

# **PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY**

## **NOTIFICATION**

New Delhi, the 27th January, 2015

### **Pension Fund Regulatory And Development Authority (Subscriber Education and Protection Fund) Regulations, 2015.**

**No.PFRDA/12/RGL/139/1-** In exercise of the powers conferred by sub section (1) of Section 52 read with clause (t) of sub-section (2) thereof and sub-section (1) of section 41 of the Pension Fund Regulatory and Development Authority Act, 2013 (23 of 2013), the Pension Fund Regulatory and Development Authority hereby makes the following regulations, namely:—

## **CHAPTER I**

### **PRELIMINARY**

**1. Short title and commencement.**—(1) These regulations may be called the Pension Fund Regulatory and Development Authority (Subscriber Education and Protection Fund) Regulations, 2015.

The regulations aims to provide for establishment of a fund interalia, out of grants, donations, penalties and which shall be utilised towards protection of the interest of the subscribers and for promoting, educating and creating awareness among subscribers in relation to pension, retirement saving and related issues.

(2) They shall come into force on the date of their publication in the Official Gazette.

**2. Definitions.**—(1) In these regulations, unless the context otherwise requires,-

- (a) ‘Act’ means the Pension Fund Regulatory and Development Authority Act , 2013 (23 of 2013);
- (b) ‘Committee’ means an advisory committee constituted for subscribers’ education and protection by the Authority under sub-regulation (1) of Regulation 6;
- (c) ‘Fund’ means the Subscriber Education and Protection Fund (SEPF) established by the Authority under sub-section (1) of Section 41 of the Act;
- (d) “Other Pension Scheme” or “ any other pension scheme” means pension scheme referred to in clause (b) of sub-section (1) of Section 12 of the Act.

(2) Words and expressions used and not defined in these regulations but defined in the Act shall have the meanings respectively assigned to them in the Act.

## CHAPTER II

### SUBSCRIBER EDUCATION AND PROTECTION FUND

3. Establishment of Fund.—The Fund under sub-section (1) of Section 41 of the Act shall be established by the Authority.
4. **Credit to Fund.**—The following amounts shall be credited to the Fund, namely:—
  - (a) grants and donations given to the Fund by the Central Government, State Governments, companies or any other institutions for the purposes of the Fund;
  - (b) the interest or other income received out of the investments made from the Fund;
  - (c) the sums realised by way of penalties by the Authority under Section 29 of the Act;
  - (d) such other amount as the Authority may specify in the interests of the subscribers.
5. **Utilization of the Fund.**—(1) The Fund shall be utilised for the purpose of protection of subscribers' interest and promotion of subscribers' education and awareness in accordance with these regulations.
  - (2) Without prejudice to the generality of the object in sub-regulation (1), the Fund may be used for the following purposes, namely:—
    - (a) educational activities including seminars, symposia, training, research and publications, aimed at subscribers across different
      - (i) geographical locations including metros, non-metros and smaller towns;
      - (ii) income groups;
      - (iii) age groups; and
      - (iv) sectors including unorganized sectors, corporates, self-help groups and others;
    - (b) awareness programmes including through media - print, electronic, aimed at subscriber
    - (c) allowances and expenses on travel of members of the committee, who are not officials of the Authority, and special invitees to the meetings of the committee, in connection with the work of the committee;
    - (d) salary, allowances and other expenses of office of Ombudsman;
    - (e) funding subscriber education and awareness activities as specified in these regulations;
    - (f) such other purposes as may be specified by the Authority.
  - (3) Based on the recommendations of the committee, the Authority or any official of the Authority designated by the Authority shall approve utilisation of funds from the Subscriber Education and Protection Fund.

## CHAPTER III

### COMMITTEE FOR THE FUND

6. **Constitution of the committee.**—(1) The Authority shall constitute a committee for recommending subscriber education, awareness and protection activities and for utilisation of the Fund for the purposes referred to in regulation 5.
  - (2) The committee shall consist of the following members, namely:—
    - (a) the Executive Director of the Authority who shall be the convener of the committee;
    - (b) two other officials of the Authority;
    - (c) five other members who have expertise in financial market and experience in matters of subscriber grievance redressal or subscriber education.
  - (3) (a) The term of office of the members referred in clause (c) of sub-regulation (2) of this regulation shall be two years, which may be extended for a further period of two years;
    - (b) any vacancies arising out of resignation, retirement or death of a member or for any other reason shall be filled by the Authority for the remaining period of the term of such member.
  - (4) The Authority may dissolve and reconstitute the committee if, at any time, the Authority is of the opinion that the committee is unable to discharge the functions and duties imposed on it by or under these regulations.

**7. Functions of the committee.**—(1) The committee shall recommend the following activities relating to the subscribers' education, awareness and protection.

(2) In particular, and without prejudice to the generality of the foregoing functions, such functions may include the following, namely;

(a) appropriate maintenance of record of each of the activities carried out for utilizing the Fund, and details of such records shall include—

- (i) purpose of the activity;
- (ii) location of the activity;
- (iii) type of the activity (e.g. seminar, workshop, training, distribution of literature etc.);
- (iv) the details of the participants (name, age, gender, occupation,) in seminars, workshops, training programmes;
- (v) copies of such literature along with details of time, date, number of copies distributed, activities involving distribution of literature and similar awareness generation activities;

(b) Submission of a report to the Authority on a quarterly basis including but not limited to—

- (i) funds received from different sources,
- (ii) utilization of funds in a consolidated manner as well as segregated activity wise ,
- (iii) number of new subscribers from locations where the activities were carried out;
- (iv) number of people who attended the activities and classification of such attendees or participants into age, groups, gender, occupation type;
- (v) plan for the forthcoming quarter, for the activities to be carried out, if any.

(3) The Authority shall review the reports referred to in clause (b) of sub-regulation (2) and assess performance of the activities of the committee. It shall give directions for the optimal utilization of the Fund, in order to enhance the effectiveness of its activities.

(4). The committee may recommend projects and initiatives in association with various institutions, associations and organisations etc. which are engaged in activities, related to subscriber awareness, education and protection.

**8. Meetings of the committee.**— (1) Meetings of the committee shall be convened at least once in a quarter by the convener or in his absence, by any member nominated by the convener, on his behalf.

(2) Four members of the committee shall constitute the quorum for the transaction of business at a meeting of the committee.

(3) Every member, who is directly or indirectly interested in any matter coming up for consideration at a meeting of the committee, shall disclose the nature of his interest at such meeting and such disclosure shall be recorded in the proceedings of the meeting of the committee and such member shall not take part in any deliberation of the committee with respect to that matter.

**9. Expenses of the committee.**— (1) The expenses including travel and other allowances of members of the committee, who are officials of the Authority, and invitees who are officials of the Authority, shall be borne by the Authority in accordance with their entitlements.

(2) The expenses including travel and other allowances of members of the committee, who are not officials of the Authority, and invitees who are not officials of the Authority, may be borne by the Fund.

## CHAPTER IV

### INVESTMENT, ACCOUNTS AND AUDIT

**10. Investment, maintenance of accounts and audit of accounts.**— (1) The Authority shall ensure maintenance of proper and separate accounts and other relevant records in relation to the Fund giving therein the details of all receipts to, and, expenditure from, the Fund and other relevant particulars.

(2) The accounts referred to in sub regulation (1) shall be prepared and audited before the expiry of six months from the end of each financial year.

**Explanation.**— For the purpose of this sub-regulation, “financial year” means the period from the 1<sup>st</sup> day of April of a year to the 31<sup>st</sup> day of March of the following year.

(3) The Authority may invest the Subscriber Education and Protection Fund corpus in any of the following instruments:—

- (a) Central Government securities;
- (b) deposits with scheduled commercial banks;

(c) liquid funds regulated by the Securities and Exchange Board of India with the highest credit rating from a recognised rating agency.

(d) any other financial instruments deemed fit for investment by the Authority from time to time.

(4) The accounts of the Fund shall be audited in the manner as considered appropriate by the Authority.

## CHAPTER V

### MISCELLANEOUS

**11. Delegation of powers.**—The powers exercisable by the Authority under these regulations shall also be exercisable by any member or officer of the Authority to whom such powers are delegated by the Authority in accordance with Section 49 of the Act.

HEMANT G. CONTRACTOR, Chairperson

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