



ANNEX 17

Twinning Project AZ/13/ENP/SO/24

Support to the State Social Protection Fund on the introduction of funded element within the insurance-pension system, establishment of non-state pension funds and development of legal framework for regulating their activity

State Supervision Aspects on Operations of Funded Part of Labour Pensions and Private Pension Funds

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What does a supervisor do?



What does a supervisor do?

Objective of Supervision of Pension Funds

- The objectives of pension funds supervision focus on protecting the interests of pension plan members and beneficiaries, by promoting the stability, security and good governance of pension funds.
- Pension supervision involves the oversight of pension funds and the enforcement of and promotion of adherence to compliance with regulation relating to the structure and operation of pension funds and pension plans
- Pension supervision includes the monitoring of the activities of pension plans and pension funds to ensure that they remain within the requirements of the regulatory framework, essentially enforcing compliance with the rules.

Participant

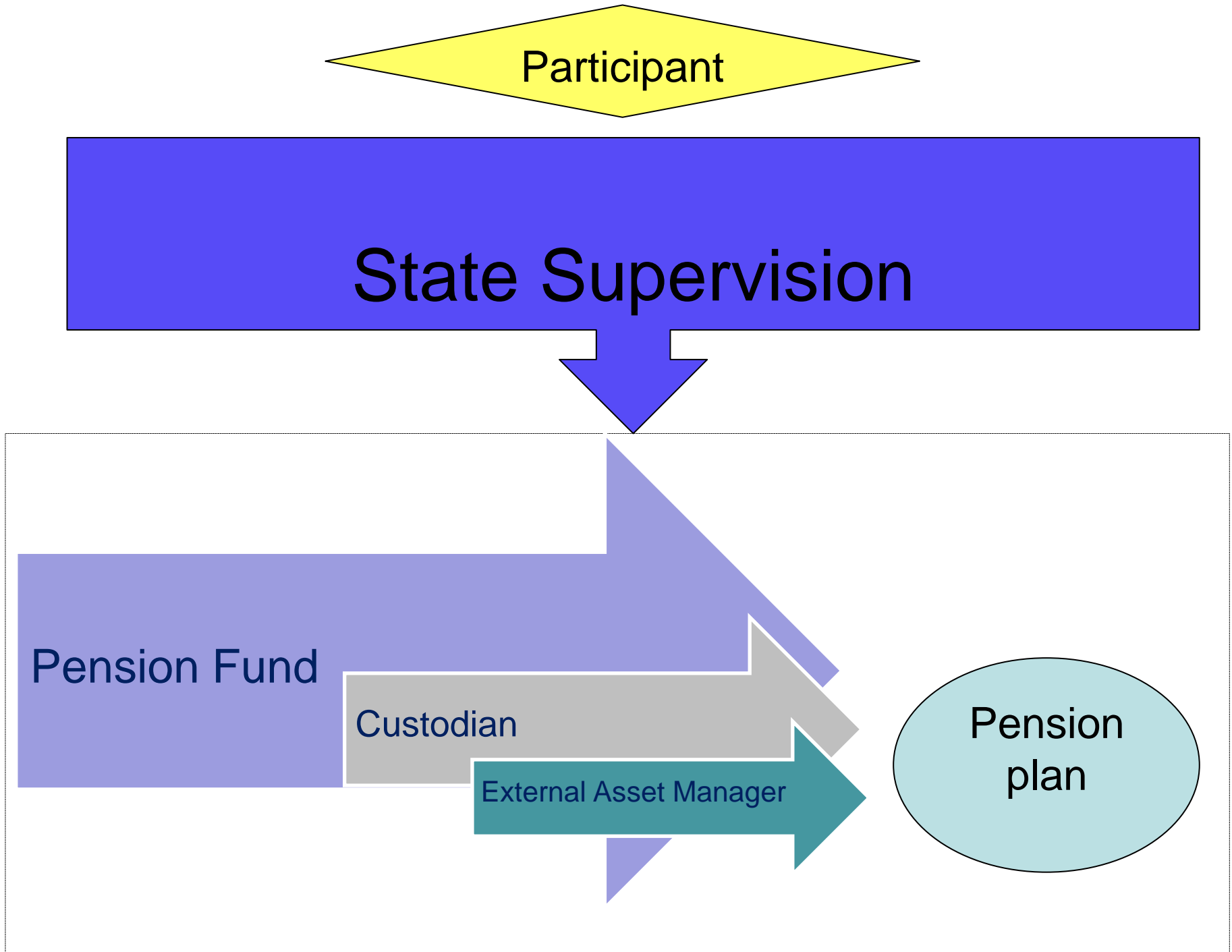
State Supervision

Pension Fund

Custodian

External Asset Manager

Pension
plan



**Funded element within
insurance pension system**

**Non – state private
pension funds (PPF)**

SSPF

current functions

Funded part system
administration
function

SSSP – state pension
fund functions

AM
(can be
outsourced to
the 3rd party)

Pension Plan
Administration

Custodian
(any bank)

PPF-1

AM
(can be
outsourced to
the 3rd
party)

Pension
Plans
Admin.

Custodian
(any bank)

PPF-2

AM
(can be
outsourced to
the 3rd
party)

Pension
Plans
Admin.

Custodian
(any bank)

PPF-3

AM
(can be
outsourced to
the 3rd
party)

Pension
Plans
Admin.

Custodian
(any bank)

STATE SUPERVISION

Supervisory Framework

- Should protect interests of the participants
- Should be adequate, effective and modern
- Should ensure financial stability on horizontal as well as vertical level
- Should apply principle of proportionality



THANK YOU!

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