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| **REGULATION** | | |

From the Prime Ministry Undersecretariat of Treasury

REGULATION ON STATE CONTRIBUTION IN THE

INDIVIDUAL PENSION SYSTEM

PART ONE

Purpose, Scope, Basis and Definitions

**Purpose and Scope**

**ARTICLE 1 –** (1) The purpose of this Regulation is to set forth the procedures and principles on calculation, payment and investment of the state contributions that will be paid for the contributions of the participants or employees in the individual pension system, and on the scope, refund or settling of the unvested and unduly paid amounts, as well as on other matters regarding the state contribution.

**Basis**

**ARTICLE 2 –**  (1) This Regulation has been drafted pursuant to the supplementary articles 1 and 2, and provisional article 2 of the Individual Pension Savings and Investment System Law No. 4632, dated March 28, 2001.

**Definitions**

**ARTICLE 3 –** (1) Definitions of the Regulation are as follows;

a) Minister or Ministry: The minister or ministry associated with the Undersecretariat of the Treasury,

b) Accumulation: The total amount in the participant's individual pension account, except for the amounts in the state contribution account,

c) Employee: The real person that is included in a pension plan pursuant to the supplementary article 2 and provisional article 2 of the Law,

d) State Contribution: The amount paid into the participant's individual pension account by the state pursuant to the supplementary article 1 of the Law No. 4632 or the amount committed pursuant to supplementary article 2(7) of the Law,

e) State Contribution Account: The amount in which exclusively the state contributions are managed and the sub-account with regard to the participant's individual pension account,

f) Pension Monitoring Center: The legal entity tasked as the pension monitoring center by the Undersecretariat pursuant to the Law No. 4632,

g) Fund: The pension mutual fund,

h) Unduly Earned State Contribution: The amount, which is in the state contribution account of a participant that has withdrawn from the system as per supplementary article 1 of the Law and which must be refunded by the companies to be recorded as income in the general budget,

i) Unduly Paid State Contribution: The state contribution amount that was paid when it was not supposed to be paid,

j) Employer: The employers and their representatives set forth under the scope of the Law No. 5510,

k) Law: The Individual Pension Savings and Investment System Law No. 4632,

l) Participant: The real person who is the party to the pension contract for and on behalf of himself or herself,

m) Contribution: The amount, except for the entrance fee, paid to the company for investment according to the pension contract,

n) Undersecretariat: The Undersecretariat of the Treasury,

o) Contract: The pension contract drawn up within the scope of the Law No. 4632,

p) Company: The pension company that is established pursuant to the Law No. 4632,

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PART TWO

Calculation and Payment of State Contribution

**Calculation of state contribution**

**ARTICLE 4 –** (1) The Pension Monitoring Center shall calculate the state contribution based on the information sent to it by companies.

(2) Companies shall send to the Pension Monitoring Center the data on the contributions paid on behalf of the Turkish participants and the participants under article 28 of the Turkish Citizenship Law No. 5901, dated May 29, 2009, except for those paid the employers, and other information used to calculate the state contribution, according to the content, format and method set forth by the Pension Monitoring Center by 14:00 on the business day following the record creation date at the latest. Companies shall be responsible to provide the data to the Pension Monitoring Center consistently and in full. The Pension Monitoring Center shall check for consistency of the data and compliance with the stated content, format and method, and shall send it back to the companies for correction of any and all inconsistencies.

(3) Companies shall perform a final check, by the end of the ninth business day following the end of contribution payment month, for consistency and accuracy of the data they sent within the month, and before record confirmation they shall notify the Pension Monitoring Center about the data that they cannot confirm to be consistent or accurate. The records shall be considered to be confirmed by the end of the relevant day. The state contribution calculation for the contribution month shall not take into account the changes made after this date, except for the Pension Monitoring Center corrections after its checking, the new data to be sent, and the data that cannot be confirmed to be consistent or accurate by the company by this date, or the data sent in a way that does not allow for state contribution calculation.

(4) The Pension Monitoring Center shall perform all the necessary checks, including those in the control list stated by the Undersecretariat, within six business days following record confirmation date, and then the company and the Pension Monitoring Center shall draw up a memorandum of understanding based on the consistent data pursuant to articles 2 and 3 and sign it with electronic or wet stamp. The state contribution shall not be calculated for the collections for companies that did not sign the memorandum of understanding, and if the participant has a contract with other companies, the state contribution limit shall be used for the contributions paid by the participant for the relevant contracts. If these collections become the subject of subsequent signed memorandums of understanding, the collections shall still be calculated within the participant's remaining limit for the relevant calculation period. The Undersecretariat shall set forth the minimum requirements to include in the memorandum of understanding.

(5) Contribution payments, which were not included in the state contribution calculation on the payment date, or were included, but for which state contribution was not received fully or partially or were mistakenly used for unduly made state contribution statement, shall be taken into state contribution calculation in the following periods, on the condition of not exceeding one year after the end of the month when the contribution collection was sent to the company accounts in cash. In order to re-include the incorrectly settled payments in the calculation, companies shall send the Pension Monitoring Center a calculation request regarding the payment by the end of the month when the contribution collection was sent to the company accounts in cash, provided that one year has not passed. The relevant company shall pay for any damages the participant incurs due to this delay.

(6) The Pension Monitoring Center shall consolidate the contributions paid for each contract based on the data in the memorandum of understanding signed with the companies according to the Republic of Turkey identification number or the identification number for Turkish citizens and for those under article 28 of the Law No. 5901, respectively, for each participant, and it shall calculate that 25 percent of the contributions paid for each participant are state contributions. The company’s responsibility to pay contribution for the participant under article 28 of the Law No. 5901 shall begin on the date the participants submit the documents to the company that validate their status. In calculation of the state contribution the contributions up to the limit stated in article 5 shall be taken into account. If a participant has multiple contracts, contribution for each contract shall be calculated based on the relative distribution of contributions paid for each contract in the relevant month and the total state contribution shall be distributed among the participant's contracts.

(7) The Pension Monitoring Center shall send the state contribution information calculated for the relevant participant or employee and the additional state contribution information calculated within the scope of article 4/B to the company and also to the Undersecretariat along with the calculation forms within 10 business days following record confirmation. The Undersecretariat shall determine the matters to be stated in the calculation forms.

(8) The state contribution shall be calculated by taking into account the contribution payments, which are made for the participants who are Turkish citizens and for the participants under article 28 of the Law No. 5901, and which were sent to the company accounts in cash. The calculation shall not include the payments made into the participant’s account by the company, additional benefits, the amounts transferred from the noncontributory group contract by becoming vested, the amount received through transfer from another company, contribution payments made by the employers, contributions payments with unknown owner, the amounts transferred pursuant to supplementary article 1(5) of the Law, the contribution payments sent to the company accounts in cash after the date of death of a participant whose death was reported to the Pension Monitoring Center, and the payments made to the contracts, which were supposed to be consolidated once the right of retirement was exercised, but were not, as of the contract termination date for the contracts for which the right of retirement was exercised. In individual and group individual contracts, the state contribution calculation shall take into account the contribution payments for which the employers act only as an intermediary for the operational transactions in contribution payments. In order for the payments made with a credit card to be included in the state contribution calculation, the contribution must have sent to the company accounts in cash.

(9) Companies and the Pension Monitoring Center shall sign a protocol that sets forth the operational process and conditions regarding the state contribution transactions.

The Minister shall be authorized, based on the principles he or she will determine, to decide the state contributions to be calculated as a pledge for the relevant parties to manage in the account and for the pledged amounts to be paid, as well as establish the procedures and principles on investing the current participants’ state contributions.

**Calculation of initial state contribution**

**ARTICLE 4/A –** (1) If the employee exercises the right of withdrawal within the scope of supplementary article 2 of the Law, a 1,000 Turkish lira initial state contribution shall be calculated in the accounting period following the month when the right of withdrawal ends.

(2) The provisions of article 4 shall apply to the transactions about calculation of the vested initial state contribution.

**Calculation of additional state contribution**

**ARTICLE 4/B –** (1) In the event of exercising the right of retirement, an additional state contribution that equals five percent of the accumulations in the individual pension account shall be made to the employee who prefers to receive the accumulations in a period of at least 10 years pursuant to the annuity contract.

(2) In the event of termination of a single-premium annuity contract before completing 10 years, except for reasons such as death, disability or liquidation, twice the amount of the additional state contribution payments shall be refunded to be recorded as general budget income according to the procedures applied on the unduly earned state contributions. Unduly earned state contributions that will be refunded shall be limited to the surrender amount that the employee will receive from the relevant pension company upon terminating the annuity contract before 10 years.

**Maximum limit account**

**ARTICLE 5 –** (1) The accounting period for calculating the state contribution shall be one year. The total contributions that are paid for a participant within a calendar year that is the basis for calculating the state contribution shall not exceed the total annual gross minimum wage set forth for the relevant calendar year. The total annual gross minimum wage shall be calculated by separately taking into consideration the gross minimum wages for the first and second half of the year. The annual gross minimum wage amount shall be calculated based on the gross minimum wage announced for the relevant calculation period.

(2) In the event of refunding unduly earned state contributions when a participant withdraws from the system by terminating the pension contract, no increase shall apply for the limit that is the basis for state contribution calculation for the other contracts that are in effect in the same calendar year. This provision shall not apply for the contracts that are the basis for the withdrawal.

(3) The participant's limit that is the basis for state contribution calculation for a calendar year shall be increased as much as the state contribution amount deemed to have been paid unduly for that year.

(4) The state contribution shall be calculated based on the limit in the year the contribution was sent to the company accounts in cash.

(5) The maximum limit of the additional state contribution that will be paid for an employee shall be set based on the total of the limits throughout the time spent in the system stated in clause 1. The total contributions that are paid for an employee within a calendar year that is the basis for calculating the state contribution shall not exceed the total annual gross minimum wage set forth for the relevant calendar year.

(6) The limits for the following state contributions shall be calculated and managed separately:

a) The state contribution paid as per the supplementary article 1 of the Law,

b) The state contribution paid for the pension contracts that are drawn up by automatic participation as per the supplementary article 2 of the Law,

c) The initial state contribution paid as per the supplementary article 2 of the Law,

d) The additional state contribution paid as per the supplementary article 2 of the Law,

**Payment of state contribution**

**ARTICLE 6 –** (1) The Undersecretariat shall pay the calculated state contribution and the Additional State Contribution to the Pension Monitoring Center account within five business days following preparation of the payment receipt based on the calculation forms sent by the Pension Monitoring Center. The Pension Monitoring Center shall pay the state contribution, sent by the Undersecretariat, into the company accounts on the business day following the receipt day at the latest.

(2) The companies shall invest the participants' state contribution on the business day following the receipt day at the latest by issuing a purchase order for the fund that is used to invest the state contribution in. The amounts shall be kept in a blocked state in a special account opened with the fund custodian until the exchange has been completed for the fund shares ordered. If a fund sale order was issued for the participant's fund due to a transfer or a withdrawal from the system on day state contribution was received in the company accounts, the participant's state contribution shall not be invested, but shall be added to the amount from the fun shares that is that is cashed. The companies shall keep ready for audit the order records for investing state contributions. The company shall pay for the losses arising from late investment of the state contributions that were sent to the account.

PART THREE

State Contribution Account Procedures

**Transfer between companies**

**ARTICLE 7 –** (1) In the event of transfer of the accumulations in the participant's account to the individual pension account at another company, the amounts, along with the participant's accumulations, in the state contribution account shall be transferred to the new company pursuant to the provisions of the Regulation on the Private Pension System on transfer between the companies. The company shall sell the fund shares in the state contribution account by taking into consideration the periods to turn into cash the fund shares that make up the participant's accumulation. Accordingly, it shall send the amount and the relevant data to the transferee company by 15:00 at the latest on the business day following the day when fund shares were turned into cash. The transferee company shall invest this amount by issuing a fund share purchase order regarding the state contribution on the business day following receipt in the accounts at the latest. The amounts shall be kept in a blocked state in a special account opened with the fund custodian until the exchange has been completed for the fund shares ordered.

(2) Any state contributions that arise from the contributions paid at the previous company and have not been sent to the contribution account shall be transferred to the participant's new company on the business day following the day they were paid to the company.

(3) The company shall pay for any damages incurred due to late completion of the transfer and investment responsibilities within the scope of this article.

**Withdrawal and refund of unduly earned amounts**

**ARTICLE 8 –** (1) If the participant or the employee terminates the contract, vested amounts in the state contribution accounts according to the supplementary article 1 of the Law, along with the accumulations in the individual pension account, shall be paid to them pursuant to the provisions of the Regulation on the Private Pension System on withdrawal from the system.

(2) In the event that the contract is terminated without exercising the right for retirement despite of earning it or for a reason other death or disability, unduly earned amounts in the state contribution amounts according to the supplementary article 1 of the Law shall be refunded to be recorded as general budget income according to the following procedures.

(3) Within 15 days after receiving the withdrawal request form sent by the participant, the company shall confirm that the number and amount of funds in the participant's state contribution account and the vesting rate calculation are consistent with the Pension Monitoring Center records. If the number and amount of funds in the participant's state contribution account and the vesting rate calculation are not consistent with the Pension Monitoring Center records, the inconsistency shall be corrected and confirmed. The Pension Monitoring Center shall put in place the necessary infrastructure to allow companies remote access to the Pension Monitoring Center records to confirm consistency. If the participant pulls back from withdrawing from the system before the withdrawal procedures have been completed, the company shall notify the Pension Monitoring Center on the business day following receipt of such request from the participant.

(4) After the confirmation stated in clause 3 has been completed, the company shall issue a sale order of the fund shares in the state contribution account by taking into consideration the periods to turn the fund shares into cash.

(5) On the day the fund shares turn into cash, the company shall pay the relevant amount into the Undersecretariat account to be recorded as income in the general budget. The company shall send the payment information to the Pension Monitoring Center by the record confirmation date relevant to the month the payments were made. The Pension Monitoring Center shall confirm consistency and accuracy of the amounts paid into the Undersecretariat account within the scope of the notification and data sent to the Center. The Pension Monitoring Center shall notify the relevant tax office monthly about the amounts that have not been paid or paid incompletely to be collected pursuant to the provisions of Law No. 6183 along with the interest calculated based on the default interest rate set forth in Article 51 of the Law on the Procedure for Collection of Public Receivables No. 6183 dated July 21, 1953.

(6) Companies shall send monthly information to the Pension Monitoring Center regarding the payments made to the tax office based on the information provided to the tax office by the Center pursuant to clause 5.

**Procedures regarding the unduly made payments**

**ARTICLE 9 –** (1) Companies shall take the necessary measures to ensure accurate calculation of the contributions, which are the basis for the state contribution, and prevent any errors arising from their infrastructure and operations.

(2) The Pension Monitoring Center shall notify the relevant tax office associated with the company about the amounts that have been paid unduly to be collected pursuant to the provisions of Law No. 6183 along with the interest calculated based on the default interest rate set forth in Article 51 of the same law.

(3) Companies shall send monthly information to the Pension Monitoring Center regarding the payments made to the tax office based on the information provided to the tax office by the Center pursuant to clause 2.

(4) The company that holds the last pension contract may take back the unduly paid state contributions from the participant’s account by selling the fund shares at any time based on the data stated in the appendix of the memorandum of understanding.

**Refund of overpayment**

**ARTICLE 10 –** (1) Overpayments made into company accounts by the Undersecretariat shall be returned. No interest shall be paid for the overpayments. The Undersecretariat shall set forth the procedures and principles in this matter.

**Investing state contributions**

**ARTICLE 11 –** (1) The company shall establish a fund, by itself or by another pension company and which complies with the following portfolio limitations, to exclusively invest state contributions. The company may establish a separate fund for the participants that prefer alternative investment instruments. State contributions shall be invested as follows:

a) Minimum 75 percent in relevant Turkish lira bonds and bills, revenue sharing certificates or rent certificates issued by the Undersecretariat of Treasury or the Undersecretariat of Treasury, Asset Leasing Companies.

b) Minimum 25 percent in;

1) Turkish lira deposits, participation accounts, bonds and bills issued by banks to be traded in the stock market, or rent certificates issued by asset leasing companies with banks acting as the resource institution,

2) Stocks in the BIST 100 index or in the BIST 100 participation index

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(2) No more than 15 percent of the fund portfolio shall be invested for each of the clauses 1(b)(1) and (2).

(3) Reverse repo contracts made in the BIST reverse repo market can be added to the fund portfolio and the fund assets can be invested in the organized money markets. Such investments shall not exceed one percent of the fund portfolio.

(4) An expense may be deducted from the fund to meet the fund expenses in which state contributions shall be invested. The fund bylaw shall set the total deduction in this regard as 0.001 percent daily (0.365 percent annually), including the fund administrative expense deduction.

(5) The following portfolio deductions shall apply in the management of the fund set for investment of the state contributions.

a) The amount that can be invested in a single bank as a deposit or participation account shall not exceed three percent of the fund portfolio.

b) No more than 1.5 percent of the fund portfolio shall be invested in the bonds and bills and rent certificates issued by a single bank.

c) No more than one percent of the fund portfolio shall be invested in a single stock.

(6) The fund shall be managed in accordance with the rates regarding the assets to be included in the fund portfolio stated in this article as well as with the other relevant portfolio limitations that are stated in the Regulation on the Establishment and Operation Principles of Pension Mutual Funds, but not in this article.

(7) The company shall perform monthly checks to ensure that the aforementioned rate limitation, except for the limitation in clause 4, in the value of fund assets are not violated due to reasons such as price fluctuations, exercising priority rights, and so on, and shall correct any violations within 15 business days.

(8) At the end of each calculation period the company shall check if the annual rate that equals the daily deduction rate stated in the fund bylaw is exceeded. The check shall be performed based on the annual deduction rate stated in the fund bylaw and on the daily average fund net asset value calculated for that year. The company shall refund to the fund any amounts exceeding the rates stated in the fund bylaw within 15 business days following the relevant period.

(9) The Minister may re-set the principles on determining the deduction structure and rates, and the number and content of the funds offered as part of the Law, and on selecting the portfolio management company.

**Vesting for state contribution**

**ARTICLE 12 –** (1) If the pension contract is terminated by exercising the right for retirement or due to death or disability, the participant or the employer shall be vested for all of the amounts in the state contribution account.

(2) If the pension contract has remained in the system from three to six years after January 1, 2013, the participant shall be vested for 15 percent of the amounts in the state contribution account; for 35 percent from six to 10 years; for 60 percent for 10 years or more. Calculations shall be made per each pension contract. The period shall be calculated based on the last sale order for the fund shares that belong to the contract.

(3) If there is no amount in the participant's state contribution account for the relevant contract as of the state contribution's date of transfer to the company accounts, the period shall be calculated based on the last sale order for the fund shares that belong to the contract.

(4) The periods spent as part of the noncontributory group contract shall not be taken into account for the vesting period for state contribution, except for retirement.

PART FOUR

Miscellaneous and Final Provisions

**Responsibility in transactions**

**ARTICLE 13 –** (1) Companies and the Pension Monitoring Center shall develop a control system to fulfill the responsibilities on the calculation, control and payment of state contributions, and to ensure that the other responsibilities set forth by the Regulation are implemented accurately and timely in accordance with the provisions of this Regulation.

(2) Companies shall establish the necessary technical infrastructure to keep track of the transactions on implementation of state contributions and of the vesting periods as set forth by the regulation for the amounts in the participant's state contribution account per each contract.

(3) If the audits by the auditing departments conclude that the public incurred losses due to failure by the company or the Pension Monitoring Center in fulfilling the regulatory responsibilities, the losses shall be tracked by opening a debt file for the relevant institution from which the collection will be made.

(4) The responsibility of the Undersecretariat's related accounting department shall consist of ensuring that the amount stated in the calculation form is paid in accordance with the budget allocation without exceeding it and it is paid directly from the accounting accounts.

(5) Companies shall add a statement to the memorandum of understanding to be signed that declares that the record confirmation transactions are checked as part of the control system and that they shall be responsible for all damages arising from any intentional acts, misconduct or negligence.

(6) Companies that fail to fulfill their responsibilities about transfer and notice obligation, and about calculation, settling and refund of state contribution shall be deemed to have risked the participants' rights and interests, and according to the nature of the violation, they shall be subject to the sanctions stated in articles 14 and 22 of the Law.

**Compensation of losses**

**ARTICLE 14 –** (1) The company shall add to the accumulations in the individual pension account of the participant or the employee the returns, if any, for the delay in payment to the participant or the employee that arise, if the company fails to report the paid contribution on time or reports it short, or its accuracy cannot be confirmed, or if the Pension Monitoring Center cannot confirm that it is accurate or that it allows state contribution calculation to be made, or if other similar circumstances occur, within two business days after the short paid state contribution was paid into the relevant account.

(2) In the event of identifying, after one year passes following the month when the contribution was sent to the company accounts in cash, any state contributions that need to be paid, the company shall add this amount and any returns from the delay period to the accumulations in the individual pension account of the relevant participant or the employee. The date of notification of the relevant information to the company by the participant, the employee or the employer shall be the delay period start date when calculating the losses that the company will compensate due to late notification by the participant, the employee or the employer of any changes in the contract information.

(3) If the companies fail to timely fulfill their investment and transfer obligation within the scope of articles 6 and 7, the amount, which is calculated by applying the late fee set forth in article 51 of the Law No. 6183 to the period of time between the deadline and the actual date of fulfilling the obligation for each transaction regarding the relevant amount, shall be added to the participant’s state contribution account.

(4) If the Pension Monitoring Center fails to duly send to the companies the state contributions received in its accounts, the late fee set forth in article 51 of the Law No. 6183 to the period between the date the Undersecretariat makes the payment and the date the Pension Monitoring Center makes the payment to the companies, and the calculated amount shall be paid into the Undersecretariat accounts to be recorded as income in the general budget.

(5) The Pension Monitoring Center shall pay for the damages arising from its failure to fulfill its responsibilities such as reporting, calculation, control and payment that are stated in the Regulation, in accordance with the required principles.

(6) The return that will be used to pay for the losses within the scope of this Regulation shall be calculated by taking into account the increase that occurs during the relevant period in the share value of the fund that is used to invest the state contribution.

(7) The default interest rate that a company had to pay to the tax office due to the incomplete or incorrect data sent to the Pension Monitoring Center by another company, and if any, the state contribution amount it has paid to the tax office, but was not able to receive back from the state contribution amount because the participant has withdrawn from the system, shall be paid by the company, which caused the unduly earned payment, to the pension company that has made the unduly earned state contribution payment, within five business day after receiving notification on the matter.

**Notification to the tax office**

**ARTICLE 15 –** (1) The notifications that Pension Monitoring Center makes to the tax office pursuant to this Regulation shall have the public receivables, maturity date, the name, last name, tax identification number, address, and the tax office of the public debtor.

**Audit**

**ARTICLE 16 –** (1) The Undersecretariat audit department shall audit at least once a year the businesses and transactions regarding the calculation and payment of state contribution, refund or settling of the amounts unduly collected by the companies, and transfers into the relevant funds by the companies of the state contributions received in the company accounts.

(2) The Capital Markets Board shall perform the audit of the funds that will be used to invest the state contribution in.

**Revoked regulation**

**ARTICLE 17 –** (1) The Regulation on State Contribution in the Individual Pension System published in the Official Gazette No. 28512, dated December 29, 2012 has been revoked.

**Adding years**

**SUPPLEMENTARY ARTICLE 1 –** (1) In calculating the participant’s vesting period for state contribution, a one-time, one-year addition that is stated in the supplementary article 2 of the Law No. 6327 shall be added to the pension contracts of the participants, who had entered the system prior to January 1, 2013 and had a current contract as of January 1, 2016, by taking into account the calculated time spent in the system as of January 1, 2013 based on the entry date into the system. Accordingly, the following additional years shall be added to the participant’s vesting period for state contribution based on the time spent in the contract as of January 1, 2013;

a) More than three years, but less than six years or more: one year,

b) More than six years, but less than 10 years or more: two years,

c) More than 10 years: three years.

The additions shall be made on January 1, 2016.

**Refund of overpayments**

**SUPPLEMENTARY ARTICLE 2 –** (1) With regard to the following payments made between January 1, 2013 and the effective date of this article;

a) Overpayments above the unduly earned state contribution amount due to the Undersecretariat,

b) Unduly earned state contribution payments made to both the Undersecretariat and the tax office,

c) Unduly made payments to the company’s tax office after it was determined that unduly earned state contribution payment made to the Undersecretariat account is also an unduly paid state contribution,

d) The payments that were supposed to be made to the tax office as unduly made state contribution, but instead, were made to the Undersecretariat, and then made again to the tax office under the unduly made payment;

among the payments made by the companies to the Undersecretariat account, those that are determined, after an inquiry, to have been paid by the Pension Monitoring Center unduly or in excess based on the information sent by the companies shall be refunded by the Undersecretariat in a single one-time payment, if the companies apply to the Undersecretariat by submitting the results of the inquiry. The payments shall be made from a budget allocation set aside in the Undersecretariat budget for refunds. No interest shall be paid for overpayments. The Undersecretariat shall set forth the procedures and principles in this matter.

**Payments to be included in the state contribution calculation**

**SUPPLEMENTARY ARTICLE 3 –** (1) If a contribution amount, which should have received state contribution between January 1, 2013 and April 1, 2016 for the contracts that were in effect as of the effective date of this Regulation, was not included in the state contribution calculation, or despite of being included, it did not receive full or partial state contribution or was mistakenly used for an unduly made state contribution statement, this contribution amount shall be taken into account one time in calculation of state contributions made until September 30, 2016. In order to re-include in the calculation the incorrectly settled payments, companies shall send the Pension Monitoring Center a calculation request regarding the payment. The Undersecretariat shall set forth the procedures and principles in this matter.

**Memorandum of understanding on vesting rates**

**SUPPLEMENTARY ARTICLE 4 –** (1) The Pension Monitoring Center and the companies shall draw up a supplementary memorandum of understanding to establish the vesting rates to be used for withdrawals before January 1, 2016 pursuant to article 8(1) and (2)

**Validity**

**ARTICLE 18 –** (1) Article 12(3) and other articles of this Regulation shall enter into effect on January 1, 2016 and April 1, 2016, respectively.

**Execution**

**ARTICLE 19 –** (1) The Minister to which the Undersecretariat of Treasury reports shall execute the provisions of this Regulation.