

## **Retirement Schemes - Annual Reports**

---

### **Introduction**

The contents of the Annual Report are primarily the responsibility of the Retirement Scheme Administrator (“the Administrator”). Moreover, any service-providers such as the Asset Manager (where applicable) and the Actuary (in the case of a Defined Benefit Scheme) who include their report within the Retirement Scheme’s (‘the Scheme’) Report, also have a responsibility in ensuring the accuracy and fairness of their disclosures. The Scheme’s auditor has a responsibility insofar as the audited accounts and the opinion expressed thereon is concerned.

The Annual Report shall be prepared in conformity with International Accounting Standards. Accounting policies used shall be consistent with those adopted in the relevant Retirement Fund’s annual financial statements and shall be consistently applied.

A copy of the Annual Report should be produced within the stipulated time limits (laid down in B.1.5.4). A copy of the Annual Report should also be submitted to the Authority, together with a Confirmation by the Administrator in line with Schedule II and an Auditor’s Report in line with Schedule III.

The Administrator should ensure that all the necessary checks have been carried out to ensure the accuracy and completeness of the Annual Report.

Copies of the Annual Report submitted to the MFSA should be accompanied by the Administrator’s confirmation to the effect that to the best of its knowledge, the Report is complete and accurate in all material respects and conforms with MFSA’s requirements in terms of the Scheme’s Registration conditions. A specimen of the wording of such a confirmation is included in Schedule II hereto.

In so far as the Annual Report is concerned, the Administrator will be required to request the Scheme’s auditors to review the Report in its entirety to ensure that it includes all disclosures required by the Directives and that all references to figures included in the audited accounts are accurate. The Administrator shall require the Scheme’s auditor to provide it with an opinion to this effect which shall be retained in the Administrator’s records. A specimen of the wording of such an opinion is included in Schedule III hereto.

MFSA reserves the right to take whatever action it deems appropriate should it come across material misstatements and/or inaccurate or incomplete information therein. Such action may range from requests for clarifications, to the possible imposition of fines and – where necessary – amendments to the Reports. MFSA reserves the right to issue a Public Notice highlighting why amendments have been necessary.

A Scheme should produce an annual report for each financial year.

The annual report should be published within three months of the end of the period concerned.

Dates for the initial reports issued by the Scheme should be agreed with the MFSA at the time of Registration.

The annual report should contain the information outlined in Schedule I to this Appendix.

The annual report should be sent to the MFSA.

The annual report should be supplied to contributors and beneficiaries free of charge on request.

***Schedule I***  
***Information to be contained in the annual report***

The annual report should include the following as well as any additional information sufficient to enable Contributor(s) and Beneficiary(ies) to make an informed judgement on the development, management, operation and financial performance of the scheme.

1. Audited accounts for the scheme year. The Scheme's annual accounts shall be audited in conformity with International Standards on Auditing;
2. The Scheme's Accounts shall show a true and fair view of:
  - a) the financial transactions of the Scheme during the Scheme year;
  - b) the amount and disposition of the Scheme assets at the end of the Scheme year;
  - c) the liabilities of the Scheme other than the liabilities to pay Benefits after the end of the Scheme year;
  - d) the Scheme's financial position;and shall contain:
  - e) an account of the additions to, withdrawals from and changes in value of the Scheme assets during the Scheme year;
  - f) a statement as at the end of the scheme year of the value of the Scheme assets and the liabilities of the Scheme other than the liability to pay Benefits after the end of the Scheme year
  - g) where the Scheme included contributor-related investments the nature thereof and the percentage of the Scheme's assets represented thereby.
3. A statement of the remuneration, charges and expenses (including any benefit in kind) paid to the Scheme Administrator, any Scheme Asset Manager and any other person providing services to the Scheme;
4. A statement of the Retirement Funds in which the scheme assets are invested and a copy of the most recent audited accounts and Directors Report of such Fund(s) or a summary thereof;
5. Where the Scheme has power to invest in any contributor-related investments a statement as to the percentage of the Scheme's assets so invested at the end of the scheme year and the nature of the investments; and
6. A report by the auditor as to whether or not in his opinion:
  - a) the requirements mentioned in 2 above are satisfied;

- b) contributions have been paid in accordance with the Scheme's schedule of payments or where no schedule has been prepared in accordance with the Scheme Document or the relevant contracts under which they were payable.
7. A copy of the latest actuary's report or a summary thereof in the case of a Defined Benefit Scheme;
  8. If the auditors' or actuary's report is negative or qualified or there has been any breach of the Scheme Investment Objectives, Standard Operational Conditions and/or regulatory sanctions, a statement of the reasons why this has occurred and how the situation has been or is likely to be resolved. Where there have been no breaches or regulatory sanctions, it is sufficient merely to say so;
  9. The names of the Scheme Administrator and any Asset Manager or other professional advisers, and of any other person providing services to the Scheme;
  10. A review of the investment performance of the Scheme's assets including an assessment of their nature, marketability and valuation in the case of a Defined Contribution Scheme.

***Schedule II***  
***Specimen Administrator's Confirmation***

(Addressed by the Retirement Scheme Administrator responsible for the preparation of  
the Annual Report of the Retirement Scheme to the MFSA)

We the undersigned, are responsible for the preparation of the Annual Report of *(name of Retirement Scheme)* for the year ended \_\_\_\_\_ and confirm that to the best of our knowledge it is complete and accurate in all material respects and conforms with the MFSA's requirements in terms of the Retirement Scheme's Registration Conditions.

\_\_\_\_\_  
Retirement Scheme Administrator

***Schedule III***  
***Specimen Auditor's Opinion***

(Addressed by the Auditor to the MFSA)

We the undersigned have audited the annual accounts of *(name of Retirement Scheme)* for the year ended \_\_\_\_\_ in accordance with International Standards on Auditing. In our opinion the Annual Report is complete in all material respects in accordance with the MFSA's requirements, and the Scheme's registration conditions.

Moreover, based on our review procedures, nothing has come to our attention that causes us to believe that the information contained in the Annual Report is inconsistent with the books of account and the records of *(name of Retirement Scheme)*.

\_\_\_\_\_  
Auditor

\_\_\_\_\_  
*(Signature and Date)*