

RULE No. 25/2016

on the inventory of patrimonial elements of private pension funds

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In consideration of the provisions of art. 57 paragraph (1) letter l) of Law no. 411/2004 on privately managed pension funds, republished, with subsequent amendments and additions, and of art. 15 paragraph (1) letter m) of Law no. 204/2006 on voluntary pensions, with subsequent amendments and additions, pursuant to the provisions of art. 24 letter o) of the Government Emergency Ordinance no. 50/2005 on the establishment, organization and functioning of the Private Pension System Supervisory Commission, approved with amendments and additions by Law no. 313/2005, with subsequent amendments and additions, pursuant to provisions of art. 2 paragraph (1) letters c) and d), art. 3 paragraph (1) letter b), art. 5 letter c), art. 6 paragraphs (1) and (2) and of art. 7 paragraph (2) of the Government Emergency Ordinance no. 93/2012 on the establishment, organization and functioning of the Financial Supervisory Authority, approved with amendments and additions under Law no. 113/2013, with subsequent amendments and additions, following deliberations of the Financial Supervisory Authority's Board in the meeting of 20 April 2016, The Financial Supervisory Authority issues this rule.

CHAPTER I

General provisions

Art. 1. - This rule establishes the main instructions specific to the operation of performing the inventory of property items, such as assets, liabilities and equity, for private pension funds and voluntary pension funds.

Art. 2. - This rule applies to private pension fund managers, authorized by the Financial Supervisory Authority, in the management of private pension funds and voluntary pension funds, hereinafter referred to as private pension funds.

Art. 3. - Inventory of property items is performed in accordance with the Accounting Law no. 82/1991, republished, with subsequent amendments and additions, and pursuant to provisions of accounting regulations applicable to private pension funds.

Art. 4. - The terms and expressions used herein have the meanings set out in art. 2 paragraph (1) of Law no. 204/2006 on voluntary pensions, with subsequent amendments and additions, and in art. 2 paragraph (1) of Law no. 411/2004 on privately managed pension funds, republished, with subsequent amendments and additions.

CHAPTER II
Organizing the inventory operation

SECTION 1
General aspects

Art. 5. – Performing the inventory of property items of private pension funds includes all actions used to ascertain the existence of all assets, liabilities and equity, in quantity and value or in value only, as applicable, on the date when it is performed.

Art. 6. - The inventory operation aims to establish the real situation of all property items of each private pension fund, in order to prepare the annual financial statements, which must provide a true and fair view of the financial position and performance of private pension fund for the respective financial year.

Art. 7. - Administrators are required to perform the inventory of property items owned by private pension funds in the following situations:

- a) at least once during the financial year;
- b) in the event of a merger or cessation of activity;
- c) at the request of the inspection team;
- d) whenever there are indications that there are management shortcomings or pluses that can only be definitely established through inventory;
- e) whenever a handover of management occurs;
- f) during the reorganization of managements;
- g) due to natural disasters or cases of force majeure;
- h) other cases provided by law and by the regulations of the Financial Supervisory Authority.

Art. 8. - The inventory of property items of private pension funds is usually made at the end of the financial year, based on the internal procedure issued and approved for this purpose by the private pension fund administrator.

SECTION 2
Inventory committee

Art. 9. - The inventory of property items of private pension funds is conducted by the inventory committee appointed by written decision, issued by the private pension fund administrator.

Art. 10. - The decision to appoint the inventory committee, issued by the private pension fund administrator, shall mention the following items:

- a) the members of the committee, respectively the first and last names for the chairperson and members of the committee;
- b) the manner of performing of the inventory operation;
- c) the management subject to inventory;
- d) the starting date and completion date of the inventory operation, for each management.

Art. 11. - Members of the inventory committee shall be responsible for the performance of inventory work.

Art. 12. - (1) The inventory committee shall include persons with economic and technical expertise, chosen from the staff of the administrator, ensuring the accurate and timely performance of the inventory of property items.

(2) The inventory committee cannot include inventory keepers, accountants who keep records of the respective management, nor internal or financial auditors.

(3) Through internal procedures, entities may establish that accountants who keep records of the respective management can participate in the inventory operations, without being part of the committee.

Art. 13. - Members of the inventory committee can only be replaced in duly justified situations and only by written decision issued by the administrator.

SECTION 3 **Organizational measures**

Art. 14. - The main organizational measures to be taken by the private pension fund administrator are:

- a) updating of the technical and operational records, performing data confrontation for these records;
- b) providing personnel for the inventory of property items of the private pension fund;
- c) participation of the entire inventory committee in inventory works;
- d) ensuring participation in the identification of inventoried items and their assessment by specialists within the unit or outside it, at the request of the chairman of the inventory committee. These persons are required to sign the inventory lists in order to certify the data entered;
- e) equipping the inventory committee with technical calculation means;
- f) ensuring the security of managements.

Art. 15. - (1) The main organizational measures to be taken by the inventory committee in case of managing assets of the private pension fund are the following:

- a) before starting the inventory operation, to request from the inventory keeper responsible for the management of assets of the private pension fund a written statement indicating whether it:
 - (i) manages assets for other private pension funds;
 - (ii) besides the assets of the respective fund, it has other similar assets under management, received with or without supporting documents;
 - (iii) it has management shortcomings or pluses, about whose amount or value is aware;
 - (iv) has performed transactions with assets of the private pension fund without supporting documents;
 - (v) it owns cash;
 - (vi) it owns supporting documents that have not been recorded in management or which haven't been handed over to accounting;
- b) to endorse documents concerning entries or exits of assets of the private pension fund, existing in management, but not registered, to order their registration in accounting, so that the recorded situation of the management reflects reality.

(2) In the statement referred to in paragraph (1) letter a), the inventory keeper shall mention the type, number and date of the last document of inflow/outflow of items into/from the management, dating and signing for the management of assets of the private pension fund. Also, the statement referred to in paragraph (1) letter a) shall be signed by the inventory committee.

(3) Documents prepared by the inventory committee shall remain in the inventory management in specially set up places, with restricted access, according to internal procedures.

Art. 16. - In case of managing the participants and the related fund units, the provisions of art. 15 shall apply.

Art. 17. - During the performance of inventory of property items of private pension funds, the current activity shall be undertaken in accordance with the provisions mentioned in the internal procedures.

CHAPTER III
Performance of the inventory operation

SECTION 1
Inventory of financial assets

Art. 18. - (1) Inventory of financial assets is made based on documents proving the ownership over them and other supporting documents.

(2) For all items of financial assets, upon performing inventory, the accuracy of balances for the respective accounts shall be verified, according to the supporting documents.

(3) All items of financial assets shall be entered into the inventory lists.

SECTION 2
Inventory of claims and liabilities to third parties

Art. 19. - (1) Claims and liabilities are subject to verification and confirmation based on statements of debit and credit balances of accounts receivable and payable, according to the account statement or mutual written scores.

(2) For all items of claims and liabilities to third parties, upon performing inventory, the accuracy of balances for the respective accounts shall be verified, according to the supporting documents.

SECTION 3
Inventory of treasury accounts

Art. 20. - (1) Inventory of short-term financial investments is made based on documents proving the ownership over them and other supporting documents, in accordance with the legislation in force.

(2) For all items of short-term financial investments, upon performing inventory, the accuracy of balances for the respective accounts shall be verified, according to the supporting documents.

(3) All items of short-term financial investments shall be entered into the inventory lists.

Art. 21. - Liquid assets in accounts opened with credit institutions shall be inventoried by comparing the balances of account statements issued by them with those in the accounting of the private pension fund.

Art. 22. - Cash in hand of the fund shall be inventoried, as appropriate, in the last working day of the financial year, after the registration of all payment and receipt operations on the respective year, by comparing the balances in the cash book with the cash reconciliation form and accounting data.

SECTION 4
Inventory of equity

Art. 23. - (1) For all items of equity, upon performing inventory, the accuracy of balances of the respective accounts shall be verified, according to the supporting documents.

(2) To inventory items of equity, separate analytical statements shall be prepared.

(3) The total of analytical statements referred to in paragraph (2) shall be verified with the corresponding synthetic account balances, which are taken from the Inventory Book.

Art. 24. - (1) For all participants, upon performing inventory, the accuracy of their individual account balances shall be verified, in terms of quantity and value, according to the supporting documents.

(2) To inventory the individual account balances of participants, separate analytical statements shall be prepared.

(3) The analytical statements referred to in paragraph (2) shall be prepared and archived electronically.

Art. 25. - Individual acts of accession relating to participants in the register and eligible persons shall be entered into the inventory lists in the order of series and numbers, in accordance with the legal provisions.

CHAPTER IV

Documentation related to the inventory operation

SECTION 1

The record of the inventory operation

Art. 26. - The record of the inventory operation of private pension funds must include:

- a) decisions of appointment of inventory committees;
- b) statement of the inventory keeper;
- c) inventory lists;
- d) analytical statements, where appropriate;
- e) account statements confirmed for the inventory of receivables and payables;
- f) account statements issued by credit institutions;
- g) report on results of inventory;
- h) inventory book of the private pension fund.

Art. 27. - Filling in the inventory lists shall be made either by using the computer system of automatic data processing, or by entering the asset items identified, without spaces and without erasures, according to internal procedures approved by the private pension fund manager.

Art. 28. - (1) On the last page of the inventory list, the inventory keeper must mention:

- a) whether all goods and cash in management were inventoried and recorded in the inventory lists in his presence;
- b) whether he has objections on how the inventory was made.

(2) In the case of paragraph (1) letter b), the inventory committee is required to analyze the objections, and the final conclusions are written on the last page of the inventory list.

Art. 29. - Inventory lists are signed on each page by the chairman and members of the inventory committee, by the inventory keeper, as well as by specialists requested by the chairman of the inventory committee for taking part in the identification of inventoried goods, as the case may be.

SECTION 2

Inventory results

Art. 30. - (1) Inventory results are determined by comparing data found factually and entered into inventory lists with those in the technical and operational records and in accounting.

(2) Before determining the inventory results, a final analysis is made of all property items and accounting balances for the inventoried items.

(3) If errors are found in the stage mentioned in paragraph (2), they must be immediately corrected, after which the inventory results are determined.

Art. 31. – Upon performing inventory, the assessment of property items is made in compliance with the consistency principle, according to which models and rules of assessment must be maintained, ensuring the comparability of accounting information in time.

Art. 32. - (1) When determining the inventory value of assets, the prudence principle shall be applied, according to which all value adjustments due to depreciations or losses of value shall be taken into account.

(2) If it is found that the inventory value is higher than the value at which it is recorded in accounting, the accounting values shall be entered in the inventory lists.

(3) If it is found that the inventory value is lower than the accounting value, the inventory value shall be entered in the inventory lists.

Art. 33. - (1) For all pluses and shortcomings found in the assets of the private pension fund, as well as for prejudice caused by the expiration of the limitation period of receivables or due to other reasons, the inventory committee shall request written explanations from the persons responsible for managing them.

(2) Based on explanations received and documents analyzed, the inventory committee shall determine the nature of shortcomings, losses and damages found, as well as the nature of pluses, proposing, in accordance with the legal provisions, the manner of settlement of differences between the accounting data and the factual data, resulting from inventory.

SECTION 3

Preparing the report on inventory results

Art. 34. - Inventory results are to be recorded by the inventory committee in a report.

Art. 35. The report on inventory results must contain, especially, the following items:

- a) date of preparation;
- b) first and last name of the members of the inventory committee;
- c) the number and date of the decision of appointment of the inventory committee;
- d) management/managements inventoried;
- e) date of starting and completing the inventory operation;
- f) inventory results;
- g) conclusions and proposals of the committee;
- h) other aspects on the activity of the inventoried management.

Art. 36. - Within 7 working days from the date of completing the inventory operations, the report of the inventory committee shall be submitted to the private pension fund manager for approval.

SECTION 4

Filling in the Inventory Book

Art. 37. - (1) Elements such as assets, liabilities and equity entered in the Inventory Book are based on inventory lists, inventory reports and analytical statements, as the case may be, which justify the content of each position in the balance sheet.

(2) If inventory takes place during the year, data resulting from the inventory operation shall be updated with entries or exits in the period between the inventory date and the closing date of the financial year, the updated data then being included in the inventory book.

(3) The updating of data resulting from inventory, referred to in paragraph (2), shall be made so that it reflects the real situation of property items at the end of the financial year.

Art. 38. - (1) Filling in the inventory book shall be made when the balances of all balance sheet accounts are determined.

(2) The inventory book shall be filled in based on the factual inventory of each asset and liability account.

(3) Asset and liability items recorded in the Inventory Book are based on inventory lists or other documents justifying their content at the end of the financial year.

(4) If the inventory takes place during the year, the Inventory Book shall contain the balances existing on the inventory date, plus the turnover of entries and minus the turnover of exits on the inventory date until the closing date of the financial year.

Art. 39. - (1) Inventory results must be recorded in the technical and operational records within 7 working days from the date of approval of the inventory report by the private pension fund manager.

(2) The inventory result shall be recorded in accounting according to the provisions of the Accounting Law no. 82/1991, republished, with subsequent amendments and additions, and pursuant to the applicable accounting regulations.

Art. 40. - Based on the Inventory Book and trial balance on December 31 of the financial year for which the inventory is made, the annual financial statements are prepared, reconciled with the real situation of asset and liability items, determined based on inventory.

Art. 41. - The inventory book shall be kept for 10 years from the closing date of the financial year on which it was prepared, and in case of loss, theft or destruction, it must be reconstituted within 30 days of the finding.

CHAPTER V Responsibility

Art. 42. - Responsibility for the proper organization and performance of inventory works, according to Law no. 82/1991, republished, with subsequent amendments and additions, and pursuant to provisions of the applicable accounting regulations, falls with the private pension fund manager.

Art. 43. - Failure to comply with the provisions of this rule shall be sanctioned in accordance with the provisions of art. 38 letter c), art. 120 paragraph (1), art. 121 paragraph (1) letter k) and paragraphs (2) - (10) of Law no. 204/2006 on voluntary pensions, with subsequent amendments and additions, and/or of art. 81 paragraph (1) letter c), art. 140 paragraph (1), art. 141 paragraph (1) letter g) and paragraphs (2) - (10) of Law no. 411/2004 on privately managed pension funds, republished, with subsequent amendments and additions.

CHAPTER VI Final provisions

Art. 44. - In the application of this rule, for entities referred to in art. 2, the manager must develop its own internal procedures, which shall be approved by the management of each entity.

Art. 45. - Annexes no. 1-3 are an integral part of this rule.

Art. 46. - This rule shall be published in the Official Journal of Romania, Part I, and shall enter into force on the date of its publication.

**President of the Financial Supervisory Authority,
Mişu NEGRÎŢOIU**

Bucharest, May 11, 2016

No. 25

**ACCOUNT STATEMENT
(confirmation of balances related to third parties)**

Lending unit _____ Tax Identification Code _____ No. of registration with the Trade Register _____ Headquarters (town, street, number) _____ County _____ Account _____ Bank _____	Registration no. __ of ____ To _____
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**ACCOUNT STATEMENT
(confirmation of balances related to third parties)**

According to provisions in force, we inform you that, in our accounting records, on, your unit appears with the following debits:

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Document (type, number and date)	Explanations	Amount

Within 5 days from receipt you should return this statement confirmed for the accepted amount and, in case of finding differences, enclose the explanatory note including your objections.
 This account statement is in lieu of conciliation according to arbitration proceedings.

Manager of the unit,	Manager of the financial and accounting department,
<i>Reverse</i>	

Debtor unit _____ Tax Identification Code _____ No. of registration with the Trade Register _____ Headquarters (town, street, number) _____ County _____ Account _____ Bank _____	Registration no. __ of ____ To _____
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We confirm this account statement for the amount of RON, for whose payment (to be filled in as appropriate):

a) we made a transfer to (the bank, post office etc.) with the document (money order, no. dated

b) we will make the payment within

Our objections on the amounts in this account statement are included in the explanatory note enclosed.

Manager of the unit,	Manager of the financial and accounting department,
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INVENTORY LIST

Entity	INVENTORY LIST Date										Management	Page ...	
	No.	Name of inventoried assets	ISIN	M.U.	QUANTITIES				Unit price	BOOK VALUE		Inventory value	Other observations
Inventoried assets					Differences		Total value	Differences					
Factual					Scriptic	Plus		Minus		Plus	Minus		
Col. 0	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13
First and Last Name		Inventory committee			Person responsible				Accounting				
Signature													

**INVENTORY BOOK
on**

No.	Recapitulation of inventoried items	Book Value (RON)	Inventory value (RON)	Valuation differences (to be recorded) as a result of inventory (RON)	
				Value	Reasons of differences
Col.0	Col.1	Col.2	Col.3	Col.4	Col.5
First and Last Name	Prepared,		Verified,		Page no.
Signature					