



Republika e Kosovës
Republika Kosova-Republic of Kosovo
Kuvendi - Skupština - Assembly

Law No. 03/L-084

**AMENDING UNMIK REGULATION 2005/20 AMENDING UNMIK
REGULATION 2001/35 ON KOSOVO PENSIONS TRUST**

The Assembly of Republic of Kosovo,

In view of UNMIK Regulation 2005/20 Amending UNMIK Regulation 2001/35 on Pensions in Kosovo ("Regulation"),

Considering the need to amend the Regulation in order to reflect the Constitution of the Republic of Kosovo and other relevant instruments,

Hereby adopts:

**LAW AMENDING UNMIK REGULATION 2005/20 AMENDING UNMIK
REGULATION NO. 2001/35 ON KOSOVO PENSIONS TRUST**

Article 1

Each reference in the Regulation to "Regulation" shall be replaced by "Law." Each reference in the Regulation to "Banking and Payments Authority of Kosovo - BPK" shall be replaced by "Central Bank of the Republic of Kosovo - CBK."

Article 2

The text of the entire introductory section of the Regulation shall be replaced by the following:

"The Assembly of Republic of Kosovo,

Pursuant to the authority given to it under Article 65(1) of the Constitution of Republic of Kosovo,

Duly noting that the Kosovo Pensions Savings Trust (KPST) functions as an independent legal entity under the supervision of the Central Bank of the Republic of Kosovo which is an independent agency under Article 142 of the Constitution,

Hereby adopts:

LAW ON KOSOVO PENSION TRUST

Article 3

In Section 1 of the Regulation, the paragraph entitled "BPK" shall be replaced in its entirety by the following:

"CBK" means the Central Bank of the Republic of Kosovo that is responsible as an independent agency under article 142 of the Constitution for licensing, supervision and regulation of Pension Funds, Pensions Providers, Asset Managers Open-end Vehicles, and Custodians according to this Law, and has responsibilities for supervision of the Kosovo Pensions Savings Trust."

Article 4

In Section 1 of the Regulation, the paragraph entitled "EFC" shall be deleted.

Article 5

In Section 1 of the Regulation, the paragraph entitled "SRSG" shall be deleted.

Article 6

Section 2.2 of the Regulation shall be replaced in its entirety by the following Section 2.2:

2.2 The setting of economic policy with respect to Pensions, as part of budgetary and fiscal policy, shall be the responsibility of the Government. The Government shall accomplish this policy through the Ministry of Labour and Social Welfare in coordination with the Ministry of Finance and Economy. The Minister of Labour and Social Welfare, the Minister of Finance and Economy, the Governor of the CBK, and others appointed by the Prime Minister, will comprise an inter-ministerial Pension Policy Working Group. The Pension Policy Working Group will propose further rules and regulations as necessary to effectuate pension policy and will make recommendations to the

Government with respect to the Kosovo Pensions Savings Trust and the licensing, regulation and supervision of Pensions in Kosovo.

Article 7

In Section 4.1 of the Regulation, the word "SRSG" shall be replaced by the Assembly, whereas the phrase "and approved by the SRSG" shall be deleted.

Article 8

In Section 4.2 of the Regulation, the phrase "to the Provisional Institutions of Self-Government" shall be deleted.

Article 9

Section 5.1 of the Regulation shall be replaced in its entirety by the following Section 5.1:

5.1 The Kosovo Pensions Savings Trust (hereinafter "Trust") shall be an independent legal entity under the supervision of the CBK established for the sole and exclusive purpose of administering and managing Individual Accounts for Savings Pensions, assuring the prudent investment and custody of Pension Assets, and paying the proceeds of Individual Accounts to purchase Annuities for Savings Pensions, as management trustee acting on behalf of Participants and Beneficiaries.

Article 10

In Section 5.3 of the Regulation, quotation marks shall be inserted when referring to Governing Board.

Article 11

Section 5.5 of the Regulation shall be replaced in its entirety by the following Section 5.5:

5.5 At least one (1) of the members of the Governing Board must have professional experience in representing or advising Employers in Kosovo. At least one (1) of the members of the Governing Board must have professional experience in representing or advising Employees or their representatives in Kosovo. One official of the Government shall be appointed by the Prime Minister as a non-voting member representing the Government on the Governing Board.

Article 12

Section 5.6 of the Regulation shall be replaced in its entirety by the following Section 5.6:

5.6 A Selection Committee shall propose candidates to the Assembly for vacancies in the membership, or re-appointment as members of the Governing Board. The Selection Committee shall consist of the Governor of CBK (Chairperson), the Auditor-General and the Permanent Secretary of the Ministry of Finance and Economy. The term of each appointed Governing Board member shall be three (3) years, and they may be reappointed. Following the expiration of the mandate of the current international members of the Governing Board and until the end of international supervision of the implementation of the Comprehensive Proposal for the Kosovo Status Settlement, dated 26 March 2007, the International Civilian Representative shall appoint an international representative as a member of the Governing Board.

Article 13

In Section 5.7 of the Regulation, the word "UNMIK" shall be replaced by the word "Government."

Article 14

Section 5.11 of the Regulation shall be replaced in its entirety by the following Section 5.11:

5.11 The Assembly shall appoint Member(s) of the Governing Board, including the Chairperson, based on the recommendations of the Selection Committee, after consulting with the Government. The Government shall submit its opinion to the Assembly within 15 days from the day it has received the Assembly's request for consultation.

Article 15

In Section 5.12 of the Regulation, the words "SRSG" and "UNMIK" shall be replaced by the words "Assembly" and "Government" respectively.

Article 16

Section 5.15 of the Regulation shall be replaced in its entirety by the following Section 5.15:

5.15 The Chairperson shall direct the preparation of an annual budget for the Trust, including expenditures and income such as fees and transfers from General Revenue, and shall submit it to the Governing Board for approval.

Article 17

In Section 5.16 of the Regulation, the word "SRSG" shall be replaced by the word "CBK."

Article 18

Section 5.17 of the Regulation shall be replaced in its entirety by the following Section 5.17:

5.17 The activities of the Trust in accordance with this Law shall be financed by charging reasonable fees on a cost basis to Individual Accounts as provided for in Section 8 and by other transfers as may be determined by the CBK from time to time and as reflected in the annual budget of the Trust approved by the Governing Board.

Article 19

In Sections 6.2 (j) and 6.2 (k) of the Regulation, the word "SRSG" shall be replaced by the phrase "Governing Board" and the word "Assembly" respectively.

Article 20

In Section 6.3 of the Regulation, the word "SRSG" shall be replaced by the word "Assembly."

Article 21

In Section 7.4 of the Regulation, the word "SRSG" shall be replaced by the phrase "Government following consultations with the CBK"

Article 22

In Section 10.11 (g) of the Regulation, the word "SRSG" shall be replaced by the phrase "CBK in consultation with the Government."

Article 23

In Sections 34.1 (f) and 34.1 (g) of the Regulation, the word "SRSG" shall be replaced by the word "Assembly."

Article 24

Section 34.2 of the Regulation shall be replaced in its entirety by the following Section 34.2:

34.2 If the CBK concludes that there is a significant risk of an imminent loss of a substantial portion of Trust Pension Assets exceeding ten (10%) percent of total assets so as to create a potential emergency, the CBK can immediately take action as specified in Section 34.1(a), (b), (c), (d) or (e) above to prevent imminent loss of Trust Pension Assets. Such action is to be limited to 30 days, in which time the CBK must notify the Assembly and the Government in writing of the nature of the emergency, with a copy to the Trust, and attempt to resolve the matter with the Trust. At the end of the 30-day period any continued remedial action shall require written concurrence by the Government. If the Government does not affirm the action taken by the CBK, it shall be terminated after 30 days.

Article 25

Section 34.3 of the Regulation shall be replaced in its entirety by the following Section 34.3:

34.3 If the CBK concludes that there is a breach of this Law or of CBK Rules but no risk of imminent loss of a substantial portion of Trust Pension Assets in excess of ten percent (10%), it can take action against the Trust only after setting forth its reasons for acting in writing to the Trust, the Government and the Assembly and after the Trust has been provided an opportunity to object and clarify the matter within 30 days. If after the Trust's response there is disagreement between the CBK and the Trust, the CBK may decide to take action on the matter, as may be necessary to remedy the breach of this Law or of any CBK rules. The Trust may seek review of the enforcement action before the court of competent jurisdiction.

Article 26

In Section 36.3 of the Regulation, the word "SRSG" shall be replaced by the phrase "Governor of the Central Bank of the Republic of Kosovo"

Article 27

Section 38 of the Regulation shall be replaced in its entirety by the new following Section 38:

The Governor of the Central Bank of the Republic of Kosovo may issue Administrative Directions for the implementation of the present Law."

Article 28

This Law shall enter into force on the day of publication in the Official Gazette of the Republic of Kosovo.

Law No. 03/L-084
13 June 2008

President of the Assembly of the Republic of Kosovo

Jakup Krasniqi