



Changes in the structure and governance of Hungarian pension supervision

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History

- 1993: Specialized authority established
- 2000: Integrated authority
- 2004: Two-level governance
- 2010: Without Board

The specialized supervision

- No Act on status
- Report to the Ministry of Finance
- President, two vice-presidents
 - Appointed by Minister
 - For 5 years
- Vice-president
 - Department for Supervision
 - Department for Licensing and Enforcement
- Plenty of new pension funds
- Staff: 40-50-60

The merger

- In 2000 from three independent agencies
 - Insurance sector
 - Banking sector and capital market
 - Pension funds
- Act on status
- President
 - Nominated by Prime Minister
 - Elected by Parliament
 - For 6 years
- Two vice-presidents
 - Nominated by Ministry of Finance
 - Appointed by Prime Minister
 - For 6 years

The integrated supervision

- President, two vice-presidents
- Vice-president
 - Directorate for Supervision
 - Department for Pension Fund Supervision
 - Directorate for Enforcement and Licensing
 - Department for Pension Fund Enforcement and Licensing
- Increasing assets and membership
- Declining number of funds
- First steps toward the risk-based supervision
- Main supervisory activity: on-site inspections

Two-level governance

- 2004
- Board and Cabinet
- Chairman of Board
 - Nominated by Prime Minister
 - Elected by Parliament
 - For 6 years
- Members of Board
 - Nominated by Prime Minister
 - Appointed by President of the Republic
 - For 6 years
- General director, and two deputy directors
 - Nominated by Minister of Finance
 - Appointed by Prime Minister
 - For 6 years

With Board

- Board

– General Director

- Deputy director

- Directorate for Insurance and Pension Fund Supervision

- » Department for Pension Fund Supervision

- » Department for Pension Fund Enforcement and Licensing

- Risk-based supervisory system introduced (step by step)

- Main supervisory activity: off-site inspections

Without Board

- 2010
- New status
- No Board, No General Director
- Report to Parliament
- President
 - Nominated by Prime Minister
 - Appointed by President of the Republic
 - For 6 years
- Two vice-presidents
 - Nominated by President of Authority
 - Appointed by Prime Minister
 - For 6 years
- Significant financial independence
- Financial Stability Council

Thank you for your attention