

THE INTERNATIONAL ORGANISATION OF PENSION SUPERVISORS (IOPS)

SUMMARY RECORD FOR IOPS TECHNICAL COMMITTEE MEETING

22-23 February, 2010

BIS, Basel



INTERNATIONAL ORGANISATION OF PENSION SUPERVISORS SUMMARY RECORD IOPS TECHNICAL COMMITTEE MEETING

Monday/ Tuesday 22-23 February, 2010

1. Administrative Issues

The Committee:

- approved the summary record of the previous meeting IOPS/TC(2010)1;
- approved the draft agenda IOPS/TC(2010)2.

2. Tour d'Horizon

The Committee:

- heard a presentation from the Belgian Delegation on developments and main challenges in the implementation of risk management policies/ models both at the level of private pension funds and supervisory authority (CBFA);
- received an update from the Dutch Delegation on the DNB/ government review and its preliminary conclusions being drawn on the state of health of the FTK system and robustness of supervisory oversight in the aftermath of financial crisis (main findings include the need to improve risk management clarify, the level of guarantees within the pension system);
- took note of the presentation from the Hong Kong Delegation, which sketched major results of the research conducted by the MPFSA on the performance of actively managed MPF equity funds and the examination of correlation of fee levels and performance of the MPF funds [the main findings suggesting that actively managed MPF funds did not deliver better returns than index funds and no provable relationship between fees and performance was established] ;
- held a roundtable discussion of the impact of the low interest rates on pension fund industry and governments/supervisory authorities' policies taken in this respect (the main impacts being on funding levels of DB plans with little impact on DC funds); invited Members to submit any further comments (including quantitative analysis) on the impact of interest rates on pension funds through the written process *by 15 March 2010*.

3. Principles and Guidelines

The Committee:

- heard presentations from the Dutch, Kenyan and Romanian Delegations on the results of their self-assessments vs. the IOPS Principles;
- received an update from the Secretariat on the summary report amalgamating and analyzing the results of nine self-assessments reports produced so far by IOPS members and some non-

member countries (IOPS/TC(2010)3); encouraged more countries to undertake self-assessment reviews and submit their results to the IOPS Secretariat;

- discussed the structure and the content of the revised text of the IOPS Principles (IOPS/TC(2010)4); requested the Secretariat to request comments from the IMF and World Bank on how the Principles could be revised to make them easier to integrate into Financial Sector Assessment Programmes (FSAPs); *Delegates were requested to submit written comments on the revised Principles by the 2nd April 2010;*
- heard a presentation from the IAA on their Enterprise Risk Management Note (including annex comments on application for pension funds);
- took note and discussed the main changes introduced to the revised IOPS/OECD Good Practices for Pension Funds' Risk-management (IOPS/TC(2009)14/REV1). *Delegates were requested to submit written comments on the good practices by the 2nd April 2010;*

4. Toolkit Update

The Committee:

- was updated by the Secretariat on revisions to the Toolkit modules (IOPS/TC(2008)17/REV3, IOPS/TC(2009)5/REV3, IOPS/TC(2009)6/REV3, IOPS/TC(2008)12/REV5, IOPS/TC(2008)13/REV4, IOPS/TC(2009)14/REV2.
- Took note of specific comments and suggestions for further improvements made by Delegates in relation to the Introduction to the Toolkit and its each model; *Delegates were requested to submit written comments on the Toolkit modules by the 2nd April 2010;*
- was updated by the Secretariat on how the Toolkit will be accessed (via dedicated website which is currently being developed) and the way the materials will be presented;

5. Other Project Update

The Committee:

- heard a presentation from the Slovakian delegation on their approach to supervision of DC pension funds;
- was updated by the Secretariat on the revision to the DC Supervision paper (IOPS/TC(2009)10/REV3). *Delegates were requested to submit written comments on the paper by the 2nd April 2010;*
- discussed and approved the *Questionnaire on Regulation and Supervision of Alternative Investments* (IOPS/TC(2010)5), subject to incorporation of specific Delegates' comments voiced at the meeting into the documents; agreed that the final version of the questionnaire would be sent to Delegates immediately after the meeting and should be completed by *2nd April 2010.*

6. Other Issues

The Committee:

- discussed the revised POW and approved the working projects for completion in 2010-2011 as detailed in (IOPS/AGM(2009)7/REV1);
- was informed on the publication of the Melbourne/ Mercer report ranking pension systems worldwide and decided not to provide any specific comments/reaction by the IOPS on this document;
- received an update from the OECD on their Financial Education Conference (held in Rio de Janeiro on 14-15 December 2009) and major areas of work undertaken within the framework of the OECD financial education project;
- noted the future meeting schedule:

2010

25th-26th February CIS, Kuakas, Central Asia Outreach Workshop on pension supervision, Istanbul, Turkey;

1st -2nd March Bilateral meeting with the Private Pension System Supervisory Commission (CSSPP) of Romania;

1st-2nd June Committee Meetings, OECD, Paris (back to back with the OECD WPPP);

2nd-4th November Committee Meetings +AGM + OECD/IOPS Global Forum on private pensions, Sydney, Australia [noted that APRA will be organizing a seminar for IOPS Members on Risk-Based Supervision back to back with the OECD/IOPS meetings];

2011

21st-23rd March (*date tbc*), Committee meetings + MENA Outreach Workshop, Amman, Jordan (*tbc*);

8th June (*date tbc*) Committee Meetings, OECD, Paris (back to back with the OECD WPPP);

24th -26th October, Committee meetings +AGM + OECD/IOPS Global Forum on private pensions, Cape Town, South Africa (back to back with the OECD Conference on Financial Education).

Interaction between the IOPS/IAIS Pension Coordination Group (PCG)

The Committee:

- heard the presentation from the World Bank Group (WB) on practical issues in relation to the preparation, launch/release and dissemination of the Core Curriculum Materials, jointly produced by the IAIS and the WB to provide non-commercial training materials for insurance supervisors and held a discussion on how this accumulated IAIS experience could be used/applicable in the final stages of the preparation of the IOPS Risk-Based Supervision Toolkit;
- noted a presentation from the IAIS on the ongoing work concerning the revision of the IAIS Core principles;

- held a joint discussion with the IAIS Pension Coordination Group on the ways to reinforce co-operation and achieve greater synergy between two Organisations;

Action Points

Members Involved	Deadline	Action Required
All members	15 th March 2010	Written comments/contributions on impact of low interest rates on pension funds should be submitted to the Secretariat
All members	2 nd April 2010	Comments on the revised IOPS Principles (IOPS/TC(2010)4) should be submitted to the Secretariat
All members	2 nd April 2010	Comments on <i>IOPS/OECD Good Practices for Pension Funds' Risk-management Systems (IOPS/TC(2009)14/REV1)</i> should be submitted to the IOPS Secretariat.
All members	2 nd April 2010	Comments on the report <i>Draft Summary of Self-Assessments vs. IOPS Principles</i> (Room Document 1 from Rio Technical committee meeting –available in the Members' area of the website) should be submitted to the IOPS Secretariat.
All members	2 nd April 2010	Comments on the revised Toolkit Modules (IOPS/TC(2008)17/REV3, IOPS/TC(2009)5/REV3, IOPS/TC(2009)6/REV3, IOPS/TC(2008)12/REV5, IOPS/TC(2008)14/REV5, IOPS/TC(2008)13/REV4) should be submitted to the Secretariat
All members	2 nd April 2010	Comments on the paper <i>Supervising DC Pensions</i> (IOPS/TC(2009)10/REV3) should be submitted to the Secretariat
All members	2 nd April 2010	Responses to the <i>Questionnaire on Regulation and Supervision of Alternative Investments</i> (IOPS/TC(2010)5/REV1) should be submitted to the Secretariat.