

THE INTERNATIONAL ORGANISATION OF PENSION SUPERVISORS (IOPS)

IOPS CONSULTATION PROCESS

ANNUAL GENERAL MEETING
7 December 2006
Istanbul, Turkey

International Organisation



of Pension Supervisors

INTERNATIONAL ORGANISATION OF PENSION SUPERVISORS

IOPS

Consultation Paper Number 1

IOPS welcomes comments from its members and all other interested organisations and governments on the following draft “Statement of Consultation Practices”. Please send your comments by email to the secretariat, Andre.Laboul@oecd.org by ... (*date*) IOPS will make all comments available on its website, except where respondents specifically request that their comments remain confidential.

Draft

Statement of Consultation Practice

1. Having regard to the Articles of Association of the IOPS and in particular the provisions of Article II to:
 1. Set standards and promote international principles;
 2. Promote international co-operation;
 3. Provide a worldwide forum for policy dialogue;
 4. Promote conduct and facilitate the distribution and communication of research; and
 5. Collect information pertaining to pension supervisory issues or to regulatory issues related to pension supervision, in co-operation with relevant international bodies.
2. Recognising also that:
 1. many of the work programs in which IOPS will be engaged will require IOPS to be involved in an appropriate process for consulting its own members, other international organisations and institutions, trade associations, and educational or academic institutions, that have or may have an interest or expertise in the work;
 2. the Articles of Association contain little guidance on how, when and if IOPS should engage in consultation; and
 3. the partnership agreement between IOPS and the OECD requires, at paragraph 9 of Part IV, that IOPS and the OECD should consult with each other from the early stages of development of their respective work programs on pension regulatory and supervisory issues to try to avoid the duplication of work;
3. The Executive Committee of the International Organisation of Pension Supervisors has approved the following “Statement of Consultation Practice”.

Statement of Consultation Practice

1. To the extent that consultation is not required under the Articles of Association or under any agreements, including with the OECD and IAIS, consultation by the IOPS will be voluntary. Bearing in mind the need for flexibility, the IOPS will be guided by the general guidelines outlined in this document, which will apply to any consultation undertaken by the IOPS on its work.

2. When the IOPS decides to open its work to consultation outside the organisation the consultation should be intended to help progress the work and the aims of IOPS. For example the consultation should help to:

1. build consensus where possible between all interested and affected parties on what supervisory or regulatory practice is appropriate;
2. improve and build on areas of good practice;
3. identify and address areas for improvement; and
4. avoid duplication of work.

3. The questions that should underpin any IOPS consultation work are:

1. Who?
2. What?
3. Why?
4. How?
5. When?

3.1 Who?

- The IOPS should be clear about who is to be involved in the consultation.
- The IOPS shall seek consultation from all interested parties. It should be noted that the scope of those consulted may vary according to the parties who may be affected by different IOPS document.
- The consultation document should include an invitation to take part, addressed to those at whom the consultation is aimed.

3.2 What?

- IOPS should be clear about the work that is subject to the consultation exercise. A copy of any paper should form a part of the consultation document.

- The consultation document should be as simple and concise as possible and it should include a summary of the main questions on which it seeks views. It should make it as easy as it can for those consulted to reply or make contact.

3.3 Why?

- There should be a genuine need for, or a benefit to be gained from, the consultation. Consultation should not be carried out simply for its own sake.
- Before any new consultation begins, a search should be made to find out whether the relevant questions have already been answered and to take into account any existing answers before any further consultation is undertaken.
- Any consultation should contain a clear statement describing why it is being carried out and how the results will be used and a statement or description of how the consultation fits into the IOPS organisational aims and work programmes.
- Ideally decisions made as a result of the consultation process should be evidence based. For the consultation to be effective the process should aim to ensure that so far as possible everyone concerned feels they have had their say and that their interests have been considered.

3.4 How?

- The method of consultation should be made clear, should be appropriate and the consultation should be well managed, carried out in a timely fashion according to a planned and published timetable. Full use should be made of electronic forms of communication but not to the exclusion of other methods.
- The consultation should seek informed opinion and views.
- The IOPS informal as well as more formal communication mechanisms will be used alongside consultation to inform and stimulate interest.
- Those who contribute to the consultation should have their contribution acknowledged and considered. The full range of views expressed during consultation will be acknowledged and attention drawn to areas of agreement and disagreement. The IOPS will publish a reasoned explanation addressing all major points raised.
- The effectiveness of the consultation should be evaluated and the results could be shared to encourage broader lessons to be learned. Evaluation should consider not only the number of responses received but also the quality, cost and timeliness of the consultation and the overall usefulness of the results in helping to inform the work.
- All comments or a summary of the comments received be made available to IOPS members and those who took part in the consultation process, except in circumstances where confidentiality is specifically requested.

3.5 When?

- Consultation shall take place at as early a stage as is practical, in order to allow for the consideration of as many views as possible.
- Those consulted should be given adequate time to prepare their response. It is recognised that the length of time will vary depending on the time of year and the level of response that is being sought. Sufficient time should be allowed for the results of consultation to be collated, analysed and considered.
- The time allowed for replies should be made clear in the consultation document, with deadlines set to allow for the timely finalization of documents.
- A second consultation round may be launched if, following the first period of consultation, the document has changed substantially.
- The consultation policy will be reviewed when necessary.
- Different consultation procedures will be followed if circumstances require, though the IOPS will state the reasons for doing so.