

IOPS Strategy for 2019-2024

25 October 2018
Beijing, China



IOPS STRATEGY FOR 2019-2024

Introduction

1. This document, developed by the IOPS President with support of the Secretariat, outlines the IOPS strategy for the years to come. The document is based on the findings of the report *Summary of IOPS Strategy Survey* [IOPS/EC(2018)7] that summarised feedback received from IOPS Members' from the survey sent in April 2018, discussion during the joint WPPP/IOPS meeting held in Paris in June 2018, and the follow-up comments. It also takes into account the comments received after the IOPS meetings in Beijing, China in October 2018.

Mission and aims

2. The major mission of the IOPS is to improve the quality and effectiveness of the supervision of private pension systems throughout the world, thereby enhancing their development and operational efficiency, and allowing for the provision of a secure source of retirement income in as many countries as possible.

3. The IOPS aims and purposes are defined in the Articles of Association (Article II) adopted in 2004. In their responses to the recent survey on IOPS strategy the Members expressed their support for these aims and purposes. The IOPS:

- acts as a standard-setting body on pension supervisory matters and regulatory issues related to pension supervision through the development and promotion of the implementation of international principles, standards, and good practices in pension supervision,
- promotes international co-operation on pension supervision and regulatory issues related to pension supervision and encourages international contacts among supervisors and other relevant parties,
- provides a worldwide forum for policy dialogue and exchange of information on pension supervision and regulatory issues related to pension supervision,
- promotes, conducts and facilitates research on pension supervisory issues,
- participates in joint activities with relevant international bodies to improve statistical collection and research, and
- assist countries with less developed private pension arrangements and supervisory framework through policy dialogue and appropriate technical support.

Strategic priorities

4. The Organisation should focus on anticipating major developments in areas covered by IOPS, identify areas relevant for future standard-setting work and produce relevant international guidelines and tools in supervisory area that will reflect major private pensions developments and that will match IOPS's standard-setting role and increase its international visibility.

5. In line with the findings of the recent IOPS survey on strategy and discussions held with the Members, in order to address the identified challenges in private pension systems the IOPS has established the following strategic priorities:

- Extend the supervisory knowledge and develop the international guidelines and good practices in the area of investments and risk management
- Update and further develop supervisory knowledge and the international guidelines and good practices in the area of Risk-based supervision (RBS) in private pensions
- Build the supervisory knowledge and develop the international guidelines and good practices in the area of Fintech and Digitalization in private pensions
- Continue developing and updating international supervisory standards and good practices by conducting research and provision of supervisory guidance in the area of identified challenges faced by supervisors
- Undertake research into selected supervisory issues as identified by IOPS members
- Provide technical assistance to IOPS members for selected regulatory and supervisory issues and challenges
- Continue work on improving the internal and external communication of the Organisation

2019-2014 Strategic initiatives

6. The IOPS will pursue its strategic priorities by undertaking the activities outlined below. The specific action for each year will be further detailed and updated in the IOPS Programme of Work.

- Develop the international guidelines and good practices in the area of investments and risk management
 - Consider, subject to capacity, developing instruments in the area(s) of: supervision of sustainable investments, supervision of complex (alternative) investment products, internal control system and investment management, impact of low interest rates
- Update and further develop supervisory knowledge and the international guidelines and good practices in the area of Risk-based supervision (RBS) in private pensions:
 - Update the Members case studies and developing new case studies in the area of RBS
 - Update and extend the IOPS Toolkit
 - Extend supervisory knowledge on RBS issues by gathering information about lessons learned and problems encountered during designing, implementation, use, and revision of RBS system as well as solutions used. This activity may take form of developing a new working paper, organising self-assessment and/or peer review activities and/or organising relevant workshops and trainings
 - Develop new guidelines or good practices on risk-based supervision
- Build the supervisory knowledge and develop the international guidelines and good practices in the area of Fintech and Digitalization in private pensions:

- Gather knowledge on current practices and challenges related to digitalisation in private pensions, with particular focus on cyber-security
- Develop technical training on digital supervision including electronic reporting
- Continue standard-setting activity by developing high-quality and up-to-date international supervisory standards and good practices:
 - Develop 2-3 new principles/guidelines/good practices in the areas decided in the IOPS Programme of Work
 - Develop a generally agreed revision policy for existing IOPS principles, guidelines and good practices and initialise revisions of the following instruments: Guidelines for the Supervisory Assessment of Pension Funds (2008), OECD/IOPS Guidelines on the Licencing of Pension Entities (2008), OECD/IOPS Good Practices for Pension Funds' Risk Management Systems (2011), Guidelines for Supervisory Intervention, Enforcement and Sanction (2009); IOPS Good Practices in the Risk Management of Alternative Investments by Pension Funds (2010), OECD/IOPS Good Practices on Pension Funds' Use of Alternative Instruments and Derivatives (2011)
- Undertake research into selected supervisory issues as identified by IOPS members and decided in the IOPS Programme of Work
 - Consider, subject to capacity, other priorities identified by Members. These include supervisory issues related to a) governance, b) changing nature of private pension schemes (e.g. impact of ageing of public and private pension schemes, establishing transparent charging structures), and c) consumer protection & communication
- Provide technical assistance to IOPS members for selected regulatory issues and challenges
 - Develop trainings on 2-3 selected topics (e.g. RBS, digital supervision, off-site and on-site inspections, implementation of selected IOPS Principles, lessons for emerging countries in the area of private pensions). Taking into account limited resources, such activity should be undertaken primarily on a global and regional basis (regional workshops), whereas at the country level IOPS will facilitate technical assistance.
- Further improve the IOPS internal and external communication
 - Implement e-mail notifications and automatic reminders on recent IOPS deliverables
 - Frame a new communication strategy towards the broader public through a redesigned web page (its reorganised concept; updated and implemented searchable database; updated IOPS RBS Toolkit), use of social networks to communicate important papers and events). This increased transparency and marketing will start with providing the IOPS membership itself better information about the new IOPS publications and other relevant developments.
 - Share working papers with international organizations and specialized academics (e.g. Research Gate website)
 - Use digital marketing strategies to achieve the specific goals of IOPS (e.g. Google positioning).

Co-operation and outreach activities

7. The IOPS will engage in more active cooperation (documents consultations, development or contributions to projects and attendance of meetings of) with relevant international-multilateral organizations such as the G20, World Bank, IMF, FSB, IOSCO, IAIS and regional development banks.

8. The IOPS will also seek more interaction with the private sector by establishing a broader agenda with the practitioners: asset managers, pension funds, insurance companies, custodians, technology providers, and consultants. The IOPS will (co-)organize events with private sector when supervisors may consult industry's views and organize hearings to receive feedback on its on-going work. When relevant, feedback statements could be published indicating the overview of comments received and reactions thereto. Currently, pension industry is involved through participation in the annual OECD/IOPS Global Forum on private pensions.

9. When organising IOPS Annual meetings together with the OECD/IOPS Global Forum on private pensions, major international financial centres relevant to pensions will be targeted to reach greater international and policy impact.

10. The IOPS should continue organising regional seminars to cover specific interest topics as well as workshops that could be held additionally to the three annual IOPS Committee meetings to provide platforms for policy and supervisory dialogue as well as training on specific topics. Major international centres relevant to pensions will be targeted. Regional workshops could also be organised as back-to-back with regular Technical Committee meetings.

11. The IOPS will also seek more interaction with the private sector by establishing a broader agenda with the practitioners: asset managers, pension funds, insurance companies, custodians, technology providers, and consultants. The IOPS will (co-)organize events with private sector when supervisors may consult industry's views and organize hearings to receive feedback on its on-going work. In particular, such events will be organised with IOPS Observers: the American Council of Life Insurers (ACLI) or the International Actuarial Association (IAA). The co-operation with the IOPS Observers will be strengthened also by potential contributions to selected projects of common interest. Currently, pension industry is involved through participation in the annual OECD/IOPS Global Forum on private pensions.