

25 November 2021

Circular on the Amendments to the Pension Rules to Remove the Requirements Related to the Back-Office Administrator

1.0 Background

On 6 December 2017, the MFSA issued a [Consultation Document on amendments to the Pension Rules issued under the Retirement Pensions Act](#). The purpose of the said Consultation was to propose various amendments to the Pensions Rules. Section 2.16 of the said Consultation Document proposed the removal of the concept of back-office administration from the Retirement Pensions Act and any Pension Rules thereunder. This proposal was a result of on-sites carried out by MFSA inspectors, where it emerged that some of the activities carried out by current back-office administrators recognised, or otherwise exempted, in Malta went beyond back-office administrative activities. The MFSA was concerned to note that some back-office administrators were, in practice, carrying out functions compatible to those of a Retirement Scheme Administrator and proposed to remove the concept of back-office administrator from the Retirement Pensions Act and any Pension Rules issued thereunder.

Following the said Consultation Document, the MFSA received feedback from the pensions market for a clarification as to what type of tasks may be outsourced. Paragraph 2.3.4 of the [Feedback Statement issued on 4 January 2019 \(MFSA Ref 9-2017 / 15 – 2018\)](#) informed financial market participants that the activities indicated in the Consultation Document were only an indication of the activities which a Retirement Scheme Administrator may outsource, and that such Retirement Scheme Administrators were to be guided to the outsourcing requirements found in the Pension Rules for Personal Retirement Schemes, Pension Rules for Occupational Retirement Schemes, and the Pension Rules for Service Providers.

2.0 Amendments to the Pension Rules for Occupational Retirement Schemes, the Pension Rules for Service Providers, and the Pension Rules for Retirement Funds

In light of the above, the MFSA will also be amending the Pension Rules for Occupational Retirement Schemes, the Pension Rules for Service Providers, and the Pension Rules for Retirement Funds to remove the obligations of a back-office administrator and any reference to the said back-office administrator from the Pension Rules.

3.0 Contacts

Any queries or requests for clarifications in respect of the above should be sent by email on ips_legal@mfsa.mt.