

THE INTERNATIONAL ORGANISATION OF PENSION SUPERVISORS (IOPS)

SUMMARY RECORD FOR IOPS TECHNICAL COMMITTEE MEETING

28th February, 2011

Amman, Jordan



INTERNATIONAL ORGANISATION OF PENSION SUPERVISORS SUMMARY RECORD IOPS TECHNICAL COMMITTEE MEETING

Monday 28th February, 2011

1. Administrative Issues

The Committee:

- **approved** the summary record of the previous meeting IOPS/TC(2011)1;
- **approved** the draft agenda IOPS/TC(2011)2.

2. Tour d'Horizon

The Committee:

- received updates from the Nigeria, Jordanian and Dutch delegations. Hong Kong and South Africa also provided brief updates.
- discussed the recent court case in the Netherlands regarding the level of asset allocation to gold and the implications for the prudent person rule for investment.

3. Principles and Guidelines

The Committee:

- discussed the revised version of the Good Practices on Pension Funds' Use of Alternative Investments and Derivatives (IOPS/TC(2010)16/REV1). **Written comments on the document were requested by 29th April 2011.**

Written comments have also been requested in parallel from the OECD WPPP. A revised version incorporating comments from both organisations will be presented at the joint meeting in Mexico in June.

- discussed the Pension Fund Use of Alternative Investments and Derivatives: Regulation, Industry Practices and Implementation Issues paper (IOPS/TC(2010)9/REV2).

This paper now represents the combination of two papers: (1) summary of responses from the questionnaire on the regulatory framework and market practices relating to pension use of alternative investments and derivative instruments, and (2) the paper from the Netherlands on implementation of investments in pension funds, which substantially referred to the questionnaire responses.

Whilst the content of the paper was **approved**, the committee **agreed** that the paper required restructuring in order to make it suitable for publication. The committee **approved** the IOPS Secretariat to restructure the paper and present a revised version at the next meeting.

Written comments comments on the document were requested by 29th April 2011

- **agreed** that the paper on Efficient Information Collection (IOPS Working Paper 14) was **approved** for publication with minor changes. The Secretariat will undertake a final review of the paper and will prepare it for publication.

4. Project Update

The Committee received also an update from the United Kingdom delegation regarding their new organisational structure and discussed its implications for supervision of pension funds.

The Committee:

- discussed an incomplete draft version of the paper on the Structure of Pension Supervisory Authorities: Using Risk-based Supervision in a Post Financial Crisis Environment (IOPS/TC(2010)15/REV1). **Written comments on the document were requested by 29th April 2011.**

A revised version of the paper will be presented at the next meeting.

- discussed the Role of Pension Supervisory Authorities in the Provision of Information and Financial Education – which have been combined to present one paper (IOPS/TC(2010)17/REV1). **Written comments on the document were requested by 29th April 2011, particularly feedback on the impact of awareness campaigns around the financial crisis and the further detail on synthetic cost indicators.**
- watched TV campaigns previously launched in Chile and Turkey to encourage long-term savings. These will be made available on the IOPS website.

5. New Project Outlines

The Committee:

- discussed an outline for Pension Supervisory Oversight of Financial Intermediaries project (IOPS/TC(2011)3) presented by the project leader South Africa. **Agreed** that the project leader would prepare a questionnaire of the first part of the paper relating to the structure of intermediaries to be send to members.

Written comments on the document were requested by 29th April 2011;

- received an update on the development of case study material on risk-based supervision which the Secretariat will prepare for later in the year. **Written comments on the regarding the case study were requested by 29th April 2011;**
- discussed the use of IOPS Principles in FSAP assessments and the possibility of IOPS providing expertise in assist in undertaking assessments;
- noted that the the backend content management system of the RBS Toolkit website is now operational;
- noted that the IOPS Facebook page has been established, it is easy to use and is not time consuming, although the page requires more followers;
- noted that the Secretariat will begin to use the new administration management system – Clearspace

6. Other Issues

The Committee:

- was briefed by the IAIS on the review of their Core Principles and specifically how the changes might affect the pensions sector.
- noted the future meeting schedule:

2011

1st-2nd March MENA Outreach Workshop, Amman, Jordan;

5-6th May, Supervisory reform support meeting, Nigeria

6-8th June – June Committee Meetings, (back to back with the OECD WPPP) Mexico City, Mexico, (including IPPC meetings held on 9-10th June);

5-6th September, RBS Workshop, Lima, Peru

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).

2012

- 1ST Quarter (*date tbc*) committee meetings London, UK
- *Date tbc* possible coordination seminar with IAIS and IOPS
- 6th June (*tbc*) committee meetings, Paris (back to back with OECD WPPP)
- 2nd Half (*date tbc*) Committee meetings + AGM + OECD/ IOPS Global Forum, Chile (*tbc*)

Action Points

Members Involved	Deadline	Action Required
All members	29 th April, 2011	<ul style="list-style-type: none"> • Comments on the revised Good Practices on Pension Funds' Use of Alternative Investments and Derivatives (IOPS/TC(2010)16/REV1) should be submitted to the IOPS Secretariat.
All members	29 th April, 2011	<ul style="list-style-type: none"> • Comments, including statistical/factual updates on the revised Pension Fund Use of Alternative Investments and Derivatives: Regulation, Industry Practices and Implementation Issues paper (IOPS/TC(2010)9/REV2) should be submitted to the IOPS Secretariat.
All members	29 th April, 2011	<ul style="list-style-type: none"> • Comments on Structure of Pension Supervisory Authorities: Using Risk-based Supervision in a Post Financial Crisis Environment (IOPS/TC(2010)15/REV1) should be submitted to the IOPS Secretariat. • Requested to provide information about the categorisation of their supervisory authority to populate Table 1 of the paper • Volunteer to provide a case study for the paper
All members	29 th April, 2011	<ul style="list-style-type: none"> • Comments on DC Information Project Part II / Financial Education projects – which have been combined to present one paper (IOPS/TC(2010)17/REV1) should be submitted to the Secretariat. • Consider offering expertise within their supervisory authority with respect to the development of synthetic cost indicators. • Provide further information regarding the impact of their financial education campaigns.
All members	29 th April, 2011	<ul style="list-style-type: none"> • Comments on Pension Supervisory Oversight of Financial Intermediaries project (IOPS/TC(2011)3) should be submitted to the Secretariat
All members	29 th April, 2011	<p>Comments on case study on risk-based supervision in the following areas:</p> <ul style="list-style-type: none"> • Particular areas / issues of interest to be covered by the case studies • Any interesting case study material that could be used in the case study or used to build from. <p>Comments should be submitted to the Secretariat</p>