

**PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY (MECHANISM FOR MAKING AND REVIEW OF REGULATIONS) REGULATIONS, 2024 -
PRELIMINARY DRAFT OF PROPOSED REGULATIONS**

Comments/feedbacks from the stakeholders and public are invited on the draft regulations which provide for the mechanism for making and reviewing the regulations. The Proposal placed at **Annexure A** is open for stakeholder consultation and public comments till **Mar/15/2024** and can be accessed at PFRDA website in the Exposure Draft section under Regulatory Framework menu.

Comments/feedbacks can be provided via email at review-reg@pfrda.org.in with subject line as '**Feedback on PFRDA (Mechanism for Making and Review of Regulations) Regulations, 2024**'.

PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY (MECHANISM FOR MAKING AND REVIEW OF REGULATIONS) REGULATIONS, 2024**PRELIMINARY DRAFT OF PROPOSED REGULATIONS**

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| Name of the person / entity proposing comments | |
| Contact details (Email & Mobile no.) | |
| Category (intermediary / public) | |

| S. No. | Reg No. | Proposed Regulation | Stakeholder / Public comments | Rationale for suggestion |
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| CHAPTER I PRELIMINARY | | | | |
| 1 | 1. Short Title, Application and Commencement. | (1) These regulations may be called the Pension Fund Regulatory and Development Authority (Mechanism for Making and Review of Regulations) Regulations, 2024. (2) Save as otherwise provided, these regulations shall come into force on the date of their publication in the Official Gazette. (3) These regulations shall not apply to regulations made by the Authority, concerning its organizational matters. | | |
| 2 | 2. Definitions. | (1) In these regulations, unless the context otherwise requires,- (a) "Act" refers to the Pension Fund Regulatory and Development Authority Act, 2013 (23 of 2013); (b) "Authority" means the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Act; (c) "Chairperson" means the Chairperson of the Authority; (d) "Internal Review Committee" means the committee consisting of officers of the Authority nominated by the chairperson; and (e) "Regulations Advisory Committee" means the advisory committee constituted by the Chairperson under regulation 7. | | |

CHAPTER II
MAKING AND REVIEW OF REGULATIONS

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| 3 | 3. Making Regulations. | The Authority may make regulations consistent with the provisions of the Act, rules and these regulations reflecting changes in the socio-economic environment and industry global best practices, to protect the interest of subscribers. | | |
| 4 | 4. Periodic Review of Regulations. | The Authority may periodically review the regulations in the interest of subscribers, including on the aspect of rationalising the compliance cost, ease of doing business or to amend or repeal any regulations or provisions thereof, after considering the following: (a) its objectives and the outcome; (b) its enforcement and other legal aspects; (c) global best practices, if any; (d) need for principle based regulations; or (e) any other factor considered relevant by the Authority. | | |
| 5 | 5. Public Consultation. | (1) For the purpose of making regulations, the Authority may upload the following on its website for seeking public comments (including active stakeholder consultation): (a) the specific provision of the Act, under which the Authority proposes to make regulations; (b) a statement of the problem addressed by the proposed regulations; (c) draft of proposed regulations; (d) an economic analysis of the proposed regulations carried out in accordance with the provisions of regulation 6 of these regulations; (e) a statement carrying norms advocated by regulation setting agencies and the best practices, if any, relevant to the proposed regulations; (f) the process, manner, and timelines for receiving public comments; and (g) the manner of implementing the proposed regulations. (2) The Authority shall allow a minimum of twenty one days for the public to submit their comments. | | |

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| | | <p>(3) The Authority shall review and publish the public comments received on its website, accompanied by a general statement of its response, with the notification of regulations.</p> <p>(4) If the Authority decides to make regulations in a form substantially different from the proposed regulations, it may to the extent required follow the process under this regulation.</p> <p>(5) The regulations shall be enforceable from the date of its notification unless a different date is specified therein.</p> <p>(6) Without prejudice to the provisions of these regulations, the Authority may constitute a Regulations Advisory Committee in accordance with the provisions of Chapter III for the review of regulations, whenever it deems appropriate.</p> | | |
| 6 | 6. Economic Analysis. | <p>(1) The Authority may be guided by an economic analysis of the proposed regulations to be made either directly or through an external expert agency.</p> <p>(2) The economic analysis shall inter alia include the following:</p> <p>(a) expected costs and benefits to subscribers, stakeholders, economy and the society, both direct and indirect, due to the proposed regulation; and</p> <p>(b) how the proposed regulations further the objectives of the Act.</p> | | |
| <p>CHAPTER III REGULATIONS ADVISORY COMMITTEE</p> | | | | |
| 7 | 7. Constitution and Composition of the Regulations Advisory Committee. | <p>(1) For the purpose of regulation 3 and 4, the Chairperson may constitute a Regulations Advisory Committee, by nominating the following members:</p> <p>(a) A Whole Time Member of the Authority;</p> <p>(b) Not more than three independent external experts; and</p> <p>(c) An Executive Director of the Authority, who shall be the Convener of the Committee.</p> <p>(2) The independent external experts shall be nominated on the basis of the following:</p> | | |

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| | | <p>(a) A person of eminence with knowledge and experience in the field of economics, finance, law or any other field considered relevant for the pension sector; and</p> <p>(b) Absence of any conflict of interest, which could influence performance of their duties and responsibilities.</p> <p>(3) The Chairperson shall nominate one of the independent external experts to be the Chair of the committee.</p> <p>(4) The members of the committee, including the independent external experts, shall be nominated on ad hoc basis to serve as members of the Regulation Advisory Committee. If a vacancy arises in the Committee, the Chairperson may nominate another member or expert, as the case may be, for the residual period.</p> | | |
| 8 | 8. Scope of Review by the Committee. | <p>(1) The Committee may give its recommendations on the proposed regulations or amendments, as may be placed before it by the internal review committee, based on the following:</p> <p>(a) Protection of the interest of the subscribers;</p> <p>(b) Ease of doing business, optimum regulations and reduced cost of compliance while ensuring balance;</p> <p>(c) Ensure transparency, enhanced disclosures and best practices of governance through the regulations;</p> <p>(d) Risk management to strengthen the NPS architecture by the Authority; and</p> <p>(e) Other relevant factors, if any.</p> | | |
| 9 | 9. Meetings of the Committee. | <p>(1) The Committee shall meet at such intervals as it may deem appropriate.</p> <p>(2) The quorum necessary for the transaction of business shall be two-third of the total strength of the Committee.</p> <p>(3) The meeting shall be held at the head office of the Authority. Notice and agenda for the meetings shall ordinarily be circulated at least seven days in advance, by the Convenor to the Committee;</p> <p>(4) The minutes of the meeting shall be recorded in such form and manner as may be considered appropriate by the Chair of the Committee;</p> | | |

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| | | (5) The Convenor shall also act as Secretary to the Committee; (6) The Committee shall be provided with the adequate resources for carrying out its functions effectively. | | |
| 10 | 10. Recommendations of the Committee. | (1) The Committee shall submit its recommendations to the Authority, on the proposed regulations or the amendments to the regulations, as per regulation 8. (2) Such recommendations shall be placed before the Pension Advisory Committee constituted under section 45 of the Act, along with the proposed regulations or any amendments to regulations. (3) The Authority may consider the recommendations submitted under sub-regulation (1) and the recommendations of the Pension Advisory Committee provided in accordance with section 45 of the Act, as it may deem fit. | | |
| CHAPTER IV MISCELLANOUS | | | | |
| 11 | 11. Urgent Regulations. | Where the Authority is of the opinion that certain regulations are required to be made or existing regulations are required to be amended or repealed urgently in the interest of the subscribers, it may make, amend or repeal the existing regulations or provisions thereof, as the case may be, without fully adhering to all or any of the requirements specified under these regulations. | | |

| Any other suggestions | | |
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| S. No. | Stakeholder / Public comments | Rationale for suggestion |
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