

PART C

**APPENDICES TO RULES FOR
OCCUPATIONAL RETIREMENT SCHEMES**

APPENDIX 5

(SLC 2.3.4 of Part B of the Pension Rules for Occupational Retirement Schemes)

Half-Yearly Report

The contents of the Half-Yearly Report are primarily the responsibility of the Scheme and the Retirement Scheme Administrator, as applicable.

- 5.1 The Half-Yearly Report shall be prepared in conformity with International Financial Reporting Standards. In the case of a Scheme investing in a Retirement Fund, the accounting policies used shall be consistent with those adopted in the relevant Retirement Fund's annual financial statements and shall be consistently applied.
- 5.2 A copy of the Half-Yearly Report should be produced within the stipulated time limits (laid down in SLC 2.3.5 of Part B of these Pension Rules for Occupational Retirement Schemes). A copy of the Half-Yearly Report should be submitted to the MFSA, together with a confirmation by the Retirement Scheme Administrator or in the case of a Scheme established as a SICAV, the Board of Directors of the Scheme concerned in line with Schedule II to this Appendix.
- 5.3 The Retirement Scheme Administrator or the Board of Directors in the case of a Scheme established as a SICAV, should ensure that all the necessary checks have been carried out to ensure the accuracy and completeness of the Half-Yearly Report.
- 5.4 Copies of the Half-Yearly Report submitted to the MFSA should be accompanied by a confirmation from the Retirement Scheme Administrator or the Board of Directors in the case of a Scheme established as a SICAV, to the effect that to the best of its/ their knowledge, the Report is complete and accurate in all material respects and conforms with MFSA's requirements in terms of the Scheme's Standard Licence Conditions. A specimen of the wording of such a confirmation is included in Schedule II to this Appendix.
- 5.5 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.
- 5.6 A Scheme should produce a Half-Yearly Report after the financial year end, which is to be submitted to the MFSA within two months of the end of the period concerned.
- 5.7 Dates for the initial reports issued by the Scheme should be agreed with the MFSA at the time of Licensing.
- 5.8 The Half-Yearly Report should contain a Balance Sheet or a Statement of Assets and Liabilities, a detailed Income and Expenditure Account for the financial year, a report on the activities of the financial year and the other information outlined in Schedule I to this Appendix.

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Schedule I – Information to be contained in the Half Yearly Report

5.1 The Half-Yearly report should include the following as well as any additional information sufficient to enable the MFSA to make an informed judgement on the development, management, operation and financial performance of the Scheme.

5.2 The Scheme's half-yearly report shall include:

(a) the management accounts for the Period reflecting each distinct Sub-Fund (where applicable).

(b) The Scheme's Accounts shall show a true and fair view of:

- i. the financial transactions of the Scheme during the Period;
- ii. the amount and disposition of the Scheme assets at the end of the Period;
- iii. the liabilities of the Scheme other than the liabilities to pay Benefits after the end of the Period;
- iv. the Scheme's financial position,

and shall contain:

- v. an account of the additions to, withdrawals from and changes in value of the Scheme assets during the Period;
- vi. a statement as at the end of the Period 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 Period;
- vii. where the Scheme included Contributor-Related Investments the nature thereof and the percentage of the Scheme's assets represented thereby;
- viii. in the case of a unitised Scheme:
 - number of Units in circulation;
 - NAV per Unit and mid-market price per Unit at the beginning and the end of the period.

(c) a statement of the remuneration, charges and expenses (including any benefit in kind) paid to the Retirement Scheme Administrator, any Investment Manager, Investment Advisor, Custodian and Back-Office administrator and any other person providing services to the Scheme.

- (d) a statement of the investments effected by the Scheme. In the case of a Scheme investing in Retirement Fund(s), this should also include a statement of the Retirement Fund(s) in which the scheme assets are invested;
- (e) a report by the Scheme Administrator and by the Scheme Directors in the case of a Scheme established as a SICAV and/or the Investment Manager on the activities of the Scheme during the period. The report by the Scheme Administrator must state as to whether the Scheme has been managed in accordance with any applicable Investment Restrictions and borrowing limitations and otherwise in accordance with the Constitutional Document, Scheme Document and Scheme Particulars. If the Scheme has not complied with any of the above, the Report of the Retirement Scheme Administrator shall state why this is the case and outline the steps which the Retirement Scheme Administrator has taken to rectify the situation. The report by the Investment Manager should include 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;
- (f) portfolio details, distinguishing between the different types of investments and categorising each investment in accordance with the most appropriate criteria in the light of the Statement of Investment Policy of the Scheme (for example, in accordance with economic, geographical or currency criteria) as a percentage of Net Assets. For each of the investments the proportion it represents of the total Net Assets of the Scheme should be stated;
- (g) details regarding the exposure to derivatives and details, by category of transaction, of the resulting amount of commitments resulting from the use of techniques and instruments for the purposes of efficient portfolio management, including protection against exchange, interest rate and market risks;
- (h) a statement of change in the composition of the portfolio during the period;
- (i) 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.

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Schedule II - Specimen Confirmation

(This confirmation is addressed by the Retirement Scheme Administrator (or Board of Directors in the case of a Scheme established as a SICAV) responsible for the preparation of the Half-Yearly Report of the Scheme to the MFSA).

We, the undersigned, are responsible for the preparation of the Half-Yearly Report of (name of Scheme) for the period _____ 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 Scheme's Licensing Conditions.

We further confirm that the Scheme has been administered in accordance with the requirements of the Retirement Pensions Act (Cap.514) and of any regulations made thereunder, and of any Pension Rules, and that the Scheme's Licensing Conditions have been observed and complied with

Retirement Scheme Administrator or Board of Directors (as applicable)