

**PART C**

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**APPENDICES TO RULES FOR  
OCCUPATIONAL RETIREMENT SCHEMES**

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## **APPENDIX 3**

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*(SLC 2.2.2 of Part B of the Pension Rules for Occupational Retirement Schemes)*

### **Contents of the Scheme Particulars**

The Scheme Particulars shall as a minimum include the following matters:

- 3.1 name and date of establishment of the Scheme and a statement as to its duration, if limited, the form in law and the registered address of the Scheme in case of a Scheme established as a body corporate;
- 3.2 the Scheme's structure, purpose and the category of persons eligible to be Members of the Scheme;
- 3.3 details regarding the functionaries of the Scheme and any material provisions of their contract which may be relevant to Members and Beneficiaries. This should include the names and positions of those responsible for the administration, management and supervisory functions and, custody of the Scheme; details of their main activities; their experience, both current and past, which is relevant to the Scheme;
- 3.4 whether the Scheme is a Defined Benefit or Defined Contribution Scheme, the nature of the benefits provided and any conditions relating thereto, the contributions made or required to fund the benefits and any arrangements for additional contributions, and how such benefits and contributions are calculated;
- 3.5 the Scheme's Investment Objective and:
  - (a) a Statement of Investment Policy describing in detail the investment policy and the Investment Restrictions for the Scheme and contain sufficient information to ensure that Members and Beneficiaries are fully aware of the risks to which they will be exposed. This statement shall at least include details of any Investment Restrictions, limitations or conditions applicable to the investment of the Scheme's assets; the investment risk measurement methods, the risk-management processes implemented and the strategic asset allocation with respect to the nature and duration of pension liabilities and how the investment policy takes environmental, social and governance factors into account. The Statement of Investment Policy in particular shall be maintained up-to-date and must be reviewed at least every three years.
  - (b) where applicable, the identity of any main underlying investments in which the Scheme invests the contributions;
  - (c) where applicable, a summary of the key characteristics of any main underlying investment in which the Scheme invests and the proceedings in relation to changes to the underlying investments selected;
  - (d) the Scheme's liabilities to the Beneficiary(ies);

- (e) an indication of any techniques and instruments which may be used for the purposes of efficient portfolio management, and of the borrowing powers which may be used in the management of the Scheme;
- 3.6 any criteria (including benchmarks and performance time scales) against which the Scheme's investment performance is measured;
- 3.7 any risk parameters applied by the Scheme to its investment policy;
- 3.8 full disclosure of all costs, whether investment or transaction costs to give members and beneficiaries a full picture of their applicable returns. This should also include one-off and recurring costs, surrender and transfer out fees and include information concerning the nature, amount and the basis of calculation in respect of remuneration payable by the Scheme to the Retirement Scheme Administrator and to any Investment Manager, Investment Advisor, Custodian, and to third parties, and in respect of the reimbursement of costs by the Scheme to these persons;
- 3.9 a statement as to how further information about the Scheme may be obtained by a Member or Beneficiary;
- 3.10 brief indications of the tax provisions applicable to the Scheme and Members / Beneficiaries;
- 3.11 a description of the existing potential conflicts of interest which could arise, the means used to identify conflicts of interests, as well as how these conflicts of interests are managed and addressed;
- 3.12 that, unless otherwise prescribed, there exists no statutory provision for compensation in the case where a Scheme is unable to satisfy the liabilities attributed to it, and that the licensing of the Scheme is not an endorsement by the MFSA as to the performance of the Scheme and the MFSA shall not be liable for the performance or default of the Scheme;
- 3.13 in the case of a Defined Benefit Scheme, the Scheme Particulars shall also include the expected (projected) return, which should be determined together with the actuary, on the Scheme's assets;
- 3.14 information concerning the arrangements for the provision of retirement benefits and the payments options available to Members and Beneficiaries and for making available information concerning the Scheme;
- 3.15 details of the complaints procedure available to the members, including the address and the contact person to whom complaints may be addressed;
- 3.16 accounting dates;
- 3.17 in the case of unitised Schemes:
  - (a) the types and main characteristics of the Units and in particular:
    - i. the nature of the right represented by the Unit;

- ii. that evidence of title will be in a register and details where this will be maintained;
  - iii. characteristics of the Units including an indication of any denominations which may be provided for;
  - iv. indication of the voting rights of the holders of Units, if such rights exist; and;
  - v. circumstances in which winding up of the Scheme can be decided upon and the winding-up procedures, in particular as regards the rights of holders of Units.
- (b) procedures and conditions for the creation, issue, redemption and cancellation of Units;
  - (c) the methods and frequency to be used for the pricing of Units;
  - (d) in the case of a Scheme established as a body corporate, the amount of authorised capital;
- (a) specify the procedures for the creation and cancellation of Units;
  - (b) provide that the Units of the Scheme shall be issued or sold at a price arrived at by dividing the net asset value of the Scheme calculated on the approved basis by the number of Units outstanding. Such price may be increased by duties and charges;
  - (c) provide that Units shall not be issued unless the equivalent of the net issue price is paid into the assets of the Scheme within the time limits prescribed in the Scheme Document. This provision shall not preclude the issue of bonus units;
  - (d) provide that Units shall be redeemed at a price arrived at by dividing the net asset value of the Scheme calculated on the approved basis by the number of Units outstanding. Such price may be decreased by duties and charges;
  - (e) the circumstances in which the Scheme shall repurchase its Units and the terms on which these may be repurchased;
  - (f) provide that the Retirement Scheme Administrator shall issue a written confirmation of entry in the register of Units or fractions of Units;
  - (g) provide that rights attaching to fractions of Units shall be exercisable in proportion to the fractions of a Unit held except for voting rights which shall only be exercisable in whole Units.
- 3.18 rules for the valuation of assets;
- 3.19 such other matters as the MFSA may prescribe either generally or in relation to a particular Scheme or class of Schemes.

- 3.20 the requirements contained in Appendix 12 of the Pension Rules for Occupational Retirement Scheme.

**Supplementary conditions for Schemes set up as Umbrella Funds**

The Scheme Particulars shall also include the following matters in the case of Schemes set up as Umbrella Funds:

- 3.21 that the Scheme as a whole is constituted as an Umbrella fund;
- 3.22 the charges, if any, applicable for any permitted exchange of Units in one Sub-fund for Units in another;
- 3.23 if applicable, the procedures and basis of valuation, to be applied to the exchange of units in one Sub-fund for Units in another;
- 3.24 the basis of apportioning of charges, expenses, liabilities and amounts received (which are not clearly attributable to only one sub-fund) between Sub-funds. This basis should be fair to the holders of Units in each sub-fund;
- 3.25 that the Sub-funds are separate patrimonies;
- 3.26 if an underlying Sub-fund is denominated in a currency other than that in which the Scheme itself is denominated, the Scheme's Particulars shall explain the risks involved and, if appropriate, the techniques which may be used to reduce this risk.