



Pursuant to Article 35, paragraph 1, subparagraph 1.1, of Law no. 03 / L-209 on the Central Bank of the Republic of Kosovo (Official Gazette of the Republic of Kosovo, No. 77/16 August 2010), Article 20, paragraph 20.1, subparagraph d, Article 21, paragraph 21.2, and Article 22, paragraph 22.7 , subparagraph c, of Law no. 04 / L-101 on Pension Funds of Kosovo (Official Gazette of the Republic of Kosovo, No. 10/8 May 2012), the Board of the Central Bank, at its meeting held on 12 June 2020, adopted the following:

REGULATION ON RECORD-KEEPING IN PENSION FUNDS AND PENSION PROVIDERS

Article 1

Purpose and scope

1. The purpose of this Regulation is to determine the requirement for minimum records and accounting record-keeping in accordance with IAS.
2. This Regulation applies to Pension Funds and Pension Providers providing Additional Individual Pensions ("Pension Provider").

Article 2

Definitions

1. All terms in this Regulation have the same meaning as the terms set out in Article 1 of Law no. 04 / L-101 on Kosovo Pension Funds and Article 1 of Law no. 04 / L-168 on Amending and Supplementing the Law No. 04 / L-101 on Pension Funds of Kosovo (hereinafter: the Law on Pension Funds) and / or with the definitions provided herein for the purpose of this Regulation:
 - 1.1. **Accounting system** - means the organized computerized accounting structure, procedures and controls to collect, record, classify, analyze, summarize, interpret and present accurate and timely data on management decision-making;
 - 1.2. **Fiduciary** - means a natural person or legal entity that has liability to participants and users as described in Chapter VI of Law no. 04 / L-101 on Pension Funds of Kosovo.
 - 1.3. **Founding act of the pension fund** – means the written legal document, signed by the highest governing body of the employer(s), which establishes the pension fund as a non-

profit legal entity in accordance with the provisions of Law no. 04 / L-101 on Pension Funds of Kosovo.

- 1.4. **IAS** - means International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and SIC-IFRIC interpretations related to them, subsequent amendments to these standards and interpretations thereof, as well as future standards as well as interpretations related to them, adopted by the International Accounting Standards Board (IASB);
- 1.5. **Accounting records** – means journal books, general ledgers, trial balances and the financial statements of the pension entity.
- 1.6. **Chart of accounts** - means the listing accounts to be used in classifying a financial transaction and recording a transaction.
- 1.7. **Journal books** - means registers or log books that record in chronological order accounting transactions in the original entries.
- 1.8. **General ledger** – means of several accounts that record the summary of balances of totals of particular accounts from the journal books.
- 1.9. **Minutes** – means the record of the proceedings of a board, committee, managing body, pension standing committee or other fiduciary meetings.
- 1.10. **Trial balance** – means an accounting record containing the summary of all general ledger accounts divided into debit and credit balances and/or totals.

Article 3

Requirement to keep minimum records of Pension Funds and Pension Providers

1. Pension Funds and Pension Providers must prepare and maintain properly secured, written records containing:
 - 1.1 The founding act or equivalent founding documentation, statute and all their amendments;
 - 1.2 The register of shareholders, including the number of shares registered in the name of each shareholder;
 - 1.3 Minutes of each meeting of the Governing Board or its committees and decisions adopted by the Governing Board or its committees;
 - 1.4 Minutes from shareholders' meetings and decisions adopted by shareholders;
 - 1.5 Accounting records which clearly and accurately show the state of its activity, clarifying its transactions and financial position in order to enable the CBK to decide whether the institution has acted in accordance with all provisions of the law on pension funds, regulations, rules and ordinances in force;
 - 1.6 The data that show, for each contributor of the fund, on a daily basis, the characteristics of the transaction with or on behalf of that contributor and the balance sheets for and from that contributor;

Article 4
Keeping accounting records in accordance with IAS

1. Pension Funds and Pension Providers must store and keep in a complete and accurate manner:
 - 1.1 Accounting records must be in accordance with International Accounting Standards (IAS) in order to ensure that the financial statements are fair and accurate.
 - 1.2 Consolidated accounts must represent the fair and accurate value of assets, liabilities, financial position and profits or loss at the consolidated level.
 - 1.3 Pension Funds must prepare annual financial statements in accordance with International Accounting Standards (IAS), to reflect their operations and financial position, as well as to reflect the operations and financial position of their subsidiaries and branches, both on an individual basis and even on a consolidated basis.
 - 1.4 Financial accounts and statements should be in line with international accounting standards, reflecting additional accounting rules or standards as defined by the CBK.
2. Pension Funds and Pension Providers must ensure that accounting records record or reflect:
 - 2.1 Values of pension contributions in relation to the active or passive participant together with the date of transfers and the reflection of such contributions, and the source of contributions.
 - 2.2 Pension benefit payments, and refinancing together with payment dates as well as the details of the account of the recipient of a particular fund or financial institution.
 - 2.3 Investment of pension funds that register funds transfers to or from the pension entity, to or from the trustee, fund's managers or investment officers including investment gains, and / or capital gains.
 - 2.4 Administrative deductions and other financial charges applied by the pension fund to participant's funds to cover operational costs.
 - 2.5 Payment of taxes for the trustee, funds manager, and other third-party services regardless of whether such taxes have been paid by the Pension Entity or the Sponsor Employer of the pension fund, or any other entity or person on behalf of the Pension Entity accompanied by such records which include the names and addresses of the institutions or persons to whom the payment has been made and the reason for such payment.
 - 2.6 Acceptance of funds representing Transfer within Value of participants from their former Pension Fund or Pension Insurer.
 - 2.7 Payments of funds representing Transfer outside the values of former participants for the new Pension Fund or Pension Provider.
 - 2.8 Participant's records which include: name, date of birth, identification number, designated beneficiary, the date on which the participant joined the scheme, balance sheets of individual accounts in the defined pension contribution or records of his services in the defined pension benefit, and date when it was removed from the scheme.

- 2.9 Any payment made to the Sponsor Employer in the event of a Pension Fund and the reason for such payment.
- 2.10 Other payments made by the Pension Entity including the names and addresses of the institutions or persons to whom that payment has been made and the reason for such payment.
- 2.11 Any acceptance of funds for the pension scheme account, except contributions.

Article 5
Record keeping method

1. Required records under this Regulation must be kept on paper and electronic forms. In each case, there must be data security. Disaster recovery plans and procedures, including archiving and a copy of backup data in order to ensure data maintenance and security, must be approved, revised and updated on a regular basis.
2. Any degree of data damage without the possibility of recovery or restoration must be reported to the participants and the Sponsor Employer by means of a written notice within 10 days that the Board of Directors or management is aware of the failure to restore the data.

Article 6
Implementation, remedial measures and civil penalties

Violations of the provisions of this Regulation shall be subject to the measures provided for in the legislation in force.

Article 7
Repeal

With the entry into force of this Regulation, Rule 26 of the BPK on Record-Keeping in Pension Funds and Pension Insurers, dated April 17, 2003, is repealed.

Article 8
Entry into force

This regulation enters into force 15 (fifteen) days from the date of its adoption.

Chairman of the Board of the Central Bank of Kosovo

Flamur Mrasori