

EUROPEAN ORGANISATION FOR THE SAFETY OF AIR NAVIGATION

EUROCONTROL

- Decisions of the Permanent Commission -

DECISION No. 19/134

approving modifications to the "Regulations of the EUROCONTROL Pension Fund" (Appendix to the Statute of the Agency)

THE PERMANENT COMMISSION FOR THE SAFETY OF AIR NAVIGATION:

Having regard to the EUROCONTROL International Convention relating to Co-operation for the Safety of Air Navigation, as amended by the Protocol signed on 12 February 1981, and in particular Article 32 thereof and Articles 17bis and 23 of Annex 1 thereto, relating to the Statute of the Agency;

Having regard to Decision No. 102 of 5 November 2004 setting up the EUROCONTROL Pension Fund and approving accordingly modifications to the Statute of the Agency;

Having regard to Decision No. 110 of 21 October 2008 approving modifications to the Regulations of the EUROCONTROL Pension Fund following the Audit Board's recommendations aiming at improving the governance of the Pension Fund;

Considering the Pension Fund Supervisory Board's endorsement at its 42nd meeting on 4.10.2018 of the amendments to the Regulations of the EUROCONTROL Pension Fund aiming at reflecting a better alignment with practices and experience, improving the operational set-up of the Pension Fund in view of earlier recommendations from the Audit Board in its 2013 report

Considering that the proposed amendments were noted by the Standing Committee on Finance at its 32nd meeting on 16 May 2019 and by the Audit Board at its 128th meeting on 5 June 2019;

On a proposal from the Provisional Council,

ACTING ON A UNANIMOUS VOTE, HEREBY APPROVES THE FOLLOWING MODIFICATIONS TO THE APPENDIX TO THE STATUTE OF THE AGENCY:

Article I

Article 3, paragraph 2 of the Appendix to the Statute of the Agency is replaced by the following provisions:

"2. Particular attention shall be paid to the diversification, safety and liquidity of the investments. The use of derivatives shall only be permitted for hedging purposes and efficient portfolio management, not for speculative purposes. Investment in works of art shall not be permitted."

Article II

Article 4 of the Appendix to the Statute of the Agency is modified and replaced by the following provisions:

“ **Body entrusted with the supervision and management of the Fund.**

The body entrusted with the supervision and management of the Fund shall be the Supervisory Board assisted by the Fund Executive Office.”

Article III

Article 5 of the Appendix to the Statute of the Agency is modified. Its paragraphs 1 and 3 are replaced by the following provisions:

“1. *The Supervisory Board shall comprise nine members, with appropriate skills and experience for effective supervision and management of the Fund, appointed by the Permanent Commission:*

- a) *Four Members representing the Member States and proposed by the Provisional Council,*
- b) *Four Members representing staff, proposed by the Staff Committees (three from the committee of Officials and one from the committee of Servants). In case the staff Committees are not able to make such a proposal, the Members representing staff are proposed according to a procedure of election amongst staff put in place by the Director General,*
- c) *One Member representing the Director General without voting right.*

The appointments shall be for a renewable period of four years. Half of the Members representing the States and half of the Members representing the Staff shall be renewed every two years. The Chair and Vice-chair shall be designated by the Permanent Commission from the Members of the Supervisory Board.”

“3. *Upon invitation from the Supervisory Board, a representative of the pensioners may be invited by the Chair to attend Supervisory Board meetings as an observer.”*

Article IV

Article 6 of the Appendix to the Statute of the Agency is modified. Its paragraph 2 is replaced by the following provision:

“2. *Members of the Supervisory Board representing Member States and staff of the Agency shall have a vote. The Chair shall have the casting vote. When dealing with the Projected Benefits Obligations separate account (pension rights accrued prior to 1.1.2005 by staff in post at that date), only members representing the Member States shall take part in the voting.”*

Article V

Article 7 of the Appendix to the Statute of the Agency is modified. Its paragraph 1 is replaced by the following provisions and paragraph 3 is added:

“1. *The Supervisory Board shall:*

- a) *supervise the management of the Fund;*
- b) *after considering the Provisional Council's views, set the Fund's Statement of Investment Principles and define the Investment Strategy referred to in Article 3.3;*
- c) *monitor on a regular basis the investments and the related risks to ensure compliance with the Statement of Investment Principles and the Investment Strategy;*
- d) *approve the annual report of the Fund, including the annual accounts of the Fund to be forwarded to the Permanent Commission via the Provisional Council;*
- e) *report at least annually on its review of the Fund to the Provisional Council and to the members and beneficiaries of the Fund. The report shall be transmitted to the Standing Committee on Finance;*
- f) *report on a regular basis in a simplified way to the members and beneficiaries of the Fund;*
- g) *on a regular basis, but at least once every five years, based on actuarial valuations of liabilities provided by the Agency, the Supervisory Board shall carry out a thorough review of the Fund's investment policies, goals, guidelines, performance, actuarial assumptions, rates of contribution and capitalisation target, and shall report its findings, decisions and recommendations to the Provisional Council.”*

“3. *The Supervisory Board shall assess the resources required to perform its duties and may inform the Director general on the management of the Fund.”*

Article VI

Article 7 bis of the Appendix to the Statute of the Agency is added with the following provisions:

“*The Fund Executive Office*

1. *The Supervisory Board shall be assisted by the Fund Executive Officer, the Deputy Fund Executive Officer and a back-office support for accounting and administrative tasks.*
2. *The Agency shall provide logistic support and the services required for the proper functioning of the Supervisory Board, including secretarial support.”*

Article VII

Article 8 of the Appendix to the Statute of the Agency is modified. Its paragraph 1 is replaced by the following provision:

- “1. *The Fund Executive Officer shall be assigned to his/her duties by the Director General in agreement with the Supervisory Board, following a selection process to be agreed by the Chair and Vice-chair of the Supervisory Board, and shall be an official/servant of the Agency with appropriate economic, financial, accounting and management skills and experience to fulfil the role.*”

Article VIII

Article 9 of the Appendix to the Statute of the Agency is modified. Its paragraph 1 is replaced by the following provisions and paragraph 7 is added:

- “1. *make initial preparations for the investment strategy, submit these to the Supervisory Board for their consideration and implement the investment strategy as set by the Supervisory Board;*”
- “7. *coordinate activities and manage the Agency resources allocated to the Fund.*”

Article IX

Article 9 bis of the Appendix to the Statute of the Agency is added with the following provisions:

“The Deputy Fund Executive Officer

1. *The Deputy Fund Executive Officer shall be assigned to his/her duties by the Director General in agreement with the Fund Executive Officer, and shall be an official/servant of the Agency with financial and accounting skills, and experience to fulfil the role.*
2. *The Deputy Fund Executive Officer shall act in accordance with the Contract Regulations of the Organisation and the Financial Regulations of the Agency in the administrative management of the services required for running the Fund.*

Article X

Article 9 ter of the Appendix to the Statute of the Agency is added with the following provisions:

“Responsibilities of the Deputy Fund Executive Officer

The Deputy Fund Executive Officer shall:

1. *support the Fund Executive Officer in implementing the tasks foreseen in Article 9, as well as act as deputy when required,*
2. *act as a compliance officer, ensuring the compliance of the Pension Fund operations with the Pension Fund Regulations, the Investment Strategy set by the Supervisory Board and with the decisions of the Supervisory Board, and after seeking the views of the FEO and the member representing the Director General, report any compliance issues to the Supervisory Board.”*

Article XI

This Decision shall enter into force on 1 January 2020.

Done at Brussels on 6.11.2019



Tatevik Revazyan
President of the Commission