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**IOPS STRESSES THE IMPORTANCE OF RISK-BASED SUPERVISION**

At the Occasion of the 2010 Annual General Meeting – held in Sydney, Australia – the International Organisation of Pensions Supervisors (IOPS) launched a series of standards and tools designed to strengthen supervisory techniques around the world, including the introduction of a risk-based approach to pension supervisors.

The IOPS ‘*Principles for Private Pension Supervision*’ were revised, bringing these key standards up to date with the IOPS body work which has been built up since their original approval in 2005. The revised Principles also take account of lessons learnt during the financial and economic crisis. In relation to the revised Principles, Mr. Ross Jones, President of the IOPS and Deputy Chairman of the Australian Prudential Regulation Authority (APRA) said: “*The IOPS felt it was important to revise the Principles in light of our collective experience and lessons learnt during the recent volatile years. Pension supervisors learnt that we need to apply risk-based supervision principles in a manner to avoid pro-cyclical impacts which might make already difficult situations worse. We also learnt the importance of communication – not only with our supervised community and with supervisory authorities covering other financial sectors, but also with the general public – primarily stressing the message that pensions are long-term products and that short-term decisions can be harmful. We hope the revised Principles will highlight*

*the importance of effective pension supervision around the world and help integrate the work of the IOPS with other key financial oversight bodies.”*

To help pension supervisors operate more efficiently and effectively, the *IOPS Toolkit for Risk-based Supervision* was also launched. This on-line tool is meant as a practical guide, assisting pension supervisors introducing this new technique, which aims to identify weaknesses and potential problems before they occur, rather than following up on non-compliance and complaints after the event.

Commenting on the launch of the Toolkit, IOPS Technical Committee Chair, Ms. Solange Berstein, Superintendent of Pensions in Chile, said: *“The Toolkit represents a major piece of work for the IOPS, building on extensive contribution from many member countries and providing practical assistance to supervisors around the world as they follow their peers in other financial sectors in adopting these innovative techniques. In Chile, though the implementation process has been challenging, we have learnt much from our international colleagues and are finding the new techniques invaluable. I look forward to the Committee adding further practical examples and country experiences to the Toolkit in the coming years.”*

At the AGM, Ms. Berstein was reappointed to serve a further 2 years as Chair of the IOPS Technical Committee, whilst Mr. Edward Odundo, Chief Executive of the Retirement Benefits Authority in Kenya, was reappointed IOPS Vice President. Representative authorities from Hungary, Kenya, the Netherlands, South Africa and Turkey were elected to serve on the IOPS Executive Committee.

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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 around 70 members and observers representing supervisory bodies from about 60 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 and the guidelines and reports mentioned can be found on the Organisation's website [www.iopsweb.org](http://www.iopsweb.org)

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