

## **PART D**

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## **APPENDICES**

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## APPENDIX I

(Section 4.3 of Part A of the Pension Rules for Service Providers)

### Annex III

#### Calculation of Discounted Fixed Asset and Current Asset Investments

- a) The following type of investments shall be discounted from their market value by a pre-set percentage. The amount of discount (i.e. the relevant percentage of market value) is reported as a Liquid Capital Adjustment under 'Disallowed Fixed Asset Investments' or 'Disallowed Current Asset Investments' for the purposes of calculating Liquid Capital in Sheet 3.
- b) Where an investment is reported in the Accounts at cost rather than market value, the relevant discount stipulated hereunder *would* not be applied if the discounted market value (i.e. market value following deduction of the relevant discount) is equal or exceeds cost value.

If, on the other hand, the cost value of an investment reported in the Accounts exceeds its discounted market value, the amount of Disallowed Fixed or Current Asset Investments to be included as a Liquid Capital Adjustment, shall be such as to reduce the cost of the investment to its discounted market value.

- c) Where quoted securities or investments, or units in Collective Investment Schemes, are denominated in a currency different from that in which the accounts are prepared, an additional 5 per cent discount is applied.
- d) Where the licensed service provider has investments which do not fall under any of the categories described in [a] to [f] hereunder, the licensed service provider should contact the Securities and Markets Unit for further guidance.

<b>Applicable Discount Rates</b>		
a.	Quoted floating rate securities	<b>5%</b>
b.	Quoted fixed interest securities	
	b1. Issued by the Government of Malta or, subject to MFSA approval, an overseas Government.	<b>5%</b>
	b2 Other	<b>10%</b>
c.	Other quoted investments	<b>30%</b>
d.	Units in Collective Investment Schemes not held in the manager's box Collective Investment Schemes investing in:	
	d1. Money market instruments only	<b>5%</b>
	d2. Marketable fixed interest securities only	<b>10%</b>
	d3. Other marketable securities only	<b>25%</b>
	d4. Other non-marketable securities only	<b>35%</b>
	d5. Mixture of d1 to d4	<b>highest ratio applicable to any asset type in which the scheme can invest</b>
e.	Units in Collective Investment Schemes held in the manager's box	<b>10%</b>

f.	Unquoted investments	<b>100%</b>
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