



IOPS ANNUAL REPORT 2013

Activities from January 2013 to December 2013
2012 Financial Statements



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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 over 75 Members and Observers representing supervisory bodies from around 70 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



Ross Jones
Former President of IOPS

HIGHLIGHTS

In 2013 IOPS has expanded its cooperation with individual members and also with external organisations which have an interest in pension supervision. In March our meeting was hosted by the Romanian Private Pension System Supervisory Commission (CSSPP) in Bucharest. The meetings were followed by a one-day seminar entitled “Pension Developments in the Central and Eastern European Region”, organised together with PensionsEurope (formerly EFRP). The seminar attracted a lot of interest, gathering not only delegates from regulatory and supervisory authorities, but also academics and industry representatives from the CEE region, a region which has seen frequent reforms in recent years.

As usual, we held our meetings in Paris back-to-back with the OECD Working Party on Private Pensions in June. The meetings were followed by the 11th edition of the International Workshop on Pension, Insurance and Savings hosted by Université Paris Dauphine. The seminar addressed a number of interesting topics, such as risk sharing and distribution among generations, the macroeconomic aspects of ageing and retirement in developed and developing countries, pension fund investment governance, regulation and Solvency II for insurance and pension plans and amongst others.

In 2013 we again held an outreach event. At the request of our Kenyan colleagues of the Retirement Benefits Authority (RBA), we organised in September a workshop in Nairobi, Kenya, entitled ‘Strengthening private pension systems in Africa through effective supervision’. This was hosted by the Retirement Benefits Authority (RBA) in Kenya and co-organised with Making Finance Work for Africa (MFW4A). The event benefited from the attendance of a large number of high-level delegates from African continent, both IOPS member and non-member countries, and from the attendance of independent experts and experts of the East African Community. The workshop addressed a number of topics of particular interest for the delegations, such as pension reforms in the African context.

The Annual General Meeting was held this year in November in Seoul, Republic of Korea, hosted by the two Korean IOPS member authorities, the FSS (Financial Supervisory Services) and FSC (Financial Services Commission). The IOPS committee meetings and AGM were followed by the OECD/IOPS Global Forum on Private Pensions ‘Asian Pensions – Lessons for the World’ that benefited from the knowledge and expertise of numerous Asian speakers and delegations. At this

event several important topics were addressed, such as balancing social security and private provision to ensure retirement income security in Asia, the role of annuities in the pay-out phase, the role of supervisors in pensions and consumer protection, the governance and structure of pension supervisory authorities as well as issues related to long-term investing.

I would like to thank all of those that took part in our meetings, and, in particular, our hosting authorities for their initiative in requesting such events. Having taken part in these workshops myself, I can report that participants appreciate the outreach work undertaken by the IOPS and the opportunity to engage with and learn from the experience of their counterparts around the world.

In respect of the subjects developed by IOPS, work was continued on the innovative topics initiated in the 2013 programme of work. Such subjects include the Technical Committee paper on fees and charges, and the paper on stress tests and scenario analysis of DC pensions. This paper in particular, addresses a challenging topic due to the scarce evidence and use of such tests in DC-pension system jurisdictions.

Two new projects were also commenced in 2013. The topic of 'supervising auto-enrolment' was of particular interest to IOPS members who have witnessed a number of countries recently resorting to this policy instrument in order to address the problem of coverage. It was also decided to undertake a project on, 'supervising distribution of annuities and other pay-out products' as a follow up to previous IOPS work done on defaults.

As a standard-setting body, the IOPS members have recently endorsed and approved for publication the 'IOPS Good Practices for Governance of Pension Supervisory Authorities'. This document is intended to be a non-binding recommendation for IOPS members in terms of the governance of pension supervisory authorities, and builds on the relevant experience shared by all IOPS member authorities.

MEMBERS

The IOPS has maintained its membership base during 2013, which consists of around 75 members and Observers. New members joining during the year include the Bank of Papua New Guinea and the Superintendence of Pensions of the Dominican Republic.

Our goal for 2014 is to extend our contacts 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 encouraged other pension supervisory authorities to join 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 our goal of extending our coverage during 2014.

I would particularly like to convey our special thanks to Mr. Paul Cavelaars for the effort he has put into his work both as an IOPS Delegate and as IOPS Treasurer. Mr. Cavelaars will be replaced as IOPS Treasurer by his colleague from the DNB, Mr. Dirk Broeders. Consequently we would like to welcome Mr. Broeders as the new IOPS Treasurer and wish him good luck in his new position.

MEETINGS

The following meetings were held during 2013:

- Executive and Technical Committee meetings; 27 February – Bucharest, Romania; 5 June – Paris, France; 4 November – Seoul, Republic of Korea;
- Annual General Meeting, 5 November – Seoul, Republic of Korea;
- IOPS/PensionsEurope Seminar: Pension Developments in the Central and Eastern European Region – 1 March, Bucharest, Romania;
- IOPS/MFW4A/RBA Workshop: Strengthening private pension systems in Africa through effective supervision – 4-5 September, Nairobi, Kenya.



IOPS/MFW4A/RBA Workshop: Strengthening private pension systems in Africa through effective supervision, 4-5 September, Nairobi, Kenya

AIMS

The Organisation successfully worked towards fulfilling a range of aims and objectives during 2013, including the following:

AIM	Achievement 2013
<i>Standard setting body on pension supervisory issues</i>	The latest draft of the “IOPS Good Practices for Governance of Pension Supervisory Authorities” was discussed during the June meetings in Paris and members agreed to make it available for public consultation during the months of July and August. The revised version, including the comments received through the process of the public consultation was circulated for approval at the Seoul Technical Committee meeting and was endorsed by the IOPS Members at the Seoul AGM.
<i>Worldwide forum for dialogue and exchange</i>	<p>The IOPS organised jointly with Europe’s pension fund industry association, PensionsEurope (formerly EFRP), a seminar held in Bucharest, Romania, on pension developments in the CEE region. The event gathered the supervisors from IOPS Member countries and private sector representatives from the European region and offered an excellent opportunity for a fruitful discussion and exchange of views on the major challenges for the development of sustainable private pension systems.</p> <p>The IOPS organised jointly with Making Finance Work for Africa (MFW4A) one successful outreach meeting for the African countries.</p> <p>The joint OECD/IOPS Global Forum was organised in Seoul, Republic of Korea.</p>
<i>Participate in work of relevant international bodies</i>	<p>The IOPS initiated collaboration with Making Finance Work for Africa (MFW4A), part of the African Development Bank Group by co-organising the outreach event held in Kenya in September. We hope that this new collaboration will continue in the future and will have fruitful results for the improvement of the overall pension systems and their regulatory and supervisory regimes in the African countries.</p> <p>The IOPS is delighted to announce the initiative of AIOS (Asociación Internacional de Organismos de Supervisión de Fondos de Pensiones) to adopt the IOPS Principles of Private Pension Supervision. The Principles were translated into</p>

	<p>Spanish and are expected to guide the AIOS Members in the development of sound private pension supervisory regimes. We consider this to be an excellent opportunity for the IOPS to achieve greater visibility and to promote globally our organisation's standard setting activities. It is hoped that having adopted the Principles, the AIOS may also consider translating into Spanish and disseminating among its Members other IOPS guidelines and good practices.</p> <p>Regular updates on the IOPS Programme of Work were provided to our European counterparts EIOPA 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 continues to receive input from relevant authorities in order to update and add material to the website dedicated to the Toolkit on Risk-based Supervision.</p> <p>The IOPS continued to build 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 Seoul Committee meetings.</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>In addition to regional IOPS members, the regional workshop in Kenya was attended by non-member delegations from Burundi, Mozambique and Uganda.</p> <p>The IOPS Committee Meetings and Conference in Bucharest, Paris and Seoul saw attendance from non-member countries such as Estonia, Lithuania, Croatia, Japan, Malaysia, Morocco, Russian Federation, Switzerland, Uganda and Ukraine. These countries would be warmly welcomed as IOPS Members in the future.</p>

Develop database of private pension and supervisory systems worldwide	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.
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RELATIONS WITH OTHER ORGANISATIONS

The IOPS continued to work closely with other organisations during 2013.

- **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 Seoul, Republic of Korea. 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 OECD Taskforce on Financial Consumer Protection, the Taskforce on Pension Statistics and the 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 work closely via the IAIS Pensions Coordination Group to ensure that overlaps are avoided and synergies exploited. The two organisations regularly provide each other with updates on finalised projects and other work in progress. A joint seminar is planned to be organised by the IOPS and the IAIS Pensions Coordination Group next year, back to back with the Technical Committee Meeting to be held in Reykjavik, Iceland, on 28 February 2014.
- **AIOS:** have expressed their intention to adopt the IOPS Principles and have translated them into Spanish. It is hoped that after this initiative, the AIOS may also consider translating into Spanish and disseminating among its Members certain IOPS guidelines and good practices.
- **EIOPA:** the IOPS and EIOPA provide regular updates of each other's work.

FUTURE MEETINGS

2014

- 27-28 February, Committee Meetings and seminar in Reykjavik, Iceland
- 2-4 June, Committee Meetings, Paris, France (back to back with OECD WPPP)
- October/November (tbc), Committee Meetings, AGM & OECD/IOPS Global Forum, Windhoek, Namibia

I confirm my resignation from the position of IOPS President which is effective of 5 June 2013. The reason for my resignation is that I completed ten years as the Deputy Chair of APRA on 30 June 2013 and did not wish to be renewed.

The Vice-president of the Organisation, Dr. Edward Odundo, acted as IOPS President until the Annual General Meeting in Seoul, Republic of Korea, when elections were held.

As a result of the elections, Dr. Odundo is the new IOPS President. I would like to extend my congratulations to him and wish him all the best in his new position in the Organisation.



Dr. Edward Odundo
(newly elected) President of IOPS

Finally I would like to make some brief personal comments in this, my final Report as President. The IOPS serves an extremely valuable global function in facilitating and promoting best practice in private pension supervision, a function that will only become more relevant and important in the future. It has been an honour and a privilege to serve the IOPS and I thank Members and the IOPS Secretariat for their commitment to our organization.

A handwritten signature in black ink, appearing to read 'Ross Jones'.

Ross Jones
President of IOPS



Report by the Chair of the Technical Committee

Solange Berstein

Chair of the IOPS Technical Committee

The IOPS continued to build a substantial body of work during 2013, creating a busy year and full meeting agendas for the Technical Committee¹. Once again, the work of the Organisation was led by its Members and I would like particularly to thank those who drafted, edited and supplied input for the Working Papers released this year.

I would like to encourage any Members who have not yet joined a project team to do so. Contributions from all of the different types of pension and supervisory systems, in whatever stage of development, are always of interest to the Membership and can contribute greatly to the research and understanding to which our projects aspire.

During the Technical Committee meetings, interesting presentations were given by Members on developments in their pension systems and supervisory approaches. The Tour d'Horizon has proved an enlightening part of the meetings, which we shall continue in future. Again, delegations who would like to present interesting aspects of their supervisory approach to other members are encouraged to do so in future.

PROGRAMME OF WORK (POW) 2013-2014

PRINCIPLES AND GUIDELINES

IOPS Good Practices for Good Governance of Pension Supervisory Authorities:

The IOPS has worked intensively during the year to finalise the draft IOPS Good Practices for Good Governance of Pension Supervisory Authorities. After receiving valuable comments from IOPS members during the meetings which took place throughout the year, the IOPS launched a public consultation during the summer, receiving highly prized input from various international sources. The final version of the IOPS Good Practices was endorsed by the IOPS Members at the AGM in Seoul.

RESEARCH AND PUBLICATIONS

During 2013, 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.

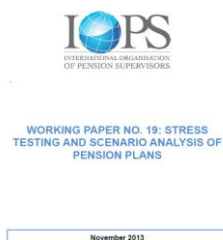
¹ Please note that participation in Technical Committee meetings is open to all IOPS members.

The IOPS continued working on the challenging projects started in previous years. These refer to the analysis of fees and charges and the issue of cross-country comparison and to the paper on stress testing and scenario analysis of DC pension plans. The IOPS has also launched work on two new projects – supervising auto-enrolment and supervising the distribution of annuities and other pension pay-out products.

The IOPS welcomes submissions from IOPS Members 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.

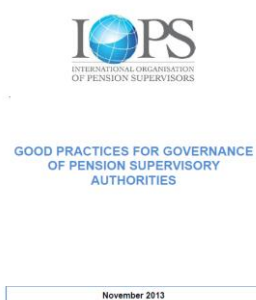
IOPS Working Papers present the results of research and policy analysis conducted throughout the year. They are developed with the important input and assistance of Technical Committee members, and are circulated to encourage discussion and comment and feed policy debate in their respective jurisdictions.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

WORKING PAPER NO. 19: Stress Testing and Scenario Analysis of Pension Plans



Abstract: Stress testing has only recently been introduced to the pensions sector in some countries. Practices also vary depending on the type of pension plan supervised (DB, DC or hybrid). There are few experiences of stress testing DC plans. This paper presents the initial results from a survey of stress testing practices among IOPS member countries and provides some reflections on whether and how stress testing could be applied in DC plans. In addition to the technical aspects of stress testing, the paper dwells on the governance requirements for stress testing, drawing some conclusions and lessons for pension supervisors as they introduce and develop their own techniques.

Good Practices for Governance of Pension Supervisory Authorities



Abstract: Promoting good governance has been at the heart of on-going reform efforts in many countries in recent years, resulting in extensive research as well as the adoption of national and internationally recognised standards and principles on the topic. Adherence to good governance practices by private pension funds (and other financial institutions responsible for managing and administering private pensions) and also by public authorities involved in their regulation and supervision is essential to strengthen private pension systems and enhance public confidence in the oversight process. Recognising the crucial importance of good governance for pension supervisory authorities as highlighted in the IOPS Principles of Private Pension Supervision² (November 2010), the IOPS has developed good practices as guidance for its Members and other pension supervisory authorities.

² IOPS Principles of Private Pension Supervision, www.iopsweb.org.

PROJECTS

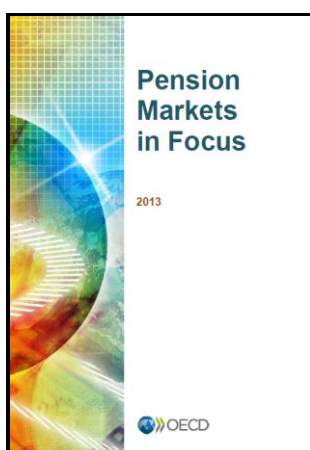
In addition to the projects outlined above, the IOPS continued work on the following projects during 2013, which are expected to reach completion during the coming years:

- ***Supervising the distribution of annuities and other pension pay-out products:*** The aim of the paper is to analyse how annuities and other pension pay-out products are distributed in IOPS Member countries. The paper seeks to find out what the main challenges encountered by pension plan beneficiaries are and what approaches pension supervisors take to respond to them. Annex 1 of the draft paper includes the updated descriptions of the central quotation systems in Chile and in the UK.
- ***Supervising auto-enrolment:*** The paper focuses on the role of pension supervisory authorities when auto-enrolment programmes are being developed and implemented and the main challenges encountered when overseeing compliance with auto-enrolment legal requirements. The study draws on the experience of a relatively small number of countries that have introduced auto-enrolment programmes (Chile, Italy, New Zealand, the United Kingdom and the United States) and provides a cross-country analysis of the main supervisory responsibilities and challenges encountered, supported by several in-depth country' case studies.

OTHER

Work on updating the ISSA/IOPS/OECD database continued during 2013. 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 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 statistical data/information as a part of the joint OECD/IOPS statistical data collection exercise.



2013 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.



Solange Berstein
Chair of the IOPS Technical Committee



Report of the Secretariat

André Laboul
Secretary General of IOPS

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 2013 Liviu Ionescu continued his work in the IOPS Secretariat. I would like to thank the Romanian Financial Supervisory Authority, for their generous and kind support of the Organisation by extending Liviu's secondment until the end of 2013. The Secretariat looks forward to receiving a new secondee in 2014.

On behalf of our Organisation and its Members, I would like to thank Mr Ross Jones, who served as President of IOPS for six and a half years, for the total commitment and dedication shown towards the Organisation and for the excellent work and enthusiasm during his three mandates as President. The IOPS has grown tremendously under his strong leadership, both in terms of members, but also in terms of making the Organisation one of the leading international standard-setting bodies in the global world of pensions, playing a key role in facilitating policy dialogue between pension supervisors.

Elections were organised for the position of the IOPS President and in this respect, I would also like to take the opportunity to congratulate Dr Edward Odundo, CEO of the Retirement Benefits Authority of Kenya for his election as IOPS President, and Mr Edgar Robles Cordero, Superintendent of the Pensions Superintendence of Costa Rica for his election as the IOPS Vice President.

I would also like to welcome Mr Dariusz Stańko who joined the IOPS Secretariat in June 2013. Before being appointed in the Secretariat, Mr. Stańko was an economics professor at the Warsaw School of Economics in Poland.



Dariusz Stańko
IOPS Secretariat

MAIN TASKS COMPLETED DURING 2013

DOCUMENTS

The Secretariat drafted two Working Papers in 2013: Working Paper No. 19: Stress Testing and Scenario Analysis and Working Paper No. 20 Update on IOPS Work on Fees and Charges. The Secretariat finalised the IOPS 'Good Practices for Governance of Pension Supervisory Authorities'. A public consultation was held during the summer and the final version of the document was submitted for approval and endorsement by the IOPS Members at the Seoul AGM meeting.

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 organization: supervising auto-enrolment and distribution of annuities. The Secretariat further assisted in the collection and dissemination of documents for other IOPS projects undertaken during 2013.

Building of the on-line electronic research library continued during 2013. 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 2013 Annual Report.

MEETINGS

The Secretariat played a key role in the organisation of the OECD/IOPS Global Forum on Private Pensions held in Seoul, Republic of Korea on 5-6 November 2013. Marketing of the conference by the Secretariat helped to ensure that this annual event continued to attract a wide ranging audience. Indeed, some 46 countries were represented at the Global Forum and resulted in Delegations, not only from the Asia region but worldwide, expressing an interest in becoming IOPS members in the future.

The Secretariat also organised the IOPS outreach event on the African continent in Nairobi, Kenya on 4-5 September 2013. The IOPS Acting President and the Secretariat were joined by IOPS regional members, and other regional representatives, to take part in lively and extremely well received meetings, covering the practical topics of governance, supervision, infrastructure and other relevant topics to the supervisory authorities in the area.

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 Seoul, Republic of Korea on 4-6 November 2013.

Support was additionally provided for the Chairpersons of the committees.



OECD/IOPS Global Forum on Private Pensions
5-6 November 2013, Seoul, Republic of Korea

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 academic forum with the OECD and Dauphine University in Paris in June.

The Secretariat represented the IOPS at the meeting of the OECD Task Force on Financial Consumer Protection and the OECD Task Force on Institutional Investors and Long-Term Financing and provided input to guidelines and work being developed on the topics.

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

The IOPS Secretariat continues to coordinate with the IAIS's Pensions Coordination Group and provides a regular exchange of updates with these colleagues. The two organisations are organising a joint seminar in Reykjavik, Iceland, back to back with the February IOPS Committee meetings.

The Secretariat was also in contact with the Secretariat of the FSB, with the objective of strengthening cooperation between the two bodies. This included providing feedback from IOPS Members on the FSB Principles for Reducing Reliance on Credit Rating Agencies.

The IOPS continues to work closely with our counterparts in Europe (EIOPA) and Latin America (AIOS). We are delighted to announce the proposal made to our Organisation by AIOS regarding the adoption of the IOPS Principles and their translation into Spanish.

ADMINISTRATION AND OTHER

The Secretariat continued its work during 2013 to build the IOPS membership base, contacting and following up with potential members. The regional workshops in particular proved fertile ground for making new contacts. New members from Honduras, Romania, Switzerland and Uganda will join the Organisation in 2014.

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 IOPS President and members of the Executive Committee at the Seoul AGM meeting.

Finally, the Secretariat continued to update and develop the IOPS website, as well as launching and regularly updating social networking groups for IOPS via the new Clearspace site and Facebook.



André Laboul
Secretary General IOPS

Executive Committee Members 2013

IOPS President and Chair of Executive Committee

Mr. Ross Jones	Deputy Chairman, Australian Prudential Regulatory Authority (former from 5 June 2013)
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

Mr. Edgar Robles Cordero	Superintendent, Pensions Superintendence of Costa Rica (elected as new Vice President on 5 November 2013)
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Elected in 2011 to serve until 2013

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)
Jordan	Insurance Commission
Romania	Financial Supervisory Authority

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	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

IOPS Members and Observers 2013

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	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
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 Board
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 (CON SAR)
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
Palestine	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
Serbia	National Bank
Slovak Republic	National Bank
South Africa	Financial Services Board (FSB)
Spain	Ministry of Economy and Competitiveness
Suriname	Central Bank
Swaziland	Office of the Registrar of Insurance and Pension Retirement Funds
Tanzania	Social Security Regulatory Authority
Thailand	Securities and Exchange Commission
Trinidad & Tobago	Central Bank
Turkey	Pension Monitoring Center
Turkey	Undersecretariat of the Treasury
United Kingdom	The Pension Regulator (TPR)
Zambia	Pension and Insurance Authority

Associate Members

Panama	Civil Servants' Pension and Saving Plan (SIACAP)
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)	
PensionsEurope	
International Actuaries Association (IAA)	<i>Reciprocal Membership</i>
Finnish Centre for Pensions	

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Report of the Treasurer



Paul Cavelaars
IOPS Treasurer 2012

SUBJECT:

IOPS ACCOUNTS AS OF 31 DECEMBER 2012

Dear Governing Members,

The International Organisation of Pension Supervisors (IOPS) experienced a significant increase in membership fee income, from 362,459 euro in 2011 to 448,095 euro in 2012. This is explained by the 10% increase in the membership fee that was decided upon earlier combined with an expansion of our membership base.

As regards costs, the main expense item during 2012 continued to be the Secretariat support provided by the OECD under the official partnership between both our organisations. The amount involved was 296,860 euro in 2012, almost unchanged from the previous year.

Conference and meeting expenses were 72,850 euro in 2012, up from 62,800 euro in the previous year. The IOPS held Executive Committee and Technical Committee meetings in London, Paris and Santiago de Chili. The Annual General Meeting and joint OECD/IOPS Global Forum also took place in Santiago de Chili. Furthermore, regional workshops were held in Macedonia and Brazil.

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 17,126 euro has been transferred to the contingency reserve in order to stay in line with our target after the increase 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 2012.

On balance, IOPS ran an operating surplus of 43,503 euro for the calendar year 2012. This implies an increase in the IOPS assets to 184,577 euro at the close of 2012, leaving IOPS in a stable financial position.

A handwritten signature in blue ink, appearing to be 'Paul Cavelaars'.

Paul Cavelaars
Treasurer

The International Organisation of Pension Supervisors
Dated: 3 June 2013

2012 Members Payments

Albania	India	Mexico	Turkey (Treasury)
Armenia	Indonesia	Namibia	Turkey (PMC)
Australia	Israel	Netherlands	United Kingdom
Austria	Ireland	Nigeria	Zambia
Belgium	Isle of Man	Norway	The World Bank
Bulgaria	Italy	Palestine	ACLI
Brazil	Jamaica	Peru	Finland
Cayman Islands	Jordan	Poland	EFRP
China	Kazakhstan	Portugal	Panama
Chile	Kenya	Romania	South Africa (Ministry for Social Development)
Colombia	Korea	Rwanda	
Costa Rica	Kosovo	Serbia	
Czech Republic	Lethoso	Slovak Republic	
Egypt	Liechtenstein	South Africa	
France	Luxembourg	Spain	
Germany	Malta	Suriname	
Ghana	Maldives	Swaziland	
Gibraltar	FYRO Macedonia	Tanzania	
Hungary	Malawi	Thailand	
Hong Kong	Mauritius	Trinidad & Tobago	



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

Neuilly-sur-Seine, 5 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 2012 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 2012, in accordance with International Financial Reporting Standards.

A handwritten signature in black ink, appearing to read 'J.P. Mion', with a long horizontal flourish extending to the left.

**Jean-Pierre MION
Partner**

International organisation of pension supervisors (IOPS)			
Statement of financial position			
As per 31 December 2012			
Assets	Notes	2012 (Euro)	2011 (Euro)
Cash at bank		65 318	64 023
Short term deposit		116 259	114 256
Interest accrued		-	1 004
Sundry debtors and prepayments	7	16 500	3 104
Total		<u><u>198 077</u></u>	<u><u>182 388</u></u>
Liabilities and net assets			
Prepaid membership fees	9	-	22 000
Accrued expenses	8	13 500	19 315
Total liabilities		<u><u>13 500</u></u>	<u><u>41 315</u></u>
Net Assets		<u><u>184 577</u></u>	<u><u>141 072</u></u>
Unrestricted Net Assets & Reserves			
Retained earnings before transfer		43 580	48 573
Changes in unrestricted net assets for the current year		43 503	-
		<u>87 084</u>	<u>22 579</u>
Transfer from Special Reserve	11	-	25 000
Transfer to Contingency Reserve	10	- 17 126	- 3 999
Retained Earnings after transfer		<u>69 958</u>	<u>43 580</u>
Special Reserve		25 000	25 000
Contingency Reserve		89 619	72 492
Total Funds		<u><u>184 577</u></u>	<u><u>141 072</u></u>

International organisation of pension supervisors (IOPS)			
Statement of activities			
For the year ending 31st December 2012			
CHANGES IN UNRESTRICTED NET ASSETS			
	Notes	2012 (Euro)	2011 (Euro)
Revenue and gains			
Membership fees		448 095	362 459
Interest		1 022	2 880
Total unrestricted revenue and gains		<u>449 117</u>	<u>365 338</u>
Expenses			
Audit	6	6 997	7 077
Bank fees and charges		1 731	855
Secretariat support costs		20 176	18 000
OECD administration	4	296 860	296 093
Conference expenses	5	72 850	62 800
Subscriptions		-	-
Publishing Costs		7 000	6 507
Total expenses		<u>405 614</u>	<u>391 332</u>
CHANGES IN UNRESTRICTED NET ASSETS		<u>43 503</u>	<u>- 25 994</u>

INTERNATIONAL ORGANISATION OF PENSION SUPERVISORS (IOPS)

NOTES TO THE FINANCIAL STATEMENTS

Year ending 31 December 2012

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:

296 860	Grant provided to meet secretariat and administrative support services, technical and liaison support.
<u>296 860</u>	

5 CONFERENCE FEES

The IOPS held three sets of meetings in London, Paris and Santiago de Chile and two regional workshops in Macedonia and Brazil.

85 025	Total expenses paid in 2012
<u>-12 175</u>	Conference expenses South Africa 2011
<u>72 850</u>	

6 AUDIT

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

7 SUNDRY DEBTORS AND PREPAYMENT

Consist of the following amounts:

16 500	Outstanding membership fees from Lesotho, Botswana, Pakistan, Ukraine.
<u>16 500</u>	

INTERNATIONAL ORGANISATION OF PENSION SUPERVISORS (IOPS)

NOTES TO THE FINANCIAL STATEMENTS

Year ending 31 December 2012 (continued)

8 ACCRUED EXPENSES

Consist of:	7 000	Audit fee based on 2011
	6 500	Outstanding meeting costs
	<u>13 500</u>	

9 PRE-PAID MEMBERSHIP FEES

Consist of:	<u>-</u>	No 2013 membership fee received in 2012
	<u>-</u>	

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 €17,127 was transferred from Retained Earnings

This amount has been transferred from Retained Earnings and is reflected as a decrease on the opening retained earnings figure in the balance sheet.

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.