

# The effects of the pension funds on the Macedonian capital market

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# Defining the Pension companies and the Pension funds by Laws

- ▶ **Pension company for managing voluntary pension funds** – means a joint stock company authorized and established to exclusively manage a voluntary pension fund in accordance with the Law on Voluntary Fully Funded Pension Insurance
- ▶ **Company for managing mandatory and voluntary pension funds**– means a joint stock company established and authorized to manage both a Mandatory Pension Fund and a Voluntary Pension Fund in accordance with the Law on Voluntary Fully Funded Pension Insurance
- ▶ **Pension company for managing mandatory pension funds** - means a joint stock company established and authorized to manage only a Mandatory Pension Fund in accordance with the Law on Mandatory Fully Funded Pension Insurance
- ▶ **Voluntary pension fund** - means an open investment fund established and managed by a voluntary pension company or joint pension company in accordance with the law
- ▶ **Mandatory pension fund** is an open end investment fund established and managed by a company managing mandatory pension funds and company managing mandatory and voluntary pension funds

# Investing path



- Investor 1 (pensioners)
- Investor 2
- Investor 3



- Investor 1 (pensioners)
- Investor 2
- Investor 3

# Pension management companies

- ▶ From this year (2019) there are 3 companies at the market .
- ▶ Each management company conducts one mandatory and one voluntary pension fund . 6 pension funds

# Where do the pension companies invest :

- ▶ Bank deposits with banks that are licensed by the National Bank of the Republic of Macedonia, provided that such accounts are interest bearing;
- ▶ Bonds, and other securities issued or guaranteed by the National Bank of the Republic of Macedonia;
- ▶ Certificate of deposit and other securities issued or guaranteed by banks that are licensed by the National Bank of the Republic of Macedonia;
- ▶ Bonds, and other securities issued or guaranteed by the Republic of Macedonia
- ▶ Participation units and shares of Macedonian investment funds authorized to operate pursuant to the Law on Investment Funds;
- ▶ Bonds, and other securities issued or authorized by foreign Governments or central banks of a European Union country, or other member country form OECD;
- ▶ Shares and securities with a minimum investment grade level rating by reputable international rating agencies traded on the main stock exchanges of a European Union member country and /or OECD member country ;
- ▶ Participation units, shares and other securities issued by authorized open-end and close-end investment funds established in a European Union member country, OECD member country
- ▶ Other form of investment according the Laws



# Financial system

- ▶ Financial markets ( primary ,secondary, OTC)
- ▶ Financial intermediaries (banks, insurance companies, investment funds)
- ▶ Financial instruments ( securities / units )

Thank you all