



PRESS RELEASE

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COMPLETED EXPERTS` MISSION

From the 4th to 8th of August, 2014 experts from the Ministry of Welfare of Republic of Latvia (MoW) and the State Social Protection Fund of the Republic of Azerbaijan (SSPF) visited public and private institutions which in future would directly or indirectly be involved and/or operate within the second and third tier of the pension system in Azerbaijan.

The goal of the mission implemented within the EU funded Twinning project “**Support to the State Social Protection Fund on the introduction of funded element within the insurance–pension system, establishment of non–state pension funds and development of legal framework for regulating their activity**” was to gather information and obtain materials on demographical and economic situation of Azerbaijan, to get the professionals’ opinions of institutions’ readiness to introduce a funded element in the current pension system and to create non-state pension funds, as well as to share views and opinions on the further developments of the pension system. The experts visited Ministry of Labour and Social Protection, Ministry of Finance, Ministry of Taxes, Ministry of Economy and Industry, State Statistical Committee, Central Bank of Azerbaijan, State Committee for Securities, Baku Interbank Currency Exchange, State Insurance Supervision Agency, Central Depositary, Ateshgah Sigorta Life Insurance company, International Bank of Azerbaijan, Baku Stock Exchange, Azerbaijan Mortgage Fund, Kapital Bank, State Oil Fund, World Bank, UNDP and American Chamber of Commerce.

Following issues were discussed – current state social insurance and pension system, social insurance budget calculation principles, state budget issues, existing statistical data, financing of pensions and other payments of social insurance system, challenges of pension system, labour market situation, taxation policy, macroeconomic indicators and future forecast, business environment and infrastructure for creation of the funded pension system and non-state pension funds, functions of custodian banks, investment and saving rules, capital market development, financial and capital market supervision structure in Azerbaijan, as well as existing legislation in related fields.

The experts developed a list of statistical data on the current demographic situation, forecasts, macroeconomic prognoses, labour market development indicators, current data and forecasts of contingent of pension and benefits receivers and current and planned payments from social insurance budget, also. This information is necessary for calculations and development the possible scenarios for funded pension component.

By the beginning of September, the experts will prepare a Study report. The next mission of the experts is scheduled at the beginning of October, 2014 and its main objective will be to create a model for calculations of different scenarios of funded pension component in the state social insurance system.

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