

THE INTERNATIONAL ORGANISATION OF PENSION SUPERVISORS (IOPS)

**SUMMARY RECORD FOR IOPS TECHNICAL COMMITTEE MEETING
HELD IN ISTANBUL IN NOVEMBER 2006**

21 March 2007

Amsterdam, Netherlands



INTERNATIONAL ORGANISATION OF PENSION SUPERVISORS SUMMARY RECORD IOPS TECHNICAL COMMITTEE MEETING

Wednesday, 21st March 2007

1. Administrative Issues

The Committee:

- Approved the summary record of the previous meeting IOPS/TC(2007)2;
- Approved the draft agenda IOPS/TC(2007)1;

2. Tour d'Horizon

The Committee:

- Was updated by members (Slovakia, Chile, Ireland, Italy, South Africa, UK) of recent developments in their countries' private pension supervisory systems. Presentations and related documents will be posted on the IOPS website.

3. Guidelines

The Committee:

- Heard presentations from Bulgaria and the Netherlands, contrasting their very different approaches to licensing and registration (available on the IOPS website);
- Discussed the Licensing Guidelines (IOPS/TC(2005)6/REV3), with comments received from Italy and the UK. Written comments should be submitted to the project leader and Secretariat **by the end of April 2007**. A final version of these guidelines, including comments, will be submitted to the Committee for approval at the Basel meeting in June, and to the OECD's WPPP at their meeting in July. The guidelines will then be open to public consultation (including being sent to relevant organisations such as the IAIS, CEIOPS and AIOS for comment) before official approval by Governing Members at the 2007 Annual General Meeting;
- Had an initial discussion of proposed IOPS guidelines for off-site and on-site supervision (IOPS/TC(2007)3 IOPS/TC(2007)4). Written comments are requested from members **by the end of April 2007**, with a fuller discussion of the guidelines to be held at the meeting in Basel.

4. Project Updates

The Committee:

- Received an update on the *'Information for DC members'* from project leader Italy. 18, very detailed, responses to the questionnaire have been gratefully received by the project leader (including document examples), and initial results will be presented in Basel.

- Received an update on the ‘*Cross-border supervision*’ project from team member UK. A consultant with industry experience has agreed to provide input into the project and a scope for the paper will be provided in Basel.
- Received an update on the ‘*Risk-based Supervision*’ project from the World Bank. 4 or 5 case studies on early adopters (Australia, , Denmark, Mexico Netherlands and possibly Canada) + an overview paper will be included in the joint World Bank/ IOPS publication which is due out in June 2007. The case studies are or will shortly be made available to members on the IOPS website. The overview paper will shortly be circulated to IOPS members for comments **by the end of 5th April 2007**. The Committee also received a first draft of a paper prepared by IOPS project team members (Croatia, Germany, Kenya, South Africa, UK), summarising their approach to risk-based supervision and highlighting problems encountered when moving to such an approach. The paper will be finalized by the project team for discussion at the Basel meeting. The case studies and summary paper may also be used for second World Bank/ IOPS publication on the topic, scheduled for the early 2008.

5. New Projects

The Committee:

- Discussed the outline for a new project on ‘*Good Governance of Pension Funds*’(IOPS/TC(2007)5), led by Hong Kong and working in conjunction with the OECD. The Committee decided to focus only on parts 1 + 2 of the outline, leaving the governance of the supervisory authority a potential topic for a stand alone project in future and to be covered in part by the supervisory structures project and questionnaire. The project leader requested flexibility on the timetable for the project, with part 2 (looking at the problems supervisors encounter in relation to pension fund governance and how these are overcome) once part 1 (providing details on the governance structures in IOPS member countries) has been completed. Further comments on the project outline are requested **by the end of April 2007**. An update on the timetable for the project and draft questions for part 2 will be discussed at the Basel meeting.
- Received an update on the project on ‘*Operational Risks within Pension Funds*’ from project leader Netherlands. Having done initial research on the topic, the project leader agreed to provide a draft paper on the topic for the meeting in Basel.
- Discussed an outline for the project on ‘*Review of Supervisory Systems*’ (IOPS/TC(2007)6) from the project leader UK. Comments on the draft questionnaire on supervisory systems are requested **by the end of April 2007**. Further clarification on how pension and supervisory systems will be classified will be provided in the June meeting.
- Received an additional project proposal looking at international costs and fees for DC funds from Mexico and Slovakia. An outline of this project will be provided by the project team at the Basel meeting.
- Received an additional project proposal from the Netherlands discussing how supervisors should react to pension fund investment in alternative assets. An outline of this project will be provided by the project leader at the Basel meeting.
- In addition, Poland and Chile will provide a project outline relating to annuitization at the Basel meeting.

6. Working Papers

The Committee:

- Discussed the draft Working Paper on ‘*Supervisory Education*’ (IOPS(2005)5/REV4), requesting a final edit of the paper before publication as the first in the IOPS Working Paper series. Final written comments on the paper should be submitted **by end of April 2007**.
- Discussed the draft Working Paper on *IT Utilization* (IOPS/TC(2005)15/REV4), requesting a final edit of the paper before publication as the second in the IOPS Working Paper series. Final written comments on the paper should be submitted **by end of April 2007**.
- Discussed the draft Working Paper on ‘*Pros and Cons of Integrating Pension Supervision with other Financial Activities*’ (IOPS/TC(2009)9/REV1). Germany and the UK requested that an additional, third categorization of supervisory approach (highlighting a ‘European’ approach between the Latin American and Anglo Saxon models) be included in the paper, with other minor editorial requests made by other delegations. Final written comments on the paper should be submitted **by end of April 2007**, after which the paper will be published as the third in the IOPS Working Paper series.

7. Other Issues

The Committee:

- Received an update on the development of the IOPS/ISSA/OECD database. IOPS members were thanked for providing detailed statistical data to the OECD’s Global Pension Statistics project, and that the country profiles for IOPS will be produced during the year. A few IOPS members who do not have regulatory profiles will be contacted by the ISSA and IOPS Secretariat. The supervisory section of the database will be compiled from responses to the supervisory structure questionnaire.
- Agreed to the following meeting schedule for 2007 and draft schedule for 2008:

2007

- 21 March Amsterdam, IOPS Committee meetings + 22-23 IOPS/ DNB pensions conference
- 1 June, Basel Switzerland IOPS Committee meetings (back to back with IAIS)
- **13 -16 November** 2007 IOPS Committee meetings + AGM + OECD/ IOPS Global Forum Beijing, China

2008

- Spring committee meetings in Europe
- June, Paris committee meetings (back to back with OECD WPPP)
- Autumn committee meetings, AGM and Global Forum – Mombassa, Kenya

