IOPS Annual General Meeting

PROGRAMME OF WORK 2025-2026

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Paris, France

TABLE OF CONTENTS

Contents

PROGRAMME OF WORK 2025-2026

This Programme of Work provides short description of the standard-setting and research activities for the IOPS to be undertaken during 2025-2026 period. The document was elaborated based on discussions held at the Technical and Executive Committee meetings in Paris in June 2024 as well as through written process consultation with the Members organised in the second half of September 2024[1].

The Programme of Work is articulated around the following four main sections:

- **Standards related work** (while much of the IOPS work may ultimately lead to the development of new standards and guidelines, the work presented in this section is specifically intended to develop or update IOPS standards):

  - Update of IOPS instruments;
  - Update of the methodology for self-assessment against IOPS Principles.

- **Supervisory thematic research**:

  - (on-going) Resilience of pension supervision against shocks;
  - Supervision of DC funds and plans;
  - Governance of pension funds;
  - Transparency, benchmarking and value-for-money;
  - Sustainable finance (from supervisory angle);
  - Supervision of Artificial Intelligence in pensions.

- **Information, exchange and education** (including discussion on topical issues, data collection, training and technical assistance): *Tour d'horizon* (and possible seminars), database, data on fees and variables used in projections.

- **Cooperation with other bodies** (G20, OECD, FSB, IAIS, WB, NGFS, research institutions).

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[1] 34 Authorities participated in the consultation. Each respondent was requested to indicate up to four thematic projects from the June 2024 initial list of 11 projects with ranking them from 1 (the top priority) to 4 (the lowest priority). As a result five thematic projects were identified with their average importance rating from 1.93 to 2.5. These projects are presented in the document.

I.   Standards related work

Update of IOPS instruments (standards, guidelines and good practices[2])

The Members will decide on the existing IOPS instrument(s) that should be revised, possibly in the area of risk-based supervision, governance and investments[3].

Project team: CAPSA (Canada), China, Morocco, Romania, Zimbabwe.

Update of the methodology for self-assessment against IOPS Principles

Following the revision of IOPS Principles (expected to be finalised by early 2025)[4], this project will review the IOPS Methodology for Assessment against IOPS Principles (2010). Resources permitting, this project could be done with the help of external consultant.

II.   Supervisory thematic research

Resilience of pension supervision against shocks (ongoing)

The project "Supervisory measures to increase the resilience of pension supervision and pension system against shocks" is on-going and is expected to be completed in the first half of 2025 with the aim of producing the second report as well as the development of global good practices in this area.

Project team: Chile (leader); Hong Kong, China; Ireland; Kenya; Uganda and Zimbabwe.

Supervision of DC funds and plans

This project will update the 2010 IOPS Working Paper No. 12 "Managing and supervising risks in DC pension systems". It may revisit the types of risks faced by defined contribution pension funds and plans (using the findings from the RBS project), as well as the mechanisms to control those risks and supervisory tools and approaches used by IOPS members. If feasible, the project may also consider the impact of ageing population on pension supervision.

Project team: Dominican Republic; Honduras; Ireland; Maldives; Peru; South Africa.

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[2] http://www.iopsweb.org/principlesguidelines/#d.en.192277

[3] For example: OECD/IOPS Guidelines on the Licensing of Pension Entities (2008); OECD/IOPS Good Practices on Pension Funds' Use of Alternative Instruments and Derivatives (2011). The learnings from the finalised work on RBS may also be incorporated in the updating of IOPS Guidelines for the Supervisory Assessment of Pension Funds (2008); IOPS Guidelines for Supervisory Intervention, Enforcement and Sanctions (2009); and OECD/IOPS Good Practices for Pension Funds' Risk Management Systems (2011).

[4] A new project may be added in 2026 to investigate how IOPS Members are compliant with the revised IOPS Principles of Private Pension Supervision. It could initially focus on selected principles at the first stage such as objectives, independence, resources and powers.

Governance of pension funds

One of the objectives of the IOPS Principles of Private Pension Supervision is to "promote good governance of pension funds". The past work in this area was undertaken in 2008 IOPS Working Paper No. 8 "Supervisory oversight of pension fund governance" and 2008 OECD Working Paper "Pension fund governance".

This project, possibly jointly with the OECD Working Party on Private Pensions (WPPP) will update the IOPS/OECD work by investigating the current issues related to governance and supervision of governance arrangements. It will incorporate the lessons learnt from the past IOPS projects, especially in the area of digitalisation, resilience of pension systems and its supervision (crisis management frameworks), risk-based supervision, fee/cost improvements, communication with members including pension projections. If feasible, the project may also draw on developments observed in IOPS jurisdictions with regard to fiduciary duties (ESG guidelines), enhanced fit and proper requirements for pension governing bodies, and trustees.

Project team: Honduras; Hong Kong Chin a; Maldives, Peru, Switzerland.

Transparency, benchmarking and value-for-money

The aim of this project will be to help supervisors to assess to what extent pension funds/schemes they supervise are delivering "value-for-money" to their members and, consequently, identify good practices to improve the outcomes for members.

The project will first map experiences in improving transparency (i.e. data disclosed by pension funds, comparison tools for costs and returns) and benchmarking (based on performance measures, including fees and risk-adjusted returns). It will then explore to what extent transparency and benchmarking, besides facilitating the supervisory work, promotes and ensures competition between funds/schemes (for instance, measuring dispersion of performance across similar schemes). The project may also consider experiences where specific policy measures have been adopted beyond fostering competition (i.e. cost caps, etc.) and assess their effects in terms of value-for-money for members.

Project team: Armenia; Hong Kong, China; Hungary; Italy; Ireland; Mexico; South Africa.

Sustainable finance (from supervisory angle)

Sustainable investing appears to be a global trend that reflects growing expectations that investment policies should take environmental, social, and governance (ESG) aspects into account. Pension funds, as long-term institutional investors, may continue to increase their ESG assets. This area of work corresponds to the priorities observed in G20 and other fora.

The project will consist of organising a series of *workshops* in co-operation with relevant organisations [e.g. NGFS, OECD, IAIS, World Bank, etc.] to help supervisors identify actions for addressing issues such as transition to green economy (transition plans, sustainable risks and opportunities disclosure) and to develop appropriate approaches to supervision.

Project team: Mexico (leader), Maldives, (the team to be further expanded).

Supervision of Artificial Intelligence in pensions

Artificial Intelligence (AI) can have a positive impact on transforming pension industry, including in the areas as portfolio risk management, streamlining administration process, reduction of costs, increasing accuracy and enhancing compliance as well as enhancing members' engagement in private pensions, etc.

Adoption and use of AI tools by pension service providers is also associated with number of challenges and risks, such as the availability of high-quality, accurate digitalised data, issues of data protection, cybersecurity, etc.

This project will investigate opportunities and risks of AI tools applied by pension funds and supervisors from the perspective of pension supervision. The first stage of the project will consist of organising *workshops* to learn on the experiences of jurisdictions where artificial intelligence is being used by pension service providers and pension supervisors. Subject to capacity, in the second stage, the findings can serve basis for development of *a report* and potentially *good practices*.

The workshop(s) could be organised on 1) impact of AI on supervision of pension systems, 2) supervision of AI in pensions and managing AI-related risks (e.g. biased algorithms, regulatory mandate and co-operation with other supervisors, transparency issues, compliance with legal and ethical standards in automated decision-making process, issues of data protection), 3) supervision of robo-advisors (the role of robo-advice in pension industry, supervision of robo-advisory products, standards and restrictions for robo-advice algorithms).

Project team: Honduras.

III. Information, exchange and education

Tour d'Horizon: as part of the Tour d'Horizon sessions, the Technical Committee regularly reviews major developments related to the supervision of private pensions, building on information provided by members on major reforms in their countries. The consideration of major developments under specific themes may also be organised through dedicated seminars. As previously agreed, it is envisaged that new projects or work priorities may arise from discussions which take place as part of the Tour d'Horizon, and that the review may also include discussion papers on topical issues provided by the Secretariat. Likewise, IOPS Members may draft papers on research issues or/and present particular supervisory experience.

Statistics/Database: IOPS Members currently provide statistical data via the OECD/IOPS/World Bank's Global Pensions Statistics Project. The statistical information is constantly updated with the report published annually. In addition, the International Social Security Association (ISSA), IOPS and OECD continue to jointly develop and expand the comprehensive data source on the regulation and supervision of private pension systems worldwide. Each year up to 20 jurisdictions' regulatory profiles are being updated and/or created for inclusion in the joint ISSA/IOPS/OECD Complementary and private pension's database. Most recently, short supervisory profiles available on the IOPS website in the section "Research by jurisdiction/territory"[5] are being updated and new profiles created. In addition, the RBS Toolkit case study database will need to be extended with new country cases and update of existing country cases. The RBS Toolkit would require ongoing update and maintenance by the IOPS Secretariat. Project teams: IOPS Secretariat, OECD.

Update on fees charged in IOPS jurisdictions: From 2020, a short information document about asset-weighted market averages and maximum legally allowed fees charged in their jurisdiction is created based upon data drawn from the OECD/IOPS/World Bank Global Statistics exercise run by OECD Working Party on Private Pension Secretariat. This updated information is made available via Members' Clear Space. Project team: IOPS Secretariat.

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[5] http://www.iopsweb.org/researchbycountry/

Update on variables used for pension projections in IOPS jurisdictions: From 2022, the IOPS Members requested to update annually a short information document on the variables used for producing pension projections in their jurisdiction. The updated information is made available via Members Clear Space. Project team: IOPS Secretariat.

Technical Assistance – In line with growing Members' demand, regional outreach meeting and dedicated training programmes will be organised in 2025-2026 within available resources. In line with the decision of the IOPS Executive Committee, selected training courses could be jointly organised with other organisations.

The potential topics for the workshops (online/in person) in 2025-2026 are (in order of number of indications by IOPS Members offered during the written process organised during summer 2024):

1) **Implications of AI for pension supervision** (as part of project on AI in section II)

2) **Enhancing risk-based supervision** (techniques applied by pension supervisory authorities to support the development of RBS culture and mindset including considerations for training, guidance and quality assurance; practical training on developing and applying RBS framework including risk assessment techniques, stress testing and scenario analysis; sharing best practices and case studies from different jurisdictions on successful RBS implementation)

3) **Supervision of robo-advisors** (as part of project on AI in section II)

4) **ESG and sustainable investment** (as a core part of project on sustainable finance in section II)

5) **Digitalisation** (information and communication technology, data science)

6) **Cybersecurity in pension fund management** (data protection from cyber-attacks) [6]

IV. Cooperation with other bodies

Consumer Finance: The IOPS has been represented by the Secretariat at the G20/OECD Task Force and may be involved in any of its sectoral-based work relating to private pensions. IOPS has also contributed to the Task Force collection exercise on the Covid-19 policy and regulatory measures. When running projects that relate to financial literacy, IOPS may also co-operate with the OECD/International Network on Financial Education (INFE). Organisation of dedicated meetings on financial education in relation to private pensions could be considered jointly with OECD/INFE and other international organisations.

Other G20 work: The IOPS may also be asked to contribute sectoral expertise to other G20 projects. The POW will be updated to reflect such requests as required.

FSB: The IOPS is ready to contribute to the work of the Financial Stability Board on projects related to private pensions and supervision. Since January 2023, the IOPS is a member of the FSB Working Group on Margin Preparedness (WGMP) which aims to undertake policy works to enhance market participants' liquidity preparedness in relation to margin and collateral calls.

OECD: The IOPS has collaborated successfully with the OECD in previous years on projects of joint interest. During 2025-2026, the OECD Working Party on Private Pension will be working on several projects that may be of interest and open for potential collaboration between the IOPS and the OECD. IOPS Members

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[6] Other topics mentioned by single jurisdictions: Enhancing data governance and analytics for pension supervision; alternative products in pension fund portfolios; managing foreign investment of DC pension funds; asset-backed system in public pension; financial and pension education; behavioural economics to promote pension savings; model building and stress testing for pensions; risk prevention in investment management; best practices for decumulation phase, crypto currencies in paying pension contributions; recent pension systems reforms – impact, trends and forecast, methods or dealing with arrear contributions.

contribute to the joint OECD/IOPS/World Bank's Global Pensions Statistics Project and the OECD/IOPS Annual Survey of Investment Regulation of Pension Funds and Other Pension Providers. IOPS and OECD could potentially discuss on a possibility for an extension of the latter project to include a more detailed section on sustainable investment and investment in infrastructure.

IAIS: The IOPS will continue collaborating with IAIS on any topical projects that relate to pension supervision.

World Bank: The IOPS will continue collaborating with the World Bank on topical projects that relate to pension supervision.

NGFS: On 6 October 2021, the IOPS was accepted as an Observer at the Network for Greening the Financial System (NGFS) to contribute to the work of this organisation. Potential areas include microprudential supervision, green finance, data gaps.

CISNA: The IOPS may co-operate with the SADC Committee of Insurance, Securities and Non-Banking Financial Authorities (CISNA) in the area of implementation of IOPS Principles of Private Pension Supervision as well as contribute to the CISNA's project on pensions for informal sector.

EDHEC and other research institutions: the IOPS is expected to strengthen its cooperation with research institutions on major supervisory issues. Over the past decade, the IOPS together with the OECD Working Party on Private Pensions has been organising an Annual academic conference jointly with the International Pension Research Association (IPRA). The Academic conference bringing the leading academics and researchers is organised back-to-back to June IOPS/OECD meetings.

Summary

STANDARDS
1. Update of IOPS instruments
2. Update of the methodology for self-assessment against IOPS Principles
THEMATIC IOPS PRIORITIES
3. Resilience of pension supervision against shocks (ongoing)
4. Supervision of DC funds and plans
5. Governance of pension funds
6. Transparency, benchmarking and value-for-money
7. Sustainable finance (from supervisory angle)
8. Supervision of Artificial Intelligence in pensions
INFORMATION, EXCHANGE AND EDUCATION
1. Organising Tour d'Horizon sessions as part of the Technical Committee and related dedicated seminars
2. Providing statistical data via the OECD/IOPS/World Bank's Global Pension Statistics Project
3. Updating and developing the research section of the IOPS website, IOPS supervisory pension system profiles and ISSA/OECD/IOPS database, RBS case studies
4. Update on fees charged in IOPS jurisdictions
5. Update on variables used for pension projections in IOPS jurisdictions
COOPERATION WITH OTHER BODIES

TENTATIVE TIMETABLE 2025-2026

Project	1Q 2025	2Q 2025	4Q 2025	1Q 2026	2Q 2026	4Q 2026
Resilience of pension supervision against shocks (crisis management)	Update	Approve				
Supervision of pension investments (series of short papers)	Update	Approve a deliverable				
Update of IOPS instruments	Outline	Update	Approve			
Supervision of DC funds and plans		Outline	Update	Update	Approve	
Governance of pension funds		Outline	Update	Update	Approve	
Transparency, benchmarking and value-for-money	Outline	Update	Update	Approve		
Sustainable finance (from supervisory angle)		workshop		workshop		
Supervision of AI in pensions			workshop		workshop	
G20/FSB Work	As required	As required	As required	As required	As required	As required
Statistics / Database	Request information	Update Database	Update Database	Request information	Update Database	Update Database
Technical Assistance	As required	As required	As required	As required	As required	As required