



IOPS ANNUAL REPORT 2014

Activities from January 2014 to December 2014
2013 Financial Statements



Table of Contents

Foreword	5
President's Report 2014	6
Report of the Chair of the Technical Committee	12
Report of the Secretariat	16
Executive Committee Members 2014	19
IOPS Membership & Observers 2014	20
Report of the Treasurer	23
Audited Financial Statements 2013	25

Foreword

The International Organisation of Pension Supervisors (IOPS) is an independent international body representing institutions involved in the supervision of private pension arrangements. The Organisation currently has 83 Members and Observers representing supervisory bodies from 72 countries and territories worldwide - from Australia to Zambia - covering all levels of economic development and bringing together all types of pension and supervisory systems.

The IOPS was formed in July 2004. The major goal 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.

The aims and purposes of IOPS can be summarised as:

- *servicing as the standard-setting body on pension supervisory matters (and regulatory issues related to pension supervision), taking into account the variety of different private pension systems;*
- *promoting international co-operation on pension supervision and facilitating contact between pension supervisors and other relevant parties, including policy makers, researchers and the private sector;*
- *providing a worldwide forum for policy dialogue and exchange of information on pension supervision;*
- *participating in the work of relevant international bodies in the area of pensions, including joint activities to improve statistical collection and analysis;*
- *promoting, conducting and facilitating the distribution and communication of research, and collecting information in co-operation with relevant international bodies.*



Report from the President of IOPS

Dr. Edward Odundo
President of IOPS

HIGHLIGHTS

This year marks a very special anniversary for the IOPS. It will be exactly 10 years ago that the Organisation was founded. Since its establishment, IOPS has positively contributed to the accumulation of best international pension supervisory expertise and practices and has favoured the exchange of knowledge between its Members in particular in the area of risk-based supervision. The IOPS has issued a considerable number of good practices and a major supervisory tool – the IOPS Toolkit on private pension supervision – to support the development and implementation of sound and effective supervisory regimes within its Members and world-wide. It has successfully paved the way to become a leading international standard setting organisation in the area of private pension supervision.

Let me underline that the achievements of the IOPS are the result of hard work and commitment of our Members as well as our previous Chairs and Vice Chairs of Technical and Executive Committees. I would like in particular to thank and recognize the remarkable work and long-term commitment to IOPS of Mr. Ross Jones, former IOPS President, and Ms. Solange Berstein, former Chair of the Technical Committee.

I would also wish to congratulate my colleagues with their new positions in the Organisation: Mr. Edgar Robles Cordero as the IOPS Vice-President and Mr. Darren McShane as the Chair of the Technical Committee. I would like to thank Mr. Dirk Broeders for the effort he has put into his work both as an IOPS Delegate and as the IOPS Treasurer. I also congratulate Mr. Broeders for taking additionally to his Treasurer duties a new position of the Vice-Chair of the Technical Committee. I look forward to working with them and the rest of the Membership to achieve the aims and purposes of our Organisation.

In 2014 IOPS has placed particular focus on its work with individual members and has also co-operated actively with other international organisations which have an interest in pension supervision. In February the IOPS Committee meetings were hosted by the Financial Supervisory Authority of Iceland (FME) in Reykjavik. At the occasion of the IOPS Technical Committee, the FME presented the results of the self-assessment of the authority's compliance with the IOPS Principles of Private Pension Supervision. The meetings were followed by a one-day seminar entitled "Regulatory and supervisory challenges for the Icelandic pension industry", organised together with the Financial Supervisory Authority of Iceland and the Pension Coordination Group of the International Association of Insurance Supervisors (IAIS PCG). The Seminar brought together senior officials from the pension

regulatory and supervisory authorities and large number of representatives of the private pension industry of Iceland, as well as international delegates, members of the IOPS and IAIS PCG, researchers, journalists and academics. The discussion focused on the current status and main challenges for development of the private pension industry in Iceland, longevity risk and supervisory challenges, and opportunities and problems related to pension funds foreign investment.

As usual, the IOPS held meetings in Paris back-to-back with the OECD Working Party on Private Pensions in June. The meetings were followed by a seminar organised jointly by the OECD, IOPS and the Rotman International Centre for Pension Management (Rotman ICPM). The seminar addressed a number of very timely cutting-edge pension topics such as long-horizon investing in infrastructure and defined ambition pensions (DA).

The Annual General Meeting was held this year in October in Swakopmund, Namibia, hosted by the Namibian IOPS member authority, the Namibia Financial Institutions Supervisory Authority. The IOPS committee meetings and AGM were followed by the OECD/IOPS Global Forum on Private Pensions "Improving the Role of Saving for Retirement" that benefited from the knowledge and expertise of numerous African speakers and delegations. At this event several important topics were addressed, such as the major opportunities and challenges for the development of more efficient and inclusive private pension systems in Africa, the tax and financial incentives for saving in complementary private pensions, the role of pension funds in long-term investment financing and capital markets development in Africa, the supervisory challenges for creating target retirement income in private pension systems, and the policies and regulatory approaches to pension funds' fees and charges. During these events the IOPS members had also an opportunity to meet with the representatives of newly created network of African pension funds – the African Pension Funds Network (APFN).

I would like to thank all participants in our meetings and in particular, our hosting authorities for their initiative in organising such events.

The Technical Committee is an essential group that develops principles, standards and good practices on pension supervisory issues and on regulatory themes related to pension supervision. Some of these principles and standards have been taken into account by the G20/OECD Taskforces while developing effective approaches for G20/OECD High Level Principles. The Technical Committee also serves as a forum to discuss, develop and analyse matters related to pension supervision that are of interest to our membership. In respect of the subjects developed by the IOPS, work was continued on the innovative topics initiated in the 2013 programme of work. Such subjects include the Technical Committee papers on the role of supervisory authorities in automatic enrolment, and on the supervision of the distribution of annuities and other forms of pension pay-out. During 2014 the IOPS worked also on new projects such as the target retirement income and the role of actuarial review and calculations in pension supervision.

AIMS

The Organisation successfully worked towards fulfilling a range of aims and objectives during 2014, including the following:

AIM	Achievement 2014
<i>Standard setting body on pension supervisory issues</i>	Representatives of the Organisation provided an input, based on the standards developed by the IOPS, to the work of G20/OECD Taskforce aimed at developing effective approaches to support the implementation of the G20/OECD High-Level Principles on Financial Consumer Protection.
<i>Worldwide forum for dialogue and exchange</i>	<p>The IOPS organised jointly with OECD and the Rotman International Centre for Pension Management, a seminar held in Paris on long-horizon investing in infrastructure and defined ambitions (DA) pensions.</p> <p>The joint OECD/IOPS Global Forum was organised in Swakopmund, Namibia.</p> <p>The IOPS continued collaboration with other regional institutions (e.g. African Development Bank).</p>
<i>Participate in work of relevant international bodies</i>	<p>The IOPS continued the work with OECD commenting on its research and exchanging information on private pensions.</p> <p>The IOPS contributed to work of the G20/OECD Task Force on Institutional Investors and the G20/OECD Long Term Financing Task Force on Financial Consumer Protection (e.g. being a member of sub-group that established effective approaches for Principle 2, Role of Oversight Bodies).</p> <p>The IOPS was invited by the International Actuarial Association (IAA) to engage in the joint project on the role of actuarial review and valuations in pension supervision.</p> <p>Regular updates on the IOPS Programme of Work were provided to our European counterparts EIOPA, International Actuarial Association (IAA) and to our colleagues from IAIS Pensions Coordination Group. In turn, these organisations provided the IOPS with updates on their own work and activities.</p>

<p><i>Promote, conduct, facilitate distribution and communication of research</i></p>	<p>The IOPS released 3 Working Papers during 2014.</p> <p>The IOPS continued to build and redesign its electronic library on the IOPS website, providing research on pension supervision and related topics.</p> <p>Members also receive the leading academic pension journal, 'The Journal of Pension Finance and Economics' developed under the aegis of the IOPS and OECD. Printed copies of the Journal were distributed to the Members at the Paris Committee meetings.</p> <p>The IOPS is delighted to announce the initiative of the Society of Actuaries, US, to reproduce the IOPS Principles of Private Pension Supervision in their Funding Regulation Exam materials, which appears to be an excellent opportunity to promote IOPS work. This permission was granted to use this document underlining that the copyright on this material is the property of the IOPS.</p>
<p><i>Assist countries with less developed private pension arrangements</i></p>	<p>The IOPS continues to build its membership and contacts amongst countries with developing pension systems, and has welcomed representatives from many developing economies to its conferences and events.</p> <p>The IOPS Committee Meetings and Conference in Reykjavik, Paris and Swakopmund saw attendance from non-member countries such as Estonia, Latvia, Lithuania, Russian Federation, United States and Zimbabwe. These countries would be warmly welcomed as IOPS Members in the future.</p>
<p><i>Develop database of private pension and supervisory systems worldwide</i></p>	<p>The IOPS continues to work with its partners from the ISSA and OECD to update and develop a comprehensive regulatory and statistical database covering private pension systems worldwide.</p>

MEMBERS

Four new Members joined the Organisation in 2014. The IOPS membership reached 83 Members and Observers. Among the new members, the National Commission of Banking and Insurance of Honduras, the Federal Occupational Pensions Regulatory Commission of Switzerland (OAK BV), and the Uganda Retirement Benefits Regulatory Authority joined as Governing Members; the Private Pension System Rights Guarantee Fund of Romania as an Associate Member and the Insurance Europe as an Observer.

Our goal for 2015 will be to further expand the membership base thereby identifying potential new members. A range of pension supervisory authorities continue to express interest in our Organisation. We would be delighted to welcome these and other interested parties as members of our Organisation and we will work with such countries to see if their valuable input into our work can be achieved.

The IOPS is very grateful to its members who have supported our efforts to expand the membership of the Organisation – indeed our best source of recruitment is through our membership. I would therefore like to encourage all members to get in touch with their contacts in their regions and help work towards further increasing the membership of our Organisation during 2015.

MEETINGS

The following meetings were held during 2014:

- Executive and Technical Committee meetings; 27 February – Reykjavik, Iceland; 3-4 June – Paris, France; 1 October – Swakopmund, Namibia;
- Annual General Meeting, 2 October – Swakopmund, Namibia;
- IOPS/ IAIS PCG/ Financial Supervisory Authority of Iceland (FME) Seminar: Regulatory and supervisory challenges for Icelandic pension industry – 28 February, Reykjavik, Iceland;
- IOPS/OECD Global Forum on private pensions – 2-3 October 2014, Swakopmund, Namibia

RELATIONS WITH OTHER ORGANISATIONS

The IOPS continued to work closely with other organisations during 2014.

- **OECD:** The IOPS continues to work closely with the OECD's Working Party on Private Pensions jointly organising research conferences, joint summer meetings and the Global Forum. This year, the summer joint meeting was held in Paris, France, while the Global Forum took place in Swakopmund, Namibia. The OECD continues to provide Secretariat support to the IOPS via the partnership agreement signed by the two organisations in 2005 and renewed in 2011. The IOPS also continued to contribute to the G20/OECD Taskforce on Financial Consumer Protection, the Taskforce on Pension Statistics and the G20/OECD Taskforce on Institutional Investors and Long-Term Financing.
- **ISSA:** the joint database on complementary and private pensions is further being developed and extended by the three organisations involved (IOPS, ISSA and OECD).
- **World Bank:** representatives continue to attend IOPS meetings and provide input and comments to IOPS projects. The project of the World Bank to introduce the IOPS Principles in their FSAP assessments is on-going, after a series of presentations by the Bank's representatives in the Technical Committee meetings and consultations between the representatives of the two international organisations.
- **IAIS:** the two organisations continue to co-operate. The two organisations regularly provide each other with updates on finalised projects and other work in progress. A joint seminar

was organised by the IOPS and the IAIS Pensions Coordination Group, back to back with the Technical Committee Meeting in Reykjavik, Iceland, on 28 February 2014.

- **EIOPA:** the IOPS and EIOPA provide regular updates of each other's work.

FUTURE MEETINGS

2015

- 23-24 February, Committee Meetings and Seminar in San José, Costa Rica
- 23-24 June (tbc), Committee Meetings, Paris, France (back to back with OECD WPPP)
- 28-30 October, Committee Meetings, AGM & OECD/IOPS Global Forum, Berlin, Germany



Dr. Edward Odundo
President of IOPS



Report by the Chair of the Technical Committee

Darren McShane

Chair of the IOPS Technical Committee

The Technical Committee of IOPs is tasked with developing principles, standards and good practices on pension supervisory issues and on regulatory issues related to pension supervision. The Technical Committee is also the primary forum through which members discuss and share experiences relating to pension supervision. Participation in Technical Committee meetings is open to all IOPs members.

Over the year, three meetings of the Technical Committee were held which were all well attended by the membership. Each meeting comprised a full and busy agenda through which IOPS has continued to add to its already substantial body of research and working papers.

The quality of outputs of the IOPS is driven by the contributions of the Members and all Members are urged to continue to make the effort to provide input whether through participation in project teams, responses to surveys and information requests or through the meeting processes where papers are discussed and refined. I would like particularly to thank those who drafted, edited and supplied input for the Working Papers released this year. I would also like to thank the Secretariat for their efforts in the development of the papers completed and progressed throughout the year.

I would also take the opportunity to recognise the exceptional contribution to the work of the Technical Committee over many years, made by my predecessor Ms. Solange Berstein. Under her leadership, the Technical Committee has been able to build a solid base of research and working papers which the membership should aspire to maintain and build upon into the future.

Going forward, the Technical Committee is committed to an ambitious program of work that will continue to require the ongoing commitment of the membership, the support of the secretariat and the collaboration of our external partners.

PROGRAMME OF WORK (POW) 2013-2014

RESEARCH AND PUBLICATIONS

During 2014, the IOPS continued to ensure that the work of its members reached a broader audience. The Organisation and its members have been pleased to respond to requests for information and research from a variety of sources.

Three Working Papers were released during 2014. The papers highlight a range of challenges to be met with regard to supervising and analysing the fees and charges of pension funds, supervising the distribution of retirement products and introducing the mechanism of automatic enrollment. They

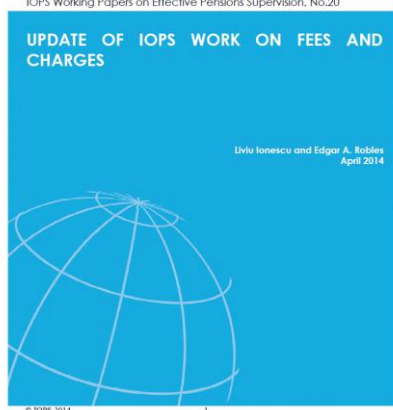
provide examples, experiences and lessons learnt for the benefit of IOPS members and the broader pension community. Abstracts of the three papers issued this year are included below. The IOPS welcomes submissions for the Working Paper series. Members who have papers covering relevant issues and who are interested in submitting them for inclusion in the series should contact the IOPS Secretariat.

IOPS Working Papers present the results of research and policy analysis conducted throughout the year. They are developed with the important input and assistance of Technical Committee members, and are circulated to encourage discussion and comment and feed policy debate in their respective jurisdictions. They represent the views of the authors and may not represent the opinion of the IOPS members as a whole.



WORKING PAPER NO. 20: Update on IOPS Work on Fees and Charges

IOPS Working Papers on Effective Pensions Supervision, No.20



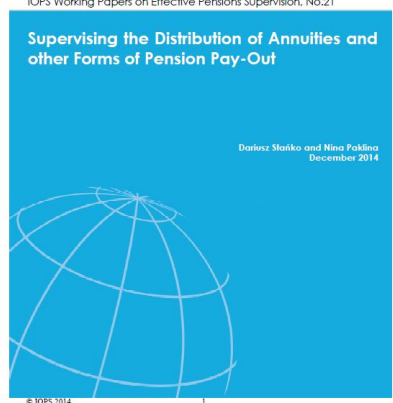
Abstract: This paper identifies the challenge in making comparisons of fees across different pension systems and updates the analyses of charge ratios for the countries that originally participated in the 2008 exercise (IOPS WP No. 6), while looking at the historic trends of both fees charged by pension funds to members and the operating expenses of pension funds. Previous work sought to explain fees variation across different jurisdictions by taking into consideration factors such as GDP, ratio of total pension assets to GDP, the mandatory or voluntary nature of the retirement system, etc. However, the results of such research have not been conclusive, in part because of the data challenges of cross-country comparisons.

This paper reviews the evolution of fees within countries, comparing the level in 2012-13 to that of six years ago taking into consideration the reforms that jurisdictions have enacted since 2008, the year of the previous research.



WORKING PAPER NO. 21: Supervising the Distribution of Annuities and Other Forms of Pension Pay-Out

IOPS Working Papers on Effective Pensions Supervision, No.21

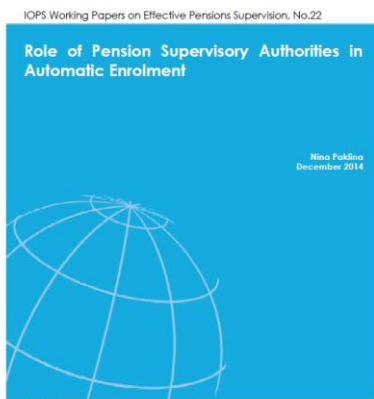


Abstract: This paper provides an overview of the main types of pension products on offer in different IOPS Member jurisdictions and ways they are distributed. It presents how IOPS Members supervise the entities providing and advising on these products and identifies main challenges pension supervisors face with respect to supervising these products and proposes some possible responses to these challenges.

The paper provides detailed case studies of the automated system of pension bids (SCOMP, Sistema de Consultas y Ofertas de Montos de Pensión) operating in Chile and the Open Market Option (OMO) system used in the UK.



WORKING PAPER NO. 22: Role of Pension Supervisory Authorities in Automatic Enrolment



Abstract: Governments around the world are working on strategies to increase participation in private pension plans in order to complement the resources coming from public pensions and achieve greater pension adequacy in retirement. The automatic enrolment of workers into private pension funds is one way to improve coverage and boost retirement savings. This paper reviews the role that pension supervisory authorities have and the main challenges they need to address when automatic enrolment programmes are being prepared and implemented. The paper also identifies the main areas of supervisory control to oversee compliance with the legal requirements of automatic enrolment.

The paper draws heavily on case studies of automatic enrolment programmes implemented at the national level in Italy, New Zealand and the United Kingdom. It also analyses such programme for self-employed workers in Chile and for occupational pension plans in United States.

PROJECTS

In addition to the projects outlined above, the IOPS has worked on the following projects during 2014, which are expected to reach completion during the coming year:

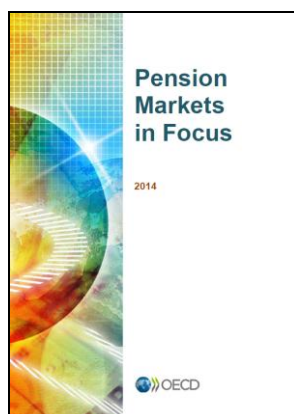
- **Target retirement income:** It is argued that DC pension systems should focus on the long-term target that combines phases of accumulation and decumulation. The paper will identify the role of pension supervisors and possible supervisory challenges that may arise in pension systems with explicit aspirational long-term goals expressed in absolute (retirement income) or relative (replacement rate) terms.
- **The role of actuarial calculations and valuations in pension supervision:** this paper will be produced jointly with the International Actuarial Association (IAA) based upon two surveys sent to respondents from IOPS and IAA. The paper will review the role of actuaries or other professionals preparing the actuarial review and calculations in the supervision of DC, DB or hybrid pension plans, as well as to determine their main functions. The project will also review the interactions between the supervisors and these professionals.

OTHER

Work on updating the ISSA/IOPS/OECD database continued during 2014. Most of the Members contacted have provided revised profiles which will be published shortly, while the remainder are in the process of updating and drafting their profiles in conjunction with the IOPS Secretariat.

A broad range of IOPS Members provide statistical information for the OECD Global Pension Statistics Project, with statistical data on the pension systems of the IOPS Members now available via the IOPS website. Selected statistics for IOPS Members are also available via the OECD's Pensions Markets in Focus publication.

The IOPS Members are encouraged to actively participate and provide, on a regular basis, the requested pension regulatory and statistical data/information as a part of the joint the ISSA/OECD/IOPS Complementary and private pensions database and the OECD/IOPS statistical data collection exercise.



2014 Edition of the OECD Pension Markets in Focus is available via

<http://www.oecd.org/daf/fin/private-pensions/pensionmarketsinfocus.htm>

IOPS Member countries' background information and papers by research topic and by country are available on the IOPS web-site: www.iopsweb.org. Members are invited to provide recent reports on their pension systems and developments in supervisory approaches and techniques for inclusion in the research database.

Darren McShane
Chair of the IOPS Technical Committee



André Laboul
Secretary General of IOPS

Report of the Secretariat

The IOPS Secretariat provided a wide range of support to the IOPS membership during the year. In addition to supporting the membership base, servicing the Executives and organising meetings, the Secretariat has, on the request of the Executive Committee, continued in an increased analytical role, which will be developed further in the coming years. In addition to drafting papers and guidelines, increased editorial and analytical support was provided to project teams, which resulted in the publication of further papers in the IOPS Working Paper series.

In 2014 IOPS received a secondee, Sherika L.L. Ellis, provided by a member authority. I would like to thank the Financial Services Commission of Jamaica, for their generous and kind support of the Organisation. The practical supervisory experience of the secondee proved highly valuable for the Secretariat. I hope that such an arrangement can be repeated in the future.



Sherika L.L. Ellis
IOPS Secondee

I would also wish to echo the words of thanks expressed by Dr. Edward Odundo, the IOPS President, and reiterate sincere gratitude on behalf of the IOPS to Ms. Solange Bernstein for her excellent work as a Chair of Technical Committee. The IOPS has benefited tremendously from her involvement and leadership.

MAIN TASKS COMPLETED DURING 2014

DOCUMENTS

The Secretariat published three documents: Working Paper No. 20 Update on IOPS Work on Fees and Charges, Working Paper No. 21: Supervising the Distribution of Annuities and Other Forms of Pension Pay-Out and Working Paper No. 22: Role of Pension Supervisory Authorities in Automatic Enrolment.

The Secretariat was closely involved with and assisted the work of various other project teams, helping to fulfil the intended 2013-2014 Programme of Work of the Organisation. The Secretariat further assisted in the collection and dissemination of documents for other IOPS projects undertaken during 2014.

Building of the on-line electronic research library continued during 2014. The library includes country profiles providing an overview of the pension system and internationally comparative statistics for the

vast majority of the IOPS membership. The IOPS Secretariat, along with our OECD colleagues, has also taken on the role of updating the ISSA/OECD/IOPS database.

Finally, the Secretariat coordinated the production of numerous other documents, including the preparation of the agendas and briefings of the Executive and Technical Committee meetings, the updated Programme of Work, the Annual Budget of the Organisation, President's and other reports, including the IOPS 2014 Annual Report.

MEETINGS

The Secretariat played a key role in the organisation of the OECD/IOPS Global Forum on Private Pensions held in Swakopmund, Namibia on 2-3 October 2014. There were over 45 international participants from 29 countries from the African region and worldwide.

The Secretariat also engaged in the establishment, operation, preparation, and organisation of meetings for the Executive and Technical Committees (which met three times during the year) and for the Annual General Meeting of the Governing Membership held in Swakopmund, Namibia on 1-3 October 2014

Support was additionally provided for the Chairpersons of the committees.



OECD/IOPS Global Forum on Private Pensions
2-3 October 2014, Swakopmund, Namibia

From the left: Mr. Ambrogio Rinaldi, Chair OECD Working Party on Private Pensions, Director, Pensions Fund Supervision Commission, Italy; Ms. Estelle Tjipuka, Chairperson, Namibia Financial Institutions Supervisory Authority; Ms. Sara Kuugongelwa Amadhila, Minister of Finance, Namibia; Dr. Edward Odundo, IOPS President, CEO, Retirement Benefits Authority of Kenya.

COOPERATION WITH OTHER INTERNATIONAL BODIES

The IOPS Secretariat continues to work closely with the OECD's Working Party on Private Pensions, including holding a joint seminar with the OECD and the Rotman ICPM in Paris in June.

The Secretariat represented the IOPS at the meeting of the G20/OECD Task Force on Financial Consumer Protection and the G20/OECD Task Force on Institutional Investors and Long-Term Financing and provided input to guidelines and work being developed on the topics. The Secretariat delivered a presentation on the risk-based supervision at the conference organised in March by the Brazilian Association of Pension Fund Administrators (ABRAPP) in Paris and held a meeting with IOSCO to present IOPS experience in creating the Toolkit website.

Additionally, the Secretariat worked towards the extension of the ISSA/IOPS/OECD database on complementary and private pensions.

The IOPS Secretariat continues to co-operate with the IAIS and provides a regular exchange of updates with these colleagues. The two organisations organised a joint seminar in Reykjavik, Iceland, back to back with the February IOPS Committee meetings.

The IOPS continues to work closely with our counterparts in Europe (EIOPA) and Latin America (AIOS).

ADMINISTRATION AND OTHER

The Secretariat continued its work during 2014 to build the IOPS membership base, contacting and following up with potential members. In January 2015 the Canadian Association of Pension Supervisory Authorities (CAPSA) and the Mozambique Insurance Supervisory Institute (ISSM) will join IOPS as a governing member.

Communication and record keeping in relation to existing members was also undertaken, with the Secretariat striving to ensure that delegates received documents in time to review them before meetings. Comments and suggestions from delegates in relation to the on-going projects and reports were also coordinated.

The Secretariat also organised the nomination and election of the Chair of the IOPS Technical Committee at the Executive Committee meeting in Paris and Vice-Chair of the IOPS Technical Committee and members of the Executive Committee at the Swakopmund AGM meeting. The Secretariat finalised versions of Articles of Association that were approved by the Governing Members at the AGM in Swakopmund, Namibia.

The Secretariat initialised efforts to update modernise the IOPS website, as well as continued launching and regularly updating social networking groups for IOPS via the Clear Space site and Facebook.

Finally, I would like to thank the IOPS Governing Members for the renewal of the partnership agreement with the OECD for a further three years. We look forward to continuing to provide secretariat support and to working with the IOPS in the future.



André Laboul
Secretary General IOPS

Executive Committee Members 2014

IOPS President and Chair of Executive Committee

Dr. Edward Odundo
Chief Executive Officer, Retirement Benefits Authority, Kenya (Acting President from 5 June 2013, elected as new President on 5 November 2013)

IOPS Vice-President

Dr. Edgar Robles Cordero
Superintendent, Pensions Superintendence of Costa Rica (elected as new Vice President on 5 November 2013)

Elected in 2012 to serve until 2014

Hungary	The Central Bank of Hungary
Turkey	Undersecretariat of the Treasury
South Africa	Financial Services Board (FSB)
Ex Officio – Chair Technical Committee	Pensions Superintendence of Chile
Ex Officio – Vice Chair Technical Committee	Mandatory Provident Fund Schemes Authority, Hong Kong
Ex Officio – Treasurer	The Central Bank of the Netherlands (DNB)

Elected in 2013 to serve until 2015

Botswana	Non-Bank Financial Institutions Regulatory Authority
Costa Rica	Pensions Superintendence of Costa Rica (Vice President, elected on 5 November 2013)
Egypt	Egyptian Financial Supervisory Authority (EFSA)
India	Pension Fund Regulatory and Development Authority of India (PFRDA)
Italy	Pension Fund Supervision Commission (COVIP)
Romania	Financial Supervisory Authority

Elected in 2014 to serve until 2016

Australia	Australian Prudential Regulation Authority
Austria	Financial Market Authority
Hungary	The Central Bank of Hungary
Turkey	Undersecretariat of the Treasury

IOPS Members and Observers 2014**Governing Members**

Albania	Financial Supervisory Authority
Armenia	The Central Bank of Armenia
Australia	Australian Prudential Regulation Authority
Austria	Financial Market Authority
Belgium	Financial Services and Markets Authority (FSMA)
Botswana	Non-Bank Financial Institutions Regulatory Authority
Brazil	Superintendência Nacional de Previdência Complementar - PREVIC
Bulgaria	Financial Supervision Commission
Cayman Islands	Cayman Islands Monetary Authority
Chile	Pensions Superintendence of Chile
China	China Insurance Regulatory Commission
Colombia	Financial Superintendence of Colombia
Costa Rica	Pensions Superintendence of Costa Rica
Czech Republic	The Czech National Bank
Dominican Republic	Superintendence of Pensions
Egypt	Egyptian Financial Supervisory Authority (EFSA)
France	Prudential Supervisory Authority (ACP)
Germany	Federal Financial Supervisory Authority (BaFin)
Ghana	National Pensions Regulatory Authority
Gibraltar	Financial Services Commission
Honduras	National Commission on Banking and Insurance
Hong Kong	Mandatory Provident Fund Schemes Authority (MPFA)
Hungary	The Central Bank of Hungary
Iceland	Financial Supervisory Authority (FME)
India	Pension Fund Regulatory and Development Authority (PFRDA)
Indonesia	Indonesia Financial Services Authority
Ireland	Pensions Authority
Isle of Man	Insurance and Pensions Authority
Israel	Ministry of Finance
Italy	Pension Funds Supervision Commission (COVIP)
Jamaica	Financial Services Commission
Jordan	Insurance Commission
Kazakhstan	National Bank of the Republic of Kazakhstan
Kenya	Retirement Benefits Authority (RBA)
Korea	Financial Services Authority / Financial Supervisory Service
Kosovo	The Central Bank of the Republic of Kosovo

Lesotho	Central Bank of Lesotho
Lichtenstein	Financial Market Authority
Luxembourg	Financial Sector Supervisory Commission
FYRO Macedonia	Agency for Supervision of Fully Funded Pension Insurance (MAPAS)
Malawi	Reserve Bank of Malawi
Maldives	Capital Market Development Authority
Malta	Financial Services Authority
Mauritius	Financial Services Commission
Mexico	National Commission for the Pension System (CONSAR)
Namibia	Namibia Financial Institutions Supervisory Authority
Netherlands	Central Bank of the Netherlands (DNB)
Nigeria	National Pensions Commission
Norway	Financial Supervisory Authority
Pakistan	Securities and Exchange Commission
Palestinian Authority	Capital Markets Authority
Papua New Guinea	Bank of Papua New Guinea
Peru	Superintendence of Banking, Insurance and Pension Fund Administrators
Poland	Polish Financial Supervision Authority
Portugal	Insurance and Pension Funds Supervisory Authority
Romania	Financial Supervisory Authority
Rwanda	National Bank of Rwanda
Serbia	National Bank of Serbia
Slovak Republic	National Bank of Slovakia
South Africa	Financial Services Board (FSB)
Spain	Ministry of Economy and Competitiveness
Suriname	Central Bank of Suriname
Swaziland	Office of the Registrar of Insurance and Pension Retirement Funds
Switzerland	Federal Occupational Pensions Regulatory Commission
Tanzania	Social Security Regulatory Authority
Thailand	Securities and Exchange Commission
Trinidad & Tobago	Central Bank of Trinidad and Tobago
Turkey	Pension Monitoring Center
Turkey	Undersecretariat of the Treasury
Uganda	Uganda Retirement Benefits Regulatory Authority
United Kingdom	The Pension Regulator (TPR)
Zambia	Pension and Insurance Authority

Associate Members

Panama	Civil Servants' Pension and Saving Plan (SIACAP)
Romania	Private Pension System Rights Guarantee Fund
South Africa	National Department of Social Development
International Association of Insurance Supervisors (IAIS)	<i>Partnership Agreement</i>
International Social Security Association (ISSA)	<i>Partnership Agreement</i>
OECD	<i>Partnership Agreement</i>
World Bank	

Observers

**American Association
of Life Insurers (ACLI)
International Actuaries
Association (IAA)
Insurance Europe**

Reciprocal Membership

PensionsEurope

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Dr. Dirk Broeders
IOPS Treasurer 2013

Report of the Treasurer

SUBJECT:

IOPS ACCOUNTS AS OF 31 DECEMBER 2013

Dear Governing Members,

The International Organisation of Pension Supervisors (IOPS) experienced a slight decrease in membership fee income, from 448,095 euro in 2012 to 440,515 euro in 2013. This reflects a marginal change in the membership base.

As regards costs, the main expense item during 2013 continued to be the Secretariat support provided by the OECD under the official partnership between both our organisations. The amount involved was 311,100 euro in 2013, which discloses a small increase from the previous year.

Conference and meeting expenses were 60,591 euro in 2013, down from 72,850 euro in the previous year. The IOPS held Executive Committee and Technical Committee meetings in Bucharest, Paris and Seoul. The Annual General Meeting and joint OECD/IOPS Global Forum also took place in Seoul. Furthermore, regional workshops were held in Bucharest and Nairobi.

The reserve policy adopted by the Executive Committee in 2007 is to hold a 20% target of the estimated yearly membership fee income as a contingency reserve, to cover uncertainties relating to the timing of receipt and level of membership payments. An amount of 1,516 euro was transferred from the contingency reserve to retained earnings in order to stay in line with this target after the slight decrease in membership fee income. In addition, the Executive Committee decided at the same meeting in 2007 to build up an additional reserve to cover future event expenditure, such as costs relating to conference or regional workshop programs. There was no need to draw down from this additional reserve in 2013.

On balance, IOPS ran an operating surplus of 40,749 euro for the calendar year 2013. This implies an increase in the IOPS assets to 225,326 euro at the close of 2013, leaving IOPS in a solid financial position for mounting future activities.

A handwritten signature in black ink, appearing to read 'Dirk Broeders', written over a horizontal line.

Dirk Broeders
Treasurer

The International Organisation of Pension Supervisors
Dated: 3 June 2014

2014 Members Payments

Albania	Iceland	Mauritius	Swaziland
Armenia	India	Mexico	Switzerland
Australia	Indonesia	Namibia	Tanzania
Austria	Ireland	Netherlands	Thailand
Belgium	Isle of man	Nigeria	Turkey (Pensions Monitoring Center)
Botswana	Israel	Norway	Turkey (Under-Secretariat of the Treasury)
Brazil	Italy	Pakistan	Uganda
Bulgaria	Jamaica	Palestine	Zambia
Chile	Kazakhstan	Papua New Guinea	Romania (Private Pension System Rights Guarantee Fund)
Colombia	Kenya	Peru	Panama
Costa Rica	Korea	Poland	South Africa (Ministry for Social Development)
Czech Republic	Kosovo	Portugal	The World Bank
Egypt	Lethoso	Romania (Financial Services Authority)	ACLI
France	Liechtenstein	Rwanda	Insurance Europe
Germany	Luxembourg	Slovak Republic	PensionsEurope
Gibraltar	FYR of Macedonia	South Africa (Financial Services Board)	
Hong Kong, China	Maldives	Spain	
Hungary	Malta	Suriname	



**IOPS association
à l'OCDE
2 Rue André Pascal
75 775 Paris Cedex 16
France**

Neuilly-sur-Seine, 17 June 2013

**Report of the Auditors
To the Members
International Organization of Pension Supervisors**

We have audited the accompanying balance sheet of the International Organisation of Pension Supervisors (the "IOPS") as of 31 December 2013 and the related statements of income for the year then ended. These financial statements are the responsibility of IOPS's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of IOPS as of 31 December 2013, in accordance with International Financial Reporting Standards.

Jean-Laurent Bracieux

Partner

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International organisation of pension supervisors (IOPS)				
Statement of financial position				
As per 31 December 2013				
Assets	Notes	2013 (Euro)	2012 (Euro)	
Cash at bank		100,481	65,318	
Short term deposit		116,483	116,259	
Interest accrued		-	-	
Sundry debtors and prepayments	7	28,307	16,500	
Total		245,271	198,077	
Liabilities and net assets				
Prepaid membership fees	9	-	-	
Accrued expenses	8	19,945	13,500	
Total liabilities		19,945	13,500	
Net Assets		225,326	184,577	
Unrestricted Net Assets & Reserves				
Retained earnings before transfer		69,958	43,580	
Changes in unrestricted net assets for the current year		40,749	43,503	
		110,708	87,084	
Transfer from Special Reserve	11	-	-	
Transfer to Contingency Reserve	10	1,515	17,126	
Retained Earnings after transfer		112,223	69,958	
Special Reserve		25,000	25,000	
Contingency Reserve		88,103	89,619	
Total Funds		225,326	184,577	

International organisation of pension supervisors (IOPS)			
Statement of activities			
For the year ending 31st December 2013			
CHANGES IN UNRESTRICTED NET ASSETS			
	Notes	2013 (Euro)	2012 (Euro)
Revenue and gains			
Membership fees		440,515	448,095
Interest		1,272	1,022
Total unrestricted revenue and gains		441,787	449,117
Expenses			
Audit	6	7,176	6,997
Bank fees and charges		1,399	1,731
Secretariat support costs		13,600	20,176
OECD administration	4	311,100	296,860
Conference expenses	5	60,591	72,850
Subscriptions		7,000	-
Publishing Costs		173	7,000
Total expenses		401,038	405,614
CHANGES IN UNRESTRICTED NET ASSETS		40,749	43,503

INTERNATIONAL ORGANISATION OF PENSION SUPERVISORS (IOPS)

NOTES TO THE FINANCIAL STATEMENTS

Year ending 31 December 2013

1 NATURE OF ORGANISATION

The International Organisation of Pension Supervisors (IOPS) is an international body representing a range of members involved in the supervision of private pension arrangements. The Organisation's members cover all levels of economic development and bring together all types of pension and supervisory systems.

IOPS is an association in accordance with French law. It is domiciled in Paris, France and receives membership fees from members worldwide.

2 SIGNIFICANT ACCOUNTING POLICIES

The accounts of the IOPS are drawn on the historical cost basis and income and expense items are recorded on the accruals basis.

3 INCOME TAXES

The Organisation is exempt from income tax.

4 PAYMENTS TO THE OECD

The IOPS paid the following amounts to the OECD:

311,100	Grant provided to meet secretariat and administrative support services, technical and liaison support.
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311,100	
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5 CONFERENCE FEES

The IOPS held three sets of meetings in Seoul, Paris and Bucharest and a regional workshop in Nairobi.

66,398	Total expenses paid in 2013
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-5,807	Conference expenses IOPS TC&EC Meetings & Joint Seminar Reykjavik 2014 & IOPS Committee Meetings London 2012
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60,591	
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6 AUDIT

The amount of € 7,176 consists of an estimate of € 7,000 of audit fees to be paid in 2014 relating to the audit of financial statements for the year ended 31/12/2013 and € 176 higher than estimated audit fees paid in 2013 relating to the audit of the financial statements for the year ended 31/12/2012.

7 SUNDRY DEBTORS AND PREPAYMENT

Consist of the following amounts:

27,500	Outstanding membership fees from Pakistan, China, Ghana, Kazakhstan, Kosovo, Botswana.
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807	Conference expenses IOPS TC&EC Meetings & Joint Seminar Reykjavik 2014
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28,307	
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INTERNATIONAL ORGANISATION OF PENSION SUPERVISORS (IOPS)			
NOTES TO THE FINANCIAL STATEMENTS			
Year ending 31 December 2013 (continued)			
8	ACCRUED EXPENSES		
	Consist of:	7,000	JPEF
		7,000	Audit fee based on 2013
		5,945	Outstanding meeting costs
		19,945	
9	PRE-PAID MEMBERSHIP FEES		
	Consist of:	-	No 2014 membership fee received in 2013
		-	
10	RETAINED EARNINGS AND CONTINGENCY RESERVE		
	At its March 2007 meeting the Executive Committee resolved to set aside in the accounts of the Organisation a contingency reserve of 20% of membership fees for the year to provide against uncertainties in timing of receipt of income in future years.		
	To maintain this figure in light of the increase of membership income € 1,516 was transferred from the Contingency Reserve to Retained Earnings		
11	SPECIAL RESERVE		
	At the meeting of the Executive Committee on 21st March 2007 it was also agreed to build up an additional reserve amounting to € 75,000 over 3 years to cover potential future event expenditure, such as costs related to conferences or regional workshop programs		
	This amount was reached in 2009. € 25,000 was released to cover costs during 2010 and a further € 25,000 has been released to cover costs during 2011.		
12	While the IOPS is a non-tax paying organisation and accordingly would not normally accumulate a surplus or reserves, the Organisation was newly founded in 2004 with some uncertainty as to membership revenue and expenses in the first few years.		
	Accordingly, the decision was taken to build up some initial reserves which were to be drawn down over the coming years, spending on increased staff support and other expert and professional input into IOPS projects		
13	The World Bank classification has changed, but IOPS continued to use the old classification to avoid major changes for the individual countries in 2013.		
	The change of classification will become effective as of 2014.		