



## **OECD/IOPS MENA WORKSHOP ON PRIVATE PENSION REGULATION AND SUPERVISION**

**Cairo, Egypt, 2-3 February 2009**

**Draft Press Release, Monday 2 February 2009**

The International Organisation of Pensions Supervisors (IOPS) and the Organisation for Economic Co-operation and Development (OECD) held their first workshop on private pensions in the MENA region in Cairo on 2-3 February 2009. The meeting was hosted by the Egyptian Insurance Supervisory Authority (EISA) under the patronage of H.E. Dr. Mahmoud Mohieldin, the Minister of Investment of Egypt.

The Workshop brought together high level governmental officials from the regulatory and supervisory authorities from the MENA region – including Egypt, Jordan, Kuwait, Lebanon, Morocco, Palestine, Qatar and the UAE - as well as representatives from OECD and IOPS Member countries and pension industry stakeholders.

In the key note address, the Chairman of the EISA, Dr. Adel Mounir, underlined that pension reform has been receiving increased attention by policy makers in the region – not least due to the current financial crisis, which is highlighting the vulnerability of some groups in society, notably the working poor and elderly. Despite the difficult situation, the government of Egypt remains determined to move forward with plans to strengthen retirement security for the elderly and is exploring ways to encourage more long-term savings, in particular through the development of an occupational pension market.

Commenting on the workshop, Dr. Mounir said that: *[To find viable and sustainable solutions to the problems in providing an adequate and sustainable level of retirement income security are of crucial importance in the region and we welcome the opportunity to exchange our views and knowledge on opportunities and challenges inherent to funded pensions approaches and to learn from best international experiences and countries' good practices on the occasion of this regional workshop].*

The Workshop covered four major issues of increasing relevance to the region:

- how to develop a risk-based approach to pension supervision;
- how to improve the governance of pension funds;
- how authorities should oversee defined contribution pension arrangements; and
- financial education initiatives, particularly relating to pensions.

The President of IOPS, Mr. Ross Jones, stressed that these issues were not only important for countries such as those in the MENA region which are still developing their pension systems, but also represent the urgent policy challenges in the OECD and IOPS Member countries as well. Mr. Jones stressed the importance of events such as the MENA workshop, which foster a greater mutual understanding and knowledge, and allow for the development of harmonized pension systems, based on international standards and good practices, such as those developed by the OECD and IOPS. He hoped that there would be future opportunities for dialogue in the region as pension systems develop.

Mr. Jones stressed that the recent financial turmoil, falls in the value of pension fund assets and potentially reduced retirement incomes around the world only serve to highlight the need to better control and oversee how our pension funds are managed. The IOPS is currently developing a Toolkit for Risk-Based Supervision, which aims to provide a practical guide for pension supervisors on how to identify and manage key risks in pension systems and to therefore better protect individuals in future.

Mr. Andre Laboul, Head of the OECD Financial Affairs Division, confirmed that the current crisis will act as a trigger for addressing the long-standing need for more efficient regulation of private pensions and for strengthening their governance. In this respect, the OECD will shortly issue new guidelines for pension governance. The pension industry is severely affected by the crisis which caused losses in asset values up to 5 trillion US\$. On the other side, there are also concerns that the procyclicality of some regulatory schemes may contribute to further market downturns. The financial turmoil also highlighted the need to establish more appropriate mechanisms to protect the beneficiaries including automatic enrollment and default schemes, and more generally to promote incentives to increase long-term savings.

Mr. Laboul added that the crisis and more generally the worldwide trend towards risks' transfer to households calls for enhanced financial education and awareness. Over the last years, the OECD has gained the international leadership on these issues with the development of a major global financial education project which includes a special focus on pensions. In this respect, in 2008, the OECD has also set up the International Network on Financial Education which today encompasses more than 50 countries. The first purpose of the network is to pursue the elaboration of international good practices such as the ones relative to insurance and pensions approved last year by OECD governments. It is also aimed at enhancing global co-operation and awareness on financial education issues.

---

Notes for journalists:

The International Organisation of Pension Supervisors (IOPS) – founded in 2004 - 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 major goal of the IOPS is to improve the quality and effectiveness of the supervision of pension systems throughout

the world, thereby enhancing their development and efficiency, and allowing for the provision of a secure source of retirement income in as many countries as possible.

The OECD brings together the governments of 30 countries from around the world committed to support sustainable economic growth; boost employment; raise living standards; maintain financial stability; assist other countries' economic development and contribute to growth in world trade.

The OECD, through its Working Party on Private Pensions, is a unique international standard-setter in regulation of occupational pension systems. The Working Party's major mission is to assist OECD and observer governments in the development of an adequate and efficient regulatory framework for funded and private pension systems, strengthening their financial position and enhancing the protection of members.

Further information can be found on the Organisations' websites [www.iopsweb.org](http://www.iopsweb.org)  
[www.oecd.org/daf/pensions](http://www.oecd.org/daf/pensions)

Contacts:

**IOPS President:** Ross Jones, Deputy Chairman, Australian Prudential Regulatory Authority (APRA) [ross.jones@apra.gov.au](mailto:ross.jones@apra.gov.au)

**OECD:** Andre Laboul, Head of Financial Affairs Division [Andre.Laboul@oecd.org](mailto:Andre.Laboul@oecd.org)