



Private Pensions Funds in Latvia

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Room Document 53

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Financial and Capital Market Commission
Republic of Latvia

Supervision

Financial and Capital Market Commission (FCMC) – since July 1, 2001

- licensing
- set of prudential regulations
- off-site supervision
- on-site examinations

Legal Framework

Establishment and activity

- Law "On private pension funds"
- Law "On non – profit organisations"
- Law "On stock companies"

Taxes

- Law "On Enterprise Income Tax"
- Law "On Personal Income Tax"
- Law "On Mandatory Social Insurance Contributions"

Pension Fund and Pension Plan

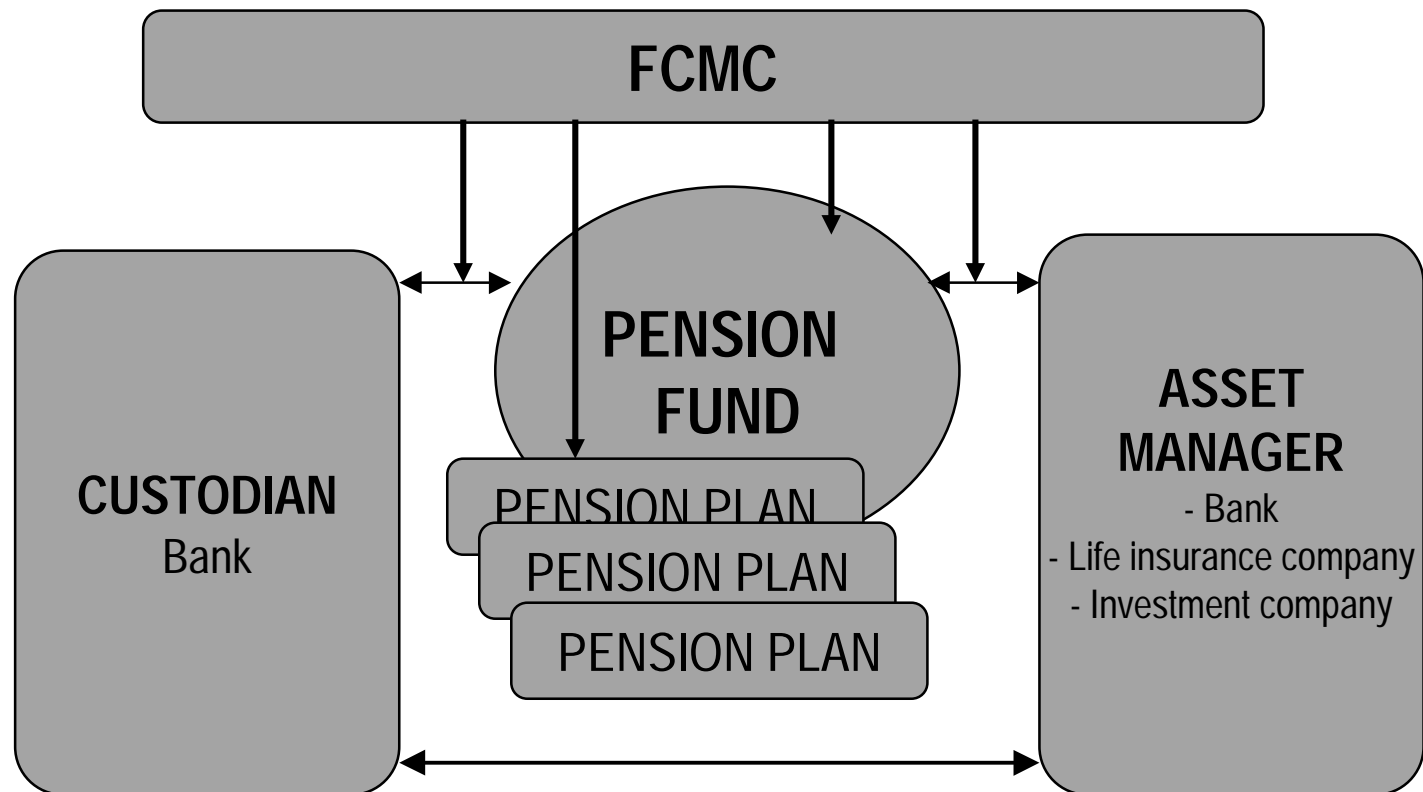
Pension fund:

- is a legal entity, which accumulates and invests voluntary money facilities, contributions made by and on behalf of their members with a purpose to provide these members the old age additional pension capital
- can have one or more pension plans
- is licenced by FCMC

Pension plan:

- is a body of systematized rules for the pension benefits accumulation with the pension fund, their investment and benefits payments
- is licenced by FCMC

Structure of Activity



Pay-out of Accrued Pension Capital

The retirement age – 55

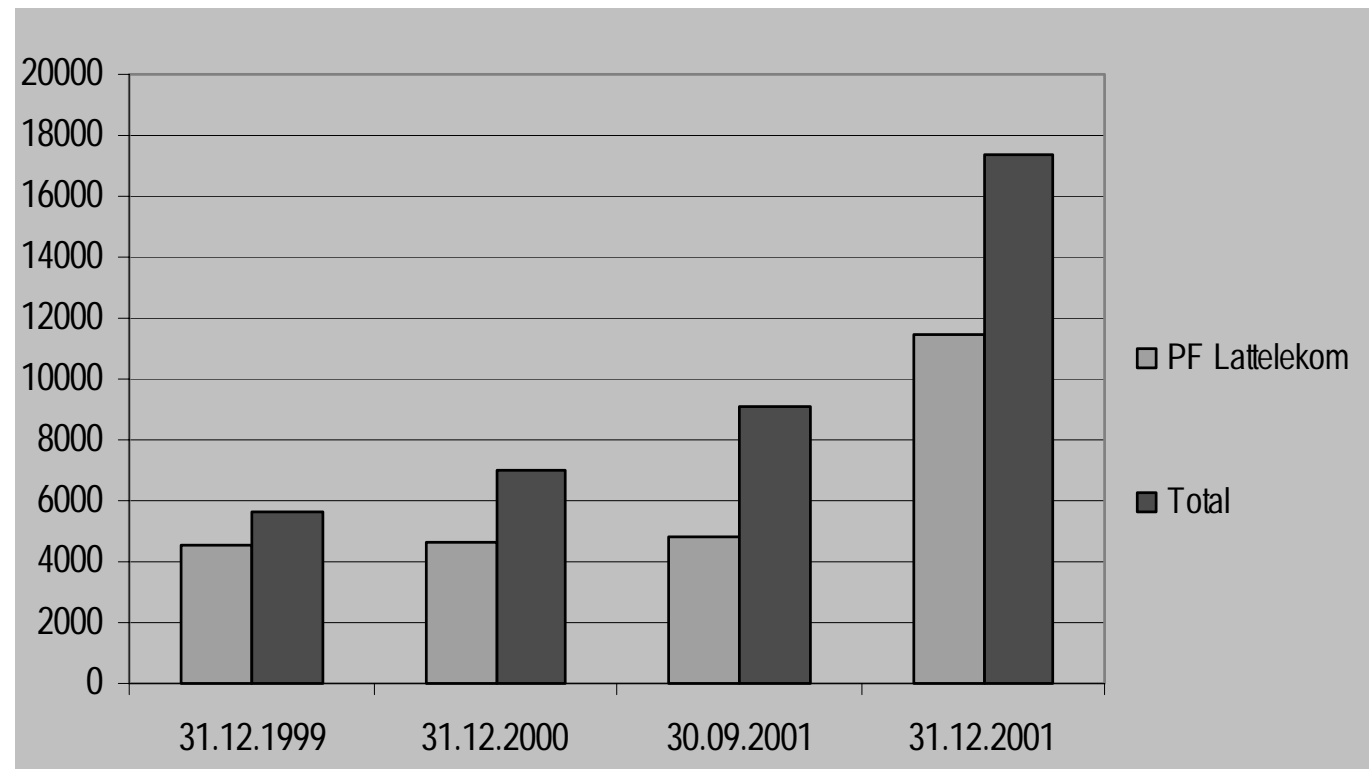
Accrued pension capital could be paid out before the retirement age in such cases:

- participant is qualified as disabled for the lifetime period
- employer is declared bankrupt
- participant's death

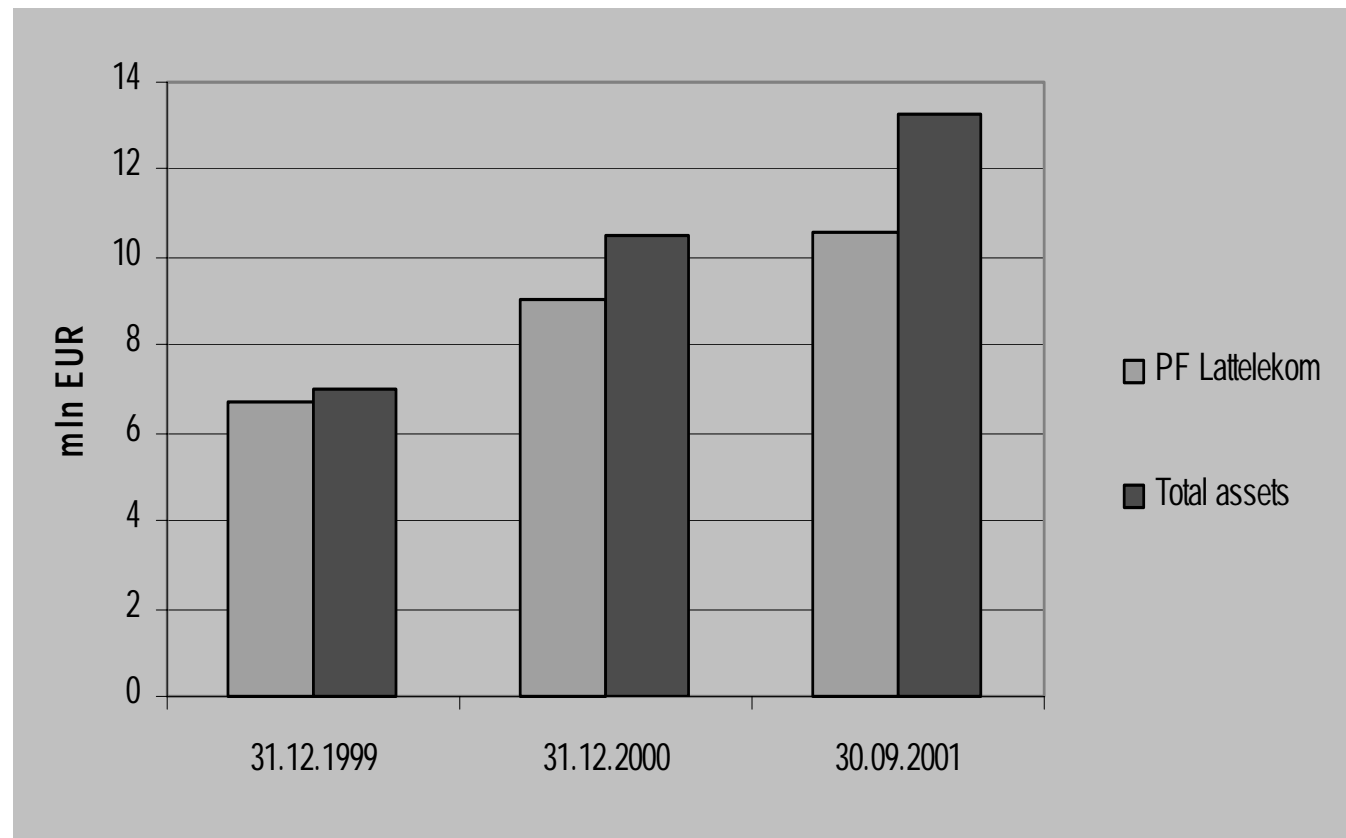
Accrued pension capital could be paid out in such ways:

- lump sum payment
- transferring to a life insurance company
- transferring to the 1st tier pension scheme

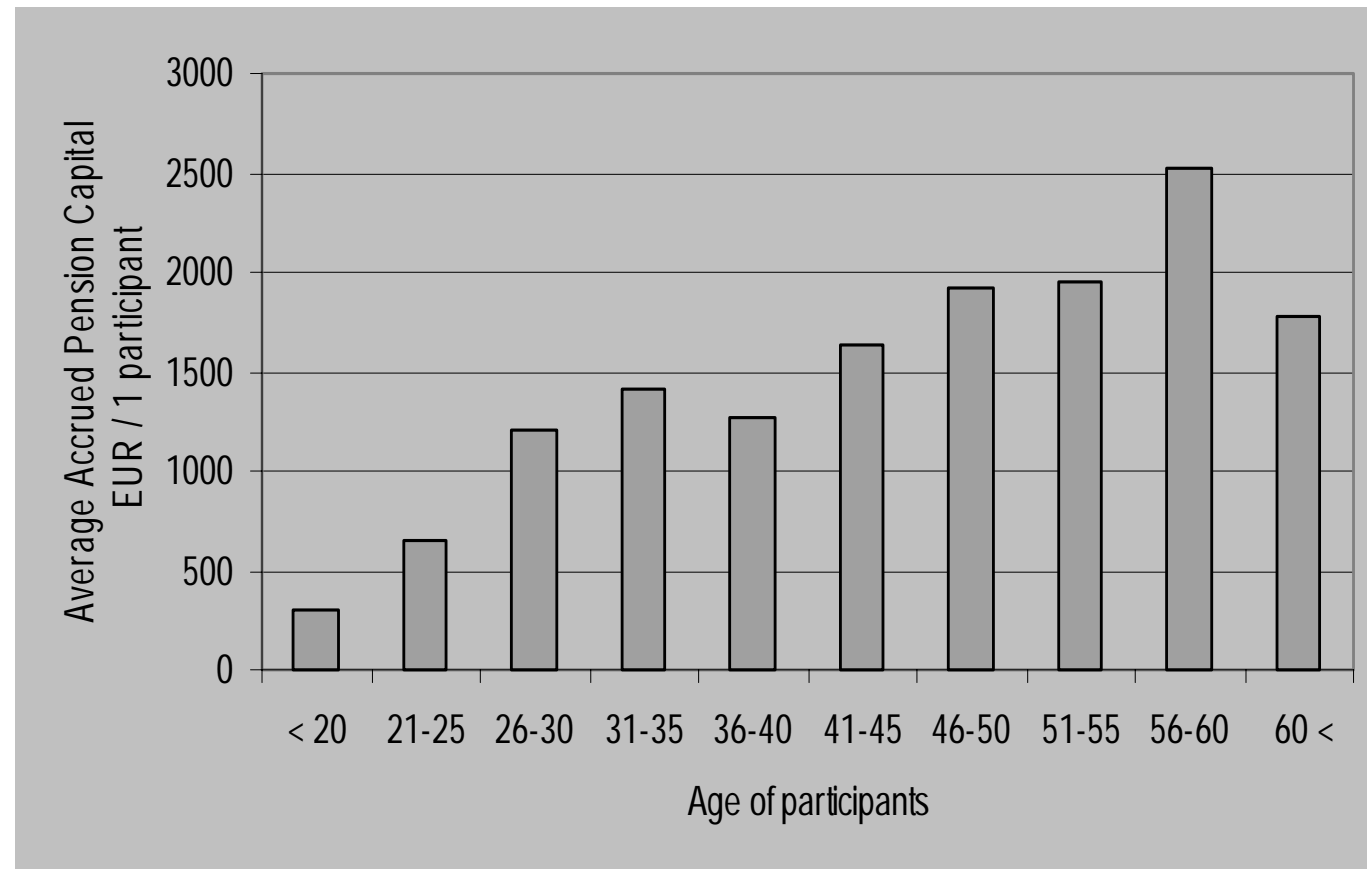
Number of Participants in Pension Funds



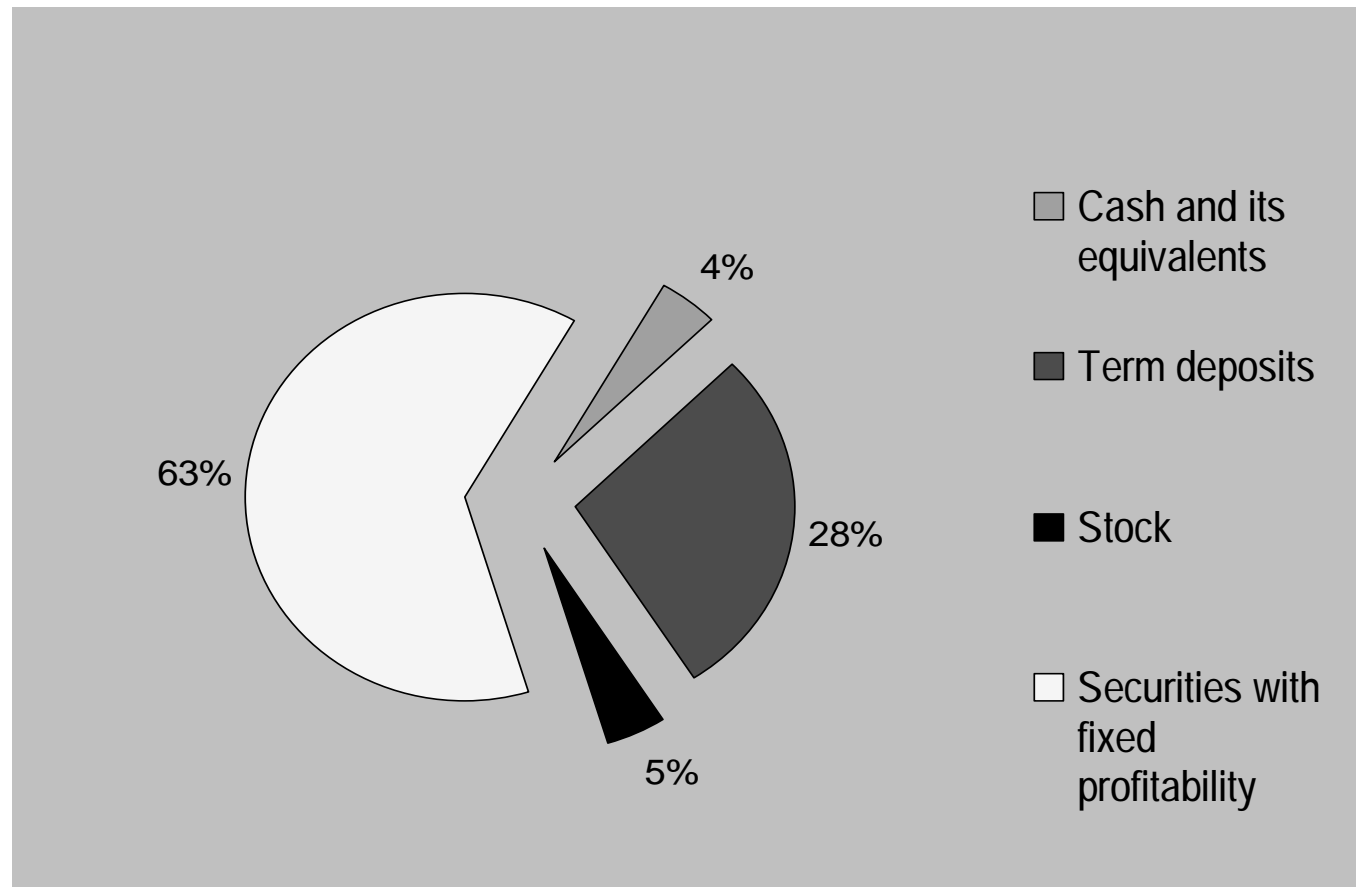
Accrued Pension Capital



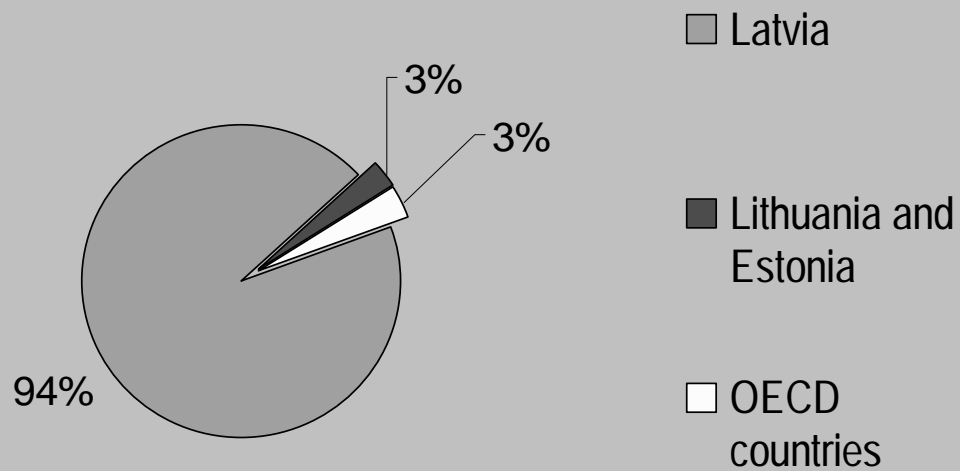
Average Accrued Pension Capital (30.09.2001)



Investment Portfolio (30.09.2001)



Geographical Distribution of Investments (30.09.2001)



For Further Information

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