

BOSNIA AND HERZEGOVINA
FEDERATION OF BOSNIA AND HERZEGOVINA
SECURITIES COMMISSION OF THE FEDERATION
OF BOSNIA AND HERZEGOVINA

Pursuant to the provisions of Articles 75 and 76 of the Law on Voluntary Pension Funds (Official Gazette of FBH, 104/16), and Article 12 of the Law on Securities Commission (Official Gazette of FBH, 39/98, 36/99, 33/04, 92/13 and 6/17), the Securities Commission of the Federation of Bosnia and Herzegovina, at its 545th session held on November 23, 2017, adopted the following

**Rulebook
on the Advertising of Voluntary Pension Funds**

Article 1

This Rulebook regulates the contents, issuing, amending and keeping of promotional information on the voluntary pension fund (hereinafter: the fund), published by the voluntary pension fund management company (hereinafter: the management company), and types of financial institutions which may serve as intermediaries in providing information on fund membership.

Article 2

- (1) Promotional information about the fund shall mean messages delivered by the management company via advertisements, radio, television, personal visits, telephone calls, the Internet and electronic media, interactive television or other means, which constitutes an offer or enticing the acceptance of fund membership.
- (2) Promotional information about the fund shall mean: any statement of the name, return, method of becoming a fund member, or statements of the financial group or persons related to the fund, when advertising the financial group or other person related to the management company, notwithstanding the manner and medium of delivering the information and advertisement to the public.
- (3) Promotional information may not contain claims, written or oral statements or messages:
 - a) Citing erroneous data or expressions which may create a wrongful conclusion about the management company and the fund,
 - b) Putting other management companies and funds in an unfavourable position,
 - c) Mentioning other financial market participants in a negative, false or erroneous manner, and
 - d) Misleading fund members or potential fund members in any manner.

Article 3

- (1) The management company shall obtain the approval by the Securities Commission of the Federation of Bosnia and Herzegovina (hereinafter: the Commission) before publishing any promotional notice about the fund and management company.
- (2) If there are any changes to the promotional material about the fund and the management company, the company shall act pursuant to paragraph (1) hereof.
- (3) The management company shall keep a copy of all promotional materials, if applicable, as well as the sources of data corroborating the statements contained in the materials published.

Article 4

The calculated fund investment unit value, used as promotional information, shall be a result of asset valuation pursuant to the International Accounting Standards and Financial Reporting Standards, the Law, regulation passed based on the Law, and confirmed by the fund depositary.

Article 5

Promotional information on the fund's return shall contain the calculation and data based on which it is possible to determine completely and unambiguously the truthfulness of such information, and shall especially meet the following criteria:

- a) They shall contain an explanation or note that the past returns are provided for informational purposes only, and are not the basis for making projections about future returns,
- b) The return for a period under one year may not be stated as annual return,
- c) If the fund's return is provided for several years, the average annual return shall be calculated as geometric average,
- d) The fund's return shall always contain a statement of the time period to which it refers (period start-date and period end-date),
- e) In addition to the return, the promotional information shall also contain the information on possible risk of investing in the fund, and the return provided may not be based on prediction,
- f) The fund's return may not be used to promote other financial services within the financial group of the company's founder.

Article 6

The company may not publish promotional information which would constitute:

- a) Any promises relating to increasing the fund asset value,
- b) A guarantee of increase in the investment unit price,
- c) A cash or any other incentive to members and/or potential members.

Article 7

- (1) The management company shall submit to the Commission a written application with the draft promotional information enclosed to obtain approval of the promotional information as referred to in Article 2, paragraph (1) hereof, as well as for any changes and amendments.
- (2) The application for the approval of promotional information shall contain, but not be limited to, the following:
 - a) Method of advertising,
 - b) Name of the advertising medium,
 - c) Name of the financial institution if such has been hired to provide promotional services,
 - d) Duration of the promotional campaign,
 - e) Calculations and data referred to in Article 4 hereof.
- (3) The Commission shall issue the approval of the application to the management company within the deadline which may not exceed 30 days, or order that corrections be made in the event that the Commission finds that the draft promotional information contains deficiencies.

Article 8

- (1) The management company may publish or distribute only the promotional information for which it has obtained the approval by the Commission, which shall be provided to the medium or distributor on the occasion of publishing or distribution.
- (2) The company may hire a business entity which performs banking operations or insurance operation to provide intermediary services in providing information about fund membership and for other activities intended to provide interested persons with the information on fund operations, as well as to distribute the prospect.

Article 9

- (1) The management company which publishes promotional information without having obtained previous approval by the Commission shall declare, on the order of the Commission, the information invalid on its web site, and in the same medium and format in which it was published.
- (2) The management company shall declare the promotional information invalid within five days from the receipt of the Commission's order and submit to the Commission the proof of having executed the order.

Article 10

This Rulebook shall come into force on the eighth day from the day of its publication in the Official Gazette of the Federation of Bosnia and Herzegovina.

Ref. No.: 01-02-2488/17
In Sarajevo, November 23, 2017

President
of the Securities Commission
of the Federation of Bosnia and Herzegovina

Hasan Čelam, MSc