (j), 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 when the decision entered into force.

(13) Actions which require the prior approval of Národná banka Slovenska under this Act are deemed invalid if performed without this prior approval, with the exception mentioned in paragraph (1)(a).

(14) Národná banka Slovenska shall issue a decree stipulating the elements of an application for prior approval under paragraph (1) and the full text of this decree shall be published in the Collection of Laws of the Slovak Republic.

### **Article 53**

#### **Prudential business rules for a PFMC**

- (1) PFMCs shall comply with prudential business rules that apply to:
- (a) the organisation, management, and organisational structure of a PFMC (Article 54);
  - (b) the performance of internal control (Article 55);
  - (c) accounting procedures (Article 56);
  - (d) the maintenance of business documentation (Article 57) and investment management (Article 47 (2)(a));
  - (e) conflict of interests (Article 58);
  - (f) the monitoring and maintenance of capital adequacy (Article 60).

(2) The purpose of the rules mentioned in paragraph (1) shall be to ensure that a pension fund's assets are invested in compliance with this Act, with legislation of general application, and with the rules of the pension fund.

(3) Národná banka Slovenska may issue a decree stipulating details of prudential business rules and the full text of such decree shall be published in the Collection of Laws of the Slovak Republic.

## **Article 54**

### **Organisation, management, and organisational structure of a PFMC**

(1) PFMCs shall, in their articles of association, regulate the relations and cooperation between their management board, supervisory board, authorised representatives, senior employees responsible for specialist activities under this Act who report directly to the management board, and the internal control officer.

(2) PFMCs shall draft and comply with internal regulations and procedures for ensuring the fulfilment of prudential business rules and operating rules.

(3) The organisational structure and management system of a PFMC shall:

(a) ensure:

1. the due and secure performance of activities stated in the company's authorisation;
2. compliance with the principal of equality and protection of prospective savers and of savers;
3. efficient investigation and handling of complaints made by savers; and

(b) minimise risks to the interests of prospective savers and savers resulting from a conflict of interest between the PFMC and its prospective savers or savers, or between its savers.

(4) The organisational structure of a PFMC shall include an internal control officer. The PFMC shall ensure that the internal control officer has access to all information and materials required for the proper exercise of their duties. The management board is responsible for whether the internal control officer exercises their duties.

(5) An employee of a PFMC responsible for:

- (a) the performance of an activity mentioned in Article 47(2a) or any part thereof may not concurrently perform an activity mentioned in Article 47(2)(b) or any part thereof;
- (b) the risk management of a pension fund may not concurrently carry out the settlement of transactions in the pension fund;
- (c) the accounting of a pension fund may not concurrently carry out the settlement of transactions in the pension fund.

(6) Within ten days after amending its organisational structure, a PFMC shall submit its organisational structure to Národná banka Slovenska.

(7) The management board of a PFMC shall have at least three members. A written legal act performed on behalf of a PFMC shall not be valid unless signed by at least two members of the management board of the PFMC.

(8) The management board of a PFMC may issue a general power of attorney to at least two authorised representatives to ensure that the consent of two of them is required for representation and signing.

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

#### **Article 54a** **Personal data protection**

(1) In order to identify prospective savers, savers, and authorised persons mentioned in Article 40(1) and to conclude, perform and subsequently check old-age pension scheme agreements, and for the purposes mentioned in paragraph (3), prospective savers, savers and authorised persons mentioned in Article 40(1) shall, when concluding an old-age pension scheme agreement of the PFMC, with or without the consent of the persons concerned,<sup>58a</sup> meet any request of the PFMC

(a) to provide:

1. personal identification information<sup>58b</sup> on the natural person, including their full name, permanent address, temporary address, if any, personal identification number, if assigned, date of birth, nationality, and the type and number of their identity document;
2. identification information on the legal entity, including its name, company registration number, if assigned, registered office address, place of business address, the address of its organisational units or 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 entity'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 entity 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 an old-age pension scheme agreement;

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

1. personal identification information<sup>58b</sup> on the natural person from an identity document; and
2. additional information from documents proving the information to which point (a) applies.

(2) When concluding an old-age pension scheme agreement, a PFMC may, in order to identify the prospective saver, saver, or authorised person mentioned in paragraph (3), and for the purposes mentioned in paragraph (3), require the prospective saver, saver or, authorised person to provide the information referred to in paragraph (1)(a) and may acquire this information in the way mentioned in paragraph (1)(b). Prospective savers, savers, and authorised persons shall meet any such request made by the PFMC.

(3) PFMCs may, with or without obtaining the consent of or informing the persons concerned,<sup>58a</sup> establish, obtain, record, store, use, and otherwise process<sup>58d</sup> personal information



and other information, to the extent laid down in paragraph (1), in order to identify prospective savers, savers, and authorised persons, to conclude, perform and subsequently check old-age pension scheme agreements, to protect and enforce the rights of the PFMC towards savers and authorised persons, to document activities of the PFMC, to supervise PFMCs and their activities, and to fulfil the obligations and tasks of the PFMC in accordance with this Act and with separate regulations;<sup>58c</sup> the PFMC may for this purpose, by automated or non-automated means, make copies of identity documents.

(4) The information to which paragraphs (1) to (3) apply shall be made available and provided<sup>58e</sup> by the PFMC, with or without obtaining the consent of or informing the persons affected,<sup>58a</sup> to other persons for the purpose of processing in the cases laid down by a separate regulation and to Národná banka Slovenska for supervision purposes in accordance with this Act and separate regulations.

(5) 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 a separate law.<sup>58f</sup>

## **Article 55**

### **Internal control**

(1) PFMCs shall draw up and maintain an effective internal control system. For each pension fund under their management, PFMCs shall also draw up and maintain an internal control system. For the purposes of this Act, ‘internal control’ means the checking of compliance with laws and other legislation of general application, the rules of the managed pension funds, the articles of association of the PFMC, prudential business rules, and other internal regulations and procedures within the activities of the PFMC, where the control is exercised by one or more employees of the PFMC or by other entities on the basis of a contract.

(2) Through their internal control system and in order to prevent losses or damage resulting from deficient management, PFMCs shall ensure the performance of:

- (a) control activities as part of operating work procedures and the implementation of remedial measures based on results of control activities, including monitoring of the implementation of approved proposals and recommendations for the rectification of deficiencies;
- (b) an audit, independent of operating work procedures, carried out by the internal control officer, or in extraordinary and predefined cases, carried out as a part of the operating work procedure, provided that independence is ensured and any conflict of interests is excluded.

(3) The supervisory board of a PFMC may require the internal control officer to perform an internal control audit of the PFMC, to the extent defined by the board.

(4) The internal control officer of a PFMC shall without undue delay notify in writing the supervisory board, the depository, and Národná banka Slovenska of any fact learnt while performing the duties of this position which indicates a breach of the obligations imposed on the PFMC by laws or other legislation of general application, the rules of the pension funds, the articles of association of the PFMC, prudential business rules, or other internal regulations and procedures within the activities of the PFMC, being such that could affect the proper performance of the activities of the PFMC, the internal control officer shall without undue delay give written

notification of this fact to the supervisory board, the depository, and Národná banka Slovenska.

(5) The internal control officer may not be a member of the management board, a member of the supervisory board, an authorised representative, a senior employee responsible for specialist activities under this Act who reports directly to the management board, or an employee responsible for investment management of any PFMC.

(6) The internal control officer shall submit to Národná banka Slovenska by 31 December of the current calendar year a plan of control activities for the following year.

(7) The internal control officer shall submit to Národná banka Slovenska by 31 March of the current calendar year a report on their activities for the previous calendar year, on any shortcomings identified in the activities of the PFMC and on measures adopted to remedy the shortcomings. Národná banka Slovenska may issue a decree stipulating the structure and contents of the report mentioned in the first sentence and the full text of this decree shall be published in the Collection of Laws of the Slovak Republic.

(8) Národná banka Slovenska may order the internal control officer to supplement the plan mentioned in paragraph (6) and the report mentioned in paragraph (7). Any such supplementation shall be carried out by the internal control officer within a time limit specified by Národná banka Slovenska.

### **Article 55a**

#### **Risk management and risk measurement**

(1) PFMCs shall:

- (a) introduce a risk management system, being understood to mean the adoption of appropriate and effective procedures, tools and measures for the timely and commensurate identification, continuous measurement and management of those significant risks to which the assets of a pension fund managed by the PFMC are or may be exposed;
- (b) adjust the risk management system and the way it is updated by an internal regulation;
- (c) ensure compliance with limits for global exposure and counterparty risk in pension funds' assets.

(2) For the purposes of paragraph (1), a PFMC shall:

- (a) implement risk measurement measures and procedures essential for ensuring that risks associated with 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 it uses the Value-at-Risk approach, perform back-testing in order to examine the functionality of risk measurement measures, with this testing to include forecasts and estimates based on appropriate models;
- (c) if it uses the Value-at-Risk approach, perform periodical stress testing and analyses of stress scenarios in order to take account of market risks that may adversely affect pension funds under the company's management;
- (d) introduce and apply a documented system of internal limits for measures used in the management and checking of the risks relevant to each pension fund, taking into account all

risks that could be significant for each pension fund and ensuring compliance with the respective fund's risk profile;

- (e) ensure that for each pension fund the current level of risks is consistent with the system of internal risk limits mentioned in point (d);
- (f) introduce and apply appropriate procedures which in response to an actual or expected breach of the internal risk limit system mentioned in point (d) will ensure timely remedial measures for the benefit of savers.

(3) For the purposes of paragraphs (1) and (2), significant risks that may reasonably be expected to be detrimental to savers are understood to mean:

- (a) credit risk, being the risk that a 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 pension 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 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 and share prices;
- (c) operational risk, being the risk that a pension fund incurs a loss due to inappropriate internal procedures and failures associated with persons and systems of the PFMC or to external events; operational risk includes legal and documentation risks and risks related to trading, settlement and valuation procedures applied in the management of a pension fund's assets.

(4) For the purposes of the paragraph (1), PFMCs shall designate a person responsible for risk management conducted independently and separately from other activities of the PFMC.

(5) The person responsible for risk management shall at a minimum:

- (a) implement risk management policies and procedures;
- (b) monitor whether current risk levels are consistent with the internal limits system mentioned in paragraph (2)(d) and with the global exposure limits pursuant to Article 82c(2);
- (c) submit periodical regular reports to the management board of the PFMC
  - 1. on whether current risk exposure of each pension fund under management is consistent with the risk profile of the fund,
  - 2. on compliance with the risk-spreading limits for each of the managed pension funds,
  - 3. on the adequacy and effectiveness of risk management procedures, and particularly on the adoption of appropriate remedial measures in response to the deficiencies identified;
- (d) provide periodical reports to the management board of the PFMC on every actual or foreseeable breach of risk-spreading limits, so as to allow the adoption of timely and appropriate measures;
- (e) examine and support measures and procedures for the valuation of over-the-counter financial derivatives.

(6) Národná banka Slovenska may issue a decree stipulating:

- (a) details of the risk management system;
- (b) details of the person responsible for risk management;
- (c) other risks recognised for the purposes of risk management;
- (d) additional elements of the prospectus and annual portfolio management report of a pension fund in regard to risk measurement and risk management in the fund;

- (e) details of
  - 1. the conduct of back-testing mentioned in paragraph (2)(b),
  - 2. the conduct of stress testing mentioned in paragraph (2)(c); or
- (f) qualitative and quantitative requirements for stress testing.

## **Article 56**

### **Accounting**

(1) PFMCs shall keep separate and independent accounts for themselves and each pension fund under their management and they shall prepare financial statements for themselves and for each of these pension funds.<sup>59</sup> The financial statement of a PFMC and a 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 PFMC.

(2) PFMCs shall notify Národná banka Slovenska in writing of the auditor and they shall do so by 30 June of the calendar year for which the audit is to be conducted. Until 30 September of that same calendar year, Národná banka Slovenska may reject the auditor of a PFMC. Where a PFMC is issued an authorisation under Article 48, 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 PFMC shall notify Národná banka Slovenska of the new auditor within 15 days after the effective date of the decision to reject the auditor, and Národná banka Slovenska may reject the auditor within 30 days after being so notified. If Národná banka Slovenska rejects also the new auditor, it shall designate an auditor to audit the financial statements of the PFMC and of the 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 PFMC 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 a separate regulation,<sup>59</sup> a PFMC shall also prepare interim financial statements as at the last day of each calendar quarter.

(6) An auditor who audits the financial statements of a PFMC 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 PFMC;
- (b) may affect the proper performance of the activities of the PFMC;
- (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) apply equally to an auditor that audits the financial statements of natural persons and legal entities which along with the PFMC constitute a group with close links.<sup>48</sup>

(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 PFMC.

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

## **Article 57**

### **Business documentation**

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

(2) PFMCs shall keep a register of contracts and instructions relating to the use of a 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;
- (b) information on the other contracting party if this contracting party is known;
- (c) repealed as of 1 January 2008;
- (d) the date when the contract was concluded and its effective date;
- (e) information on the subject-matter of the contract.

(3) PFMCs shall keep the records mentioned in paragraphs (1) and (2) and other documents concerning the pension funds under their management and the services they provide for at least five years from when they cease to manage the pension fund to which the records and documents relate. PFMCs shall provide such records and documents to Národná banka Slovenska without undue delay upon request.

(4) PFMCs may keep in paper form or electronically on durable media the records mentioned in paragraphs (1) and (2) and other documentation 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 PFMC has a system in place to protect against information loss.

## **Conflict of interests**

## **Article 58**

(1) PFMCs shall prevent conflicts of interests between themselves and savers, between savers, and between themselves and any group with close links<sup>48</sup> of which they are part.

(2) PFMCs may not acquire for a pension fund's portfolio:

- (a) securities issued by a legal entity that has a qualifying holding in the share capital of the same PFMC;
- (b) securities issued by the PFMC that manages this pension fund.

(3) PFMCs may not acquire for a pension fund's portfolio securities issued by a legal entity in which:

- (a) a member of the statutory body or an authorised representative is, in the PFMC, a member of the management board, an authorised representative, a senior employee responsible for specialist activities under this Act who reports directly to the management board, or an employee responsible for the investment management, or is close to any such person;<sup>60</sup>
- (b) internal control<sup>54</sup> is performed by a person who, in the PFMC, is a member of the management board, a member of the supervisory board, an authorised representative, a senior employee responsible for specialist activities under this Act who reports directly to the management board, or an employee responsible for investment management, or is close to any such person.<sup>60</sup>

(4) PFMCs may not conduct transactions related to a pension fund's portfolio with a legal entity in which a member of the statutory body or an authorised representative is, in the same PFMC, a member of the management board, an authorised representative, a senior employee responsible for specialist activities under this Act who reports directly to the management board, an employee responsible for investment management, or is close to any such person;<sup>60</sup> this does not apply to anonymous transactions. PFMCs may not conduct transactions in derivatives related to a pension fund's assets with a legal entity that has a qualifying holding<sup>46</sup> in the share capital of the PFMC.

(5) PFMCs may not use a pension fund's assets to cover or meet liabilities not directly concerning an activity related to the management or use of these assets.

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

(7) A person whose position in a PFMC is a member of the management board, a member of the supervisory board, an authorised representative, a senior employee responsible for specialist activities under this Act who reports directly to the management board, the internal control officer, or an employee responsible for investment management may not be an employee, an authorised representative or a member of the statutory body of another financial institution; this provision does not apply where the financial institution and PFMC are part of a group with close links,<sup>48</sup> and it is without prejudice to provisions on conflict of interests under separate regulations.<sup>62</sup>

(8) A person whose position in a PFMC is a member of the management board, an authorised representative, or an employee may not be a member of the supervisory board of:

- (a) a depository with which the PFMC has concluded a depository contract;
- (b) another PFMC.

(9) A person whose position in a PFMC is a member of the management board, member of the supervisory board, authorised representative or employee may not be a member of the Government of the Slovak Republic, the head of a central government body 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, a member of a body of Národná banka Slovenska, or an employee of Národná banka Slovenska.

(10) A person whose position in a PFMC is a member of the management board, member of the supervisory board, authorised representative, or employee may not, within the commercial activities of the PFMC, place their own interests ahead of those of savers.

## **Article 59**

(1) Assets that may be an object of investment under this Act may be purchased by a PFMC for its own portfolio, or sold from its portfolio, provided that such purchase or sale does not conflict with the interests of savers. PFMCs may not place their own interests ahead of those of savers.

(2) A person who in PFMC is a member of the management board, member of the supervisory board, authorised representative, senior employee,<sup>47</sup> employee responsible for investment management, 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 pension fund managed by the PFMC, nor may they sell securities, money market instruments or derivative instruments to the asset portfolio of such a pension fund. If a person whose position in a PFMC is a member of the management board, an authorised representative, a senior employee responsible for specialist activities under this Act who reports directly to the management board, or an employee responsible for investment management acquires or sells the security of an issuer whose securities are included in a pension fund's portfolio, they shall inform Národná banka Slovenska of this fact within three working days.

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

## **Article 60**

### **Capital adequacy of PFMCs**

(1) PFMCs are required to maintain capital adequacy.

(2) The own funds of a PFMC are deemed to be adequate under this Act, if

- (a) they are not lower than 25% of the general operating expenses for the previous calendar year; if a PFMC has been running its activity for less than one year, 25% of the value of the general operating expenses stated in its business-financial plan, and



- (b) the ratio of the difference of the liquid assets and liabilities and claims to the value of assets in all pension funds under the management of the PFMC is not less than 0.005.

(3) Národná banka Slovenska shall issue a decree defining the own funds that PFMCs are required to maintain, stipulating how to calculate the amount of own funds, defining general operating expenses, liquid assets, liabilities and claims, stipulating how to calculate the amount of liquid assets, and stipulating how to demonstrate compliance with the condition on capital adequacy mentioned in paragraph (2); the full text of this decree shall be published in the Collection of Laws of the Slovak Republic.

## **Operating rules for the management of pension funds**

### **Article 61**

(1) In managing the assets of pension funds, PFMCs shall act independently, in their own name, and in the interests of savers; this is without prejudice to the right of PFMCs to outsource activities mentioned in Article 67(1) to another entity pursuant to Article 67.

(2) In managing pension funds, PFMCs shall:

- (a) perform activities to ensure the best interests and protection of savers while complying with legislation of general application, the rules of the pension funds, and rules and decisions of Národná banka Slovenska ;
- (b) act with good faith and honesty when performing their activities and to ensure the best interests and protection of savers;
- (c) exercise professional care and prudence to ensure the best interests and protection savers and in the interests of their protection;
- (d) make effective use of personnel and material-technical resources to ensure the due performance of their activities;
- (e) avoid conflicts of interests, especially conflicts with the interests of savers, and, where a conflict of interests arises or is unavoidable, give the interests of savers priority over its own interests, the interests of shareholders in the PFMC, and the interests of other entities, and ensure the equal and fair treatment of all savers;
- (f) apply the principle of equal treatment in relations with savers.

(3) Exercising professional care under paragraph (2) means in particular:

- (a) managing a pension fund's assets in accordance with the objective of the investment policy and with the risk profile defined in the rules of the pension fund;
- (b) preventing the risk of financial losses;
- (c) analysing the profitability of transactions on the basis of available information;
- (d) comparing the rates or prices of each purchase or sale with each other and with the development of rates and prices of, demand for, and supply of transferable securities, money market instruments and financial derivatives;
- (e) conducting transactions in a pension fund's assets in such a way that the countervalue is transferred in favour of the pension fund's assets on the principle of payment against delivery, provided that this is not precluded by the nature of the transaction, and 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) buying or selling securities or money market instruments for or from a pension fund's portfolio for the best price obtainable in favour of the pension fund.

(4) PFMCs shall, at the request of Národná banka Slovenska, provide credible evidence of the exercise of professional care. If a PFMC fails to comply with this request, it is deemed not to have acted with professional care.

(5) Securities may be purchased for, or sold from, a pension fund's asset portfolio on the listed market of a stock exchange or on the regulated open market of a stock exchange or a foreign stock exchange only through the acceptance or submission of offers pre-designated for an unspecified group of persons (anonymous transactions).

(6) Národná banka Slovenska shall issue a decree stipulating details of the operating rules to be followed when managing pension funds in accordance with paragraphs (1) to (3) and details of what is meant by the exercise of professional care; the full text of this decree shall be published in the Collection of Laws of the Slovak Republic.

(7) PFMCs shall perform its activities so as not to breach the security of the financial system and it may not manipulate securities prices.<sup>63</sup>

(8) PFMCs shall compensate savers 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 pension fund.

(9) In the event that a claim to compensation under paragraph (8) is made in court proceedings under a separate regulation,<sup>64</sup> the PFMC shall, at the request of the save, prove that it has exercised professional care. If a PFMC 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.

(10) Savers may not make a claim for compensation against Národná banka Slovenska for a breach of the law committed by a PFMC.

## **Article 62**

### **Duty of confidentiality**

(1) Members of the management board, members of the supervisory board, employees, authorised representatives, liquidators, receivers, trustees in bankruptcy, and other persons involved in the activities or liquidation of a PFMC 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 savers.

(2) The confidentiality obligation mentioned in paragraph (1) shall remain in effect after the termination of the employment relationship or other legal relationship.

(3) The confidentiality obligation under paragraph (1) is not deemed breached if the

information is provided to:

- (a) the Social Insurance Agency;
- (b) Národná banka Slovenska for the purposes supervision under this Act;
- (c) a court for the purposes of civil court proceedings;<sup>64</sup>
- (d) a criminal law enforcement authority for the purposes of criminal proceedings;<sup>65</sup>
- (e) the Criminal Police or Financial Police of the Police Force for the purposes of fulfilling their tasks;
- (f) tax authorities for the purposes of tax proceedings.<sup>67</sup>

(4) The provisions of paragraphs (1) to (3) are without prejudice to the obligation imposed by a separate law to prevent or report the commission of a crime.<sup>68</sup>

(5) Národná banka Slovenska may use information acquired in exercising supervision under this Act solely for the purposes of supervision.

### **Article 63** **Fees of PFMCs**

(1) PFMCs may, under the conditions laid down in this Act, charge:

- (a) a fee for the management of a pension fund (hereinafter a ‘pension fund management fee’);
- (b) a fee for maintaining a personal pension account (hereinafter a ‘personal pension account fee’);
- (c) a fee linked to the performance of a pension fund (hereinafter a ‘pension fund performance fee’).

(2) A fee charged by a PFMC under paragraph (1), and any change to such fee, shall be determined by the PFMC; a change to a fee charged by a PFMC means an increase or reduction in the fee.

(3) Before a PFMC changes a fee referred to paragraph (1), it shall announce the fee change in a periodical publication with nationwide circulation and on its website no later than 30 days before the fee change takes effect. Where a PFMC publishes information about a fee change on its website in accordance with the first sentence, it shall ensure that this information remains on its website continuously for at least 60 days thereafter.

(4) When calculating and recording a pension fund management fee or a pension fund performance fee, a PFMC may not reduce the number of pension points in the pension fund. Pension fund management fees and pension fund performance fees may be calculated and recorded only by reducing the net asset value of the pension fund. A personal pension account fee may be calculated and recorded only in the unassigned payments account.

### **Article 63a** **Pension fund management fee**

(1) A pension fund management fee shall include the costs incurred by the PFMC in relation to the management of the pension fund, with the exception of:

- (a) taxes payable on assets held in the pension fund;

- (b) fees charged by an entity providing settlement of transactions in financial instruments;
- (c) fees for current accounts and deposit accounts;
- (d) fees charged by an investment firm or foreign investment firm;
- (e) fees charged by a central securities depository or member of a central securities depository for the management of securities, or by an entity that has a similar scope of business and is resident outside the Slovak Republic; and
- (f) a proportion of the depository fee corresponding to the assets of the pension fund as a share of the total amount of assets managed by the PFMC.

(2) The costs mentioned in paragraph (1)(a) to (f) shall be met out of the assets of the pension fund.

(3) The remuneration from the management of a pension fund for a period of one calendar year, as laid down in the rules of the pension fund, must not exceed 0.3% of the average annual preliminary net asset value of the pension fund.

(4) The pension fund management fee shall be calculated using data on the preliminary net asset value of the pension fund as defined in Article 75(4).

(5) PFMCs shall on each working day calculate a proportion of the pension fund management fee. The pension fund management fee for each working day shall be reduced by the amount of the proportion of the fee for that day.

#### **Article 63b** **Personal pension account fee**

A personal pension account fee must not exceed 1% of the amount of the contributions credited to the unassigned payments account prior to the crediting of pension points to the saver's personal pension account.

#### **Article 63c** **Pension fund performance fee**

(1) The amount of a pension fund performance fee shall be calculated on each working day according to the formula laid down in Annex 2. PFMCs may not charge a pension fund performance fee if the amount calculated in accordance with the previous sentence is negative.

(2) On the day that they calculate the amount of a pension fund performance fee under paragraph (1), PFMCs shall reduce the net asset value of the respective pension fund by the amount of that fee.

#### **Article 63d** **The obligation of PFMCs to replenish the assets of pension funds**

(1) If the value of the pension point in a guaranteed bond pension fund declines during the assessment period, the PFMC shall, on the first working day following the last day of that period, replenish the asset value of the guaranteed bond pension fund out of the company's own assets, by

an amount equivalent to the product of the decline in the value of the pension point and the average net asset value of the guaranteed bond pension fund for the assessment period. The liability of the PFMC to replenish assets in accordance with the first sentence constitutes a claim on the PFMC arising from the pension fund's assets, and the PFMC is required to satisfy that claim within three working days after the end of the assessment period.

(2) A decline in the value of a pension point in a guaranteed bond pension fund under paragraph (1) means the negative ratio of the arithmetic average of the current value of pension points for the last calendar month of the assessment period to the arithmetic average of the current value of pension points for the first calendar month of the assessment period, reduced by a value of 1.

(3) The assessment period mentioned in paragraphs (1) and (2) means the last ten consecutive calendar years. A new period shall begin on 1 January of each calendar year, to run alongside the periods that have already begun.

(4) The rules of a pension fund shall, in accordance with Article 72(5)(a), include an undertaking of the PFMC to replenish the assets of the pension fund; paragraphs (1) and (2) apply equally to the pension fund. For the purposes of the first sentence, the length of the assessment period shall be laid down by the PFMC in the rules of the of the pension fund as the relevant number of consecutive calendar years, not exceeding 15 years. A new period shall begin on 1 January of each calendar year, to run alongside the periods that have already begun.

#### **Article 63e**

##### **Expenses of PFMCs and expenses charged to natural persons and legal entities by PFMCs**

(1) Expenses of PFMCs and expenses charged to natural persons and legal entities by PFMCs in regard to the conclusion of an old-age pension scheme agreement (including any amendments thereto) and to any related activities may not exceed 8% of the average monthly wage in the Slovak economy, as reported by the Statistical Office of the Slovak Republic for the calendar year two years prior to the calendar year in which the old-age pension scheme agreement, or amendment thereto, was concluded.

(2) Expenses of PFMCs and expenses charged to natural persons and legal entities by PFMCs in relation to the promotion and advertising of pension funds under Article 47(2)(c) and Article 112(1) and (3) for the period of a calendar year may not exceed 1000 times the average monthly wage 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 these expenses were incurred.

#### **Old-age pension scheme agreement**

#### **Article 64**

(1) A natural person may conclude an old-age pension scheme agreement with a PFMC provided that:

(a) their first participation in pension insurance has been established, and

- (b) they have not attained 35 years of age as at the date on which they sign the old-age pension scheme agreement.

(2) A first old-age pension scheme agreement with a PFMC may be concluded also by natural persons who participated in pension insurance under a separate regulation<sup>3</sup> before 1 January 2005, provided that from 1 January 2005 to 30 June 2006 they were included in a register of job-seekers or, being at least 16 years of age, were continuously enrolled in occupational training at a secondary school or university, that during the period of such registration or training and from the end of such registration or training until 31 December 2012 they were not covered by pension insurance as an employee, nor were they covered by mandatory pension insurance as a self-employed person or by voluntary pension insurance under a separate regulation,<sup>3</sup> and that their participation in pension insurance under a separate regulation<sup>3</sup> was re-established after 31 December 2012.

(3) Savers who switch from one PFMC to another pursuant to Article 64b shall conclude an old-age pension scheme agreement with the company to which they switch.

(4) A saver or natural person mentioned in paragraphs (1) or (2) may not concurrently be party to more than one old-age pension scheme agreement, unless:

- (a) the saver is switching between PFMCs pursuant to Article 64b, in which case, from the date on which the saver's new old-age pension scheme agreement is entered in the Register of Agreements until the switching date, the saver may be party to two effective old-age pension scheme agreements; or
- (b) the saver is party to two scheduled pension payment agreements for the reason given in Article 46h(8), second sentence.

(5) Before concluding an old-age pension scheme agreement, a PFMC shall familiarise the prospective saver with the rules and portfolio management reports of each of the pension funds established and managed by the PFMC and with the management report of the PFMC. PFMCs shall be liable for damage caused by activities related to the conclusion of an old-age pension scheme agreement.

(6) An old-age pension scheme agreement shall include:

- (a) the business name, registered office address and company registration number of the PFMC, the name of the commercial register in which the company is entered, and the number of its entry in that register;
- (b) the full name, permanent address, date of birth and social security company registration number of the natural person who is concluding the old-age pension scheme agreement;
- (c) the name of the pension fund that the saver has selected;
- (d) an undertaking of the PFMC to manage the pension fund that the saver has selected;
- (e) information about which pension fund the PFMC is required to replenish if the pension-point value declines;
- (f) if the person concluding the old-age pension scheme agreement has decided to pay voluntary contributions, their declaration that they intend to make voluntary contributions in accordance with this Act, as well as the payment conditions for their voluntary contributions; penalty payments for non-payment of voluntary contributions may not be included in the agreement;
- (g) the date on which and place where the old-age pension scheme agreement was concluded;

- (h) a declaration by the PFMC that it has fulfilled the obligation under paragraph (5), and the saver's confirmation of this fact;
- (i) the signatures of the contracting parties.

(7) The information mentioned in paragraph (6)(e) must be stated on the same page of the old-age pension scheme agreement as the description of the natural person concluding the agreement and it must be stated in a font of the same type and size as that of the agreement's other preprinted provisions.

(8) Old-age pension agreements may stipulate the ratio in which contributions are divided between pension funds and, as at a specified date, the ratio in which the saver's pension savings, meaning assets, are divided between pension funds. If the ratio stipulated in an old-age pension scheme agreement for the division of pension savings between pension funds does not satisfy the requirement laid down in Article 92, this part of the agreement shall be void and the ratio in which pension savings are divided between pension funds shall be determined according to the provisions of this Act.

(9) If a natural person concluding an old-age pension scheme agreement or a saver determines that, in the event of their death, a natural person will be the authorised person pursuant to Article 40(1), their old-age pension scheme agreement shall state the full name, personal identification number, and permanent address of that natural person; if a legal entity is designated as the authorised person pursuant to Article 40(1), the old-age pension scheme agreement shall state the name, company registration number, and registered office address of that legal entity.

(10) Old-age pension scheme agreements may not be cancelled, contractually terminated, or terminated by agreement between the contracting parties. Old-age pension scheme agreements shall expire as of the day on which:

- (a) the saver dies;
- (b) the saver switches from one PFMC to another PFMC pursuant to Article 64b;
- (c) the legal status of the saver terminates pursuant to Article 17a;
- (d) a scheduled pension payment agreement between the saver and a PFMC other than the one with which they were a saver enters into force, if after the transfer of assets on the basis of this agreement, the saver's personal pension account in the PFMC from which the assets were transferred has a zero balance, or if assets in this amount were not transferred and:
  - 1. an agreement was made pursuant to Article 46h(12)(a); or
  - 2. a period of three months has passed since date on which the concluding of the scheduled pension payment agreement was recorded;
- (e) the last scheduled payment of the old-age pension or early retirement pension was made, provided that the saver does not have another pension account with a positive balance;
- (f) the insurer's obligation to perform the pension insurance contract arises, if after the payment of the lump-sum premium on the basis of that contract, the saver's personal pension account in the PFMC from which the assets were transferred has a zero balance, or if the lump-sum premium was not paid in this amount and:
  - 1. an agreement was made pursuant to Article 46f(9)(a) or (b); or
  - 2. a period of three months has passed since date on which the concluding of the pension insurance contract was recorded;
- (g) an amount was paid pursuant to Article 45(6).



(11) Savers to whom the Social Insurance Agency has assigned a PFMC are deemed to be savers who have concluded an old-age pension scheme agreement.

(12) Natural persons who transfer to the old-age pension scheme their pension rights from a pension scheme of the European Union or an institution thereof may also conclude an old-age pension scheme agreement with a PFMC.

### **Article 64a**

#### **Register of Agreements**

(1) The Social Insurance Agency shall establish and maintain the Register of Agreements.

(2) An old-age pension scheme agreement shall come into effect immediately upon its entry in the Register of Agreements.

(3) The Social Insurance Agency shall not enter an old-age pension scheme agreement in the Register of Agreements if:

- (a) it contains incomplete or erroneous information;
- (b) the natural person who concluded the old-age pension scheme agreement does not satisfy the conditions for concluding such agreement under Article 64 or 64b;
- (c) the Social Insurance Agency has not issued to the saver who concluded the old-age pension scheme agreement in accordance with Article 64b(1) an acceptance certificate referred to in Article 64b(2).
- (d) the saver has concluded an old-age pension scheme agreement pursuant to Article 64b(1) after the entry of the order for the issuance of the certificate to this saver, and the offer under Article 46, Article 46a or Article 46b continues to be binding.

(4) If more than one old-age pension scheme agreement is delivered to the Social Insurance Agency, the agreement that was delivered first shall be the one entered by the Social Insurance Agency in the Register of Agreements.

(5) After entering an old-age pension scheme agreement in the Register of Agreements, the Social Insurance Agency shall without undue delay notify this fact to the PFMC. Written notification of the entry of the old-age pension scheme agreement in the Register of Agreements shall be given without undue delay by the PFMC to the saver with whom it concluded the agreement.

(6) If the Social Insurance Agency does not enter an old-age pension scheme agreement in the Register of Agreements, it shall without undue delay notify this fact to the PFMC, giving a reason mentioned in paragraph (3). If the Social Insurance Agency does not enter an old-age pension scheme agreement in the Register of Agreements owing to a reason mentioned in paragraph (3)(a), (b) or (d), the PFMC shall notify in writing the natural person who concluded the old-age pension scheme agreement that the agreement has not been entered in the Register of Agreements for that reason. If the PFMC removes the reason for not registering the old-age pension scheme agreement referred to in the second sentence and resends the information contained in this agreement to the Social Insurance Agency pursuant to Article 65(3), the social insurance agency

shall enter the agreement in the Register of Agreements as at the day when the agreement, compliant with the requirements of this Act, was delivered to the Social Insurance Agency.

(7) If the Social Insurance Agency does not enter an old-age pension scheme agreement in the Register of Agreements owing to reasons other than those mentioned in paragraph (3)(a), the agreement shall expire upon the day when the Social Insurance Agency informs the PFMC that the agreement has not been entered in the Register of Agreements. The PFMC shall without undue delay notify in writing the natural person with whom it had concluded the old-age pension scheme agreement that the agreement has expired.

(8) The Social Insurance Agency shall without undue delay delete an old-age pension scheme agreement from the Register of Agreements if the agreement has expired, if the agreement should not have been entered in the Register of Agreements owing to a reason mentioned in paragraph (3) and this reason is discovered after the agreement's registration in Register of Agreements, or if a court decides that such contract is invalid or has not been established. If the Social Insurance Agency deletes an old-age pension scheme agreement from the Register of agreements, it shall without undue delay notify the PFMC that it has done so. The PFMC shall without undue delay notify in writing the natural person with whom it had concluded the old-age pension scheme agreement that the agreement has been deleted from the Register of Agreement.

(9) Where an old-age pension scheme agreement has been deleted from the Register of Agreements on the basis of a court decision on its invalidity or non-establishment, or because it should not have been entered in the Register of Agreements owing to a reason mentioned in Article 64a(3), and the Social Insurance Agency has notified this fact to the PFMC in accordance with the second sentence of paragraph (8), the PFMC shall, within five working days after being so notified, transfer from the current account of the pension fund to the account of the Social Insurance Agency at the State Treasury an amount equal to the nominal value of the mandatory contributions and penalty payments paid to the current account of the pension fund. The amount of the difference between the amount equal to the current value of the personal pension account as at the date preceding the transfer date mentioned in the first sentence and the amount transferred under the first sentence constitute common assets of the pension fund's savers.

(10) In the case that an old-age pension scheme agreement has been deleted from the Register of agreements on the basis of a court decision on its invalidity or non-establishment, or because it should not have been entered in the Register of Agreements owing to a reason mentioned in Article 64a(3), and the Social Insurance Agency has notified this fact to the PFMC in accordance with the second sentence of paragraph (8), and if the amount equal to the current value of the personal pension account is less than the amount equal to the nominal value of the mandatory contributions and penalty payments paid to the current account of the pension fund, the PFMC shall, within five working days after being so notified, transfer from the current account of the pension fund to the account of the Social Insurance Agency at the State Treasury an amount equal to the current value of the personal pension account as at the date preceding the transfer date and shall transfer from the current account of the PFMC to the account of the Social Insurance Agency at the State Treasury the amount of the difference between the amount equal to the nominal value of the mandatory contributions and penalty payments paid and the amount equal to the current value of the personal pension account as at the date preceding the transfer date.

(11) If the Social Insurance Agency has assigned to a PFMC mandatory contributions for a natural person whose old-age pension scheme agreement has been deleted from the Register of Agreements, or it has paid penalty payments under a separate regulation<sup>36a</sup> out of these mandatory contributions, the Social Insurance Agency shall make an electronic request to the PFMC for the return of these mandatory contributions or penalty payments.

(12) Where an old-age pension scheme agreement expires as of the day on which the legal status of the saver terminates pursuant to Article 17a, the PFMC shall:

- (a) within five working days after receiving notification from the Social Insurance Agency that pursuant to paragraph (8), second sentence, the old-age pension scheme agreement has been deleted from the Register of Agreements, transfer from the current account of the pension fund to the account of the Social Insurance Agency held at the State Treasury an amount equal to the product of, on the one hand, the number of pension points credited from the mandatory contributions recorded in the personal pension account of the natural person whose legal status as a saver was terminated under Article 17a and, on the other hand, the current pension-point value as at the day preceding the transfer date; and
- (b) within three working days after the transfer date mentioned in letter (a), cancel the saver's personal pension account.

(13) Where a PFMC transfers from the current account of a pension fund to the account of the Social Insurance Agency an amount mentioned in paragraphs (9), (10) or (12), it shall return an amount corresponding to the product, on the one hand, of the number of pension points credited from the voluntary contributions and, on the other hand, the current pension-point value, as at the date preceding the transfer date, to the person in whose name the account recording the pension points was maintained, or, if that is not possible, to another person who demonstrates their right to these funds.

#### **Article 64aa - repealed**

#### **Article 64b**

#### **Switching of a saver from one PFMC to another PFMC**

(1) A saver may switch from one PFMC to another PFMC after submitting an original copy of the acceptance certificate to the PFMC to which they are switching and with which they are concluding an old-age pension scheme agreement. The old-age pension scheme agreement mentioned in the first sentence shall include an express written statement of the saver's intention to switch to another PFMC.

(2) After a saver intending to switch to another PFMC has applied in person for the acceptance certificate mentioned in paragraph (1) to the competent branch of the Social Insurance Agency, as determined by the saver's place of residence, that branch shall issue the acceptance certificate without undue delay. If as at the issue date of the acceptance certificate more than two years have elapsed since the establishment of the saver's first participation in pension insurance under a separate regulation<sup>3</sup> and less than one year has elapsed since the saver last switched from one PFMC to another, the saver shall pay the Social Insurance Agency a fee of €16 for the issuance of the acceptance certificate.

(3) The acceptance certificate shall contain in particular the saver's first and last name, permanent address, and social security company registration number, and a statement by the Social Insurance Agency that the saver has fulfilled the conditions under paragraph (2).

(4) The acceptance certificate shall be issued on a printed form, the content and form of which shall be set by the Social Insurance Agency.

(5) If a saver switches from one PFMC to another PFMC and the old-age pension scheme agreement has been entered in the Register of Agreements:

- (a) before or on the fifteenth day of a calendar month, the date of switching to the other PFMC shall be the first day of the calendar month following the calendar month in which the agreement was entered in the Register of Agreements;
- (b) after the 15th day of a calendar month, the date of switching to the other PFMC shall be the first day of the second calendar month following the calendar month in which the contract was entered in the Register of Agreements.

(6) The Social Insurance Agency shall:

- (a) without undue delay after entering in the Register of Agreements the old-age pension scheme agreement between a saver and the PFMC to which the saver is switching, notify this fact to the PFMC from which the saver is switching and to the PFMC to which the saver is switching;
- (b) at the same time as it registers the old-age pension scheme agreement between a saver and the PFMC to which the saver is switching, record this fact in the offer system.

(7) Savers may not switch to another PFMC as from the date on which:

- (a) the order to issue the certificate is entered under Article 45 until the date on which the offer under Article 46, 46a or 46b ceases to be binding;
- (b) they conclude a pension insurance contract or scheduled pension payment agreement.

## **Article 65**

### **Obligations of savers, employers, and PFMCs**

(1) Employees shall inform their employer that they have concluded an old-age pension scheme agreement, or an amendment thereto, and if they request the employer to transfer voluntary contributions, they shall at the same time inform the employer of its obligation to pay voluntary contributions and shall provide the employer with all the information it needs to transfer the voluntary contributions. Employers are not required to transfer voluntary contributions for employees who have not fulfilled their obligation under the previous sentence.

(2) Savers who change their full name, personal identification number or permanent address shall within eight days after such change notify it to the PFMC with which they have concluded an old-age pension scheme agreement. Savers shall without undue delay notify the PFMC with whom they have concluded an old-age pension scheme agreement that the authorised person referred to in Article 40(1) has changed their full name, personal identification number or permanent address, if the authorised person is a natural person, or its name, company registration number or registered office address, if the authorised person is a legal entity.

(3) Within 15 days after concluding an old-age pension scheme agreement or an amendment

thereto, PFMCs shall ensure that the information contained in this agreement is forwarded in electronic form, in the structure and manner designated by the Social Insurance Agency.

(4) After receiving written notification pursuant to a separate regulation,<sup>68a</sup> PFMCs shall without undue delay transfer an amount equal to the current value of the personal pension account from the current account of the pension fund to the account of the Social Insurance Agency at the State Treasury as at the date preceding the date of transfer.

(5) An employer shall refrain from any act that directly or indirectly compels its employee to conclude an old-age pension scheme agreement. If an employee requests their employer to transfer voluntary contributions, the employer shall conclude a written agreement with the employee for this purpose, and whenever the employer transfers voluntary contributions on behalf of its employees to a PFMC, it shall at the same time send the company a breakdown of the these voluntary contributions such that allows the payment mentioned in Article 95(1) to be identified; further details may be stipulated by the Ministry in legislation of general application.

## **Article 66**

### **Reporting obligation**

(1) PFMCs 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 savers and prospective savers.

(2) A legal or natural person that intends to reduce their interest in the share capital of a PFMC, or in the voting rights of a PFMC, to below 50%, 33%, 20%, 10%, or 5% in one or more transactions, whether directly or by acting in concert,<sup>57</sup> or who intends to cease being the parent company of a PFMC, 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 full name, date of birth, and permanent address, and, for a legal entity, their business name, company registration number, and registered office address;
- (b) the extent to which the legal entity or the natural person intends, in accordance with paragraph (2), to reduce their interest in the share capital or in the voting rights of the PFMC.

(4) PFMCs shall notify Národná banka Slovenska of any change in their share capital which results in the interest of a single entity, or entities acting in concert,<sup>57</sup> increasing to more than 5%, 10%, 20%, 33%, or 50%, or where the interest of a single entity, or entities acting in concert, in the share capital or in the voting rights of the PFMC decreases to below 50%, 33%, 20%, 10%, or 5%, and they shall do so without undue delay after receiving this information.

(5) PFMCs performing an activity mentioned in Article 47(3) shall also fulfil reporting obligations under a separate regulation to the extent that these obligations are not covered by the reporting obligations laid down by this Act.

## **Article 67**

### **Outsourcing of activities related to the management of pension funds**

(1) PFMCs may, on the basis of a contract, outsource one or more activities mentioned in Article 47(2), except for the activities mentioned in Article 47(2)(a) and (b) in points one, four, five, seven, eleven and fourteen, to another natural person or legal entity who is authorised to perform the outsourced activities. PFMCs may not outsource any activity mentioned in the previous sentence to another PFMC or a depository; a depository may perform the activity mentioned in Article 47(2)(b) point ten on the basis of a written power of attorney. PFMCs may not outsource the performance of any such activity to an entity whose interests could conflict with those of the PFMC or savers. The outsourced activities may be performed by the natural person or legal entity only in the territory of the Slovak Republic.

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

- (a) Národná banka Slovenska is given prior notice of the intention of the PFMC to outsource one or more activities to another person;
- (b) the rules of the 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 PFMC;
- (d) the outsourcing does not prevent the PFMC from acting in the best interests of savers;
- (e) the outsourcing does not prevent the pension fund from being managed in the best interests of savers;
- (f) the outsourcing does not prevent the PFMC from terminating the contract mentioned in paragraph (1) with immediate effect;
- (g) the person mentioned in paragraph (1) has given a written undertaking to comply with this Act and the rules of the pension fund;
- (h) having regard to the nature of the positions that are to be outsourced, the legal entity mentioned in paragraph (1) has in place the material, personnel, and organisational provisions for the performance of the outsourced activities;
- (i) the depository's written consent to the proposed outsourcing of activities to another person has been submitted to Národná banka Slovenska;
- (j) the person or entity referred to in paragraph (1) is of good repute, and in the case of a natural person, did not hold the position of a senior employee or a member of the statutory body or supervisory board of a legal entity at the time when that entity committed an intentional crime, the trial for which has been finally disposed of.

(3) After concluding an outsourcing contract, or any amendments thereto, PFMCs 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 pension funds is without prejudice to the liability of the PFMC and the depository for any damage caused during the management of a pension fund's assets to savers.

### **TITLE THREE** **Dissolution of a PFMC**

#### **Article 68**

### **Dissolution without liquidation of a PFMC**

(1) A PFMC may be dissolved without liquidation only through a merger with another PFMC, one which holds a valid authorisation issued by the Národná banka Slovenska under Article 48 and which has established and manages pension funds that are not in receivership.

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

(3) As part of the merger mentioned in paragraph (1), the management of pension funds managed by the dissolving PFMC shall pass to the successor PFMC and the pension funds mentioned in Article 72(4) of the dissolving PFMC shall be merged with pension funds of the successor PFMC in the manner laid down in Article 79. If the dissolving PFMC also manages pension funds mentioned in Article 72(5), the merger mentioned in paragraph (1) shall include the transfer of the management of these pension funds to the successor PFMC without them being merged with pension funds of the successor PFMC.

(4) As part of the merger mentioned in paragraph (1), the rights and obligations of the dissolving PFMC towards savers, arising under the old-age pension scheme and under contracts concluded with the same, shall pass to the successor PFMC.

(5) For a PFMC to be dissolved without liquidation by merging it with another PFMC, the prior approval of Národná banka Slovenska is required in accordance with Article 52(1)(d). The general meeting of a PFMC may decide to dissolve the company through a merger only after the prior approval of Národná banka Slovenska has entered into force.

(6) Where a PFMC is dissolved without liquidation in accordance with procedures laid down in this Act, the dissolution must not be detrimental to savers, nor detrimental to creditors of the PFMC.

(7) The provisions of a separate regulation<sup>45</sup> apply to the dissolution without liquidation of a PFMC, unless otherwise provided by this Act.

### **Article 69 Liquidation and dissolution of a PFMC**

(1) Before a PFMC is liquidated and dissolved, the management of its pension funds, and the company’s rights and obligations towards savers arising from the old-age pension scheme and from contracts concluded with the same, shall be transferred to another PFMC (hereinafter the ‘transferee PFMC’), and this transfer is subject to the prior approval of Národná banka Slovenska in accordance with Article 52(1)(e).

(2) A PFMC shall without undue delay be liquidated and dissolved where:

- (a) its authorisation has expired under Article 51(1)(e);
- (b) it has failed to begin establishing and managing the pension funds mentioned in Article 72(4)



within six months after its incorporation in the Commercial Register;  
(c) its authorisation has been revoked under Article 73(3).

(3) Within 30 days after the entry into force of a decision by Národná banka Slovenska to grant the prior approval mentioned in Article 52(1)(e), the transferee PFMC shall give the savers who are affected by the transfer of the pension funds' management and of the other rights and obligations mentioned in paragraph (1) notification of its business name and registered office address, and it shall at the same time send these persons information on the rules of the respective pension fund and on other related conditions of the old-age pension scheme.

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

(5) Without undue delay after Národná banka Slovenska has granted the prior approval under Article 52(1)(h), the general meeting of the PFMC shall decide on the liquidation and dissolution of the PFMC, and the procedure mentioned in paragraph (1) shall take place.

(6) The provisions of a separate regulation<sup>45</sup> apply to the liquidation and dissolution of a PFMC.

## **Article 70**

### **Court-ordered dissolution of a PFMC**

(1) The provisions of a separate regulation<sup>45</sup> apply to the court-ordered dissolution of a PFMC, unless otherwise provided by this Act.

(2) A court shall, on the basis of a petition by the Národná banka Slovenska, dissolve a PFMC where the situation mentioned in Article 69(2)(a) has arisen, where the general meeting of the PFMC has not decided on the dissolution of the PFMC under Article 69(5) within a period of thirty days, or where the PFMC has been sanctioned under Article 115(1)(p).

## **Article 71**

### **Bankruptcy order against a PFMC**

(1) Where a bankruptcy order has been made against a PFMC, the trustee in bankruptcy shall cooperate with Národná banka Slovenska, the depository and the receiver in regard to the imposition of receivership under Article 118.

(2) A pension fund's assets shall not be included in bankruptcy proceedings against the PFMC, nor may they be used in an arrangement with the creditors of the PFMC made in accordance with a separate regulation.<sup>49</sup>

(3) Following the day on which bankruptcy petition<sup>69</sup> was delivered to it by a court, a PFMC shall without undue delay give Národná banka Slovenska written notification of this fact. In its notification, the PFMC 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 court's decision to make a bankruptcy order against it or to reject a bankruptcy petition on grounds of insufficient assets, a PFMC shall give Národná banka Slovenska written notification of this fact. After receiving a court's decision to make a bankruptcy order against it or to reject a bankruptcy petition on grounds of insufficient assets, a PFMC shall without undue delay send a copy of that decision to Národná banka Slovenska.

(5) After Národná banka Slovenska has received the notification mentioned in paragraph (3), it shall without undue delay take a decision to place all the pension funds of the PFMC in receivership. The purpose of receivership shall be to protect the pension funds' assets and the interests of savers in the event that a bankruptcy order is made against the PFMC or a bankruptcy petition is rejected on grounds of insufficient assets. This is without prejudice to the application of other provisions on receivership under Article 118.

(6) In its decision taken 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 PFMC 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 PFMC to which the management of the 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 pension funds of the PFMC against which the bankruptcy order was made, and its rights and obligations arising from the old-age pension scheme and agreements concluded with savers, shall be transferred to this PFMC.

## **PART SIX**

### **PENSION FUNDS AND PERSONAL PENSION ACCOUNTS**

#### **TITLE ONE**

##### **Pension funds**

#### **Article 72**

(1) Pension funds comprise contributions, penalty payments, and assets replenished under Article 63c(3), assets acquired by investing contributions and penalty payments, income on assets acquired with contributions and penalty payments, and assets acquired with income on assets acquired with contributions and penalty payments (hereinafter 'pension funds' assets'). Národná banka Slovenska shall issue a decree stipulating the methods and procedures for determining the value of pension funds' assets and the full text of this decree shall be published in the Collection of Laws of the Slovak Republic.

(2) The establishment of pension funds by PFMCs shall be based on the authorisation of the PFMC in accordance with Article 48.

(3) A PFMC may not establish pension funds other than those whose establishment and management is permitted by Národná banka Slovenska under the decision to issue the authorisation mentioned in paragraph (2).

(4) PFMCs shall establish and manage:

- (a) one guaranteed bond pension fund, and
- (b) one non-guaranteed equity pension fund.

(5) In addition to the pension funds mentioned in paragraph (4), PFMCs may establish and manage other pension funds, and under the rules of each such fund the PFMC shall either:

- (a) undertake to replenish the assets of the pension fund (in which case the fund is a ‘guaranteed pension fund’), or
- (b) not undertake to replenish the assets of the pension fund (in which case the fund is a ‘non-guaranteed pension fund’).

(6) The name of guaranteed pension funds shall include the word ‘guaranteed’ and the name of non-guaranteed pension funds shall include the word ‘non-guaranteed’.

(7) The pension funds mentioned in paragraph (4) are differentiated by the type of financial instruments<sup>70</sup> in which their assets are invested (paragraph (1)) in order to ensure a return, by their portfolio,<sup>71</sup> by the degree of risk undertaken to ensure a return on their assets (hereinafter their ‘risk level’), and by their names.

(8) Pension funds may have both a full name and a short name; the full name shall include the business name of the PFMC that manages the pension fund, the name of the pension fund itself, and the words ‘akciový negarantovaný dôchodkový fond’ [non-guaranteed equity pension fund], or ‘dlhopisový garantovaný dôchodkový fond’ [guaranteed bond pension fund], or the full name of the pension fund established under Article 72(5). In the short name, which may be used interchangeably with the full name, the word ‘akciový’ [equity] may be replaced by the abbreviation ‘a.’, the word ‘dlhopisový’ [bond] may be replaced by the abbreviation ‘d.’, and the words ‘dôchodkový fond’ [pension fund] may be replaced by the abbreviation ‘d.f.’. No other natural person or legal entity may use the name of a 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, unless otherwise provided by a separate regulation.<sup>71a</sup> The name of a pension fund together with the business name of the PFMC must not be confusable with the name of another pension fund and must not give a misleading impression of the focus and objectives of the pension fund’s investment policy.

(9) Pension funds shall be established for an indefinite period.

(10) The establishment of a pension fund by a PFMC shall commence as of when the first contribution is credited to the pension fund’s current account held with the depository.

(11) After commencing the establishment of a pension fund, the PFMC shall without undue delay notify Národná banka Slovenska of this fact.

### **Article 73**

(1) Each PFMC shall ensure that within 18 months after the date when the establishment of pension funds under its management is commenced, the total number of savers in all of its pension funds is not less than 50,000.

(2) PFMCs shall without undue delay notify Národná banka Slovenska in writing of the day when they exceed the threshold mentioned in paragraph (1) or when they fail to meet this condition.

(3) If within the period mentioned in paragraph (1), a PFMC fails to register the number of savers mentioned in paragraph (1), Národná banka Slovenska shall revoke its authorisation.

### **Article 74**

(1) Pension funds do not have a legal personality. A pension fund's assets shall not be included in the assets of the PFMC. A pension fund's assets shall comprise savers' shares in these assets, with each saver's share in these assets determined as the ratio of the pension points in the saver's personal pension account to all the pension points of the pension fund. The exercise of the rights attaching to a pension fund's assets and the use of these assets shall be in accordance with this Act.

(2) A pension fund's assets and the management of these assets shall be recorded separately from the assets and the management of the PFMC, and from the assets, and the management of the assets, of other pension funds managed by the PFMC.

### **Article 74a**

#### **Unassigned payments account**

(1) Assets recorded in the unassigned payments account of a PFMC, other than income referred to paragraph (3), shall not be included in the assets company.

(2) Fees charged by a depository for maintaining an unassigned payments account and fees for payment services provided in relation to an unassigned payments account shall be paid by the PFMC.

(3) Income on funds held in the unassigned payments account of a PFMC constitutes income of the company.

(4) All payments transferred by the Social Insurance Agency and a PFMC when a saver switches from that company to another PFMC, and any related payments of voluntary contributions, shall be made through the unassigned payments account. Personal pension accounts fees shall also be recorded in the unassigned payments account. The unassigned payments account may be used to manage the amount of the saver's funds stated on the certificate, as from the

issuance date of the certificate, or to manage the saver's funds after the saver's death. Unassigned payments accounts may be used to transfer voluntary contributions to a PFMC pursuant to Article 21(6)(a), transfer voluntary contributions to an insurer pursuant to Article 21(6)(b) and (c), transfer the amount referred to in Article 40(1) to the personal pension account of the authorised person or heir, if a saver, pay voluntary contributions to a natural person pursuant to Article 21(6)(d), and pay the amount corresponding to the current value of the deceased saver's personal pension account pursuant to Article 40(1).

(5) Funds held in an unassigned payments account, other than income referred to in paragraph (3), may not be subject to any bankruptcy proceedings against the PFMC, nor may they be used to settle creditor's claims on the PFMC under a separate regulation.<sup>49</sup>

## **Article 75**

### **Pension points and net asset value**

(1) A pension point is a share in a pension fund's assets.

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

(3) The initial value of a pension point shall be EUR 0.033194 as at the date when the PFMC commences the establishment of the respective pension fund (Article 72(10)). The current value of a pension point shall be determined after this date.

(4) The net asset value of a pension fund shall be the difference between the value of the pension fund's assets and its liabilities. For the purpose of determining the fee mentioned in Article 63a, a preliminary net asset value of the pension fund, not reduced by the fees mentioned in Articles 63a and 63c, shall be calculated as at the date for which the fee is determined. For the purpose of determining the fee mentioned in Article 63c, a second preliminary net asset value of the pension fund, not reduced by the fee mentioned in Article 63c, shall be calculated as at the date for which the fee is determined.

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

(6) For the purpose of determining the fee mentioned in Article 63c, a preliminary current pension-point value shall be calculated as at the date for which the fee is determined. The preliminary current pension-point value shall be calculated as the second preliminary net asset value of the pension fund divided by the total number of pension points recorded in the personal pension accounts of all savers in the pension fund.

(7) For each pension fund under their management, PFMCs shall on each working day calculate the net asset value of the pension fund and the current value of the pension point, and they shall notify these values to Národná banka Slovenska and to the depository.

## **Article 76**

### **Rights of savers in relation to pension points**

(1) The pension points recorded in a saver's personal pension account shall denote the saver's share in the pension fund's assets.

(2) The provisions of a separate regulation<sup>72</sup> concerning securities may not be applied to pension points or to the recording of pension points in personal pension accounts.

## **Article 77**

### **Rules of pension funds**

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

(2) The rules of a pension fund shall come into effect as of the date when the decision of Národná banka Slovenska under Article 48(6) enters into force. Amendments to the rules shall take effect on the 15th day after the rules are first published on the website of the PFMC, unless a later date of effect is stipulated. In the case of the situation referred to in Article 52(10), the amendments to the rules shall take effect on the 15th day after the rules are first published on the website of the PFMC, following the decision of the company's management board on the amendments to the rules. PFMCs shall also state on their website the publication dates of amendments to the rules.

(3) After every amendment to the rules, the PFMC 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 savers of the respective changes by the method stipulated in the rules.

(4) The rules shall state in particular:

- (a) the name of the pension fund and the date of its establishment;
- (b) the business name of the PFMC that manages the pension fund, its registered office address, and its company registration number;
- (c) the business name and registered office address of the depository and the amount of the fee stated in the depository contract for the performance of depository activities;
- (d) the profile and objectives of the PFMC's investment policy for the pension fund's assets, including which, and on which regulated markets, securities and money market instruments are to be acquired with these assets, as well as any sectoral or territorial parameters for investments and risk-spreading principles, if stricter than those stipulated in this Act;
- (e) the principles for managing the pension fund's assets;
- (f) the amount of the personal pension account fee, the amount of the pension fund management fee, and the amount of the pension fund performance fee;
- (g) the obligation or undertaking of the PFMC to replenish the pension fund's assets in accordance with Article 63d, and, in the case of a guaranteed bond fund, also the length of the assessment period; otherwise, it shall state that the PFMC is not required to replenish the pension fund's assets;
- (h) the procedure for amending the rules and the method by which savers are to be informed about any such amendments;
- (i) a declaration by the management board of the PFMC that the facts stated in the rules are up to date, complete and true.

## **Article 78**

## **Dissolution of pension funds**

(1) Pension funds may be merged in the manner referred to Article 79 or Article 79a.

(2) It is prohibited for pension funds to be:

- (a) merged by the formation of a new fund or divided;
- (b) converted into an investment fund under a separate regulation.<sup>73</sup>

## **Article 79 Merging of pension funds**

(1) Pension funds may be merged in accordance with paragraphs (2) to (12) only:

- (a) in conjunction with a merger between, on the one hand, the PFMC that manages the pension funds to be merged and, on the other hand, another PFMC that manages the pension funds with which they are to be merged, subject to the prior approval of Národná banka Slovenska mentioned in Article 52(1)(d); or
- (b) in conjunction with the management of the pension funds being transferred to a transferee PFMC in accordance with this Act.

(2) The merger of pension funds under paragraph (1) means the process by which the assets of pension funds of the same type are combined on the date of the transfer of the pension funds' management to the transferee PFMC. Savers in a pension fund whose management has passed to the transferee PFMC become savers in the pension fund of the transferee PFMC.

(3) It is prohibited for a merger mentioned in paragraph (1) to be:

- (a) the merger of a non-guaranteed equity pension fund with a pension fund other than a non-guaranteed equity pension fund;
- (b) the merger of a guaranteed bond pension fund with a pension fund other than a guaranteed bond pension fund.

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

(5) Where pension funds are merged under paragraph (1)(b), their merger shall take place on the date when the pension funds' management is transferred to the PFMC to which the pension funds' management has passed.

(6) A PFMC from which the management of pension funds is transferred to a transferee PFMC shall cease to maintain the personal pension account of the savers in these funds as of the date on which the pension funds' management is transferee.

(7) Where the management of a pension fund has been transferred to a transferee PFMC, the transferee PFMC shall open a new personal pension account under Articles 96 and 97 for each saver in the pension fund.

(8) Within 30 days after the management of pension funds has been transferred, the transferee PFMC shall notify the savers affected by the transfer of the pension funds' management



that this transfer has taken place. The notification to the savers shall state in particular the company's business name and registered office address, information on the rules of the pension funds in question and on other related conditions of the old-age pension scheme. The transferee PFMC shall publish the notification mentioned in the previous sentence in a periodical publication with nationwide circulation, and shall first do so without undue delay after the pension funds' management has been transferred and again within 30 days after the first publication.

(9) At the same time as transferring the pension funds' management, the PFMC that managed the dissolving pension funds shall relinquish to the transferee PFMC all documentation concerning such management and its other rights and obligations.

(10) Upon the merger of the pension funds, the contract on depository activities shall expire. Without undue delay after the expiry of the contract on depository activities, the depository shall proceed in accordance with Article 100(9).

(11) The depository referred to in paragraph (10) shall notify the transferee PFMC of any measures that need to be taken to prevent the expiry of the contracts from causing damage or other injury.

(12) If the merger mentioned in paragraphs (1) to (11) involves the dissolution of a guaranteed bond pension fund and the merger takes place during the assessment period mentioned in Article 63d(3), the PFMC shall perform a fair-value valuation of the assets of the dissolving pension fund as at the day preceding the merger date and it shall replenish the assets in accordance with Article 63d by no later than the merger date; the last calendar month of the assessment period shall be the calendar month immediately preceding the calendar month in which the day mentioned in paragraph (4) or (5) falls, while the first calendar month of the assessment period shall be the initial calendar month of the period that is the first in sequence.

### **Article 79a**

(1) The provisions of paragraphs (2) to (11) apply to a merger that is not a merger under Article 79.

(2) A merger is a process in which the assets and liabilities of one or more dissolving pension funds are transferred to a successor pension fund; in this process either

- (a) the assets and liabilities of one or more dissolving pension funds are transferred to a successor pension fund established before the merger date, and as at the effective date of the merger the pension points of savers in the dissolving pension are credited to their personal pension account in the successor pension fund; or
- (b) the assets and liabilities of two or more dissolving pension funds are transferred to a successor pension fund established by the merger, and as at the effective date of the merger the pension points of savers in the dissolving pension are credited to their personal pension account in the successor pension fund.

(3) Only pension funds managed by the same PFMC may be merged. Only a pension fund mentioned in Article 72(5) may be the dissolving pension fund, while any pension fund may be the successor pension fund.



(4) Dissolving pension funds shall be dissolved as at the effective date of the merger; on that date, savers in these pension funds shall become savers in the successor pension fund.

(5) PFMCs that intend to merge pension funds in accordance with paragraph (1) shall inform savers of this fact before filing an application for prior approval under Article 52(4); within 30 days after the effective date of the decision of Národná banka Slovenska to grant this prior approval, the PFMC shall publish this decision and the prospectus of the successor pension fund and it shall inform the savers concerned in accordance with the procedure laid down in the rules of the pension fund for notifying savers of amendments to the rules and prospectus. The prospectus mentioned in the first sentence shall include a brief description of the investment policy and the principal risks in the successor pension fund.

(6) PFMCs shall set the date as at which they will calculate the final number of pension points in the dissolving pension fund and the net asset value of the dissolving pension fund.

(7) The effective date of a merger shall be set at no later than the third working day after the date mentioned in paragraph (6). The PFMC shall inform Národná banka Slovenska of the date set under paragraph (6) and the date set as the effective date of the merger, at least ten days in advance thereof.

(8) A merger of pension funds may not be annulled.

(9) If a merger of pension funds results in a situation where the composition of assets in the successor pension fund does not comply with the restrictions laid down in this Act or in the rules of the successor pension fund, the PFMC shall bring the composition of assets into compliance with this Act by no later than six months after the effective date of the merger. In justified cases and in order to safeguard the assets of savers, Národná banka Slovenska may, at the request of the PFMC, extend the time limit mentioned in the first sentence.

(10) A guaranteed pension fund may not be merged to form a successor pension fund that is a non-guaranteed pension fund.

(11) Where a dissolving pension fund is a guaranteed pension fund and the merger under paragraphs (2) to (9) is to be carried out during the assessment period mentioned in Article 63d(4), the PFMC shall perform a fair-value valuation of the assets of the dissolving pension fund pursuant to Article 88b as at the date mentioned in paragraph (6), and as at that date it shall replenish the assets in accordance with Article 63d; the last calendar month of the assessment period shall be the calendar month immediately preceding the calendar month in which the day mentioned in paragraph (6) falls, while the first calendar month of the assessment period shall be the initial calendar month of the assessment period that is the first in sequence.

## **TITLE TWO**

### **Investment of pension funds' assets**

#### **Article 80**

## **Objective of the investment of pension funds' assets**

(1) Investment means increasing the value of a pension fund's assets in the manner stipulated by this Act and in the assets stipulated by this Act in accordance with the principle of risk spreading laid down herein.

(2) Investment as defined in this Act shall not include the raising of funds by a financial institution for the purposes of its business regulated by a separate regulation.<sup>74</sup>

(3) A pension fund's assets may be used only with the aim of ensuring their proper and secure investment and the protection of savers.

## **Article 81 Pension funds' assets**

(1) Pension funds' assets may, under the conditions laid down in this Act, include only the following:

- (a) transferable securities admitted to trading on
  - 1. the listed securities market of a stock exchange;
  - 2. the listed securities market of a foreign stock exchange having its registered office in a Member State; or
  - 3. another regulated market having its registered office in a state which is a member of the European Economic Area and which is included in the list published by the European Commission; if the regulated market is in a Member State that is not a member of the European Economic Area, 'another regulated market' means a market satisfying conditions equivalent to conditions applicable to regulated markets within the European Economic Area (hereinafter a 'regulated market');
- (b) newly-issued transferable securities, provided that the issue conditions include an undertaking to apply for the securities to be admitted to trading on a regulated market and that all circumstances indicate that such admission will take place within one year after the issuance of the securities; the requirement to apply for admission of the securities to trading on a regulated market does not apply to government bonds issued by the Slovak Republic or by another Member State of the European Union;
- (c) shares/units of open-end investment funds and securities of foreign collective investment undertakings meeting the legal requirements of the European Union (hereinafter the 'foreign collective investment undertaking') under a separate regulation;<sup>73</sup>
- (d) securities of foreign collective investment undertakings other than those listed in point (c) (hereinafter 'other foreign collective investment undertakings'), provided that:
  - 1. the other foreign collective investment undertaking is open-end, is authorised under the legal regulations of the state in which it resides and is subject to supervision equivalent to that required under the law of the Slovak Republic, and that the cooperation of Národná banka Slovenska and the competent supervisory authorities is ensured;
  - 2. the investor may on request redeem securities included in the assets of this other foreign collective investment undertaking;
  - 3. the level of protection for holders of securities in this other foreign collective investment undertaking is equivalent to the level of protection for unit-holders of an open-end investment fund, and in particular that rules for the lending and borrowing of securities

and money market instruments and the rules for uncovered sales of securities and money market instruments comply with a separate regulation<sup>73</sup> and, in the case of other foreign collective investment undertakings, that the assets of the undertaking are recognised separately; and

4. such other foreign collective investment undertaking publishes annual and half-yearly reports permitting the evaluation of its assets and liabilities, income, and activities for the period covered by the relevant report;
- (e) money market instruments, which for the purposes of this Act shall include deposit certificates and Treasury bills which traded on the money market, are liquid, have a value that can be accurately determined at any time, and were issued or guaranteed by:
1. the Ministry of Finance of the Slovak Republic or Národná banka Slovenska;
  2. a Member State or central authorities thereof;
  3. the central bank of a Member State;
  4. local administration authorities of a Member State;
  5. the European Central Bank, European Union, European Investment Bank, International Bank for Reconstruction and Development, International Finance Corporation, Council of Europe Development Bank, Inter-American Development Bank, Asian Development Bank, African Development Bank, Caribbean Development Bank, Nordic Investment Bank, European Bank for Reconstruction and Development, European Investment Fund, International Monetary Fund, Bank for International Settlements, or Multilateral Investment Guarantee Agency;
  6. the issuer whose securities were admitted to trading on the regulated market; or
  7. financial institutions having their registered office in a Member State or a non-Member State; this is not applicable if the redemption of the money market instruments was guaranteed by a financial institution;
- (f) funds in a current account or deposit account held with the depositary, and funds in a current account or deposit account held with a bank, or with a foreign bank operating in Slovakia via its local branch, whose registered office is in the Slovak Republic, another Member State or a non-Member State, provided that such bank or foreign bank is subject to supervision; income on such funds shall be determined by a fixed interest rate or by a variable interest rate;
- (g) claims and liabilities arising from transactions intended exclusively for limiting interest rate risk, currency risk, or other risk associated with the pension fund's assets, provided that such transactions are used to hedge assets against market risk or to mitigate market risk and maintain the value of underlying assets of the pension fund; PFMCs must be able to demonstrate that such transactions have an exclusively hedging function.

(2) PFMCs shall periodically check whether open-end funds, foreign collective investment undertakings or other foreign collective investment undertakings are complying with the profile and objectives of the investment policy specified in the rules of the open-end investment fund, foreign collective investment undertaking or other foreign collective investment undertaking, or in another similar document. For the purposes of this Act, securities acquired for the assets of a pension fund under paragraph (1)(c) and (d), whose value is linked to the value of financial indices or other financial indices specified in paragraph (3)(a), shall be treated as securities under paragraph (3)(b).

(3) A pension fund's assets may include transferable securities mentioned in paragraph (1)(a) and (b) provided that they are:

- (a) capital securities<sup>76</sup> which are a part of the financial index of a stock exchange or a foreign stock exchange having its registered office in a Member State, or which are a part of an 'other financial index' as defined in Article 81(7), provided that the name of such other financial index is stated in the rules along with the short name and business name of the founder of the other financial index;
- (b) securities whose value is linked to the value of the financial index of a stock exchange, foreign stock exchange having its registered office in a Member State, or other financial index mentioned in point (a), and which at the same time constitute shares/units of an open-end investment fund or the securities of a foreign collective investment undertaking or other foreign collective investment undertaking;
- (c) bonds and other debt securities whose yield is determined by:
  - 1. a fixed amount;
  - 2. a fixed interest rate;
  - 3. a floating interest rate pegged to reference interest rates in a financial market; or
  - 4. the spread between the par value of the security and the lower issue rate.

(4) Assessments of the risk associated with the investment of a pension fund's assets under paragraph (1)(c) to (f) and paragraph (3) shall comply with the provisions of Article 90.

(5) A pension fund's assets may not include:

- (a) shares in the depository of the PFMC;
- (b) shares/units of open-end investment funds managed by an asset management company with which the PFMC managing the pension fund forms a group with close links;
- (c) financial instruments that include a financial derivative,<sup>77</sup> except if the combination is one of financial instruments mentioned in paragraph (1);
- (d) money market instruments, bonds, and other debt securities where the payment of the yield or par value thereof is subject to a condition other than the condition of prepayment of the par value;
- (e) bonds and other debt securities whose yield is inversely proportional to the floating interest rate;
- (f) securities whose value is linked to the value of financial indices or other financial indices, where such financial index includes underlying assets other than those specified in paragraphs (1) and (3);
- (g) shares/units of open-end investment funds or securities of foreign collective investment undertakings or other foreign collective investment undertakings, if fees are charged to the issuer for their issuance and redemption.

(6) PFMCs shall not acquire for a pension fund's assets shares/units of an open-end investment fund or securities of a foreign collective investment undertaking or other foreign collective investment undertaking, if such fund or undertaking:

- (a) is acquiring assets mentioned in paragraph (5)(a) to (f), or
- (b) may, under the rules or other similar document, invest more than 10% of its assets in shares/units of another open-end fund or in securities of another foreign collective investment undertaking or other foreign collective investment undertaking.

(7) For the purpose of this Act, 'other financial index' means an index which:

- (a) comprises a sufficient number of equities or bonds and their issuers;

- (b) expresses sufficiently precisely the overall price movements in the market to which it relates; and
- (c) is published in the same way as the equity or bond prices constituting the index.

(8) Národná banka Slovenska may issue a decree stipulating what is meant by ‘conditions equivalent to conditions applicable to regulated markets within the European Economic Area’, details about the procedure, method and monitoring of published information and about the assessment and verification of information when acquiring for a pension fund’s assets securities mentioned in paragraph (1)(c) and (d) and paragraph (3)(b), and what is meant by ‘reference interest rates in a financial market’; the full text of this decree shall be published in the Collection of Laws of the Slovak Republic.

(9) Národná banka Slovenska shall issue a decree stipulating the procedure for calculating the fees mentioned in paragraph (5)(g) and how these fees are to be paid, and the full text of this decree shall be published in the Collection of Laws of the Slovak Republic.

### **Risk-spreading rules for pension funds**

#### **Article 82**

(1) The value of securities or money market instruments mentioned in Article 81(1)(a) to (e), issued by the same issuer, may not constitute more than 3% of the net asset value of a pension fund. The value of transferable securities mentioned in Article 81(3)(b), issued by the same issuer, may not constitute more than 10% of the net asset value of a pension fund, and in this regard the limit stated in the first sentence does not apply. For the purposes of the limits laid down in the first and second sentences, ‘issuer’ means an open-end investment fund or a foreign collective investment undertaking or other foreign collective investment undertaking.

(2) A pension fund’s assets may not include more than 25% of the value of one issue of transferable securities or money market instruments.

(3) The sum of investments in i) securities issued by a single group of legal entities which are transferable securities, money market instruments, shares/units of open-end investment funds, and/or securities of foreign collective investment undertakings or other foreign collective investment undertakings, ii) deposits held with that group of legal entities, and iii) large exposures to that group arising from financial derivative transactions and hedging transactions may not constitute more than 20% of the net asset value of a pension fund. The group of legal entities mentioned in the first sentence mean legal entities that are part of a group for which a single set of consolidated financial statements are prepared in accordance with a separate regulation<sup>77a</sup> or with international accounting standards.

(4) The value of transferable securities and money market instruments issued or guaranteed by one Member State or by the European Central Bank, the World Bank, the European Bank for Reconstruction and Development, or the International Monetary Fund, may not constitute more than 20% of the net asset value of the pension fund.

(5) If a PPMC complies with the risk-spreading rules for a pension fund laid down in this Act, Národná banka Slovenska shall, at the request of the PPMC, by approving the rules of the pension fund, determine that up to 50% of the net asset value of the pension fund may be invested in transferable securities and money market instruments issued or guaranteed by a Member State. These transferable securities and money market instruments shall be denominated in the same currency in which the current value of the pension point is expressed. The pension fund's assets mentioned in the first sentence shall include at least six issues of transferable securities or money market instruments and the value of one issue under the first sentence may not constitute more than 30% of the net asset value of the pension fund.

(6) Where a pension fund's assets include newly-issued transferable securities that have not been admitted to trading on a regulated market within the period mentioned in Article 81(1)(b), the PPMC shall sell these securities within a period of 180 days.

(7) Not more than 10% of the net asset value of a pension fund shall be accounted for by mortgage bonds<sup>78</sup> and covered bonds<sup>78a</sup> issued by one bank, or by securities where they are issued by one foreign bank that has its registered office in a Member State and their par value and yields are covered by the bank's mortgage loan claims. The mortgage bonds and/or debt securities mentioned in the first sentence shall in total constitute not more than 50% of the net asset value of a pension fund.

(8) A pension fund's assets may not include more than:

- (a) 10% of the sum of shares/units of open-end investment fund under Article 81(1)(c);
- (b) 10% of the sum of the par values of securities of one foreign collective investment undertaking or one other foreign collective investment undertaking.

(9) Not more than 20% of the net asset value of a pension fund shall be accounted for by securities mentioned in Article 81(1)(c) and (d).

(10) Securities mentioned in Article 81(3)(b) may constitute up to 50% of the net asset value of a non-guaranteed pension fund, provided that the investment policy laid down in the rules of the pension fund is not to replicate the composition of a financial index.

(11) Not more than 10% of the net asset value of a pension fund may be accounted for by funds held in current and deposit accounts with one bank, or one foreign operating in Slovakia through its local branch, pursuant to Article 81(1)(f); this limit does not apply to funds in current accounts held with the depositary.

(12) PPMCs may not acquire either for themselves or the pension funds under their management:

- (a) more than 5% of the total par values of equities issued by one issuer; and
- (b) shares with voting rights that would allow the PPMC to exercise significant influence over the issuer's management; to calculate the proportion of voting rights attached to shares, the procedure under a separate regulation<sup>79</sup> shall be followed.

(13) Paragraphs (1) to (11) do not apply to shares/units of open-end investment funds and securities mentioned in Article 81(1)(c) and (d) and (3)(b) in the assets of the pension fund



mentioned in Article 72(5), provided that the investment policy laid down in the rules of the pension fund is not to replicate the composition of a financial index.

**Article 82a**  
**Investment of assets of pension funds**  
**other than guaranteed bond pension funds**

- (1) Assets of pension funds other than guaranteed bond pension funds may include also:
- (a) shares/units of an open-end investment fund or securities of a foreign collective investment undertaking or other foreign collective investment undertaking, where their value is linked exclusively to the value of a precious metal or index of precious metals;
  - (b) precious metal certificates.

(2) The sum of investments in securities and certificates mentioned in paragraph (1) and in derivatives mentioned in 82b(1) that have the same type of precious metal as an underlying instrument may not constitute more than 10% of the net asset value of a pension fund other than a guaranteed bond pension fund; the sum of investments in securities and certificates mentioned in paragraph (1) and in derivatives mentioned in Article 82b(1) that have any type of previous metal as their underlying instrument may not constitute more than 20% of the net asset value of a pension fund other than a guaranteed bond pension fund.

(3) The value of securities under paragraph (1) issued by the same issuer may not constitute more than 10% of the net asset value of a pension fund other than a guaranteed bond pension fund. No single issue of securities or instruments mentioned in paragraph (1) may constitute more than 10% of the net asset value of a pension fund other than a guaranteed bond pension fund.

(4) For the purposes of this Act, 'precious metal' means gold, silver, platinum or palladium.

**Article 82b**

(1) The assets of a pension fund other than a guaranteed bond pension fund may, in accordance with the profile and objectives of the investment policy specified in the rules of the pension fund and without regard to the restrictions laid down in Article 81(1)(g), (5)(c),(d) and (f), and (6), include derivatives which have as their only underlying instrument a precious metal or index of precious metals (hereinafter 'precious metal derivatives or derivatives linked to a precious metals index'), to which attaches a settlement right, and which are admitted to trading in a regulated market mentioned in Article 81(1)(a), to a commodities exchange under a separate regulation,<sup>79a</sup> or another regulated commodities exchange incorporated in a Member State.

(2) Investment in precious metal derivatives or derivatives linked to a precious metal index may, in compliance with limits laid down in this Act, constitute part of the investment policy of a PFMC in a pension fund other than guaranteed bond pension fund. When investing in precious metal derivatives or derivatives linked to a precious metals index, the value of their underlying instruments shall be taken into account in the calculation of the limits under Article 82a.

(3) If a precious metal derivative or derivative linked to precious metals is embedded in a security included in the assets of a pension fund other than a guaranteed bond pension fund, that

derivative shall be taken into account in regard to compliance with restrictions laid down in this Act.

(4) Pension funds other than guaranteed bond pension funds may not acquire a precious metal derivative or derivative linked to a precious metals index if delivery of the underlying instrument is required or if the counterparty has a right to request delivery of the underlying instrument.

(5) When managing the assets of a pension fund other than a guaranteed bond pension fund, PFMCs shall not conduct transactions in precious metal derivatives or in derivatives linked to a precious metals index if such transactions would have to be covered by assets that may not be acquired by pension funds other than guaranteed bond pension funds.

(6) Národná banka Slovenska may issue a decree laying down details about how to cover liabilities related to precious metal derivatives or derivatives linked to a precious metals index which are included in the assets of pension fund other than a guaranteed bond pension fund; the full text of such decree shall be published in the Collection of Laws of the Slovak Republic.

#### **Article 82c**

##### **Global exposure to precious metal derivatives or derivatives linked to a precious metals index, and the calculation of that exposure**

(1) For pension funds other than guaranteed bond pension funds, their global exposure to precious metal derivatives or derivatives linked to a precious metals index shall not exceed 15% of the fund's net asset value.

(2) The global exposure of a pension fund other than a guaranteed bond pension fund to precious metal derivatives or derivatives linked to a precious metals index shall be calculated by the PFMC as:

- (a) the incremental exposure and leverage generated by using precious metal derivatives or derivatives linked to a precious metals index, including securities mentioned in Article 82b(3) that embed a precious metal derivative or derivative linked to precious metals, which shall not exceed the ratio under paragraph (1); or
- (b) the market risk exposure of the pension fund.

(3) Where a PFMC calculates the global exposure of a pension fund other than a guaranteed bond pension fund to precious metal derivatives or derivatives linked to a precious metals index in accordance with paragraph (2)(a) it shall do so using the commitment approach. Where a PFMC calculates the global exposure of a pension fund other than a guaranteed bond pension fund to precious metal derivatives or derivatives linked to a precious metals index in accordance with paragraph (2)(b) it shall do so using the Value-at-Risk ('VaR') approach; for the purposes of this Act, 'VaR' means the highest expected loss over a given period of time at a given confidence level.

(4) PFMCs shall ensure that the method selected for measuring the global exposure of a pension fund other than a guaranteed bond pension fund to precious metal derivatives or derivatives linked to a precious metals index is appropriate for the given type of pension fund, and in doing so shall take into account the investment policy of the given pension fund and the type and



complexity of the precious metal derivatives or derivatives linked to a precious metals index included in the assets of the pension fund, as well as their share in the fund's assets.

(5) When managing the assets of pension funds other than guaranteed bond pension funds, PFMCs may use techniques and instruments involving repurchase transactions or securities lending, provided that they do so for the purposes of efficient portfolio management and under the conditions and in compliance with the limits laid down in the rules of the respective pension fund; in this regard the provision of Article 84(5) does not apply. Where PFMCs, when managing pension funds other than guaranteed bond pension funds, use techniques and procedures mentioned in the first sentence with the objective of increasing the leverage or market risk exposure of the pension fund, they shall take these operations into account when calculating the fund's global exposure to precious metal derivatives or derivatives linked to a precious metal index.

#### **Article 82d**

##### **Commitment approach**

(1) Where a PFMC uses the commitment approach to calculate the global exposure of a pension fund other than a guaranteed bond pension fund to precious metal derivatives or derivatives linked to a precious metals index, it shall apply this approach to all positions in any such derivatives, including securities embedding a precious metal derivative or derivative linked to a precious metals index, regardless of whether such positions are taken as part of the fund's investment policy for the purposes of risk mitigation or efficient portfolio management.

(2) When using the commitment approach to calculate the global exposure of a pension fund other than a guaranteed bond pension fund to precious metal derivatives or derivatives linked to a precious metals index, the PFMC shall convert each position in such derivative into the market value of the equivalent position in the underlying asset.

(3) Where a pension fund other than a guaranteed bond pension fund has a position in a precious metal derivative or derivative linked to a precious metals index which does not generate any incremental exposure for the fund, the PFMC is not required to include positions in the respective underlyings in the commitment.

(4) When calculating the global exposure of a pension fund other than a guaranteed bond pension fund to precious metal derivatives or derivatives linked to a precious metals index, PFMCs 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) If, for the purpose of efficient portfolio management, a pension fund other than a guaranteed bond pension fund is authorised under its rules to use techniques and instruments mentioned in Article 82c(5) relating to transferable securities and money market instruments, to the credit or debit of its portfolio, and in using these techniques and instruments it generates additional leverage through the reinvestment of collateral, the PFMC shall take the use of these techniques and instruments into account when using the commitment approach to calculate the fund's global exposure to precious metal derivatives or derivatives linked to a precious metals index .

(6) Národná banka Slovenska may issue a decree, to be published in the Collection of Laws of the Slovak Republic, stipulating:

- (a) methodologies for the conversion of positions in precious metal derivatives or derivatives linked to a precious metals index pursuant to paragraph (2) for different types of such derivatives;
- (b) criteria for determining those precious metal derivatives or derivatives linked to a precious metals index that do not generate incremental exposure for the portfolios of a pension fund other than a guaranteed bond pension fund pursuant to paragraph (3);
- (c) how to take into account netting and hedging arrangements pursuant to paragraph (4) when using the commitment approach to calculate the global exposure of a pension fund other than a guaranteed bond pension fund to precious metal derivatives or derivatives linked to a precious metals index;
- (d) how to take into account the techniques and instruments mentioned in paragraph (5) when using the commitment approach to calculate the global exposure of a pension fund other than a guaranteed bond pension fund to precious metal derivatives or derivatives linked to a precious metals index;
- (e) other details about using the commitment approach to calculate the global exposure of a pension fund other than a guaranteed bond pension fund to precious metal derivatives or derivatives linked to a precious metals index.

#### **Article 82e** **Value-at-Risk approach**

(1) Where a PFMC uses the VaR approach to calculate the global exposure of a pension fund other than a guaranteed bond pension fund to precious metal derivatives or derivatives linked to a precious metals index, it shall apply this approach to all positions in the fund's portfolio.

(2) When using the VaR approach, PFMCs shall, pursuant to Article 55a(2)(d), set the maximum VaR in accordance with the defined risk profile of the pension fund other than a guaranteed bond pension fund.

(3) When using the VaR approach, PFMCs shall calculate the global exposure of the pension fund other than a guaranteed bond pension fund to precious metal derivatives or derivatives linked to precious metals index using either the relative VaR approach or the absolute VaR approach, whichever is appropriate for the fund's risk profile and investment policy. For the purposes of this Act, 'relative VaR' means the VaR of a pension fund other than a guaranteed bond pension fund divided by the VaR of a benchmark or reference portfolio. For the purposes of this Act, 'absolute VaR' means the VaR of the portfolio of a pension fund other than a guaranteed bond pension fund capped as a percentage of the fund's net asset value.

(4) PFMCs are required, at the request of Národná banka Slovenska, to demonstrate that the approach selected under paragraph (3) is appropriate for the given type of pension fund. The company's decision to use the respective 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 may issue a decree, to be published in the Collection of Laws of the Slovak Republic, stipulating:

- (a) how to use the relative VaR approach to calculate the global exposure of a pension fund other than a guaranteed bond pension fund to precious metal derivatives and derivatives linked to a precious metals index;
- (b) how to use the absolute VaR approach to calculate the global exposure of a pension fund other than a guaranteed bond pension fund to precious metal derivatives and derivatives linked to a precious metals index;
- (c) quantitative and qualitative requirements for the VaR approach;
- (d) the maximum limit that may not be exceeded when using the absolute VaR approach;
- (e) other details about using the VaR approach to calculate the global exposure of a pension fund other than a guaranteed bond pension fund to precious metal derivatives or derivatives linked to a precious metals index.

### **Article 83**

(1) If the transferable securities mentioned in Article 81(1)(a) have ceased to be traded on a regulated market, the PFMC shall, in compliance with professional conduct rules and prudential rules, sell them without undue delay and no later than 180 days after the trading in these transferable securities ceased. Národná banka Slovenska may at the request of the PFMC extend the period mentioned in the first sentence, on one or more occasions, provided that such extension is justified in the interest of consumers' protection.

(2) Unless otherwise provided by this Act, PFMCs may not sell, or otherwise dispose of, the securities mentioned in Article 81(1)(a) to (e) from the pension fund's portfolio under a contract stipulating delivery of the securities as a condition precedent for the payment of the purchase price.

(3) Unless otherwise provided by this Act, PFMCs may not buy, or otherwise acquire, the securities mentioned in Article 81(1)(a) to (e) for the pension fund's portfolio under a contract stipulating payment for the securities as a condition precedent for their delivery, nor may it provide an advance for the acquisition thereof.

### **Articles 83a to 83f - repealed**

### **Article 84**

(1) In selling or buying the securities mentioned in Article 81(1)(a) to (e) from or for a pension fund's portfolio, the PFMC shall sell or buy these securities for the best price obtainable in favour of the pension fund's portfolio.

(2) A pension fund's assets may not be used to provide loans, gifts, credits, or any security for the liabilities of other natural persons or legal entities. This is without prejudice to the provisions of Articles 81 and 82.

(3) Financial loans or credits may be received for a pension fund only if they are necessary to bridge temporarily a shortage of liquidity in the fund's assets and provided that such bridge is

permitted by the rules of the fund and that the maturity is restricted to a period of up to one year from when the credit or loan is drawn.

(4) The total funds referred to in paragraph (3) may not exceed 5% of the net asset value of the pension fund as at date on which the loan or credit agreement is concluded.

(5) The following transactions may not be carried out to the credit or debit of a pension fund's assets:

- (a) securities lending; and
- (b) selling securities that are not a part of the pension fund's portfolio as at the date when the securities purchase agreement is concluded.

(6) The rights attached to the securities mentioned in Article 81(1)(a) to (e) and included in a pension fund's assets shall be exercised by the PFMC in accordance with the rules of the pension fund and solely in the interest of the savers.

## **Article 85**

### **Strategic investment of pension funds' assets**

(1) For the purposes of this Act, 'equity investments' means investments in:

- (a) shares/units of open-end investment funds and securities of foreign collective investment undertakings; the profile and objectives of the investment policy of such investment fund or foreign collective investment undertaking must make clear that more than 50% of the asset value of the fund or undertaking consists of shares;
- (b) securities of other foreign collective investment undertakings; the profile and objectives of the investment policy of such other foreign collective investment undertaking must make clear that more than 50% of the undertaking's asset value consists of shares;
- (c) capital securities mentioned in Article 81(3)(a); and
- (d) securities mentioned in Article 81(3)(b).

(2) For the purposes of this Act, 'bond investments' means investments in:

- (a) shares/units of open-end investment funds and securities of foreign collective investment undertakings; the profile and objectives of the investment policy of such investment fund or foreign collective investment undertaking must make clear that more than 50% of the asset value of the fund or undertaking consist of bonds and other debt securities;
- (b) securities of other foreign collective investment undertakings; the profile and objectives of the investment policy of such other foreign collective investment undertaking must make clear that more than 50% of the undertaking's asset value consists of bonds and other debt securities; and
- (c) bonds and other debt securities mentioned in Article 81(3)(c).

(3) For the purposes of this Act, 'financial investments' means:

- (a) shares/units of open-end investment funds and securities of foreign collective investment undertakings; the profile and objectives of the investment policy of such investment fund or foreign collective investment undertaking must make clear that more than 50% of the asset value of the fund or undertaking consists of money market instruments;

- (b) securities of other foreign collective investment undertakings; the profile and objectives of the investment policy of such other foreign collective investment undertaking must make clear that more than 50% of the undertaking's asset value consists of money market instruments;
- (c) money market instruments mentioned in Article 81(1)(e); and
- (d) funds mentioned in Article 81(1)(f).

(4) For the purposes of investing the assets of a bond pension fund pursuant to this Act, bond and financial investments under Article 81(1)(c) and (d) means investments in:

- (a) shares/units of open-end investment funds and securities of foreign collective investment undertakings; the profile and objectives of the investment policy of such investment fund or foreign collective investment undertaking must make clear that the assets of the fund or undertaking may be invested only in bonds and other debt securities or money market instruments;
- (b) securities of other foreign collective investment undertakings; the profile and objectives of the investment policy of such other foreign collective investment undertaking must make clear that the undertaking's assets may be invested only in bonds and other debt securities or money market instruments.

#### **Article 86** **Guaranteed bond pension fund**

(1) The assets of a guaranteed bond pension fund may consist only of bond and financial investments and hedging transactions for foreign-exchange and interest-rate risk.

(2) The assets of a guaranteed bond pension fund which are not hedged against foreign exchange risk may constitute not more than 5% of the fund's net asset value.

#### **Article 87 - repealed**

#### **Article 88** **Non-guaranteed equity pension fund**

(1) Bond and money market investments may in total constitute not more than 80% of the net asset value of a non-guaranteed equity pension fund.

(2) The assets of a non-guaranteed equity pension fund which are not hedged against foreign exchange risk may constitute not more than 80% of the fund's net asset value.

#### **Article 88a - repealed**

#### **Article 88b**

(1) The asset value of guaranteed bond pension funds shall be determined using the fair value method or amortised cost method. The asset value of pension funds other than guaranteed bond pension fund shall be determined using the fair value method.

(2) The amortised cost method may be used by PFMCs to determine the value of bonds, other debt securities, and money market instruments only if:

- (a) the securities have been issued or guaranteed by a sovereign, a national central bank, the European Union, the European Central Bank, the World Bank, the International Monetary Fund, the European Investment Bank, or the European Bank for Reconstruction and Development;
- (b) the credit assessment of the issuer or issuing programme at the time when the securities are acquired for the pension fund is not lower than the credit assessment of the Slovak Republic;
- (c) the currency in which the securities are denominated is the same as that in which the pension point is expressed;
- (d) the yield on the security is determined by a fixed amount, a fixed interest rate, a floating interest rate pegged to reference interest rates in a financial market, or the spread between the par value of the securities and the lower issue rate.

(3) PFMCs shall decide on which method they will use to determine the value of a financial instrument under paragraph (2) when they acquire the instrument for the pension fund, and this decision shall be binding on them and non-negotiable.

(4) PFMCs may not sell a financial instrument whose value has been determined by the amortised cost method, unless:

- (a) they sell the instrument not more than 30 days before the instrument's maturity date; or
- (b) they have identified an event or change in economic conditions that could lead to a significant reduction in the creditworthiness of the issuer or guarantor such that may prejudice the interests of savers.

(5) Where a PFMC sells a financial instrument in accordance with paragraph (4), it shall without delay inform Národná banka Slovenska of this fact and provide reliable evidence of the grounds on which the sale was based.

## **Article 89**

(1) The limits and restrictions concerning a pension fund's assets laid down in Articles 82, 86 and 88 do not apply for the first 12 months after the establishment of the pension fund was commenced in accordance with Article 72(8).

(2) Once the period mentioned in paragraph (1) has expired, the PFMC may exceed the limits and restrictions under Articles 82, 86 and 88 only upon the exercise of pre-emptive subscription rights arising from securities or money market instruments included in the pension fund's assets, or as part of the merger of the pension fund.

(3) If any of the limits or restrictions mentioned in Articles 82, 86 and 88 are exceeded for reasons beyond the control of the PFMC, or owing to the exercise of pre-emptive rights under paragraph (2), the PFMC shall without undue delay notify Národná banka Slovenska of this fact and take immediate measures to conform with the limits and restrictions under Articles 82, 86 and 88, taking into account the interests of savers.

(4) Národná banka Slovenska may set a time limit for a PFMC to bring the composition of a pension fund's assets into compliance with the limits and restrictions under Articles 82, 86 and 88. This is without prejudice to the right of Národná banka Slovenska to sanction the PFMC for a breach of provisions under Articles 82, 86 and 88. The time limit mentioned in the first sentence may be extended by Národná banka Slovenska at the request of the PFMC, submitted no later than the last day of the period granted for making the composition of the assets compliant, and provided that such extension is justified in the interest of protecting savers.

(5) Transactions made in order to bring the composition of a pension fund's assets into compliance with the limits and restrictions mentioned in Articles 82, 86 and 88 shall take precedence over other transactions.

## **Article 90**

### **Rules for the use of credit ratings**

(1) For the purposes of this Act, PFMCs shall use, in addition to rules and procedures relating to the risk management of pension funds, the credit rating of the issuer or issuing programme in order to assess the risk associated with the investment of a pension fund's assets in bonds and other debt securities under Article 81(3)(c) which are:

- (a) issued by an entity that is subject to supervision under legal regulations of the Slovak Republic applicable to financial market participants;
- (b) issued by an entity that is subject to supervision under legally binding acts of the European Union applicable to financial market participants;
- (c) issued by another legal entity incorporated in a Member State; or
- (d) guaranteed by a Member State.

(2) If the issue or issuing programme mentioned in paragraph (1) has not been assigned a credit rating, the PFMC shall use the credit rating of the issuer of the bond or other debt security, or the credit rating of the entity guaranteeing the bond or other debt security.

(3) For the purposes of this Act, PFMCs shall use, in addition to rules and procedures relating to the risk management of pension funds, the credit rating of the issuer in order to assess the risk associated with the investment of a pension fund's assets in:

- (a) money market instruments mentioned in Article 81(1)(e) points four, six and seven;
- (b) funds mentioned in Article 81(1)(f);
- (c) bonds and other debt securities mentioned in Article 81(3)(c), issued by an entity other than that referred to in paragraph (1).

(4) To assess the risk associated with the investment of a pension fund's assets, PFMCs shall use the credit rating issued by a credit rating agency included in the list maintained by Národná banka Slovenska under a separate regulation<sup>79a</sup> and published in the Journal of Národná banka Slovenska.

(5) To assess the risk associated with the investment of a pension fund's assets, PFMCs shall use only solicited long-term international credit ratings. For sovereign or central credit ratings, PFMCs may also use unsolicited credit ratings.

(6) For the purposes of this Act, ‘solicited rating’ means a paid credit rating assessed and assigned at the request of, and with the cooperation of, the assessed entity.

(7) For the purposes of this Act, a credit rating assigned by a credit rating agency must be in the investment grade. The investment grade is the investment grade defined by the credit rating agency that assigned the relevant credit rating.

(8) For the purposes of this Act, ‘issuer’ means also a bank, or a foreign bank operating in Slovakia via its local branch, whose registered office is in the Slovak Republic, in a Member State, or in a non-Member State, if such bank or foreign bank maintains a current account or deposit account for the pension fund of the PFMC.

(9) Where an issuer, issue, or issuing programme has been assigned a credit rating by more than one credit rating agency, the PFMC shall use the credit rating most recently assigned.

(10) PFMCs shall continually monitor for changes in credit ratings. If a credit rating agency downgrades to speculative grade the credit rating of a financial instrument in a pension fund’s assets, or if it stops publishing such credit rating for any reason, the PFMC shall sell the financial instrument without undue delay, and no later than 180 days after becoming aware of this fact. Národná banka Slovenska may at the request of the PFMC extend the period mentioned in the previous sentence, on one or more occasions, provided that such extension is justified in the interests of consumers’ protection.

#### **Article 91 – repealed**

#### **Article 91a - repealed**

### **TITLE THREE**

#### **Rules of the old-age pension scheme**

#### **Article 92**

(1) Unless paragraphs (2) and (3) provide otherwise, savers shall have in a guaranteed pension fund, as at the first day of the calendar month in which they attain

- (a) 52 years of age, at least 10% of the net value of their assets corresponding to the current value of their pension points credited from mandatory contributions;
- (b) 53 years of age, at least 20% of the net value of their assets corresponding to the current value of their pension points credited from mandatory contributions;
- (c) 54 years of age, at least 30% of the net value of their assets corresponding to the current value of their pension points credited from mandatory contributions;
- (d) 55 years of age, at least 40% of the net value of their assets corresponding to the current value of their pension points credited from mandatory contributions;
- (e) 56 years of age, at least 50% of the net value of their assets corresponding to the current value of their pension points credited from mandatory contributions;
- (f) 57 years of age, at least 60% of the net value of their assets corresponding to the current value of their pension points credited from mandatory contributions;



- (g) 58 years of age, at least 70% of the net value of their assets corresponding to the current value of their pension points credited from mandatory contributions;
- (h) 59 years of age, at least 80% of the net value of their assets corresponding to the current value of their pension points credited from mandatory contributions;
- (i) 60 years of age, at least 90% of the net value of their assets corresponding to the current value of their pension points credited from mandatory contributions;
- (j) 61 years of age, 100% of the net value of their assets corresponding to the current value of their pension points credited from mandatory contributions.

(2) Where a saver notifies PFMC that they wish to reduce the minimum percentage ratio of the net value of their assets which is held in a guaranteed bond fund pursuant to paragraph (1), that ratio shall be reduced by half.

(3) In the case of savers who have concluded a scheduled pension payment agreement with a PFMC pursuant to Article 33a(3) and who, as at the date on which this agreement was concluded, did not have in a guaranteed bond pension fund 100% of the amount stated on the certificate, the PFMC shall as at the date on which this agreement enters into force, but no later than thirty days after it was concluded, transfer to a guaranteed bond pension fund a share of the saver's assets corresponding to the amount stated on the certificate. If the saver does not have a personal pension account assigned to a guaranteed bond pension fund, the PFMC shall establish such account for the saver. For period during which scheduled pension payments are made pursuant to Article 33a(3), the saver may not switch to another pension fund.

(4) A saver may not simultaneously save in more than two pension funds managed by the competent PFMC. Where a saver saves in two pension funds, one of funds must be a guaranteed bond pension fund.

(5) The requirement laid down in paragraphs (1) and (2) that the value of a saver's assets in the old-age pension scheme must include a stipulated percentage ratio in a guaranteed bond pension fund is deemed to be met if this ratio is ensured as at the date of the switching referred to in Article 93(3); the ratio may not later be changed so as to reduce the ratio of assets in the guaranteed bond pension fund, except as the result of a change in the pension-point value following the date of the switching under Article 93(3) or on the basis of a notification under paragraph (2). This applies also when savers switch from one PFMC to another.

### **Article 93**

(1) Savers may switch from one pension fund to another pension fund managed by the same PFMC on the basis of an amendment to the old-age pension scheme agreement. Where savers wish to switch a part of the net value of their assets to a guaranteed bond pension fund, the previous sentence applies *mutatis mutandis*.

(2) PFMCs shall accept a saver's application to a switch from one pension fund to another, provided that the application is not contrary to Article 92.

(3) If the percentage ratio of the net value of a saver's assets does not comply with Article 92(1) and (2), the competent PFMC shall within 30 days after the day on which the saver

attains the age referred to in Article 92(1), transfer the minimum legally-stipulated proportion of the net value of the saver's assets to a guaranteed bond pension fund. If the saver does not have a personal pension account assigned to a guaranteed bond pension fund, the PFMC shall establish such an account for the saver.

## **TITLE FOUR**

### **Personal pension accounts**

#### **Article 94**

(1) PFMCs shall establish and maintain a personal pension account for each saver, in order to keep record of the number of pension points of the pension fund.

(2) PFMCs shall establish not more than two personal pension funds for each saver, where the saver has selected the ratio in which their pension savings are to be divided between pension funds. A saver may have two personal pension accounts provided that one of them is assigned to a guaranteed bond pension fund. The number of a pension fund's pension points in a saver's personal pension account shall be recorded by the PFMC separately from the personal pension accounts of other savers.

(3) A personal pension account shall include:

- (a) the number of the personal pension account and the date of its establishment;
- (b) the saver's name, date of birth, and permanent address;
- (c) the name of the pension fund whose pension points are recorded in the account;
- (d) the number of pension points in the saver's personal pension account which are credited from mandatory contributions and the number of pension points in the saver's personal pension account which are credited from voluntary contributions;
- (e) information on all entries made in the personal pension account.

(4) Entries in a personal pension account which concern the crediting of pension points shall state:

- (a) the date when pension points were credited from mandatory contributions and the date when pension points were credited from voluntary contributions;
- (b) the number of pension points credited from mandatory contributions along with the period for which they were credited and the number of pension points credit from voluntary contributions;
- (c) the sum of the current values of all the credited pension points as at the date of crediting;
- (d) the current value of the pension point as at the date preceding the date on which the pension points were credited to the saver's personal pension account.

(5) PFMCs shall send each saver a statement of the saver's personal pension account as at the last day of the calendar year, but no later than one month after the end of the calendar year. The PFMC from which a saver is switching to another PFMC shall send the saver, no later than 15 days after the switching date, a statement of the saver's personal pension account as at the date which precedes the switch to the other PFMC. The PFMC to which the saver is switching shall send the saver, no later than 15 days after the switching date, a statement of the saver's personal pension

account showing the current value of the personal pension account as at the switching date. PFMCs shall not charge savers for the production and sending of such statements. The provisions of the second to fourth sentences apply, mutatis mutandis, where the saver has concluded a scheduled pension payment agreement with a PFMC other than the one with which they were a saver.

(6) Statements of a saver's personal pension account shall be sent by the PFMCs in paper form to the saver's last known permanent address, unless it is agreed with the saver to send such statement to another address or in another way. Statements of savers' personal pension accounts shall be truthful, easy to understand, and free of specialist terminology, and they shall not be misleading.

(7) The content and structure of statements of savers' personal pension accounts shall be stipulated by the Ministry in a decree, in agreement with Národná banka Slovenska; the full text of such decree shall be published in the Collection of Laws of the Slovak Republic.

(8) Where so requested by a saver, a PFMC shall without undue delay, once a year, provide the saver with an explanation of the statement of the saver's personal pension account.

(9) With the agreement of the saver and the PFMC, the statement of a personal pension account may contain information other than that mentioned in the decree referred to in paragraph (7).

(10) Within 15 working days after receiving a saver's written request for a current statement of their personal pension account, the PFMC shall send such statement to the saver.

(11) The costs related to modifying the statement of a personal pension account under paragraph (9), or to sending the statement of a personal pension account more frequently than specified in paragraph (5) shall be met by the saver.

(12) Along with the statement mentioned in paragraph (5), PFMCs shall send savers written notification that:

- (a) the saver may be sent, on request and at no charge, written information about pensions;
- (b) the saver may at no charge be provided with written information about pensions at the premises of the PFMC or of the Social Insurance Agency;
- (c) information about pensions is published on the website of the company and the website of the Social Insurance Agency;
- (d) the saver may, on the basis of a notification pursuant to Article 92(2), reduce the minimum percentage ratio of the net value of the saver's assets which is held in a guaranteed bond fund.

(13) The information about pensions referred to in paragraph (12)(a) to (c) shall be drawn up by the PFMC and the Social Insurance Agency.

(14) The information about pensions referred to in paragraph (12)(a) to (c) shall be truthful, easy to understand, and free of specialist terminology. A template for this information shall be laid down by the Ministry in a decree, in agreement with Národná banka Slovenska; the full text of such decree shall be published in the Collection of Laws of the Slovak Republic.

(15) If in the case of savers who are being paid an old-age pension or temporary old-age pension through scheduled payments pursuant to Article 33a(2) or (4) and whose assets are partly held in a pension fund other than a guaranteed bond pension fund, it happens that the net asset value of their assets falls for the first time below 10% of the net value of the assets from which the scheduled pension payments started to be made, the PFMC shall notify the saver in writing, within ten days after the day on which the saver's assets fell below that ratio, that unless the saver requests the transfer of their assets from the other pension fund to the guaranteed bond pension fund, the scheduled pension payments to the saver shall cease forthwith; the net value of the saver's assets in the fund from which the scheduled pension payments are being made will be zero and the saver's remaining assets will be paid to the saver only after the saver requests the transfer of these assets to the guaranteed bond pension fund and the subsequent disbursement of these assets through scheduled payments. PFMCs shall not be obliged to provide written notification pursuant to the previous sentence if the payment period for the temporary old-age pension through scheduled payments is shorter than three months.

## **Article 95**

(1) On the working day following the day on which a payment of contributions or penalty payments credited to the depository-maintained unassigned payments account of a PFMC is identified, the PFMC shall credit to the saver's personal pension account such number of pension points of the respective pension fund that corresponds to the ratio between the value of the identified payment and the current pension-point value of the pension fund as at the first working day preceding the payment identification date, and it shall without undue delay credit the corresponding amount from the unassigned payments account to the current account of the pension fund. The payment identification date is deemed to be the first working day on which all the mandatory elements of this payment became known to PFMC. In crediting the amount, the PFMC shall adhere to the selected or mandatory ratio in which savings are divided between pension funds. If the amount cannot be divided without leaving a residual, it shall be divided in such a way that the amount to be credited to the current account of a guaranteed bond fund is rounded up to the nearest euro cent and the amount to be credited to the current account of a pension fund other than a guaranteed bond fund is rounded down to the nearest euro cent.

(2) Where the Social Insurance Agency has requested a PFMC to return mandatory contributions and penalty payments in accordance with Article 28a(2), the PFMC shall, on the transfer date referred to in Article 28a(4), deduct from the saver's personal pension account such number of pension points that corresponds to the ratio between the amount mentioned in Article 28a(4) first sentence or second sentence and the current pension-point value as at the date preceding the transfer date, and in accordance with the current ratio of savings between pension funds; the company shall without delay credit this amount from current account of the pension fund to the account of the Social Insurance Agency at the State Treasury. Where a personal pension account is cancelled, the PFMC shall deduct all pension points from the account prior to its cancellation; this provision applies, mutatis mutandis, to the transfer of amounts under Article 64a(9), (10) and (12) or Article 65(4) to the Social Insurance Agency.

(3) If the elements of a contribution payment credited to a pension fund's current account held with the depository do not unambiguously identify the saver to whom the payment pertains, the pension fund's pension points related to this payment may be credited to the saver's personal

pension account only after unambiguous designation of the payment as at the date when the saver to whom the payment pertains is identified. The number of pension points credited to the personal pension account as at the date when the saver to whom the payment pertains is identified shall be calculated by procedure specified in paragraph (1).

## **Article 96**

(1) On the day when a saver switches from one pension fund to another pension fund managed by the same PFMC or on the day of a change in the ratio in which a saver's pension savings are divided between pension funds managed by the same PFMC, the PFMC shall amend the record of entries in the saver's personal pension account which relate to the pension funds concerned. For this purpose, each pension fund in which the saver was originally saving shall be called the 'transferor pension fund' and each pension fund to which the saver is switching or to which an amount corresponding to the current value of the saver's pension account, or part thereof, is to be transferred shall be called the 'transferee pension fund'.

(2) Within three working days after the day when a saver switches from one pension fund to another managed by the same PFMC (the 'switching date') or the day of a change in the ratio in which a saver's pension savings are divided between pension funds managed by the same PFMC (the 'savings ratio change date'), the PFMC shall transfer the respective part or entirety of the amount corresponding to the current value of the saver's pension account as at the switching date or savings ratio change date to the current account of the transferee pension fund. If the switching date or savings ratio change date falls on a Saturday or non-working day, the switching date or savings ratio change date is deemed to be the next working day.

(3) On the switching date or savings ratio change date, the PFMC shall deduct from the saver's personal pension account either all or the respective part of the pension points of the transferor pension fund and credit that account with such number of pension points of the transferee pension fund which corresponds to the quotient of the amount transferred and the current pension-point value of the transferee pension fund as at the day preceding the switching date.

(4) In following the procedure under paragraphs (1) to (3), PFMCs shall adhere to the selected or mandatory ratio in which savings are divided between pension funds.

## **Article 97**

(1) On the date when a saver switches from one PFMC to another PFMC, the PFMC from which the saver is switching shall cancel all of the saver's personal pension accounts. As of the switching date pursuant to Article 64b(5), the saver shall become a saver with the PFMC to which the saver is switching.

(2) The PFMC from which a saver is switching shall, within three working days after the saver's switching date, transfer an amount equal to the current value of the saver's personal pension account, as at the switching date, from the current account(s) of the pension fund(s) to the unassigned payments account of the PFMC to which the saver is switching; the company shall also state which part of that amount is equal to the current pension-point value credited from voluntary

contributions. If the saver's switching date falls on a Saturday or non-working day, the switching date is deemed to be the next working day.

(3) Prior to cancelling a saver's personal pension account in accordance with paragraph (1), the PFMC from which the saver is switching shall deduct all pension points from the saver's personal pension account. The PFMC to which the saver is switching shall proceed as appropriate in accordance with Article 95(1).

(4) The PFMC to which a saver is switching shall credit pension points to the saver's one or two personal pension accounts in accordance with Article 95(1).

## **Article 98**

The pension points recorded in a saver's personal pension account may not be used other than in the way laid down by this Act.

## **Article 98a – repealed**

# **PART SEVEN DEPOSITORY**

## **Article 99 Depository**

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

(2) The depository of a pension fund shall be a bank, or a foreign bank operating in Slovakia through its local branch,<sup>80</sup> which is authorised in accordance with separate regulations<sup>81</sup> to perform depository activities and to carry out non-core investment services involving the safe-keeping or management of financial instruments, and which is not in receivership.

(3) The depository of a pension fund may not be a legal entity mentioned in paragraph (2) which is a founder of the PFMC that manages this pension fund (hereinafter the 'managing PFMC') or a shareholder of the managing PFMC, or which is a member of a group with close links to the managing PFMC, to a shareholder with a qualifying holding in the managing PFMC or to the founders of the managing PFMC. A legal entity referred to in paragraph (2) which is not of good repute may not be the depository of a pension fund.

(4) The depository of a 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 those of savers. 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 savers' rights in accordance with Article 74.



(5) All the pension funds of a managing PFMC must have the same depository.

(6) The activities of a depository are subject to the provisions of separate regulations,<sup>82</sup> unless otherwise provided by this Act.

### **Article 100**

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

(2) A depository contract shall set out the depository activities, the scope of which shall not be narrower than that laid down by this Act, and the amount of the 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 revocation or expiry of a depository's banking licence,<sup>83</sup> or its licence to provide investment services<sup>84</sup> 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,<sup>84a</sup> 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 PFMC with which the depository contract was concluded.

(6) After a depository contract has ceased to be valid, the PFMC shall without undue delay suspend the use of the pension funds' assets, except for the payment of liabilities incurred before the expiry of the depository contract and operations necessary for securing the 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 PFMC 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), a PFMC 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. A PFMC and its depository appointed by Národná banka Slovenska shall without undue delay

conclude a depository contract. After this depository contract has been concluded, the PFMC shall without undue delay submit it to Národná banka Slovenska.

(9) A depository that has ceased to perform its activities for the pension funds of the managing PFMC shall without undue delay hand over the pension funds' assets and all related documentation and information to the new depository. Until the handover of the assets and related documentation, the depository must not use or allow the use of the pension funds' assets, except for operations required to secure the pension funds' assets against damage or to ensure the payment of old-age pension and temporary old-age pension through scheduled payments.

(10) A depository shall continue to fulfil its obligations arising from the depository contract in the event that the PFMC has gone into bankruptcy, and shall do so until a depository contract is concluded with the PFMC to which the management of the pension funds has been transferred.

### **Article 101**

(1) Depositories shall maintain a current account<sup>85</sup> in a stipulated currency for the PFMC with which they have concluded a depository contract. Depositories shall maintain one current account<sup>85</sup> in a stipulated currency for each pension fund of the managing PFMC with which they have concluded a depository contract. Depositories shall maintain one unassigned payments account for each PFMC with which they have concluded a depository contract.

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

(3) PFMCs may not open current account in a bank, or a foreign bank operating in Slovakia via its local branch, which is not their depository. PFMCs may open a deposit account<sup>86</sup> in a bank, or a foreign bank operating in Slovakia via its local branch, which is not their depository.

(4) Depositories may release funds from a 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.

(5) Any paper securities included in a pension fund's assets shall be deposited with the depository. If it is not possible to ensure their safe-keeping 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.

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

(7) For the purpose of using pension funds' assets that are book-entry securities recorded in the issuers' register at the central depository, PFMCs shall, separately for each pension fund under their management, establish and use an independent owner's account. For the purpose of recording and using a pension fund's assets, PFMCs may not establish and use more than one owner's account for each pension fund under their management, nor use the owner's account mentioned in paragraph (6).



(8) Owner's accounts mentioned in paragraphs (6) and (7) may only be established with a depository that is a member of the central depository. If a depository is not a member of the central depository, the PFMC shall establish the owner's accounts mentioned in paragraphs (6) and (7) with another member of the central depository; these owner's accounts shall be established with the same member of the central depository.

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

(10) PFMCs may not use pension funds' assets without the knowledge of the depository.

## **Article 102**

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

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

- (a) carry out the instructions of the PFMC, provided these are not inconsistent with this Act, other legislation of general application, or the rules of a 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 pension fund;
- (c) check that the use of a pension fund's assets complies with the principles of risk spreading;
- (d) check the calculation and payment of the pension fund management fees charged by the PFMC;
- (e) check that the managing PFMC complies with the provisions of this Act, other legislation of general application, and the rules of pension funds under its management;
- (f) check that the income from the managed pension funds is used in accordance with this Act and with the rules of the managed pension funds;
- (g) ensure that the countervalue in transactions involving the pension funds' assets is transferred in favour of the pension funds' assets on the principle of payment against delivery, provided that this is not precluded by the nature of the transaction or business customs, and 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;
- (h) 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 in the performance of its activities finds that the PFMC has breached this Act, other legislation of general application, or the rules of a pension fund, it shall without undue delay notify this fact to Národná banka Slovenska and to the PFMC. Where the limits mentioned in Articles 81 to 83 and Articles 86 to 88 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 PFMC or pension funds, for the purpose of fulfilling tasks laid down by a separate law.<sup>87</sup>

(6) Depositories shall carry out only those instructions of the PFMC that comply with this Act and with pension funds' rules. If an instruction given by a PFMC is inconsistent with this Act or the rules of a pension fund, the depository shall not carry it out and shall in writing inform the PFMC of this fact; if despite having been so informed, the PFMC 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 PFMCs to furnish in addition to information and documents on pension funds under their management, information and documents on their activities. PFMCs 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, authorised representatives, 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 law.

### **Article 103**

#### **Liability of a depository**

(1) A depository that in the course of its activities breaches an obligation arising under this Act, separate regulations, the rules of a pension fund, or the depository contract shall be liable to the PFMC for damage resulting therefrom and shall remain liable after these activities have ceased. This is without prejudice to the liability of the PFMC under Article 67(4).

(2) The liability of a depository for damage caused by the non-fulfilment of obligations arising under this Act or the depository contract shall not be affected by the fact that the depository has outsourced the performance of these obligations to a third party.

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

(4) Where a depository has breached or failed to fulfil its obligations arising under this Act or the depository contract and has thereby caused damage to savers, the PFMC shall represent the interests of these savers and beneficiaries when claiming compensation for this damage; this also applies where the depository's licence to provide investment services has expired or has been revoked.

## **Article 104**

### **Solvency of a depository**

Assets which are entrusted to a depository in accordance with this Act and which are pension funds' assets or funds held in an unassigned payments account pursuant to Article 101(1) may not be subject to any decision or execution enforced against the depository under separate regulations,<sup>88</sup> nor may they be subject to any receivership in which the depository is placed, nor may they be included in bankruptcy proceedings<sup>49</sup> of the depository.

## **PART EIGHT**

### **INFORMATION OBLIGATION**

## **Article 105**

### **Information for the public**

(1) PFMCs shall calculate on each working day and publish at least once in seven days in a periodical publication with nationwide circulation:

- (a) the current value of the pension point in each of the pension funds under their management;
- (b) the net asset value of each of the pension funds under their management.

(2) PFMCs shall at least once a month publish in a periodical publication with nationwide circulation the level of their fee under Article 63(1).

(3) PFMCs shall ensure that savers 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 three months after the end of the accounting period;
- (b) the annual reports on the portfolio management of pension funds for the previous calendar year, including the audited annual financial statements for the previous calendar year, no later than three 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) half-yearly reports on the portfolio management of pension funds for the first half of the calendar year, including the half-yearly financial statements of the 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.

(4) PFMCs shall incorporate a summary of their financial results for the most recent three years in the annual reports mentioned in paragraph (3)(a) and (b) and in the half-yearly reports mentioned in paragraph (3)(c) and (d).

(5) If the financial statements are not audited within the time limit specified in paragraph (3)(a) and (b), the PFMC shall make the auditor's report available in the manner specified in paragraph (3) without undue delay after receiving it.

(6) The annual report and the half-yearly report mentioned in paragraph (3)(a) and (c) shall contain:

- (a) information about members of the management board, members of the supervisory board, and shareholders of the PFMC;
- (b) information about the most significant events having an impact on the management of the PFMC, and information about the expected development of the same in the upcoming period;
- (c) information about external funds of the PFMC;
- (d) information about persons to whom activities were outsourced by the PFMC under Article 67;
- (e) other information whose extent shall be defined by Národná banka Slovenska under paragraph (11).

(7) The annual report and the half-yearly report mentioned in paragraph (3)(b) and (d) shall contain:

- (a) information about the most significant events having an impact on the portfolio management of the pension fund, and information about the expected development of the same in the upcoming period;
- (b) information about the balance of the pension fund's assets, broken down by market, issuer, sector, and currency;
- (c) a chart showing the development of the pension-point value;
- (d) information about the development of the number of savers;
- (e) other information whose extent shall be defined by Národná banka Slovenska under paragraph (11).

(8) PFMCs shall publish in national periodicals, within the time limits specified in paragraph (3), an abridged version of the annual report and half-yearly report on the portfolio management of their pension funds, and an abridged version of the annual report and half-yearly reports on the management of their own assets.

(9) PFMCs formed by a merger of PFMCs shall without undue delay publish in a periodical publication with nationwide circulation an announcement about the merger of the PFMCs and about the merger of their pension funds.

(10) PFMCs to which the management of pension funds has been transferred for a reason other than that mentioned in paragraph (9) shall without undue delay publish in a periodical publication with nationwide circulation an announcement about the transfer of the pension funds' management and about the merger of the respective pension funds.

(11) Národná banka Slovenska shall issue a legislation of general application, to be published in the Collection of Laws, laying down: details about the information mentioned in paragraph (6)(a) to (d) and paragraph (7)(a) to (d), as well the extent of other information mentioned in paragraph (6)(e) and paragraph (7)(e), which must be included in the annual report and half-yearly report on the portfolio management of a pension fund, in the annual report and half-yearly report on the management of a PFMC's own assets, in the abridged annual report and half-yearly report on

the portfolio management of a pension fund, and in the abridged annual report and half-yearly report on the management of a PFMC's own assets; the scope, content and structure of these reports, the deadlines for their submission to Národná banka Slovenska, and the form, method, procedure and place of their submission, and the scope of their disclosure.

(12) Within three months after the end of the accounting period, PFMCs shall, for themselves and for each pension under their management, file audited financial statements for the previous calendar year in the public section of the Register of Financial Statements.<sup>88a</sup>

## **Article 106**

### **Prospectus**

(1) The prospectus shall contain the information necessary to enable savers to make an informed assessment of the opportunities offered by the investment and of the risks attached to such investment. The prospectus shall also contain a clear and, for ordinary savers, easily understandable explanation of the pension fund's risk profile. The prospectus must not contain false or misleading information.

(2) The prospectus shall contain information about the assets in which the pension fund's assets may be invested.

(3) Where the investment policy of a pension fund is to invest predominantly in assets other than transferable securities and money market instruments, the prospectus and advertising materials shall contain a conspicuous notice about that investment policy.

(4) If significant fluctuation of the net asset value of a pension fund may be expected owing to the composition of the fund's assets, or to the investment management procedures used by the PFMC, the prospectus and advertising materials shall contain a conspicuous notice about these facts.

(5) The prospectus may be in paper form, or in the form of a record on a durable medium provided that access to the information is equivalent to that for the paper form and that this record has been approved by Národná banka Slovenska. For the purposes of this Act, 'durable medium' means an instrument or technical device, especially a technical information carrier, that enables a saver to store the information addressed to them, in such a way that the stored information may be used in future to meet its intended purposes and that it can be reproduced in unaltered form.

(6) Liability for the accuracy and completeness of information in the prospectus shall attach to the PFMC.

(7) The information in the prospectus shall be kept updated by the PFMC. The rules for adopting changes and updates to the prospectus shall be laid down in the rules of the pension fund.

(8) PFMCs shall attach to old-age pension scheme agreements both the prospectus for the saver's pension fund and the rules of this pension fund.

(9) PFMCs shall publish on their website the prospectuses for the pension funds under their

management.

(10) Following any amendment to the prospectus, the PFMC shall without undue delay send a copy thereof to Národná banka Slovenska.

## **Article 107**

### **Website**

- (1) PFMCs shall create a website providing access to at least the following:
- (a) the information mentioned in Article 105;
  - (b) the latest versions of the prospectuses of the pension funds managed by the PFMC;
  - (c) the latest versions of the rules of the pension funds managed by the PFMC;
  - (d) data about the share capital of the PFMC;
  - (e) the latest version of the articles of association of the PFMC;
  - (f) up-to-date information about the founders and shareholders of the PFMC, specifying:
    - 1. for corporates, their business name, registered office address, and percentage share in the voting rights and share capital of the PFMC;
    - 2. for natural persons, their full name, permanent address, and percentage share in the voting rights and share capital of the PFMC;
  - (g) information about persons to whom activities were outsourced by the PFMC under Article 67;
  - (h) the monthly report mentioned in paragraph (3);
  - (i) information about pensions pursuant to Article 94(14).

(2) PFMCs shall publish on their website, within the time limits specified in Article 105(3), their annual reports, half-yearly reports, annual financial statements and half-yearly financial statements.

(3) PFMCs shall publish on their website monthly reports on developments in the investment of their pension funds' assets. The monthly reports shall contain at a minimum:

- (a) the designation of the pension fund, business name of the pension fund's depository, information about the net asset value of the pension fund, the date on which the pension fund was established, and the current value of the pension point as at the date of the monthly report;
- (b) information about the market risk exposure of the 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 pension fund;
- (c) the share of individual rating grades of the bond part of the portfolio as a share of the net asset value of the pension fund and information about the geographical risk in the pension fund if it is not a guaranteed bond pension fund, which shall be understood to mean the share of equity investments issued by the issuer or reflecting developments in the prices of issuers, and specifying the country in which the issuer has its registered office;
- (d) information about the currency risk exposure of the pension fund, meaning the share of the net asset value comprising 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 pension fund, in particular the name of the financial instrument, its identification data and percentage share in the net asset value of the pension fund;
- (f) the information mentioned in point (e) must comprise, in the case of a guaranteed bond pension fund, 15 issues of financial instruments and, in the case of a non-guaranteed equity pension fund, 10 issues of financial instruments satisfying the definition of equity investments and 10 issues of financial instruments satisfying the definition of bond and financial investments;
- (g) an opinion of the employee responsible for managing the 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.

(4) PFMCs shall update the information on their website at least once every seven days. The website of a PFMC shall show the date when it was last updated; data provided on the website may not be replaced by updated data, but their history shall be recorded and made available to the public. PFMCs shall produce the monthly reports mentioned in paragraph (3) as at the last day of the calendar month and post them on its website within ten days after the end of the calendar month. If the last day of the calendar month is a Saturday or a non-working day, the data and values to be used by the PFMC for the production of the monthly report shall be those valid as at the last working day preceding the preparation date of the monthly report.

(5) PFMCs shall allow savers, via the company's website, to have, at no charge, secured passive access to the regularly updated information relating to the saver's personal pension account; this information shall include:

- (a) data structured according to Article 94(3);
- (b) the current value of the pension point;
- (c) the current value of the personal pension account, expressed in euro, as the product of the current value of the pension point and the number of the pension fund's pension points recorded on the personal pension account.

## **Article 108**

The information mentioned in Articles 105 to 107 shall be provided free of charge by the PFMC, unless otherwise provided by this Act.

## **Article 109**

### **Information obligation towards Národná banka Slovenska**

- (1) PFMCs shall submit to Národná banka Slovenska:
- (a) no later than three months after the end of the accounting period, the annual report on the management of their own assets for the previous calendar year, as well as the annual reports on the portfolio management of their pension funds for the previous calendar year; the audited financial statements and auditor's report constituting part of the annual reports shall be filed by the PFMC in accordance with Article 105(12), if the financial statements have not been filed in the Register of Financial Statements. If the financial statements have not been audited, the PFMC shall state that it is filing unaudited financial statements, and within one month after



- receiving the auditor's report, it shall file the report in the Register of Financial Statements;
- (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 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; this is without prejudice to the obligation to notify Národná banka Slovenska without undue delay if the PFMC has ceased to fulfil the capital adequacy requirement;
  - (d) no later than one month after the end of each calendar quarter, the interim financial statements of the PFMC prepared as at the last day of the calendar quarter;
  - (e) 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 days after the notarised minutes were drawn up.

(2) PFMCs shall include in their half-yearly reports and annual reports a brief summary of their financial results for the previous three years.

(3) PFMCs 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. Národná banka Slovenska shall issue a decree stipulating the structure, scope, content and form of such notification and the method, procedure and place of its submission.

(4) PFMCs shall without undue delay notify Národná banka Slovenska of the date when amendments to the rules of a pension fund enter into force.

(5) PFMCs shall submit to Národná banka Slovenska upon request:

- (a) a detailed statement of purchases of financial instruments for the portfolio of a pension fund and of the sales of financial instruments from the portfolio of a pension fund, including specification of the financial instruments, date, and price;
- (b) information on fees for investment firms and the depository, fees for foreign managers of investment assets, fees for investment analyses, and other fees related to the investment of a pension fund's assets;
- (c) information on the remuneration of members of the management board and members of the supervisory board of the PFMC;
- (d) a list of the savers;
- (e) other information requested by Národná banka Slovenska.

(6) Insurers shall submit to Národná banka Slovenska, within a time limit stipulated by the same, data, documents, information, and other materials and clarifications which relate to the insurer's activities under this Act and are required by Národná banka Slovenska for the performance of its tasks under this Act and under separate regulations.<sup>43</sup>

## **Article 110**

(1) PFMCs shall ensure the secure electronic transfer of data to the register of insured persons and savers<sup>89</sup> maintained by the Social Insurance Agency. The data mentioned in the first sentence are required for the implementation of social insurance and the old-age pension scheme, and their structure shall be determined by the Social Insurance Agency.

(2) PFMCs may obtain, from the register of insured persons and savers, data required for the implementation of the old-age pension scheme, including at a minimum:

- (a) information about old-age pension scheme agreements being entered or not entered in the Register of Agreements;
- (b) a detailed breakdown of mandatory contributions assigned to the current accounts of pension funds under the company's management;
- (c) a detailed breakdown of the penalty payments assigned to the current accounts of pension funds under the company's management, stating the number of days for which the penalty is paid.

(3) PFMCs and their depositories shall, on each working day and by secure electronic data transfer, provide Národná banka Slovenska with information on transactions in pension funds' assets and on the balance of assets in each pension fund. 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 legislation of general application to be published in the Collection of Laws of the Slovak Republic. If the last day of the assessment period of a given calendar month is a non-working day, PFMCs shall make all the respective calculations using data and values applicable as at the last day preceding the last day of the assessment period. The information mentioned in the first sentence 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 correspond to the stipulated methodology, or if any reasonable doubts exist as to its correctness or completeness, the PFMC and its depository shall, at the request of Národná banka Slovenska, submit supporting documents and an explanation within a period set by Národná banka Slovenska.

(4) PFMCs shall provide the Statistical Office of the Slovak Republic with statistical data and administrative data in accordance with a separate regulation.<sup>90</sup>

(5) PFMCs shall provide the Ministry and the Ministry of Finance of the Slovak Republic with information, including the personal information mentioned in the first point of Article 54a(1)(a), on savers, beneficiaries of an old-age pension, savers who are being paid investment income, and authorised persons, with or without the consent of the persons concerned, to the extent necessary for the production and implementation of policies, analyses, forecasts, measures and development strategies in areas over which the Ministry or the Ministry of Finance of the Slovak Republic is a central government body exercising oversight or supervision.

#### **Article 111**

**Repealed by Act No 310/2006 Coll.**

### **PART NINE PROMOTIONAL ACTIVITIES AND ADVERTISING**

## **Article 112**

(1) Promotional activities shall include activities aimed at persuading relevant persons to become savers or to continue being savers.

(2) For the promotion and advertising of the old-age pension scheme, it is prohibited to use untrue or misleading information, to withhold important facts, to offer services or payments which are unrelated to old-age pension scheme or which do not comply with the law, and to state incorrect information about the financial position of a pension fund or a PFMC. Goods, services, products, and payments may not be promoted in such a way that the offered benefit or payment is conditional on the status of being a saver. Národná banka Slovenska shall issue a decree stipulating what is to be understood as constituting untrue or misleading information and a service or payment unrelated to the old-age pension scheme, and this decree shall be published in the Collection of Laws of the Slovak Republic.

(3) For the purposes of this Act, ‘advertising’ means any presentation of the old-age pension scheme which aims to promote it in the market, and shall include, in particular, announcements, advertisements, posters, freely accessible websites, or other documents containing information about a PFMC or its pension funds, which are to be publicised, for example, on radio or television.

(4) Advertising as defined in paragraph (3) shall include a warning which makes clear that the concluding an old-age pension scheme agreement with a PFMC includes a risk and that the previous or predicted returns on the pension fund portfolio under its management are not a guarantee of the future returns on the pension fund portfolio.

(5) Advertising as defined in paragraph (3) shall include a notice that the activities of the PFMC are subject to supervision by Národná banka Slovenska.

(6) PFMCs shall not carry out advertising as defined in paragraph (3) until their authorisation has been issued by Národná banka Slovenska.

(7) Advertising, including advertisements intended for savers, is subject to the advertising requirements laid down by a separate regulation.<sup>92</sup>

(8) If advertising as defined in paragraph (3) fails to meet the conditions laid down in paragraphs (2), (4) and (5), or if it includes information that is in breach of this Act, the rules of a pension fund or a prospectus, or if it could be misleading in the absence of other information, Národná banka Slovenska shall prohibit or suspend such advertising until the shortcomings have been rectified.

## **PART TEN SUPERVISION**

## **Article 113**

(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 a separate regulation.<sup>43</sup>

(2) The objective of supervision is principally to protect the assets of pension funds 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 pension funds in accordance with restrictions under this Act, ensuring that savers are informed, and minimising investment risks.

(3) In exercising supervision, Národná banka Slovenska shall protect the interests of savers, 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 a separate regulation.<sup>43</sup>

(5) In exercising supervision, Národná banka Slovenska may require the entities subject to this supervision to provide data, documents and information necessary for the proper exercise of supervision, and in the extent required 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) In exercising supervision, Národná banka Slovenska is entitled to acquire by secure electronic transfer of data,

- (a) from a PFMC and its depository, information required for assessing whether transactions in a pension fund's assets comply with this Act, other legislation of general application, and the rules of the pension fund;
- (b) from the Social Insurance Agency, information from the register of insured persons and savers in regard to old-age pension scheme.

(7) PFMCs shall prove to Národná banka Slovenska, upon its written request, that a pension fund's assets are invested in accordance with the rules of Articles 81 to 90; the failure to meet this obligation constitutes a breach of the prudential rules under Article 61.

(8) PFMCs shall allow persons authorised to exercise supervision to attend their general meetings and meetings of their supervisory board and management board.

(9) In exercising supervision, Národná banka Slovenska may cooperate with domestic and foreign supervisory authorities.

(10) Národná banka Slovenska may use information acquired from domestic or foreign supervisory authorities solely for the purposes of supervision.

#### **Article 114**

#### **Remit of Národná banka Slovenska in exercising supervision**

(1) The activities performed by the following are subject to supervision:

- (a) a PFMC;
- (b) members of the management board, members of the supervisory board, and authorised representatives of PFMCs;
- (c) shareholders of PFMCs;
- (d) the depository of a PFMC;
- (e) the receiver of a PFMC;
- (f) a person to whom or which a PFMC has outsourced part of its activities in accordance with Article 67;
- (g) a person who or which is, on an unauthorised basis, performing an activity that under this Act may only be performed by a PFMC or depository;
- (h) natural persons or legal entities in accordance with Article 112.
- (i) natural persons or legal entities in connection with expenditures in favour of a PFMC in accordance with Article 63e.

(2) The scope of the supervision mentioned in paragraph (1) shall include at a minimum:

- (a) compliance with the provisions of this Act and separate regulations;<sup>83</sup>
- (b) compliance with the rules of a pension fund and the articles of association of a PFMC;
- (c) compliance with the conditions under which an authorisation was issued under this Act;
- (d) the fulfilment of sanction measures imposed by a final decision of the supervisory authority;
- (e) compliance with the system of internal control drawn up under Article 55.

(3) The subject-matter of supervision shall not include the resolution of contractual disputes of PFMCs, the hearing and adjudication of which falls within the competence of a court<sup>64</sup> or other authority under a separate regulation.<sup>93</sup>

## **Article 115**

### **Sanctions**

(1) If Národná banka Slovenska finds that an entity mentioned in Article 114(1) has breached or is evading its obligations laid down in this Act, in separate regulations<sup>93a</sup> governing its obligations, in the rules of a pension fund, in the articles of association of a PFMC, or in an authorisation issued under this Act, 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 PFMC to adopt recovery measures;
- (c) order an audit of the management of a pension fund's assets at the expense of the PFMC;
- (d) require the correction of accounting records or other records in accordance with the findings of Národná banka Slovenska or an auditor;
- (e) require publication of the correction of incomplete, incorrect or false information, promotional material or advertising;
- (f) require the submission of separate statements, reports and disclosures;
- (g) order the PFMC to cease performing an activity in regard to the management of a pension fund

- by another person to whom the PFMC has outsourced part of its activities under Article 67;
- (h) order a change of persons on the bodies of the PFMC or a change of authorised representative;
  - (i) order a change of depository;
  - (j) recall a receiver and appoint a new receiver;
  - (k) suspend the exercise 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 use of a pension fund's assets and, at the same time, place the pension fund in receivership for this period and appoint the receiver;
  - (n) impose a fine of up to EUR 700,000 unless this Act states otherwise;
  - (o) place a pension fund in receivership;
  - (p) revoke the authorisation, issued in accordance with this Act;
  - (q) impose an obligation to publish the statement of a final decision in a periodical publication with nationwide circulation.

(2) If, in a PFMC, a member of the management board, a member of the supervisory board, an authorised representative, a senior employee responsible for specialist activities under this Act who reports directly to the management board, or the internal control officer has breached an obligation imposed on them by this Act, by other legislation of general application applicable to the activities of the PFMC, by the articles of association of the PFMC or by the rules of a 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 PFMC or of their income from a company which is part of a group with close links. Where a person has ceased to be fit and proper as defined in Article 48(11) as a result of being lawfully fined, the PFMC shall without undue delay recall that person from their position.

(3) Národná banka Slovenska shall impose on a PFMC that has exceeded the level of expenditures under Article 63a a fine equal to three times the difference between, on the one hand, the amount of expenses incurred by the PFMC and a natural person or legal entity in favour of the PFMC and, on the other hand, the amount of expenses under Article 63e.

(4) If in exercising supervision, Národná banka Slovenska finds that the breach of an obligation under this Act has resulted in a material gain to the person who breached the obligation, to a person close to that person, or to a person with close links to that person, it may require that person to pay compensation of equivalent value to the material gain to the person at whose expense this gain was acquired.

(5) In imposing sanctions, Národná banka Slovenska shall take as a basis the nature, gravity and manner of, the degree of culpability for, and the duration and consequences of the breach of obligation, while taking into account whether the person mentioned in paragraph (2) or in Article 114(1) has himself identified the breach of obligation and restored the legal status quo ante before the decision on the sanction is issued.

(6) Sanctions 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 the end of the fifth year 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 a separate regulation<sup>93b</sup> warrants interruption of the period, and a new limitation period shall begin as of when the interruption occurs. Sanctions may be imposed concurrently and repeatedly. The imposition of sanctions under this Act is without prejudice to liability as defined in separate regulations.<sup>94</sup> Deficiencies in the activities of PFMCs 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 a separate law.<sup>94a</sup>

(7) If within two years from the entry into force of a final 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 previously imposed.

(8) A fine shall be payable within 30 days from the entry into force 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.

(9) If Národná banka Slovenska, in exercising supervision, finds a breach of law by an entity mentioned in Article 114(1), it may impose sanctions whether or not this person is in liquidation.

(10) PFMCs shall inform their supervisory board of a final decision by Národná banka Slovenska to impose a sanction on the PFMC, and, within 30 days after the entry into force of the decision, they shall send Národná banka Slovenska the minutes of the supervisory board's discussion of this information.

(11) Národná banka Slovenska may, whether or not as part of sanction proceedings, discuss shortcomings in the activities of a PFMC with members of its management board or members of its supervisory board, with an authorised representative, a senior employee<sup>47</sup> or the internal control officer; these persons shall provide the cooperation requested by Národná banka Slovenska.

## **Article 116**

### **Recovery measures**

- (1) Measures for the recovery of a PFMC shall comprise:
- (a) a recovery programme that must include:
    - 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 PFMC, 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 PFMC;
  - (c) the restriction or suspension of the payment of dividends,<sup>95</sup> bonuses,<sup>96</sup> other shares in profit, remuneration and non-monetary compensation paid to shareholders, members of the management board, members of the supervisory board and employees of the PFMC;
  - (d) the restriction or suspension of salary increases for members of the management board, members of the supervisory board, and all employees of the PFMC;



(e) the restriction or suspension of the undertaking of new transactions by the PFMC; for such transactions, the PFMC shall require the prior approval of Národná banka Slovenska.

(2) Národná banka Slovenska may impose recovery measures on a PFMC where the company:

- (a) has seriously failed to fulfil an obligation laid down by this Act or by separate regulations and the resulting situation may impair the ability of the PFMC to meet liabilities arising from its performed activities;
- (b) reports losses which if settled out of the disposable funds of the PFMC would lead to a reduction in its share capital to below the level mentioned in Article 47(8).

(3) Národná banka Slovenska shall require a PFMC to adopt recovery measures if the company has ceased to meet the capital adequacy requirement under this Act. In the decision mentioned in the first sentence, Národná banka Slovenska shall also stipulate a time limit within which the PFMC is required to meet the capital adequacy requirement.

(4) Within 30 days after the delivery of a decision requiring a PFMC 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 company. Within 20 days after receiving the draft recovery measures, Národná banka Slovenska shall approve or reject them. If within this time limit, Národná banka Slovenska does not deliver a decision to reject the submitted recovery measures to the PFMC, the draft measures are deemed to be approved.

(5) As of the delivery date of a decision requiring a PFMC to adopt recovery measures, the right of savers to conclude an old-age pension scheme agreement with another PFMC shall be suspended for a period of 60 days.

## **Article 117**

### **Suspending the exercise of shareholder rights**

(1) Where a natural person or legal entity has performed an act constituting a breach of Article 52(1)(a), or has obtained prior approval under Article 52 on the basis of false information, or is reasonably suspected by Národná banka Slovenska of having breached Article 52(1)(a), Národná banka Slovenska may suspend that person's right to attend and vote at a general meeting of the PFMC and that person's right to request the convening of an extraordinary general meeting of the PFMC. Národná banka Slovenska may also suspend from exercising such rights any person whose actions in regard to the PFMC are detrimental to the proper and prudential conduct of the business of the company.

(2) From its issuer's register and list of shareholders, a PFMC shall submit to Národná banka Slovenska an extract produced on a relevant date<sup>97</sup> that is no later than five working days before the date of its general meeting. The PFMC 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 PFMC no later than the day preceding the date of the general meeting.

(3) For the person named in writing on the extract under paragraph (2), 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 PFMC prior to the commencement of the general meeting. This decision shall be binding upon the PFMC. Delivery of a decision on a preliminary ruling to a proxy authorised to represent the person concerned at the general meeting is also deemed delivery.

(5) PFMCs 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) are not deemed voting shares for so long as the suspension is in force. 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 PFMC under paragraph (2) shall not require the prior approval of Národná banka Slovenska under Article 52.

(7) When the reasons cease for the suspension of the exercise of rights mentioned in paragraph (1), 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 a PFMC 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 day when Národná banka Slovenska could have learnt of the decision.

## **Article 118**

### **Receivership of a pension fund**

(1) For the purposes of this Act, 'receivership' means the management of a 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 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 pension fund's assets, if this is not ascertainable under other provisions of this Act.

(3) Národná banka Slovenska shall place a pension fund in receivership whenever:

- (a) it suspends for a stipulated period and to a stipulated extent the use of the pension fund's assets (Article 119);
- (b) it revokes the authorisation of the PFMC [Article 115(1)(p)];
- (c) a petition for a bankruptcy order against the PFMC has been submitted [(Article 71(5))];
- (d) the PFMC fails to replenish the assets under Article 63d within the stipulated time limit;
- (e) criminal proceedings are begun against the PFMC for a crime that carries a potential sentence of dissolution of the entity or seizure of its assets;
- (f) this Act so stipulates.

(4) Národná banka Slovenska shall appoint as the receiver of a 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 entity that is authorised under this Act to perform the activities of a depository.

(5) The substitute receiver under paragraph (4) shall be another legal entity authorised under this Act to perform the activities of a depository.

(6) If Národná banka Slovenska places a pension fund in receivership, the PFMC 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 pension fund shall be placed in receivership and all persons concerned are 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 PFMC in regard to the 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 PFMC and receiver shall without undue delay submit to Národná banka Slovenska a report on the handover of the pension fund's management to the receiver.

(7) Once a pension fund has gone into receivership, the right of savers in the fund to conclude an old-age pension scheme agreement with another PFMC shall be suspended for a period of 60 days.

(8) Within 30 days after the termination of receivership, the receiver appointed under Article 118(4) shall hand back management of the pension fund to the PFMC; this applies equally where receivership ordered under Article 71(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 Article 120(3) or Article 71(6)(b), the receiver appointed under Article 118(4) or Article 71(6) shall hand back management of the pension fund and related documentation to the PFMC specified in the decision of Národná banka Slovenska.

(9) The provisions of this Act governing the obligations of a PFMC in regard to the management of a pension fund apply equally to a receiver. A receiver shall manage a pension fund only to the extent necessary to protect the interests of savers, 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 savers; a receiver shall:

- (a) manage the assets under management with professional care;
- (b) have regard to the protection of the interests of savers;
- (c) keep separate accounts for each 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 fee of the PFMC 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 entry into force 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).

## **Article 119**

### **Suspension of the use of a pension fund's assets**

Where Národná banka Slovenska issues a decision to suspend the use of a pension fund's assets under Article 115(1)(m), the PFMC shall, from date when the decision is delivered, be allowed to use the fund's assets only to the extent stipulated in the decision.

## **Article 120**

### **Revocation of an authorisation**

(1) Národná banka Slovenska shall revoke an authorisation where:

- (a) the PFMC has failed to meet the capital adequacy requirement within the time limit stipulated in a decision under Article 116(3);
- (b) the PFMC has not begun to perform the activities stated in the authorisation within 12 months from when the authorisation entered into force; this is without prejudice to the provision of Article 51(1)(e);
- (c) the PFMC has ceased to be of good repute;
- (d) this Act so stipulates.

- (2) Národná banka Slovenska may revoke an authorisation also where:
- (a) this 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 PFMC has committed a serious, multiple, or repeated breach of the law and this has not been rectified by the imposition of another sanction under this Act;
  - (d) the PFMC has failed to fulfil the conditions for the commencement of activities within the time limit stipulated in the authorisation;
  - (e) the PFMC has not handed over the management of a pension fund to the receiver in accordance with Article 118(6).

(3) Where Národná banka Slovenska revokes an authorisation under Article 115(1)(p), it shall also, from the date when the decision is delivered, place the pension funds managed by the PFMC in receivership and appoint a receiver.

(4) As of the date when a PFMC receives the decision to revoke its authorisation, the company may not perform activities under this Act.

(5) Within 30 days after the entry into force of a decision to revoke an authorisation, Národná banka Slovenska shall send the decision for publication in the Commercial Bulletin.

(6) The revocation of an authorisation shall be entered in the Commercial Register. Within 15 days after the entry into force of the decision to revoke an authorisation, Národná banka Slovenska shall file an application to have the revocation entered in the Commercial Register.

## **PART ELEVEN GUARANTEES**

### **Article 121**

(1) If a decision, procedure or other action of a PFMC or a depository is contrary to this Act or other legislation of general application and results in damage to a pension fund's assets, the Social Insurance Agency shall provide full indemnity for this damage out of the solidarity reserve fund.

(2) The decision on compensation for the damage mentioned in paragraph (1) shall be issued by a court.

(3) Where compensation for damage has been awarded by a court, funds sufficient for the coverage thereof shall without undue delay be transferred by the Social Insurance Agency to the account of the pension fund determined by the saver in the old-age pension scheme agreement. Following the transfer of funds under the first sentence, the Social Insurance Agency becomes the creditor and the PFMC becomes the debtor.

**PART TWELVE**  
**COMMON AND TRANSITIONAL PROVISIONS**

**Article 122**

Disputes arising under this Act shall be settled by courts of law.

**Article 123**

(1) From 1 January 2005 at the earliest, PFMCs may commence the performance of activities stated in their authorisation, or amendments thereto, with the exception of the activities mentioned in Article 47(2)(c).

(2) The activities mentioned in Article 47(2)(c) and Article 111(1) may be performed from 1 November 2004 at the earliest.

(3) If a PFMC has been incorporated in the Commercial Register prior to 1 January 2005, the period mentioned in Article 51(1)(e) shall begin from 1 January 2005 at the earliest.

(4) PFMCs shall bring the rules of their pension funds into compliance with this Act and shall submit the request for prior approval of the amendment to these rules by no later than 31 March 2005.

**Article 123a**

**Transitional provisions for regulations in force from 1 January 2006**

(1) Authorisations, approvals and prior approvals issued by the Financial Market Authority before 1 January 2006 and in force as at 1 January 2006 are deemed to be authorisations, approvals and prior approvals granted under this Act. The provisions of this Act apply to the restriction or suspension of activities performed under such authorisation, and to the amendment, revocation or expiry of such authorisation; the same applies to the termination or expiry of approvals and prior approvals granted by the Financial Market Authority prior to 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.

**Article 123b**

(1) Licences to perform the activities of an intermediary shall expire as at 1 January 2007.

(2) If an applicant for a licence to perform the activities of an intermediary has paid the fee for the issuance of the licence and Národná banka Slovenska has not decided on that person's application by 31 December 2006, Národná banka Slovenska shall return the fee.

**Article 123c**

Prior approvals which Národná banka Slovenska granted prior to 31 July 2006 as a condition for the outsourcing of an activity to another natural person or legal entity shall expire on 28 February 2007.

#### **Article 123d**

##### **Transitional provision for the regulation in force from 1 January 2007**

(1) PFMCs shall bring the rules of their pension funds into compliance with this Act by no later than by 30 June 2007.

(2) Where Národná banka Slovenska finds by 30 June 2007 that contributions for the period prior to 1 January 2007 have not been remitted by the Social Insurance Agency to the current account of the pension fund of the respective PFMC within the period stipulated in a separate regulation,<sup>1</sup> the penalty payments relating to these contributions shall after 31 December 2006 be governed by this Act as in force until 31 December 2006.

##### **Transitional provisions for regulations in force from 1 January 2008**

#### **Article 123e**

Natural persons under the provision of Article 14(2) in force until 31 December 2007 and Article 14(3) who by 31 December 2007 had not concluded an old-age pension scheme agreement may conclude such agreement before 30 June 2008. Natural persons under Article 14(2)(c) to (e) in force until 31 December 2007 who conclude an old-age pension scheme agreement before 30 June 2008 are subject to the legal regulation in force from 1 January which applies to the persons referred to in Article 14(5).

#### **Article 123f**

(1) Until 30 June 2008, natural persons who concluded an old-age pension scheme agreement before 1 January 2008 may deliver to the competent branch of the Social Insurance Agency a written notification, bearing their officially certified signature, that they do not wish to be enrolled in the old-age pension scheme.

(2) Upon delivery of the written notification under paragraph (1), the natural person's enrolment in the old-age pension scheme shall cease as at the date of their first enrolment in the scheme and the old-age pension scheme agreement will expire.

(3) Upon delivery of the written notification under paragraph (1), the Social Insurance Agency shall without undue delay notify the PFMC that the old-age pension scheme agreement has expired. As of the date of the notification from the Social Insurance Agency pursuant to the first sentence, the PFMC shall without undue delay transfer an amount from the current account of the pension fund to the Social Insurance Agency's account at the State Treasury equal to the current value of the personal pension account as at the day preceding the transfer date. If the amount equal to the current value of the personal pension account is lower than the amount equal to the nominal value of contributions in the current account of the pension fund, the PFMC shall transfer from the current account of the pension fund to the Social Insurance Agency's account at the State Treasury



an amount equal to the current value of the personal pension account as at the day preceding the transfer date and it shall do so without undue delay after the date of the notification from the Social Insurance Agency mentioned in the first sentence.

### **Article 123g**

(1) Savers who are mandatorily enrolled in the old-age pension scheme as at 31 December 2007 in accordance with Article 14(1)(c) to (e) and (2)(c) to (e) in force until 31 December 2007 and whose mandatory enrolment should continue after 31 December 2007 shall be enrolled in the old-age pension scheme in accordance with Article 14(5) if they have not delivered the written notification mentioned in Article 123f(1) to the competent branch of the Social Insurance Agency by 30 June 2008.

Paragraph (2) ceased to be in force as of 14 September 2010 (Act No 355/2010 Coll.).

(3) Natural persons who until 31 December had been mandatorily enrolled in the old-age pension scheme because they were employees of the Fire Brigade and Rescue Corps or the Mountain Rescue Service shall cease to be mandatorily enrolled in the old-age pension scheme as of 1 January 2008 for that reason.

### **Article 123h**

Where, before 1 January 2008, Národná banka Slovenska commenced surveillance of the Social Insurance Agency's assignment of contributions and penalty payments of a PFMC and did not complete the surveillance by 31 December 2007, it shall end the surveillance after 31 December 2007 in accordance with this Act as in force until 31 December 2007.

### **Article 123i**

(1) PFMCs shall bring their organisational structure into compliance with the provisions of this Act by 30 June 2008.

(2) PFMCs shall bring the composition of their 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 by Národná banka Slovenska at the request of a PFMC.

### **Article 123j**

#### **Transitional provisions in force from 1 January 2008**

(1) With respect to the establishment and management of pension funds under the old-age pension scheme, each PFMC 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 pension funds, the value of pension points, the current value of savers' personal pension accounts, value of pensions under the old-age pension scheme, and data on

developments in the value of pension funds' assets and on returns and average returns on their assets;

- (b) measures for managing pension funds' assets in relation to the changeover from the Slovak currency to the euro;
- (c) a method and rules of providing information to savers and pension 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 savers and individual pension beneficiaries information on the current pension-point value, the current value of their personal pension account, and value of their pension under the old-age pension scheme, as well as on any amendment or updating of rules and prospectuses of 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, PFMCs shall publish on their website and at all their business premises used as points of contact with savers, pension 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) PFMCs shall prepare information to the extent specified in paragraph (1). Within three months before the euro changeover date in the Slovak Republic, PFMCs shall provide this information, free of charge, to each saver with whom they conclude an old-age pension scheme agreement during that period; other savers and pension 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 old-age pension scheme, including monetary data on developments in the value of pension funds' assets and on returns and average returns on their assets, which are included in pension funds' documents or in other information intended for savers or pension 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 old-age pension scheme, including monetary data on developments in the value of pension funds' assets and on returns and average returns on their assets, which are included in information intended for savers or pension beneficiaries are subject to dual display in the scope stipulated in a separate regulations,<sup>98</sup> where such information is issued or published during the mandatory period of dual display pursuant to separate regulations on the introduction of the euro in the Slovak Republic.<sup>98</sup>

(5) No later than the end of the first quarter after the euro changeover date in the Slovak Republic, PFMCs shall inform their savers in writing and free of charge about the current value of the pension point and current value of their personal pension 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 these current values 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, PFMCs shall without undue delay and at no charge inform in writing pension

beneficiaries about the conversion and rounding of their pensions 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.<sup>98</sup>

(6) Národná banka Slovenska may issue a decree stipulating the scope and content of information to be published under paragraph (2) and the full text of such decree shall be published in the Collection of Laws of the Slovak Republic.

#### **Article 123k**

##### **Transitional provision in force from 1 March 2008**

Article 123f applies, *mutatis mutandis*, to natural persons to whom the Social Insurance Agency has assigned a PFMC. A written notification under Article 123 f (1) does not require an officially certified signature.

##### **Transitional provisions in force from 15 November 2008**

#### **Article 123l**

Natural persons who are not savers as at 15 November 2008 may conclude an old-age pension scheme agreement by 30 June 2009.

#### **Article 123m**

(1) Savers who concluded an old-age pension scheme agreement before 15 November 2008, or to whom a PFMC was assigned by the Social Insurance Agency may terminate their enrolment in the old-age pension scheme if by 30 June 2009 they deliver a written notification to the Social Insurance Agency that they do not wish to be enrolled in the old-age pension scheme.

(2) Upon delivery of the written notification under paragraph (1), but no earlier than 1 January 2009, the saver's enrolment in the old-age pension scheme shall cease retrospectively as at the date of their first enrolment in the scheme. The old-age pension scheme agreement shall expire:

- (a) on 1 January 2009, if the Social Insurance Agency receives the saver's written notice mentioned in paragraph (1) before 1 January 2009;
- (b) on the date of receipt of the written notification under paragraph (1), if the Social Insurance Agency receives the saver's written notification mentioned in paragraph (1) in the period from 1 January 2009 to 30 June 2009.

(3) After receiving the written notification under paragraph (1), the Social Insurance Agency shall inform the PFMC without undue delay, and no later than 31 December 2008, that the saver's enrolment in the old-age pension scheme has ceased. After receiving the notification under the first sentence from the Social Insurance Agency, the PFMC shall without undue delay transfer an amount equal to the current value of the personal pension account as at the date preceding the transfer from the current account of the pension fund to the account of the Social Insurance Agency at the State Treasury.

##### **Transitional provisions for regulations in force from 1 January 2009**

### **Article 123n**

PFMCs shall bring the composition of pension funds' assets into compliance with this Act as in force from 1 January 2009 by no later than 31 December 2009. Národná banka Slovenska may extend the period defined in the first sentence upon the request of the PFMC and by not more than one year.

### **Article 123o**

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 pension fund managed by a PFMC.

### **Article 123p**

#### **Transitional provision for the regulation in force from 1 January 2011**

If the period under the provision of Article 64(4) in force until 31 December 2010 is to expire after 31 December 2010, savers under Article 14(5) may, within that period, inform the relevant branch of the Social Insurance Agency that they have decided to enrol in the old-age pension scheme; the enrolment of such savers in the old-age pension scheme until 31 December 2010 is subject to the legal regulation in force until 31 December 2010. As regards those savers mentioned in the first sentence who have not, within the period stipulated in that sentence, informed the relevant branch of the Social Insurance Agency that they have decided to enrol in the old-age pension scheme, the provision laid down in the first sentence shall be without prejudice to the establishment of their enrolment in the old-age pension scheme as from 1 January 2011 in accordance with the legal regulation in force from that date.

#### **Transitional provisions for regulations in force from 1 November 2011**

### **Article 123q**

(1) At the request of a natural person whose mandatory enrolment in the old-age pension scheme terminated under Article 123g(2), in force from 1 January 2008, the PFMC shall, at that person's request, pay a monetary amount equal to the number of pension points recorded in that person's personal pension account as at 31 December 2007 for the purposes of receiving a disability pension in accordance with a separate regulation;<sup>3</sup> these data shall be provided to the PFMC free of charge by the Social Insurance Agency. The amount paid must correspond to the value of the number of pension points as at the day preceding the payment date. The amount paid mentioned in the first sentence may be reduced at most by the fee income provably earned on the personal pension account in the period from 1 January 2008 to 31 March 2012; details on the calculation of the amount paid and on its payment may be laid down by legislation of general application to be issued by the Ministry.

(2) PFMCs shall not pay the amount under paragraph (1) if a natural person has been enrolled for at least ten years in the old-age pension scheme.

(3) A request under paragraph (1) may be submitted by a natural person once this person has attained retirement age or has been awarded an early retirement pension in accordance with a separate regulation;<sup>3</sup> this fact shall be proved by the applicant. PFMCs shall pay the amount under paragraph (1) within 60 days from the receipt of the request.

### **Article 123r**

(1) PFMCs shall send savers in pension funds other than conservative pension funds a written notification that the obligation under Article 63d to replenish the assets of a balanced pension fund or growth pension fund has been cancelled and that the names of these funds will be changed from 1 April 2012, specifying that if a saver wishes to maintain the obligation of the PFMC to replenish the assets of such pension fund upon a decline in the value of the pension point in the old-age pension scheme, the saver should switch to a conservative pension fund; the letter of notification shall also contain a return slip for specifying the saver's wish to change to a conservative pension fund and an annex to the old-age pension scheme agreement, or an application form in the case of a saver to whom a PFMC was assigned by the Social Insurance Agency, together with a notice that the return slip should be signed by the saver who wishes to maintain the obligation of the PFMC to replenish a pension fund's assets upon a decline in the value of the pension point, and sent as a registered letter to the address of the saver's PFMC. The PFMC shall notify the saver in writing by 15 January 2012 about the principal changes under this Act.

(2) By 30 November 2011, PFMCs shall publish on their website the information mentioned in paragraph (1), including a template of the return slip for a saver's switch to a conservative pension fund with a notice that if a saver is interested in maintaining the obligation of the PFMC to replenish the assets of the pension fund upon a decline in the value of the pension point, the saver must sign the return slip and send it as a registered letter to the address of the PFMC.

### **Article 123s**

(1) Where a natural person concluded an old-age pension scheme agreement in the period between 1 January 2005 and 30 June 2006, and there are undue difficulties in proving that person's fulfilment of the conditions for registering the agreement in the Register of Agreements, this natural person is deemed to be a saver and the agreement is deemed to be an agreement concluded in accordance with this Act, unless that person, at the request of the Social Insurance Agency and within six months after receiving this request, delivers a written notification of their wish not be enrolled in the old-age pension scheme. Upon delivery of the written notification under the first sentence, the natural person's enrolment in the old-age pension scheme shall cease as from the day of their first enrolment in the scheme and the old-age pension scheme agreement will expire. Upon delivery of the written notification under the first sentence, the old-age pension scheme agreement shall be deleted from the Register of Agreements, and an amount of money equal to the nominal value of contributions paid shall be transferred in accordance with Article 64a(8) to (10).

### **Transitional provisions for regulations in force from 1 April 2012**

### **Article 123t**

(1) A natural person who concluded an old-age pension scheme agreement or to whom a PFMC was assigned under this Act as in force until 31 March 2012, shall be a saver under this Act as in force from 1 April 2012; this does not apply if the natural person's enrolment in the old-age pension scheme has ceased in accordance with Article 17a, Article 123f or Article 123m.

(2) Where pension insurance under a separate regulation<sup>3</sup> was established before 1 April 2012 for a natural person under the provisions of Article 14(1) and (3) in force until 31 March 2012, and did not last for a continuous period of at least 150 days, it is not deemed to constitute a first participation in pension insurance under this Act as in force from 1 April 2012, unless that person decided, within six months after that first participation in pension insurance was established, to be enrolled in the old-age pension scheme under this Act as in force until 31 March 2012.

(3) Where a natural person under the provisions of Article 14(1) and (3) in force until 31 March 2012, for whom pension insurance under a separate regulation<sup>3</sup> was established and terminated before 1 April and did not last for a continuous period of at least 150 days, has decided, within six months after the establishment of that first participation in pension insurance, to be enrolled in the old-age pension scheme, that person shall be a saver under this Act as in force from 1 April 2012. The old-age pension scheme agreement concluded by the saver mentioned in the first sentence is deemed to be an agreement concluded in accordance with this Act.

(4) Where pension insurance under a separate regulation<sup>3</sup> was established before 1 April 2012 for a natural person under the provisions of Article 14(1) and (3) in force until 31 March, and continued after 31 March 2012, and the six month period in which that person may decide to be enrolled in the old-age pension scheme has not ended, this period shall continue after 31 March 2012; the registration of this saver's old-age pension scheme agreement in the Register of Agreements and the legal effects of that registration is subject to this Act as in force until 31 March 2012. The condition of continuous participation in pension insurance under this Act as in force until 31 March 2013 is not required. A natural person under the first sentence shall be a saver under this Act.

### **Article 123u**

PFMCs as at 31 March 2012 shall deduct pension fund performance fees from guarantee accounts or replenish the assets of pension funds in accordance with this Act as in force until 31 March 2012; half of the balance of each guarantee account shall be credited to the current account of the respective pension fund and the other half of the balance shall be credited to the current account of the PFMC.

### **Article 123v**

(1) PFMCs shall bring the rules of pension funds into compliance with this Act as in force from 1 April 2012 by no later than 30 September 2013.

(2) PFMCs shall bring the composition of pension funds' assets into compliance with this Act as in force from 1 April 2012 by no later than 31 December 2012; other obligations laid down

in this Act as in force from 1 April 2012 shall be observed by PFMCs without regard to the pension funds' rules.

(3) At the written request of a PFMC, Národná banka Slovenska may extend by up to 12 months the period mentioned in paragraph (2) for bringing the composition of a pension fund's assets into compliance with Article 88(1) second sentence.

#### **Article 123w**

(1) Pension fund management fees and pension fund performance fees for March 2012 shall be calculated as at 31 March 2012 and shall be deducted on 31 March 2012 in the manner stipulated in this Act as in force until 31 March 2012 and in compliance with the procedure laid down in paragraphs (2) and (3).

(2) For the purpose of calculating the pension fund management fee, the preliminary net asset value of the pension fund, not reduced by the pension fund management fee or the pension fund performance fee, shall be calculated as at 31 March 2012.

(3) For the purpose of calculating the pension fund performance fee, the preliminary current pension-point value shall be calculated as at 31 March 2012. The preliminary current pension-point value shall be calculated as the second preliminary net asset value of the pension fund divided by the total number of pension points recorded in the personal pension accounts of all savers in the pension fund.

#### **Article 123x**

For the purposes of Article 63d, the first assessment period shall be the period from 1 April 2012 to 31 December 2012, the second assessment period shall be the period from 1 January 2013 to 31 December 2013, the third assessment period shall be the period from 1 January 2013 to 31 December 2014, the fourth assessment period shall be the period from 1 January 2013 to 31 December 2015, and the fifth assessment period shall be the period from 1 January 2013 to 31 December 2016.

#### **Article 123y**

The provision of Article 92(1) in force from 1 April 2012 shall be complied with for the first time as at 1 July 2012. In the period from 1 April 2012 to 30 June 2012, savers older than 54 years of age may not switch may not switch the net value of their assets, or part thereof, to a mixed pension fund, equity pension fund, or index pension fund.

#### **Article 123z**

(1) Conservative pension funds under this Act as in force until 31 March 2012 shall be bond pension funds as from 1 April 2012.

(2) The rules of a conservative pension fund approved under this Act as in force until 31 March 2012 shall be treated as the rules of a bond pension fund as from 1 April 2012.

(3) As from 1 April 2012, PFMCs shall use the name ‘bond pension fund’ instead of ‘conservative pension fund’ in dealings with savers and third persons. Information on the change of name from ‘conservative pension fund’ to ‘bond pension fund’ shall be published on the website of the PFMC by 10 April 2012 at the latest.

(4) Balanced pension funds under this Act as in force until 31 March 2012 shall be mixed pension funds as from 1 April 2012; paragraphs (2) and (3) apply accordingly.

(5) Growth pension funds under this Act as in force until 31 March 2012 shall be equity pension funds as from 1 April 2012; paragraphs (2) and (3) apply accordingly.

#### **Article 123aa**

The provision of Article 88a does not apply until 31 March 2013.

#### **Article 123ab**

Statements of personal pension accounts for 2011 must be compliant with this Act as in force until 31 March 2012.

### **Transitional provisions in force from 1 September 2012**

#### **Article 123ac**

(1) In the period from 1 September 2012 to 31 January 2013, natural persons who are savers as at 1 September 2012 may deliver to the Social Insurance Agency a written notification that they wish to terminate their status as a saver.

(2) By delivering the notification mentioned in paragraph (1), the natural person shall terminate:

- (a) their enrolment in the old-age pension scheme as from the date of their first enrolment in the scheme;
- (b) their legal status as a saver as from the first day of its establishment; and
- (c) the old-age pension scheme agreement, if concluded.

(3) After receiving the notification mentioned in paragraph (1), the Social Insurance Agency shall without undue delay notify the PFMC that the natural person under paragraph (1) has exercised their right under paragraph (1). After being notified by the Social Insurance Agency in accordance with the first sentence, the PFMC shall transfer from the current account of the pension fund, or current accounts of the pension funds, to the account of the Social Insurance Agency at the State Treasury an amount equal to the product of the number of pension points credited from the natural person’s contributions and their current value as at the day preceding the transfer date.

#### **Article 123ad**



In the period from 1 September 2012 to 31 January 2013, natural persons who are not savers as at 1 September 2012 may conclude an old-age pension scheme agreement provided that before concluding this agreement, their participation in pension insurance has been established at least once.

### **Transitional provisions for regulations in force from 1 January 2013**

#### **Article 123ae**

Savers under this Act shall include also savers whose first enrolment in the old-age pension scheme was established in the period from 1 April 2012 to 31 December 2012. After 31 December 2012 and for a period of 730 days from the establishment of their first enrolment in the old-age pension scheme, savers referred to in first sentence are subject to those provisions of this Act as in force until 31 December 2012, except for the provision of Article 64aa(1) third sentence, which govern enrolment in the old-age pension scheme, the assignment of PFMC by the Social Insurance Agency, including the possibility to submit a written declaration under Article 17a(2); savers under the first sentence to whom the Social Insurance Agency has assigned a PFMC, shall become savers in a guaranteed bond pension fund. For savers who first enrolled in the old-age pension scheme in the period from 1 April 2012 to 31 December 2012, the Social Insurance Agency shall, as from the date of their enrolment in the old-age pension scheme under the legal regulation in force from 1 April 2012 to 31 December 2012, transfer mandatory contributions to the unassigned payments account of the PFMC that maintains the saver's personal pension account. After delivery of the notification mentioned in Article 17a(2) of this Act as in force until 31 December 2012, the Social Insurance Agency shall notify the PFMC that the natural person has exercised that person's right under Article 17a(2) of this Act as in force until 31 December 2012. After being so notified by the Social Insurance Agency, the PFMC shall without undue delay:

- (a) transfer from the current account of the pension fund, or current accounts of the pension funds, to the account of the Social Insurance Agency at the State Treasury an amount equal to the product of the number of pension points credited from the natural person's mandatory contributions and their current value as at the day preceding the transfer date; and
- (b) return to the natural person from the current account of the pension fund, or current accounts of the pension funds, an amount equal to the product of the number of pension points credited from the natural person's voluntary contributions and the current pension-point value as at the day preceding the transfer date.

#### **Article 123af**

PFMCs shall pay the natural person mentioned in Article 123q(1) also an amount under Article 123q(1) equal to the current value of those contributions credited after 31 December 2007 which were for a period before 1 January 2008 and were credited for the purposes of receiving a disability pension in accordance with a separate regulation.<sup>3</sup> Where a natural person making a request under Article 123q(1) has been a saver in more than one pension funds or with more than one PFMC, it shall be taken into account when calculating this amount that the number of pension points was proportionately adjusted when the saver switched to another pension fund or PFMC. For this purpose, where the Social Insurance Agency receives a request for information from a PFMC, it shall provide the information to the company within 25 days thereafter, and where a

PFMC receives a request for information from another such company, it shall provide the information to that company within 5 days thereafter.

### **Article 123ag**

(1) Bond pension funds under this Act as in force until 31 December shall be guaranteed bond pension funds as from 1 January 2013. The name of these pension funds which was used until 31 December 2012 may continue to be used until 31 December 2013. The rules of a bond pension fund under this Act as in force until 31 December shall be treated as the rules of a guaranteed bond pension fund as from 1 January 2013.

(2) Equity pension funds under this Act as in force until 31 December 2012 shall be non-guaranteed equity pension funds as from 1 January 2013. The name of these pension funds which was used until 31 December 2012 may continue to be used in the period from 1 January 2013 to 31 December 2013. The rules of an equity pension fund under this Act as in force until 31 December 2012 shall be treated as the rules of a non-guaranteed equity pension fund as from 1 January 2013.

(3) Mixed pension funds under this Act as in force until 31 December 2012 shall be pension funds as referred to in Article 72(5) and shall be called non-guaranteed mixed pension funds. The name of these pension funds which was used until 31 December 2012 may continue to be used in the period from 1 January 2013 to 31 December 2013. The rules of a mixed pension fund under this Act as in force until 31 December 2012 shall be treated as the rules of a non-guaranteed mixed pension fund as from 1 January 2013.

(4) Index pension funds under this Act as in force until 31 December 2012 shall be pension funds as referred to in Article 72(5) and shall be called non-guaranteed index pension funds. The name of these pension funds which was used until 31 December 2012 may continue to be used in the period from 1 January 2013 to 31 December 2013. The rules of an index pension fund under this Act as in force until 31 December 2012 shall be treated as the rules of a non-guaranteed index pension fund as from 1 January 2013. PFMCs shall bring the composition of assets of non-guaranteed index pension funds into compliance with the provisions of this Act by no later than 31 December 2013; Národná banka Slovenska may extend this time limit by up to 18 months.

(5) PFMCs shall bring the rules of pension funds into compliance with the provisions of this Act by no later than 31 December 2013. Those provisions of pension funds' rules which are not compliant with this Act shall be null and void; until the provisions of a pension fund's rules are made compliant with this Act, the provisions of this Act apply.

(6) A merger of pension funds pursuant to Article 79a may not take place before 1 May 2013.

(7) In 2013, PFMCs shall send statements of personal pension accounts in accordance with the legal regulation in force until 31 December 2012.

### **Article 123ah**

(1) Contributions under this Act as in force until 31 December 2012 shall be treated as mandatory contributions after 31 December 2012.

(2) Where the term ‘contributions to the old-age pension scheme’ is used in legislation of general application that entered into force before 1 January 2013, it is understood to mean ‘mandatory contributions to the old-age pension scheme’.

#### **Article 123ai**

(1) By 28 February 2013, PFMCs shall send savers who as at 1 January 2013 are savers in a pension fund other than a guaranteed bond pension fund the form whose template is attached hereto as Annex 4. Savers who wish to remain savers in a given pension fund shall fill in, sign and deliver this form to their PFMC by no later than 31 March 2013.

(2) Savers who as at 1 January 2013 and as at 29 April 2013 are savers in a pension fund other than a guaranteed bond pension fund shall become savers in a guaranteed bond pension fund as of 30 April 2013 if they have not delivered a declaration to their PFMC in accordance with paragraph (1). PFMCs shall ensure that savers referred to in the first sentence become savers in a guaranteed bond pension fund; the performance of this obligation is subject, mutandis, to the provisions of this Act governing the switching of savers from one pension fund to another pension fund managed by the same PFMC, and the switching date is deemed to be 30 April 2013. In performing the obligation under the previous sentence, PFMCs may not liquidate assets of the pension fund that is not a guaranteed bond pension fund; in this case, the provision of Article 58(6) does not apply until 30 April 2013. Where savers referred to in the first sentence have not delivered to their PFMC a declaration in accordance with paragraph (1), the legal act performed before 29 April 2013 by which they express their wish to be savers in a pension fund other than a guaranteed bond pension fund, the legal effects of which are in force as at 29 April 2013, shall, in this respect, become null and void as of 30 April 2013 and such savers shall become savers in a guaranteed bond pension fund pursuant to the first sentence.

(3) Following the switching of assets under paragraph (2), PFMCs shall bring the asset composition of guaranteed bond pension funds into compliance with the provisions of this Act by no later than 31 December 2013.

(4) Where savers save in two pension funds concurrently, the provisions of paragraph (1) to (3) apply to that part of the net value of their assets which is held in the pension fund that is not a guaranteed bond pension fund.

#### **Article 123aj**

(1) For guaranteed bond pension funds, the first assessment period referred to in Article 63d shall begin on 1 January 2013.

(2) After 1 January 2013, PFMCs shall carry out their first mandatory replenishment of assets pursuant to Article 63d after the end of the first assessment period; the provision of Article 123x does not apply.

### **Article 123ak**

Where a natural person exercises their rights under Article 123ac after 31 December 2012, the PFMC shall, following the notification of the Social Insurance Agency referred to in Article 123ac(3), without undue delay return to that person, from the current account of the pension fund or current accounts of the pension funds, an amount equal to the product of the number of pension points credited from that person's voluntary contributions and the current pension-point value as at the day preceding the transfer date.

### **Article 123al**

(1) Natural persons who concluded an old-age pension scheme agreement in accordance with Article 123ad, in the period from 1 September 2012 to 31 January 2013 shall be savers provided that this agreement has been concluded the Register of Agreements.

(2) For savers referred to in paragraph (1) who are covered by pension insurance under a separate regulation<sup>3</sup> as at the first day of the calendar month following the calendar month in which the Social Insurance Agency entered their old-age pension scheme agreement in the Register of Agreements, their first enrolment in the old-age pension scheme shall be established as of that date. For savers referred to in paragraph (1) who are not covered by pension insurance under a separate regulation<sup>3</sup> as at the first day of the calendar month following the calendar month in which the Social Insurance Agency entered their old-age pension scheme agreement in the Register of Agreements, their first enrolment in the old-age pension scheme shall begin after that date on the day when their participation in pension insurance is established.

(3) For savers referred to in paragraph (1), their first enrolment in the old-age pension scheme shall expire as of the termination date of that pension insurance under a separate regulation<sup>3</sup> by which they were covered as at the date when their first enrolment was established.

(4) For savers referred to in paragraph (1), the Social Insurance Agency shall without undue delay transfer their contributions to the old-age pension scheme for the period before 1 January 2013. The contributions under the first sentence are not subject to provisions concerning the obligation of the Social Insurance Agency to pay penalty payments defined in a separate regulation.<sup>3</sup>

### **Article 123am**

#### **Transitional provision for the regulation in force from 10 June 2013**

PFMCs shall bring their activities into compliance with the provisions of Article 47a(2) to (4) by 30 June 2014.

### **Article 123an**

#### **Transitional provisions for regulations in force from 1 July 2014**

(1) Applications for the payment of a pension under the old-age pension scheme submitted before 1 January 2015 shall not be considered. PFMCs shall notify this fact to the saver whose application for the payment of a pension under the old-age pension scheme was delivered:

- (a) before 1 July 2014, and they shall so before 15 July 2014;
- (b) after 1 July 2014, and they shall do so within 15 days after the application was delivered.

(2) To savers who attain 60 years of age before 1 January 2015, PFMCs shall send a letter containing information about pensions pursuant to Article 94(12) by no later than 31 December 2014.

#### **Article 123ana** **Transitional provisions in force from 1 December 2014**

The provisions of Article 123an(2) do not apply as from 1 December 2014.

#### **Transitional provisions for regulations in force from 1 January 2015**

##### **Article 123ao**

(1) Where a PFMC learns before 1 January 2015 of the death of a saver, the Social Insurance Agency and the company shall, in returning contributions and penalty payments as well as in paying a monetary amount corresponding to the current value of the deceased's personal pension account, proceed in accordance with this Act as in force until 31 December 2014.

(2) Proceedings that commenced but were not finally concluded before 1 January 2015 shall be brought to their conclusion in accordance with this Act as in force from 1 January 2015 and with a separate regulation;<sup>43</sup> time limits that have not expired by 1 January 2015 are subject to this Act as in force from 1 January 2015 and to a separate regulation.<sup>93b</sup>

(3) The percentage rate by which an old-age annuity or an early retirement annuity is raised pursuant to Article 42 shall be 2%, unless stipulated otherwise in decree issued by Národná banka Slovenska under Article 42(2).

##### **Article 123ap**

The provisions of Article 123q do not apply as from 1 January 2015.

#### **Transitional provisions in force from 15 March 2015**

##### **Article 123aq**

(1) In the period from 15 March 2015 to 15 June 2015, natural persons who are savers as at 15 March 2015 may deliver to the Social Insurance Agency a written notification that they wish to terminate their status as a saver, provided that:

- (a) they have not concluded a scheduled pension payment agreement other than a scheduled pension payment agreement referred to in Article 33a(4);
- (b) they have not concluded a pension insurance contract; and
- (c) they have not agreed to the payment of investment income under the old-age pension scheme agreement.

(2) As of the delivery date of the notification mentioned in paragraph (1), the natural person shall terminate:

- (a) their enrolment in the old-age pension scheme as from the date of their first enrolment in the scheme;
- (b) their legal status as a saver as from the first day of its establishment; and
- (c) the old-age pension scheme agreement.

(3) If the written notification mentioned in paragraph (1) is delivered to the Social Insurance Agency after the application for an old-age pension or application for an early retirement pension has been submitted, the application is deemed to be withdrawn.

(4) After receiving the written notification mentioned in paragraph (1), the Social Insurance Agency shall without undue delay notify the PFMC with which the natural person has concluded an old-age pension scheme agreement that the natural person has exercised their right under paragraph (1).

(5) After being notified by the Social Insurance Agency pursuant to paragraph (4), and unless otherwise provided in paragraph (6), the PFMC shall without undue delay:

- (a) transfer to the account of the Social Insurance Agency at the State Treasury an amount equal to the product of the number of pension points credited from the natural person's mandatory contributions and the current value of the pension point as at the day preceding the transfer date;
- (b) return to the natural person an amount equal to the product of the number of pension points credited from that person's voluntary contributions and the current value of the pension point as at the day preceding the transfer date.

(6) If pension points have been deducted from a saver's personal pension account owing to the issuance of the certificate and if the PFMC has not credited this account with pension points pursuant to Article 45(4), the company, after receiving in respect of this natural person a notification from the Social Insurance Agency under paragraph (4), shall without undue delay:

- (a) transfer to the account of the Social Insurance Agency at the State Treasury the amount comprising mandatory contributions which is stated on the certificate;
- (b) return to the natural person the amount comprising voluntary contributions which is stated on the certificate;
- (c) return to the natural person an amount equal to the product of the number of pension points credited from that person's voluntary contributions and the current value of the pension point as at the day preceding the transfer, provided that pension points credited from voluntary contributions are recorded in the natural person's personal pension account.

(7) Where a written notification under paragraph (1) is sent by post, it is deemed to have been sent within the time limit if it was posted no later than 15 June 2015.

### **Article 123ar**

In the period from 15 March 2015 to 15 June 2015, natural persons who are not savers as at 15 March may conclude an old-age pension scheme agreement, provided that before concluding this agreement, their participation on pension insurance has been established.



**Article 123as**  
**Transitional provision for regulations in force 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 regulations in force until 30 June 2016.

**Article 123at**  
**Transitional provision for regulations in force from 1 February 2018**

The reference amount valid for the 2018 calendar year shall be the reference amount set as at 30 November 2017 by the Social Insurance Agency. The Social Insurance Agency shall publish the reference amount mentioned in the first sentence on 1 February 2018.

**PART THIRTEEN**

**FINAL PROVISIONS**

**Article 124**

This Act enacts in Slovak law the legally binding acts of the European Union listed in Annex 1.

**Article 125**  
**Repealing provisions**

This Act repeals:

1. Decree No 184/2004 Coll. of the Ministry of Labour, Social Affairs and Family of the Slovak Republic on the professional examination for intermediaries of the old-age pension scheme;
2. Decree No 737/2004 Coll. of the Ministry of Finance of the Slovak Republic on how to demonstrate political and economic independence, the standard character and transparency of the methodology used, and market recognition of agencies specialising in the assessment of investment risk.

**Article 126**  
**Repealing provisions in force from 1 April 2012**

The following shall be repealed:

1. Decree No 87/2005 Coll. of the Ministry of Labour, Social Affairs and Family of the Slovak Republic stipulating the procedure for calculating and deducting pension fund management fees and personal pension account fees;

2. Decree No 267/2009 Coll. of Národná banka Slovenska on the reference value of conservative pension funds and the composition of the reference value of balanced pension funds and growth pension funds.

### **Article 127**

#### **Repealing provision in force from 1 January 2015**

This Act repeals Decree No 146/2012 Coll. of the Ministry of Labour, Social Affairs and Family of the Slovak Republic stipulating details of the calculation of the amount paid to natural persons whose obligation to participate in the old-age pension scheme ceased from 1 January owing to their receipt of a disability pension.

## **SECTION II**

### **Commencement**

This Act enters into force on 1 January 2005, with the exception of the following: Section I, Articles 47 to 51, 53 to 56, 58, 62, 66, 109, 113 to 115, 120 and 124, which shall enter into force on 1 February 2004; and Section I, Articles 52, 67, 111, 112, 117 and 123, which shall enter into force on 15 April 2004.

Act No 186/2004 Coll. of 12 March 2004, amending Act No 95/2002 Coll. on insurance (and amending certain laws), as amended by Act No 430/2003 Coll., and amending certain other laws entered into force on the date of the entry into force of the Treaty concerning the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic to the European Union, with the exception of Section IV, which entered into force on 15 April 2004.

Act No 439/2004 Coll. amending Act No 461/2003 Coll. on social insurance, as amended, and amending certain other laws entered into force on 1 August 2004.

Act No 721/2004 Coll. amending Act No 461/2003 Coll. on social insurance, as amended, and amending certain other laws entered into force on 1 January 2005.

Act No 747/2004 Coll. on financial market supervision (and amending certain laws) entered into force on 1 January 2006.

Act No 310/2006 amending Act No 461/2003 Coll. on social insurance, as amended, and amending certain other laws entered into force on 1 August 2006, with the exception of Section IV, points 30, 37, 38, 53, 56 and 62, which entered into force on 1 January 2007.

Act No 644/2006 Coll. amending Act No 483/2001 Coll. on banks (and amending certain laws), as amended, and amending certain other laws entered into force on 1 January 2007.



Act No 677/2006 Coll. amending Act No 43/2004 Coll. on the old-age pension scheme (and amending certain laws), as amended, and amending Act No 461/2003 Coll. on social insurance, as amended, entered into force on 1 January 2007.

Act No 209/2007 Coll. amending Act No 566/2001 Coll. on securities and investment services (and amending certain laws) (the Securities Act), as amended, and amending certain other laws entered into force on 1 November 2007, with the exception of Section I, points 2, 6, 7, 11 to 14, 16, 18, 23 to 25, 27, 57, 58, 60, 73 to 81, 91, 93 to 96, 100 to 102, 106, 116, 117, 124 to 136, 139, 144 to 151, and 154 to 165, which entered into force on 1 May 2007.

Act No 519/2007 Coll. amending Act No 328/2002 Coll. on social security for police officers and soldiers (and amending certain laws), as amended, and amending certain other laws entered into force on 1 January 2008.

Act No 555/2007 Coll. amending Act No 461/2003 Coll. on social insurance, as amended, and amending certain other laws entered into force on 1 January 2008.

Act No 659/2007 Coll. on the introduction of the euro in the Slovak Republic (and amending certain laws) entered into force on 1 January 2008, with the exception of Section XV, points 1 and 2 (in respect of Articles 23(11) and 75(2)), which entered into force on the date on which the euro became the official currency of the Slovak Republic.

Act No 62/2008 Coll. amending Act No 43/2004 Coll. on the old-age pension scheme (and amending certain laws), as amended, entered into force on 1 March 2008.

Act No 434/2008 Coll. amending Act No 43/2004 Coll. on the old-age pension scheme (and amending certain laws), as amended, and amending Act No 461/2003 Coll. on social insurance, as amended, entered into force on 15 November 2008.

Act No 449/2008 Coll. amending Act No 461/2003 Coll. on social insurance, as amended, and amending certain other laws entered into force on its publication date, with the exception of Section II, which entered into force on 1 January 2009.

Act No 137/2009 Coll. amending Act No 43/2004 Coll. on the old-age pension scheme (and amending certain laws), as amended, entered into force on 1 July 2009.

Act No 572/2009 Coll. amending Act No 461/2003 Coll. on social insurance, as amended, and amending certain other laws entered into force on 1 January 2010.

Act No 105/2010 Coll. amending Act No 43/2004 Coll. on the old-age pension scheme (and amending certain laws), as amended, entered into force on its publication date (27 March 2010).

Judgement No 355/2010 of the Constitutional Court of the Slovak Republic was published in the Collection of Laws of the Slovak Republic on 14 September 2010.

Act No 543/2010 Coll. amending Act No 461/2003 Coll. on social insurance, as amended, and amending certain other laws entered into force on 1 January 2011.

Act No 334/2011 Coll. amending Act No 43/2004 Coll. on the old-age pension scheme (and amending certain laws), as amended, and amending Act No 461/2003 Coll. on social insurance, as amended, entered into force on 1 November 2011, with the exception of Section I, points 1 to 4, 9, 11 to 32, 34 to 85, 87 to 127, 130 to 150, 151 (in respect of Articles 123t to 123ab), 152 and 153, which entered into force on 1 April 2012.

Act No 546/2011 Coll. entered into force on 1 January 2012, with the exception of the following: Sections II, VI and IX, which entered into force on 2 January 2012; Section V, points 7, 9, 37, 60 and 61, which entered into force on 1 February 2012; Section I, points 6, 68, 69, 81, 85, 86, 87, 88, 91 and 94, Section IV, and Section VII, point 76, which entered into force on 1 April 2012; and Section I, points 53, 58, 60, 65, 73, 77, 90 and 93, and Section V, points 38, 65 and 67, which entered into force on 1 September 2012.

Act No 252/2012 entered into force on 1 September 2012, with the exception of the following: Section I, points 1 to 9, 18 to 27, 29 to 55, 56 (in respect of Articles 293ch to 293co), and 57, Section II, Section III, Section IV, points 1 to 7, 9 to 104, 106 to 116, 118 (Articles 123ae to 123ak), 119 and 120, Section V, and Section VI, which entered into force on 1 January 2013; Section IV, point 105, which entered into force on 1 January 2014; and Section I, points 10 to 13, which entered into force on 1 August 2016.

Act No 547/2011 Coll., Section XVIII, entered into force on 1 January 2013.

Act No 413/2012 Coll., Section III, entered into force on 1 January 2013.

Act No 132/2013 Coll. entered into force on 10 June 2013.

Act No 352/2013 Coll., Section XVIII, entered into force on 1 January 2014.

Act No 183/2014 Coll. entered into force on 1 July 2014, with the exception of Section I, points 1 to 22, 24 to 46, 47 (in respect of Articles 46a, 46b, 46c(1), 46d, 46e(1) to (9) and 46f to 46h), 48 to 146, 148 to 158, 159 (Article 94(12), (13) and (15)), 160 to 182, 183 (Articles 123ao and 123ap), and 184 to 188u, Section III, points 1, 2, 7 to 9, 19, 23 to 26, 28, 30, 31, 33, 39 to 41, and 42 (Articles 293df and 293dg), Section IV, Section V, points 1 to 3, and Section VI, which entered into force on 1 January 2015.

Act No 301/2014, Section II, entered into force on 1 December 2014.

Act No 25/2015 Coll. entered into force on 15 March 2015.

Act No 140/2015 Coll. entered into force on 1 July 2015, with the exception of Section I, points 1, 4, 5, 9 (in respect of Article 81(7)(b)), 10, 15 and 19, Section II, points 1, 2, 4 and 6, Section III, point 1, Section IV, points 1, 2, 4 and 6, Section V, Section VI, and Section VII, point 3, which shall enter into force on 1 January 2016.

Act No 91/2016 Coll. entered into force on 1 July 2016.

Act No 125/2016 Coll., Section XCII, entered into force on 1 July 2016.

Act No 292/2016 Coll., Section IV, entered into force on 1 December 2016.

Act No 279/2017 Coll., Section VIII, entered into force on 1 January 2018.

Act No 97/2017 Coll. entered into force on 1 February 2018.

Act No. 109/2018 Coll., Section III, entered into force on 1 May 2018.

Act No 177/2018 Coll., Section LXII, entered into force on 1 September 2018, with the exception of points 1 to 3, which enter into force on 1 January 2019.

**Annex 1 to Act No 43/2004 Coll.,  
as amended by Act No 543/2010 Coll.**

**SCHEDULE OF LEGALLY BINDING ACTS OF  
THE EUROPEAN UNION ENACTED IN SLOVAK LAW BY THIS ACT**

1. Council Directive 79/7/EEC of 19 December 1978 on the progressive implementation of the principle of equal treatment for men and women in matters of social security (OJ L 6, 10.1.1979; OJ Special Edition, Chapter 5, Volume 1).
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; OJ Special Edition, Chapter 20, Volume 1).
3. Directive 2002/83/EC of the European Parliament and of the Council of 5 November 2002 concerning life assurance (recast) (OJ L 345, 19.12.2002).
4. Directive 2010/41/EU of the European Parliament and of the Council of July 2010 on the application of the principle of equal treatment between men and women engaged in an activity in a self-employed capacity and repealing Council Directive 86/613/EEC (OJ L 180, 15.7.2010).

**Annex 2 to Act No 43/2004 Coll.  
as amended by Act No 334/2011 Coll.**

**FORMULA FOR THE CALCULATION OF  
THE PENSION FUND PERFORMANCE FEE**

The pension fund performance fee shall be calculated using the following formula:

$$O_t = K \times NAV_t \times \left( \frac{AHDJ_t}{\max AHDJ_{t-1}} - 1 \right)$$

where

- $O_t$  = the pension fund performance fee for day t,
- $NAV_t$  = the second preliminary net asset value of the pension fund for day t,
- $AHDJ_t$  = the preliminary current value of the pension fund's pension point for day t,
- $\max AHDJ_{t-1}$  = the maximum current value of the pension fund's pension point recorded during the three years preceding day t, but no earlier than 1 April 2012,
- $K$  = the coefficient for determining the pension fund performance fee, which may not exceed 0.1,
- $t$  = the working day immediately preceding the date as at which the pension fund performance fee is calculated.

**DECLARATION**

Signed by

.....  
(full name, date of birth and address of residence)

I hereby declare that I am aware that the PFMC is not required to replenish the assets of non-guaranteed equity pension funds, non-guaranteed mixed pension funds and non-guaranteed index pension funds, in accordance with Article 63d of Act No 43/2004 Coll. on the old-age pension scheme (and amending certain laws) as amended. Being aware of this fact, I have decided to remain a saver in the pension fund in which I am a saver as at today's date.

Done at ..... on ..... 2013

.....  
Signature

**Note:** Under Article 123ai of Act No 43/2004 Coll. on the old-age pension scheme (and amending certain laws), as amended by Act No 252/2012 Coll., a saver in a non-guaranteed equity pension fund, non-guaranteed mixed pension fund, or non-guaranteed index pension fund who does not sign and deliver this declaration to the PFMC by 31 March 2013 shall become a saver solely in a guaranteed bond pension fund as of 30 April 2013.

## Endnotes

- <sup>1</sup> Act No 73/1998 Coll. 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.  
Act No 200/1998 Coll. on the civil service of customs officers (and amending certain laws), as amended.  
Act No 315/2001 Coll. on the Fire Brigade and Rescue Corps, as amended.  
Act No 544/2002 Coll. on the Mountain Rescue Service, as amended.
- <sup>3</sup> Act No 461/2003 Coll. on social insurance, as amended.
- <sup>4</sup> Article 4 of Act No 461/2003 Coll., as amended by Act No 543/2010 Coll.
- <sup>5</sup> Article 5 of Act No 461/2003 Coll., as amended by Act No 543/2010 Coll.
- <sup>6</sup> Article 27 of Act No 461/2003 Coll.
- <sup>6a</sup> Act No 365/2004 Coll. on equal treatment in certain areas and protection against discrimination (and amending certain laws) (the Anti-Discrimination Act), as amended.
- <sup>7</sup> Article 7 of Act No 461/2003 Coll., as amended by Act No 543/2010 Coll.
- <sup>8</sup> Article 2(1) of Act No 8/2008 Coll. on insurance (and amending certain laws).
- <sup>8a</sup> Article 2(2) of Act No 8/2008 Coll.
- <sup>8b</sup> Article 2(4) of Act No 8/2008 Coll.
- <sup>8c</sup> Annex 1, Part A, point seven of Act No 8/2008 Coll., as amended by Act No 183/2014 Coll.
- <sup>19</sup> Article 26 of Act No 461/2003 Coll.
- <sup>20</sup> Article 138 of Act No 461/2003 Coll., as amended by Act No 543/2010 Coll.
- <sup>29</sup> Article 139 of Act No 461/2003 Coll.
- <sup>30</sup> Article 140(1) and (3) of Act No 461/2003 Coll.
- <sup>31</sup> Article 140(1) and (4) of Act No 461/2003 Coll.
- <sup>32</sup> Article 140(1) and (2) of Act No 461/2003 Coll.
- <sup>33</sup> Article 12(4) of Act No 291/2002 Coll. on the State Treasury (and amending certain laws), as amended.
- <sup>34</sup> Article 142(3) of Act No 461/2003 Coll.
- <sup>35</sup> Article 142(4) of Act No 461/2003 Coll.
- <sup>36</sup> Article 143(2) of Act No 461/2003 Coll.
- <sup>36a</sup> Article 241a(1) of Act No 461/2003 Coll., as amended by Act No 555/2007 Coll.
- <sup>36b</sup> Article 67(1) of Act No 461/2003 Coll., as amended.
- <sup>36c</sup> Article 67(2) of Act No 461/2003 Coll., as amended.
- <sup>37</sup> Article 2(a) of Act No 601/2003 Coll. on the minimum subsistence amount (and amending certain laws).
- <sup>38</sup> Article 38 Act No 328/2002 Coll. on social security for police officers and soldiers (and amending certain laws), as amended.
- <sup>38a</sup> Article 40 of Act No 328/2002 Coll.
- <sup>38b</sup> Articles 126 and 143c(4) of Act No 328/2002 Coll., as amended by Act No 732/2004 Coll.
- <sup>38c</sup> Articles 46 and 129 of Act No 328/2002 Coll., as amended by Act No 80/2013 Coll.
- <sup>38d</sup> Article 51 and 129 of Act No 328/2002 Coll., as amended.
- <sup>40</sup> Act No 221/2006 Coll. on enforcement of custody, as amended.
- <sup>41</sup> Act No 475/2005 Coll. on the enforcement of custodial sentences (and amending certain laws), as amended.
- <sup>42</sup> Article 3(1) of Act No 275/2006 Coll. on information systems in public administration (and amending certain laws), as amended.

42a Article 81(1) of Act No 461/2003 Coll., as amended.  
42b Article 179(1)(h) of Act No 461/2003 Coll., as amended by Act No 183/2014 Coll.  
42c Article 2 Act No 186/2009 Coll. on financial intermediation and financial advisory services  
(and amending certain laws), as amended by Act No 129/2010 Coll.  
43 Act No 747/2004 Coll. on financial market supervision (and amending certain laws), as  
amended.  
45 The Commercial Code.  
45a Articles 7 and 8 of Act No 186/2009 Coll. on financial intermediation and financial advisory  
services (and amending certain laws).  
45b Article 1(1)(c) of Act No 186/2009 Coll.  
45c Article 5(3) of Act No 186/2009 Coll.  
45d Article 21(3)(a) of Act No 186/2009 Coll., as amended by Act No 129/2010 Coll.  
45e Article 22 of Act No 186/2009 Coll., as amended by Act No 129/2010 Coll.  
46 Article 8(f) of Act No 566/2001 Coll. on securities and investment services (and amending  
certain laws) (the Securities Act), as amended.  
47 Article 9(3) of the Labour Code.  
48 Article 8(e) of Act No 566/2001 Coll.  
49 Act No 7/2005 Coll. on bankruptcy and restructuring (and amending certain laws), as  
amended.  
50 Article 37(1) of Act No 96/2002 Coll.  
51 Article 144(7) of Act No 566/2001 Coll.  
Article 50(2) of Act No 483/2001 Coll. on banks (and amending certain laws), as amended.  
Article 48(6) of Act No 95/2002 Coll.  
Article 60(3) of Act No 429/2002 Coll. – the Stock Exchange Act.  
51a Article 7(14) to(16) of Act No 483/2001 Coll., as amended.  
52 Article 8(i) of Act No 566/2001 Coll.  
53 Article 8(j) of Act No 566/2001 Coll.  
54 Article 8(h) of Act No 566/2001 Coll.  
56 Article 66b of the Commercial Code.  
57 Act No 136/2001 Coll. on the protection of competition (and amending Act No 347/1990  
Coll. on the organisation of ministries and other central state administration authorities of the  
Slovak Republic), as amended.  
58a Article 4(2)(a) of Act No 122/2013 Coll. on the protection of personal data (and amending  
certain laws).  
58b Article 4(1) of Act No 122/2013 Coll.  
58c Act No 297/2008 Coll. on the prevention of money laundering and terrorist financing (and  
amending certain laws), as amended.  
58d Article 4(3)(a) of Act No 122/2013 Coll.  
58e Article 4(3)(a), points one and two, of Act No 122/2013 Coll.  
58f Article 31 of Act No 122/2013 Coll.  
59 Articles 17 to 23 of Act No 431/2002 Coll. on accounting, as amended.  
60 Article 116 of the Civil Code.  
61 Articles 138 to 143 of Act No 566/2001 Coll.  
Article 44 of Act No 483/2001 Coll., as amended by Act No 603/2003 Coll.  
Article 43 of Act No 95/2002 Coll., as amended.  
62 For example: Article 133 of Act No 566/2001 Coll.; Article 25 of Act No 483/2001 Coll., as  
amended by Act No 603/2003 Coll.



63 Article 3(4) of Act No 429/2002 Coll.  
64 The Civil Dispute Procedure Code.  
65 The Criminal Procedure Code.  
66 Articles 2(1)(d) and 4 of Act No 171/1993 Coll. on the Police Force, as amended.  
67 Act No 563/2009 Coll. on the administration of taxes (and amending certain laws) (the Tax  
68 Code), as amended.  
69 The Criminal Code.  
68a Article 226(1)(k) of Act No 461/2003 Coll., as amended.  
69 Article 11 of Act No 7/2005 Coll., as amended.  
70 Article 5 of Act No 566/2001 Coll.  
71 Article 8(a) of Act No 566/2001 Coll.  
71a Act No 650/2004 Coll. on the supplementary pension scheme (and amending certain laws),  
as amended.  
72 Act No 566/2001 Coll. as amended.  
73 Act No 203/2011 Coll. on collective investment, as amended by Act No 547/2011 Coll.  
74 For example: Act No 483/2001 Coll., as amended; Act No 8/2008 Coll., as amended; Act No  
203/2011 Coll., as amended by Act No 547/2011 Coll.  
75 Article 8(m) of Act No 566/2001 Coll., as amended.  
76 Article 8(n) of Act No 566/2001 Coll., as amended.  
77 Article 5(1) of Act No 566/2001 Coll., as amended.  
77a Article 22 of Act No 431/2002 Coll., as amended.  
78 Article 27g of Act No 530/1990 Coll., as amended by Act No 279/2017 Coll.  
Article 122ya of Act No 483/2001 Coll., as amended by Act No 279/2017 Coll.  
78a Article 67 of Act No 483/2001 Coll., as amended.  
79 Articles 41 and 42 of Act No 429/2002 Coll., as amended.  
79a Act No 92/2008 Coll. on commodity exchanges (and amending Act No 145/1995 on  
administrative fees, as amended), as amended by Act No 397/2008.  
79b Article 6(16)(e) of Act No. 483/2001 Coll., as amended.  
80 Article 2(1), (5) and (8) of Act No 483/2001 Coll.  
81 Act No 566/2001 Coll., as amended.  
Act No 483/2001 Coll., as amended.  
82 For example: the Commercial Code; Act No 566/2001 Coll., as amended.  
83 Articles 9(1) and 50 to 65 of Act No 483/2001 Coll., as amended.  
84 Article 156 of Act No 566/2001 Coll., as amended  
84a For example: Articles 8 and 8a of Act No 530/2003 Coll. on the Commercial Register (and  
amending certain laws), as amended.  
85 Articles 708 to 715 of the Commercial Code.  
86 Articles 716 to 719a of the Commercial Code.  
87 For example: Articles 2(1)(d) and 4(1) and (3) of Act No 171/1993 Coll., as amended; Article  
91(4)(h) of Act No 483/2001 Coll., as amended.  
88 Act No 65/2001 Coll. on the enforcement of judicial claims, as amended.  
Act No 233/1995 Coll. on court executors and execution activities (and amending certain  
laws) (the Execution Code), as amended.  
89 Article 226 of Act No 461/2003 Coll., as amended.  
90 Act No 540/2001 Coll. on state statistics, as amended.  
92 Act No 147/2001 Coll. on advertising (and amending certain laws), as amended.  
93 Act No 244/2002 Coll. on arbitration proceedings, as amended.

- <sup>93a</sup> For example: Act No 297/2008 Coll., as amended; Act No 659/2007 Coll., as amended.
- <sup>93b</sup> Article 19(4) of Act No 747/2004 Coll., as amended
- <sup>94</sup> For example: the Criminal Procedure Code; the Labour Code.
- <sup>94a</sup> Article 10(5) of Act No 747/2004 Coll.
- <sup>95</sup> Article 178(1) and (2) of the Commercial Code.
- <sup>96</sup> Article 178(3) of the Commercial Code.
- <sup>97</sup> Article 156a of the Commercial Code, as amended.
- <sup>98</sup> Article 1(2)(i), 2, and 18 of Act No 659/2007 Coll.