



## **Press Release Wednesday, 29<sup>th</sup> October**

### **PENSION SUPERVISORS REACT TO THE GLOBAL FINANCIAL CRISIS**

The IOPS held its 2008 Annual Meetings and joint Global Forum on Private Pensions with the OECD from 29-31<sup>st</sup> in Mombasa, Kenya.

The conference focused on the challenges and opportunities for pension development in Africa, addressing key issues such as how to raise pension coverage for informal sector workers and encourage pension funds to invest in infrastructure development.

The IOPS Annual General Meeting saw the approval of a new set of guidelines for the supervisory assessment of pension funds. At the occasion of the Technical Committee meeting, pension supervisory authorities from over 30 countries worldwide – representing all types of pension system and levels of economic development – discussed the impact of the current financial crisis on their pension systems.

Members expressed increasing concern regarding the financial crisis in global markets and the impact this has had on pension funding and adequacy.

Pension supervisors have made the following policy responses:

- The reporting required by funds to supervisors has been intensified;
- The frequency of 'stress tests' on pension assets has been increased;
- The monitoring of the financial system has been intensified, with pension and other supervisory authorities meeting more frequently with the Central Banks and Finance Ministries;

- Supervisors are working with industry to prevent pro-cyclical behavior and encourage pension funds to act in line with the long-term nature of their commitments;
- Supervisors are developing financial education and communication strategies.

The IOPS welcomes these initiatives from its member authorities, and supports the policies of increased monitoring, communication and measures to ensure that pension funds can act as counter-cyclical, stabilizing forces in the financial system.

The IOPS will address these and other issues through its current Programme of Work – which includes a major project on risk-based supervision for pension funds, looking at how supervisors can proactively step in to protect members and beneficiaries before major problems develop.

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### **Notes for Journalists**

The International Organisation of Pension Supervisors (IOPS) is an independent international body representing those involved in the supervision of private pension arrangements. The Organisation currently has over 60 members and observers representing supervisory bodies from around 55 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, formed in July 2004, was instigated by the International Network of Pension Regulators (INPRS), an informal network of regulators and supervisors. It was felt that, concerning supervision, a more formal, independent, body could better serve as a world-wide forum for policy dialogue and the exchange of information, as well as the standard setting body, promoting good practices in pension supervision. 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.

Further information can be found on the Organisation's website [www.iopsweb.org](http://www.iopsweb.org)

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