

**New procedure for selection and appointment of independent external reviewers for the
Bulgarian pension funds sector and insurance sector**

1. Duration of the reviews

The reviews of pension funds' assets and insurance balance sheets (both at solo and group level), that were previously conducted by RSM Bulgaria OOD, shall take place between **15 September and end of November**. The new independent external reviewers shall finalize their work with the issuing of the final reports **by 30 November 2016**.

The date of issuance of the decision of FSC for appointment of a new IER is the official starting date of review.

2. Selection procedure and deadlines for selection and appointment of IERs

The insurance undertakings (reviews both at solo and group level) as well as pension insurance companies shall submit to the FSC **until 12 September 2016** in writing their choice of two or more IERs for the purpose of appointment of one IER.

All letters of choice have to be submitted to the FSC along with the documents specified in p. 4.2.

In case that an insurance undertaking or a pension insurance company has not submitted their choice with the specified documents, or the teams are not in compliance with the team requirements, as set in p. 4.1, the FSC will appoint an IER to the insurance undertaking (at solo and group level) or the pension fund by its own choice.

The choice of the participating undertaking shall not be binding on the FSC/ the Deputy Chair of the FSC.

The FSC will appoint the IERs to pension funds and insurance undertakings (at solo and group level) on 15 September 2016.

To facilitate the process for selection of IERs, the interested IERs are invited to send their proposals (offers) to insurance undertakings and pension insurance companies to the following address: reviews@fsc.bg. The proposals will be forwarded by the FSC to the respective undertaking.

3. Blue print and reports during the reviews

No blue prints will be required to be submitted for those reviews.

Independent external reviewers will submit twice a month to the PM and SC a progress report. This shall clearly identify the implementation stage, relevant findings and concerns.

Independent external reviewers may at any time during the review draw up a complementary letter if it considers that the PM and the SC should be informed about facts and issues that are or may be urgent or of particular interest and importance to the successful completion of the BSR.

Progress reports will be drafted in English.

Independent external reviewers will need to be available to discuss with the PM and SC the interim results during the monthly meetings of the SC and during conference calls.

4. Requirements for independent external reviewers

4.1. Appointment of independent external reviewers for each particular undertaking

Requirements as set in the two invitations published on the FSC website as of 11 March 2016. <http://www.fsc.bg/en/supervised-entities/announcements/>

4.2. Elements to be provided to the FSC for the appointment of independent external reviewers for each particular undertaking

The insurer or the pension insurance company shall submit to the FSC by 12 September 2016 on behalf of the chosen independent external reviewers the following documents:

- 1 CV's of the partner or other person(s) in the firm who is responsible for the review and for signing the report together with the CVs of all team members. CVs shall include accurate information and appropriate details on the type of reviews carried out by the staff indicating capability and capacity to undertake the review as well as details on relevant specific experience. Each CV should be signed by the respective person and by at least one legal representative of the IER.
2. detailed planning of how the applicant proposes to undertake the reviews including in terms of actuarial work;
3. information on the planned total workload for all team members (by team member)
4. details of applicable terms and conditions;
5. how confidentiality will be safeguarded and conflicts of interest will be prevented.
6. written consent of the legal representative of the IER to perform the review of the review of the respective undertaking.

Furthermore, applicants are required to send a description of the pricing methodology to be used to set the price of the reviews. All elements should be sent to FSC in both English and Bulgarian language.

The review of the participating undertaking (insurance groups under the scope of the review) shall be covered in the contract of an insurance undertaking belonging to the insurance group under review.