



# IOPS Annual Report 2009

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Activities from January 2009 to December 2009  
2008 Financial Statements





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## Foreword

*The International Organisation of Pension Supervisors (IOPS) is an independent international body representing institutions 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, while the OECD will keep such a role for pension regulation and policy. 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.*

*The aims and purposes of IOPS can be summarised as:*

- serving as the standard-setting body on pension supervisory matters (and regulatory issues related to pension supervision), taking into account the variety of different private pension systems;*
- promoting international co-operation on pension supervision and facilitating contact between pension supervisors and other relevant parties, including policy makers, researchers and the private sector;*
- providing a worldwide forum for policy dialogue and exchange of information on pension supervision;*
- participating in the work of relevant international bodies in the area of pensions, including joint activities to improve statistical collection and analysis;*
- promoting, conducting and facilitating the distribution and communication of research, and collecting information in co-operation with relevant international bodies.*



**Ross Jones**  
President of IOPS

## Report from the President of IOPS

### HIGHLIGHTS

The IOPS celebrated its fifth birthday in 2009, and I am pleased to report that this was the year when the Organisation truly began to come of age, as our impact and profile increased significantly. The report released jointly with the OECD on pensions and the financial crisis was widely quoted and its recommendations have been used by policy makers in discussions with governments and to shape reforms to the pension systems in our member countries. Meanwhile, the IOPS Principles of Private Pension Supervision are being used by the OECD in its accession process, by other international organisations in their assessment of countries financial systems, by IOPS members in self-assessments of their own organisations and by other authorities drafting pension legislation.

The IOPS has had a strong year both in terms of the breadth and depth of our work. Our outreach, regional workshops were very well received and allowed us to build relationships with a range of authorities in the MENA and Caribbean regions. In addition to producing further guidelines and working papers on supervisory issues, the ambitious project building a Toolkit on Risk-based Supervision continues apace and I look forward to reporting on its launch next year.

### MEMBERS

The IOPS has maintained its membership base during 2008, which consists of over 60 members and observers. New Governing Members joining during the year include the Capital Markets Authority of Palestine and the Central Banks of Malawi and Rwanda. The National Department of Social Development in South Africa also joined us as an Associate Member. Unfortunately – though understandably given the difficult financial conditions globally – we lost one Governing Member and some of our Observers in 2009 due to budget constraints within their organisations. We will endeavour to maintain contact with these institutions and hope they will be able to rejoin the IOPS in future.

The IOPS continues to build its membership and contacts amongst countries with developing pension systems, and has welcomed representatives from many developing economies to its conferences and events.

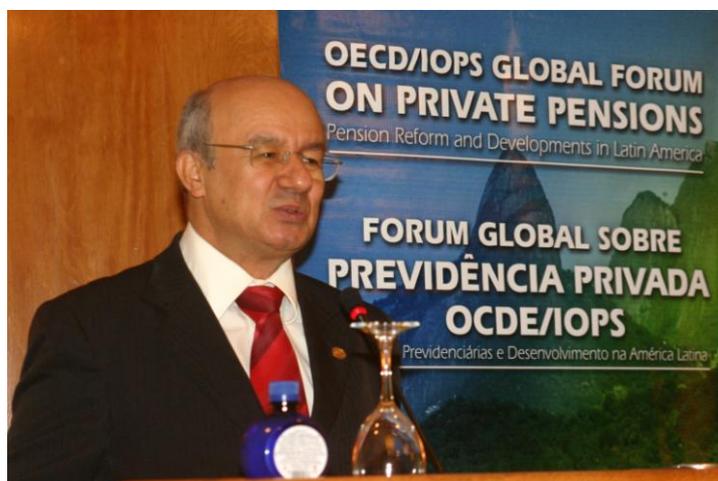
Our goal for 2010 is to maintain our membership during what will likely to continue to be difficult financial times, and extend our contacts, thereby identifying potential new members for future. A range of pension supervisory authorities continue to express interest in our organisation, with non-member delegations attending various Technical Committee meetings on an ad hoc observer basis. We would be delighted to welcome these and other interested parties as members of our Organisation and we will work with such countries to see if their valuable input into our work can be achieved.

The IOPS is very grateful to its members who have encouraged other pension supervisory authorities to join the organisation – indeed our best source of recruitment is through our membership. I would therefore like to encourage all members to get in touch with their contacts in their regions and help work towards our goal of extending our coverage during 2010.

## MEETINGS

The following meetings were held during 2009:

- Executive and Technical Committee meetings, 23<sup>rd</sup> March – Budapest, Hungary; 7<sup>th</sup> July- OECD Headquarters, Paris; 15<sup>th</sup>-16<sup>th</sup> October – Rio de Janeiro, Brazil.
- Annual General Meeting, 16<sup>th</sup> October, Rio de Janeiro, Brazil
- IOPS Workshop on Pension Supervision in MENA region, Cairo, Egypt, 2<sup>nd</sup>-3<sup>rd</sup> February (attended by delegates from Egypt, Jordan, Kuwait, Lebanon, Morocco, Qatar, Palestine and the United Arab Emirates)
- IOPS Workshop on Pension Supervision in Caribbean region, Montego Bay, Jamaica, 8<sup>th</sup>-9<sup>th</sup> October (attended by delegates from Antigua, Barbados, Belize, Bermuda, Cayman Islands, Dominica, Federation of St. Kitts and Nevis, Guyana, Grenada, Haiti, Jamaica, Saint Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago and Turks and Caicos)
- Global Pensions Forum, held jointly with the OECD, 14<sup>th</sup>-15<sup>th</sup> October, Rio de Janeiro, Brazil



José Barroso Pimentel, Minister of Social Security, Government of Brazil speaking at the OECD/IOPS Global Forum on Private Pensions

On behalf of the organisation, I would like to thank the Hungarian Financial Supervisory Authority (HFSA), the Ministério da Previdência e Assistência Social of Brazil, the Egyptian Insurance Supervisory Authority (EISA), and the Financial Services Commission (FSC) of Jamaica and the OECD for hosting IOPS meetings and events. Without them we would not have been able to hold such a diverse and successful set of meetings through this year.

## AIMS

Following a period of consultation, the IOPS Governing Membership achieved a key goal by approving ***Guidelines for Supervisory Intervention, Sanctions and Enforcement*** at the 2009 Annual General Meeting. The organisation has also been successfully working towards fulfilling a range of aims and objectives during 2009, including the following:

AIM	Achievement 2009
<i>Standard setting body on pension supervisory issues</i>	<p>The IOPS Principles of Private Pension Supervision were increasingly recognised and used internationally. For example the OECD used the Principles as part of their assessment process for countries applying for membership of the Organisation. The IOPS Secretariat was also asked to check draft pension legislation in several countries for compliance with the Principles.</p> <p>The IOPS Guidelines for Supervisory Intervention, Sanctions and Enforcement were approved by the Governing Membership at the 2009 AGM.</p> <p>Drafting was begun jointly with the OECD on a set of Good Practices for Pension Funds' Risk-Management Systems.</p>
<i>Worldwide forum for dialogue and exchange</i>	<p>The IOPS held two successful outreach meetings for the MENA and Caribbean regions in Egypt and Jamaica in February and October 2009.</p> <p>A joint Global Forum on Private Pensions was organised with the OECD.</p>
<i>Participate in work of relevant international bodies</i>	<p>A dialogue was opened with the Secretariat of the Financial Stability Board (FSB) regarding the contribution of the pension sector to financial system stability.</p> <p>Close cooperation was undertaken with the OECD on topics such as pension funds' risk management (including the organisation of a joint seminar on the topic) and on the risk-based regulatory aspects of the IOPS Toolkit for Risk-based Supervision.</p> <p>Communication with the IAA on their work mortality tables was continued, with the organisation also supplying comments during the consultation period for the IOPS Guidelines on Intervention, Sanction and Enforcement.</p> <p>Comments were received during the consultation period for the IOPS Guidelines on Intervention, Sanction and Enforcement from IOSCO and FIAP.</p> <p>Comments on various IOPS projects and guidelines were received from the IAIS.</p>

	<p>Regular updates on the IOPS Programme of Work and were provided to the CEIOPS.</p>
<p><i>Promote, conduct, facilitate distribution and communication of research</i></p>	<p>The IOPS released three Working Paper reports during 2009.</p> <p>The IOPS continued to build its electronic library on the IOPS website, providing research on pension supervision and related topics.</p> <p>Members also receive the leading academic pension's journal, 'The Journal of Pension Economics and Finance' published in association with the IOPS and the OECD. Proposals to further develop the scope and reach of the Journal are currently under discussion.</p> <p>The proceedings of the 2008 Mombasa Global Forum were published during 2009, highlighting pension issues and development in the African continent.</p> <p>Background papers on pension and supervisory systems in the MENA and Caribbean regions were produced for the outreach workshops.</p>
<p><i>Assist countries with less developed private pension arrangements</i></p>	<p>The IOPS continues to build its membership and contacts amongst countries with developing pension systems, and has welcomed representatives from many developing economies to its conferences and events.</p> <p>In addition to regional IOPS members, the MENA and Caribbean regional workshops were attended by delegates from Egypt, Jordan, Kuwait, Lebanon, Morocco, Qatar, Palestine and the United Arab Emirates, Antigua, Barbados, Belize, Bermuda, Cayman Islands, Dominica, Federation of St. Kitts and Nevis, Guyana, Grenada, Haiti, Jamaica, Saint Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago and Turks and Caicos.</p> <p>The IOPS was represented at the Southern African Development Community's (SADC) Committee on Insurance, Securities and Non-Bank Finance Authorities (CISNA), and, by the Vice-President at a workshop on pension and supervisory issues held in Uganda.</p>
<p><i>Develop database of private pension and supervisory systems worldwide</i></p>	<p>The IOPS continues to work with its partners from the ISSA and OECD to update and develop a comprehensive database of statistical and descriptive information covering private pension systems worldwide.</p>

## RELATIONS WITH OTHER ORGANISATIONS

The IOPS continued to work closely with other organisations during 2009.

- **Financial Stability Board:** A dialogue was opened with the Secretariat of the Financial Stability Board (FSB) regarding the role of the pensions sector in financial system stability.
- **OECD:** The IOPS continues to work closely with the OECD's Working Party on Private Pensions, with the two groups finding synergies on a range of topics, from pension funds' risk-management (including drafting a joint set of good practices) to regulatory aspects of the IOPS Risk-based Supervision Toolkit. In addition to holding a joint session and hosting the IOPS Technical Committee meeting in June, a joint Global Forum on Private Pensions was held in Rio de Janeiro, Brazil during October 2009 and further events are planned during 2010-2011. The OECD continues to provide Secretariat support to the IOPS via the partnership agreement signed by the two organisations in 2005, with a renewal of the OECD's contract from 2009-2011 approved at the 2008 IOPS Annual General Meeting.
- **ISSA:** the ISSA/ IOPS/ OECD database has been made available to IOPS members via the members' area of the IOPS website, with the latest version also released as a publication during 2008. The joint database on complementary and private pensions is currently being developed and extended by the organisations.



Angel Gurria, Secretary General OECD speaking at a cocktail reception to celebrate the 5th anniversary of the founding of the IOPS

- **World Bank:** representatives continue to attend IOPS meetings and provide input and comments into IOPS projects. The initial results of the World Bank/OECD project on performance measurement of pension funds were presented at the IOPS/OECD Global Forum held in Rio de Janeiro in October.
- **IAIS:** input was provided into IOPS guidelines to ensure compatibility with IAIS standards. The two organisations will continue to work closely via the IAIS Pensions Coordination Group to ensure that overlaps are avoided and synergies exploited.
- **CEIOPS:** the IOPS and CEIOPS continue to provide regular updates of each other's work.
- **IAA:** in addition to receiving comments on the IOPS guidelines, the IOPS received updates on the IAA project on mortality tables.
- **Others:** comments were received during the consultation period for the IOPS Guidelines on Intervention, Sanction and Enforcement from IOSCO and FIAP. IOPS Executives spoke at the EFRP's Central and Eastern Europe regional conference, held in Budapest in March.

## 2010-2011 PLANS

Given the steady increase in membership numbers since its launch, the IOPS has, as intended, built up surplus funds over its initial few years. Members should note that the IOPS is a non-profit organisation and that, now the membership numbers are more stable, it is intended to start to draw down these reserves. Secretariat and other project activity (particularly activity to assist Members in developing expertise in supervision) will increase.

## FUTURE MEETINGS

### 2010

- 22<sup>nd</sup>-23<sup>rd</sup> February, Committee meetings Basel, Switzerland (back to back with IAIS Pensions Coordination Group)
- 25<sup>th</sup>-26<sup>th</sup> February, IOPS Regional Outreach Workshop for CIS, Kankas and Central Asia Region, Istanbul, Turkey
- 1<sup>st</sup>-2<sup>nd</sup> March, Bilateral workshop with CSSPP, Bucharest, Romania
- 2<sup>nd</sup>-3<sup>rd</sup> June Committee meetings Paris, France (back to back with the OECD Working Party on Private Pensions)
- 2<sup>nd</sup>-4<sup>th</sup> November, Committee meetings, Annual General Meeting, OECD/IOPS Global Forum on Private Pensions, Sydney, Australia

### 2011

- 21<sup>st</sup>-23<sup>rd</sup> March (*date tbc*), Committee meetings Amman, Jordan (back to back with the IOPS Workshop MENA region)
- 8<sup>th</sup> June Committee meetings Paris, France (back to back with the OECD Working Party on Private Pensions)
- 24<sup>th</sup> -26<sup>th</sup> October Committee meetings, Annual General Meeting, OECD/IOPS Global Forum on Private Pensions, Cape Town, South Africa (back to back with OECD Financial Education Conference)



**Ross Jones**  
President of IOPS



## Report by the Chair of the Technical Committee

### **Solange Bernstein**

Chair of the IOPS Technical Committee

The IOPS continued to build a substantial body of work during 2009, creating a busy year and full meeting agendas for the Technical Committee. Once again, the work of the organisation was led by its members and I would like particularly to thank members who drafted, edited and supplied input for the IOPS Risk-based Supervision Toolkit, and for the Working Papers released this year.

I would like to encourage any members who have not yet joined a project team to do so. Contributions from all different types of pension and supervisory system, in whatever stage of development, are always of interest to the membership and can contribute greatly to the research and understanding to which our projects aspire.

Interesting presentations were given by members during the Technical Committee meetings on developments in their pension systems and supervisory approaches – which were particularly timely this year given the economic difficulties which continue to plague the global financial system. The Tour d'Horizon has proved an enlightening part of the meetings, which we shall continue in the future. Again, delegations who would like to present interesting aspects of their supervisory approach to other members are encouraged to do so.

### **PROGRAMME OF WORK (POW) 2009-2010**

#### **PRINCIPLES AND GUIDELINES**

- ***IOPS PRINCIPLES OF PRIVATE PENSION SUPERVISION:***

a methodology reviewing countries' supervisory systems against the IOPS Principles was developed in 2009. This methodology was used by the OECD in its assessment of countries applying for membership of the organisation and by IOPS members on a self-assessment basis.

- ***GUIDELINES ON THE USE OF INTERVENTION POWERS, SANCTIONS AND ENFORCEMENT:***

part of the on-going work of the IOPS is to provide comprehensive guidelines on specific operational issues related to pension supervision. A set of guidelines related to sanctions and enforcement was approved by the Governing members at the 2009 AGM, following a period of public consultation.

- ***GOOD PRACTICES ON PENSION FUNDS' RISK-MANAGEMENT SYSTEMS:***

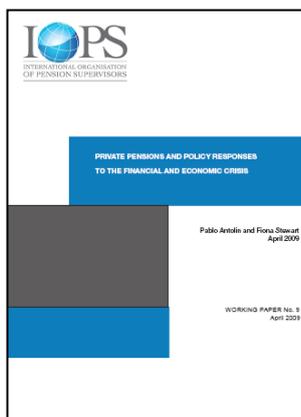
drafting of these good practices, jointly with the OECD, was launched in 2009 and will continue in 2010.

## PUBLICATIONS

During 2009, the IOPS was able to ensure the work of its members reaches a broader audience. The organisation and its members have been pleased to respond to requests for information and research from a variety of sources, and is delighted that our work is beginning to be recognised and quoted in a range of publications.

Three Working Papers were released during 2009. The papers highlight a range of challenges to be met in the development of national pension supervisory systems. The IOPS Working Paper series reviews the nature and effectiveness of new and established pension supervisory systems, providing examples, experiences and lessons learnt for the benefit of IOPS members and the broader pension community. Abstracts of the three papers issued this year are included below. The IOPS welcomes submissions for the Working Paper series. Authors who have papers covering relevant issues and who are interested in submitting them for inclusion in the series should contact the IOPS Secretariat.

IOPS Working Papers present preliminary results and analysis and are circulated to encourage discussion and comment. They represent the views of the authors and may not represent the opinion of the IOPS members as a whole.



- **WORKING PAPER NO.9: PRIVATE PENSIONS AND POLICY RESPONSES TO THE FINANCIAL AND ECONOMIC CRISIS**

This paper (which was produced jointly with the OECD and also released as part of the OECD's Working Paper Series on Insurance and Private Pension Issues) discusses responses to the current financial and economic crisis by regulators, supervisors and policy makers in the area of private pensions. These responses are examined in the light of international guidelines, best practices and recommendations to improve the design of private pensions. The main conclusions from the paper were:

- *Stay the course - complementary private provision for retirement remains a necessity.*
- *Saving for retirement is for the long-term.*
- *Supervisory oversight should be proportionate, flexible and risk-based.*
- *Funding and solvency rules for defined benefit plans should be counter-cyclical.*
- *Use the safety net to address issues of insufficient income at retirement.*
- *Improve the design of defined contribution plans, including default investment strategies.*
- *Improve the governance and risk management of pension funds.*
- *Step up disclosure and communication and improve financial education.*



- **WORKING PAPER NO.10: GOVERNANCE AND PERFORMANCE MEASUREMENT OF PENSION SUPERVISORY AUTHORITIES**

The governance, oversight and performance measurement of financial supervisory authorities are increasingly being recognised as important topics – not least due to the current financial crisis and perceived problems in (and lack of) the regulatory oversight of financial institutions. Yet this is a relatively under-researched area, particularly in relation to the field of pension supervision. This paper therefore attempts to combine theoretical material from a range of financial sectors along with practical examples from the pensions sector to establish what the good governance of pension supervisory authorities entails, how it is applied in practice, and how it can be monitored and measured.

Good governance of pension supervisory authorities can be summarised in four categories: **Independence**: requiring clarification of the authority's responsibilities and powers, processes for appointing its governing board and the ability to secure resources and operate without undue influence; **Accountability**: involving external audits, suitable internal organisation and measuring performance; **Transparency**: ensuring that the authority's objectives and achievements are understood, and that a consultative relationship with industry is established; **Integrity**: requiring codes of conduct, discretion to apply powers, internal controls and competent staff.

In terms of performance, though it is difficult to measure the effectiveness of pension supervisory authorities as 'counter-factuals' (*i.e.* what did not happen) and external factors play a large part, supervisory authorities could establish a range of measures looking at the following categories: **Effectiveness measures**: looking at outcomes against the authority's high level objectives; **Efficiency measures**: using the supervisor's credibility or reputation with its key stakeholders as a proxy or performance pledges; **Economy measures**: which could take the form of cost per inspection or cost of overheads relative to operational activities.



- **WORKING PAPER NO.11: PENSION FUNDS' RISK MANAGEMENT SYSTEMS: REGULATION AND SUPERVISORY OVERSIGHT**

Drawing on the experience of the pensions and other financial sectors, this paper (which was produced jointly with the OECD and also due for release as part of the OECD's Working Paper Series on Insurance and Private Pension Issues) examines what sort of risk-management framework pension funds should have in place. Such frameworks are broken down into four main categories: management oversight and culture; strategy and risk assessment; control systems; and information and reporting. Ways in which supervisory authorities can check that such systems are operating are also considered, with a check list provided to assist pension supervisory authorities with their oversight of this important area.



- **2008 OECD/ IOPS GLOBAL FORUM ON PRIVATE PENSIONS, MOMBASA, KENYA – CONFERENCE PROCEEDINGS**

The papers presented at the 2008 OECD/IOPS Global Forum on Private pensions were published. These include an overview of the pension systems in the African region, and an in-depth paper on Kenya. Issues such as pension fund investment in infrastructure, pension coverage of informal sector workers and national pension awareness campaigns are also included.

## PROJECTS

In addition to the projects outlined above, which were completed during 2009 and issued as publications, the IOPS undertook work on the following projects, which are expected to reach completion during the coming years:

- ***Risk-based Supervision Toolkit:*** a major, ambitious, project was launched by the IOPS in 2008 to produce a Toolkit for Risk-based Supervision (RBS). The ultimate goal of the toolkit is to provide practical guidance for supervisory authorities on how to introduce and develop a risk-based system of supervision for pension funds. It was decided to break the toolkit up into the following modules, which have been developed in detail and made as practical as possible, each containing various elements such as check lists, guidance and examples. The IOPS aims to launch the Toolkit in 2010.
  - *Introduction to RBS* – providing a definition of RBS, how it applies to the pension field, why it is being adopted and challenges and lessons learnt by supervisory authorities which have made such a move.
  - *Module 1 ‘Preparation for RBS’* - explaining the legislative environment, supervisory organisation and industry preparation required to begin to move towards a risk-based approach to supervision – including a check list of these conditions.
  - *Module 2 ‘Data Collection’* - explaining what information supervisors need to receive in order to perform their risk-based assessments.
  - *Module 3 ‘Quantitative Assessment of Risk’* – describing how quantitative tools, such as stress tests, can be incorporated into a RBS framework.
  - *Module 4 ‘Risk Scoring Models’* - describing how to build a supervisory risk-scoring matrix for categorising supervised entities.
  - *Module 5 ‘Supervisory Responses’* - describing how to align the supervisory response to identified risks.

- **Supervising DC pensions:** this project aims to draw on previous work and reports of the IOPS to provide an overview on issues which have particular importance when supervising defined (DC) contribution pension systems (including the information provided to member of DC plans, the oversight of the payout phase, etc.). A Working Paper on the topic is planned for released in 2010.

## OTHER

Background papers on the pension systems in the MENA and Caribbean regions were produced for the IOPS outreach workshops which took place during the year.

Work on updating the ISSA/IOPS/OECD database continued during 2009. A broad range of IOPS members now provide statistical information for the OECD Global Pension Statistics Project, with statistical data on the pension systems of IOPS members now available via the IOPS website. Overviews of the pension systems in almost all IOPS member countries are also being drafted and are also available on the website.

A research section has also been added to the website, providing background information and papers by research topic and by country. Members are invited to provide recent reports on their pension systems for inclusion in the research database.



**Solange Berstein**  
Chair of the IOPS Technical Committee



**André Laboul**  
Secretary General of IOPS

## Report of the Secretariat

The IOPS Secretariat provided a wide range of support to the growing IOPS membership during the year. In addition to supporting the membership base, servicing the Executives and organising meetings, the Secretariat has, on the request of the Executive Committee, undertaken an increased analytical role, which will be developed further in the coming years. In addition to drafting papers and guidelines, increased editorial and analytical support was provided to project teams, which resulted in the publication of further papers in the IOPS Working Paper series, and the development of the IOPS Toolkit for Risk-based Supervision.

For 2010, in addition to on-going organisational and support work, the Secretariat will provide strengthened analytical support to the project teams driving the IOPS Programme of Work, including through continued work on operational guidelines, coordinating the work on risk-based supervision and drafting and editing additional working papers.

### MAIN TASKS COMPLETED DURING 2009

#### DOCUMENTS

The Secretariat, along with OECD colleagues, drafted **Working Paper No. 9: Private Pensions and Policy Responses to the Financial and Economic Crisis**, as well as completing **Working Paper No.10: Governance and Performance Measurement of Pension Supervisory Authorities**, following the initial drafting of the paper by an external consultant and input from IOPS members in response to a questionnaire on the topic. **Working Paper No. 11: Pension Funds' Risk-management Systems: Regulation and Supervisory Oversight**, was also written by the Secretariat. Initial drafting of Working Paper No. 12 which will cover the supervision of DC pensions (due for publication in 2010), was also begun in 2009.

The Secretariat drafted, led and coordinated the work on the **Toolkit for Risk-based Supervision**, including producing Modules 4 and 5 (looking at risk-scoring models and how to derive a supervisory response), and coordinating with consultants and IOPS delegates on the content of the other Modules and the structure of the Toolkit as a whole.

The **Guidelines for Supervisory Intervention, Sanctions and Enforcement** were completed, including input from a public consultation, and were approved by IOPS Governing Members at the 2009 Annual General Meeting. Work on drafting **Good Practices for Pension Funds' Risk-management Systems** was also launched during the year.

The Secretariat started work gathering information from the self-assessments which various IOPS members have conducted against the **IOPS Principles of Private Pension Supervision**. The analysis of where members are compliant or not with the Principles will be used to suggest projects in

the future Programme of Work of the Organisation, and in the revision of the IOPS Principles which will take place next year.

As with the 2007 and 2008 Global Forums on Private Pensions, the papers to be presented at the 2009 event in Rio de Janeiro, have been collected and will be released as a publication in early 2010.

The Secretariat was closely involved with and assisted the work of various other project teams, helping to fulfill the intended 2009-2010 Programme of Work of the Organisation. The Secretariat further assisted in the collection and dissemination of documents for other IOPS projects undertaken during 2009.

Building of the on-line electronic research library continued during 2009. This now includes country profiles providing an overview of the pension system and internationally comparative statistics for the vast majority of the IOPS membership. The Secretariat also facilitated the editing and distribution of the leading academic pension's journal, 'The Journal of Pension Economics and Finance' published in association with the IOPS and the OECD. Proposals to further develop the scope and reach of the Journal are currently under discussion.

Finally, the Secretariat provided and coordinated numerous other documents, including through continued assistance to the Executive and Technical Committees in the preparation of the agendas for the committee meetings, the updated Programme of Work, the Annual Budget of the Organisation, President's and other reports, including the IOPS 2009 Annual Report.

## MEETINGS

The Secretariat played a key role in the organisation of the *OECD/IOPS Global Forum on Private Pensions* which was held in Rio de Janeiro in October – with thanks to the Ministério da Previdência e Assistência Social of Brazil for their assistance. Marketing of the conference by the Secretariat helped to ensure that this annual event continued to attract a wide ranging audience and raised interest from potential new members in the region.

The Secretariat also organised the IOPS outreach events in the MENA and Caribbean regions. IOPS regional members, other regional representatives, IOPS delegations and the IOPS President, Secretary General and Secretariat took part in lively and extremely well received meetings, covering the practical topics of most relevance to the supervisory authorities in the area.

The Secretariat also engaged in the establishment, operation, preparation, and organisation of meetings for the Executive and Technical Committees (which met three times during the year) and for the Annual General Meeting of the Governing Membership. The help of the Hungarian Financial Supervisory Authority, the Ministério da Previdência e Assistência Social of Brazil, the Egyptian Insurance Supervisory Authority of Egypt, the Financial Services Commission of Jamaica, and the OECD staff in the organisation of these meetings was greatly appreciated.

Support was additionally provided for the Chairmen of the committees, including communications and presentations prepared for Executives representing the IOPS at other international events (e.g. the IOPS was represented by the South African member of the Executive Committee at meeting of SADC's CISNA group, and by the Vice President at a workshop on pension reform in Uganda, whilst the President and Chair of the Technical Committee spoke at the EFRP's Central and Eastern Europe Conference, held in Budapest in March).

## COOPERATION WITH OTHER INTERNATIONAL BODIES

The IOPS Secretariat continues to work closely with the OECD's Working Party on Private Pensions, in particular on topics such as pension funds' risk-management systems, ensuring that work was coordinated and synergies gained and any overlaps and duplication in projects avoided. A joint seminar on the topic was organised in Paris in July, which included participation from the Toronto based International Centre for Pensions Management (ICPM) group and some of the world's leading pension funds.

Additionally, the Secretariat worked towards the extension of the ISSA/IOPS/OECD database on complementary and private pensions, adding new country profiles to the IOPS website.

The IOPS Secretariat continues to coordinate with the IAIS's Pensions Coordination Group and received input in IOPS guidelines, ensuring compatibility between the standards of the two organisations. The Secretariat also coordinated the public consultation on the ***IOPS Guidelines on Intervention, Sanctions and Enforcement***, during which comments from other international organisations (such as IAA, IOSCO and FIAP) were received.

The Secretariat was also in contact with the Secretariat of the FSB, with the objective of strengthening cooperation between the two bodies.

The IOPS continues to keep the CEIOPS and other interested parties informed on developments in the IOPS Programme of Work.

Finally, the Secretariat would like to thank the European Federation of Retirement Provision (EFRP) – observer to the IOPS – for organising a highly informative and timely conference in Budapest in March, which was held back-to-back with the IOPS committee meetings, and invited IOPS Executives as speakers.

## ADMINISTRATION AND OTHER

The Secretariat continued their work during 2009 to build the IOPS membership base, contacting and following up with potential members. The regional workshops in particular proved fertile ground for making new contacts.

Communication and record keeping in relation to existing members was also undertaken, with the Secretariat striving to ensure that delegates received documents in time to review them before meetings. Comments and suggestions from delegates in the on-going projects and reports were also coordinated.

The Secretariat also organised the nomination and election of half the Executive Committee and the President.

Finally, the Secretariat continued to update and develop the IOPS website, including adding webcast material.

## PLANS FOR 2010

Secretariat and other project activity can be expected to increase during 2010. It is expected that, in most cases, the Secretariat will maintain its high level of analytical contributions to IOPS work and projects during 2010.

Other activities will include the drafting of supervisory guidelines on operation areas, including the finalising of the ***Good Practices for Pension Funds' Risk-management*** and the coordination of a public consultation for the final version of this document. A further set of operational guidelines may be initiated. The Secretariat will also lead the review and potential revision of the ***IOPS Principles of Private Pension Supervision*** in 2010.

Support will also be provided for the other IOPS projects identified in the Programme of Work. This will include analytical input and editing for on-going IOPS project reports and potentially contracting and working with consultants to provide specialised input into selected projects. The Secretariat is also available to commission and edit further papers for the IOPS Working Papers Series.

Upon request, the Secretariat will also take the lead on selected analytical projects and provide support for discussion on recent developments and important events.

The Secretariat will continue to work on the development of ISSA/IOPS/OECD database during 2010, improving and deepening the statistical data available for IOPS members.

The IOPS has a wide variety of meetings planned for 2010, which will require planning and preparation on the part of the Secretariat - including a regional workshop for the CIS, Kankas and Central Asian region, back-to-back meetings with the IAIS's Pensions Coordination Group, the OECD's Working Party on Private Pensions and the OECD/IOPS Global Forum on Private Pensions scheduled to be held in Australia in November. Additional regional workshops may be arranged during the year.

Continued support will be provided to existing members, from circulating meeting documents to dealing with ad hoc requests for information and assistance. The Secretariat also hopes to bring on board a series of new members during 2010 who have previously expressed interest in the Organisation, and will continue to contact other organisations which could benefit from IOPS membership and provide useful input in our continued Programme of Work.



**André Laboul**  
Secretary General IOPS

## Executive Committee Members 2009

### IOPS President and Chair of Executive Committee

Mr. Ross Jones Deputy Chairman, Australian Prudential Regulatory Authority

### Vice-President

Mr. Edward Odundo Chief Executive, Retirement Benefits Authority, Kenya

### Elected in 2008 to serve until 2010

<b>Hungary</b>	Hungarian Financial Services Authority (HFSA)
<b>Kenya</b>	Retirement Benefits Authority (RBA)
<b>Netherlands</b>	De Nederlandsche Bank (DNB)
<b>South Africa</b>	Financial Services Board (FSB)
<b>United Kingdom</b>	The Pensions Regulator (TPR)

### Elected in 2007 to serve until 2009

<b>Australia</b>	Australian Prudential Regulatory Authority (APRA)
<b>India</b>	Pension Fund Regulatory and Development Authority (PFRDA)
<b>Italy</b>	Pension Fund Supervision Commission (COVIP)
<b>Jordan</b>	Insurance Commission
<b>Pakistan</b>	Securities and Exchange Commission of Pakistan
<b>Ex Officio – Chile:</b>	Superintendencia de Pensiones (Chair of Technical Committee)

## Technical Committee Members 2009<sup>1</sup>

### Chair

Mrs. Solange Berstein

Superintendent of Penions, Chile

### Vice -Chairman

Mr. Will Price

The Pensions Regulator, UK

<b>Australia</b>	Australian Prudential Regulation Authority
<b>Austria</b>	Financial Markets Authority
<b>Bulgaria</b>	Financial Supervision Commission
<b>Chile</b>	Superintendencia de Pensiones
<b>China</b>	Chinese Insurance Regulatory Authority
<b>Croatia</b>	Financial Services Supervisory Agency
<b>Czech Republic</b>	National Bank
<b>France</b>	Autorité de Contrôle des Assurances et des Mutuelles
<b>Germany</b>	Federal Financial Supervisory Authority
<b>Hong Kong</b>	Mandatory Provident Fund Authority
<b>Hungary</b>	Hungarian Financial Supervisory Authority
<b>India</b>	Pension Fund Regulatory and Development Authority
<b>Ireland</b>	Pensions Board
<b>Italy</b>	Pension Funds Supervision Commission
<b>Jordan</b>	Insurance Commission
<b>Kenya</b>	Retirement Benefits Authority
<b>Korea</b>	Financial Services Authority / Financial Supervisory Service
<b>Kosovo</b>	Banking and Payments Authority of Kosovo
<b>Luxembourg</b>	Commission de Surveillance du Secteur Financier
<b>Mauritius</b>	Financial Services Commission
<b>Mexico</b>	Comision Nacional del Sistema de Ahorro para el Retiro
<b>Netherlands</b>	De Nederlandsche Bank
<b>Pakistan</b>	Securities and Exchange Commission
<b>Peru</b>	Superintendencia de Bance, Seguros y AFP
<b>Romania</b>	Central Bank
<b>Senegal</b>	Supervisory and Regulatory Commission of Social Security Institutions
<b>Slovakia</b>	National Bank
<b>South Africa</b>	Financial Services Board
<b>Spain</b>	Ministry of Economy and Finance
<b>Turkey</b>	Undersecretariat for Treasury
<b>Turkey</b>	Pension Monitoring Center
<b>UK</b>	The Pension Regulator
<b>UK</b>	Government Actuary's Department
<b>OECD</b>	
<b>World Bank</b>	

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<sup>1</sup> Please note that participation in Technical Committee meetings is open to all IOPS members.

## IOPS Members and Observers 2009

### Governing Members

<b>Albania</b>	Financial Supervisory Authority
<b>Australia</b>	Australian Prudential Regulation Authority
<b>Austria</b>	Financial Market Authority
<b>Belgium</b>	Banking, Finance and Insurance Commission
<b>Botswana</b>	Non-Bank Financial Institutions Regulatory Authority
<b>Bulgaria</b>	Financial Supervision Commission
<b>Brazil</b>	Ministério da Previdência e Assistência Social
<b>Chile</b>	Superintendencia de Pensiones
<b>China</b>	China Insurance Regulatory Commission
<b>Costa Rica</b>	Superintendencia de Pensiones de Costa Rica
<b>Czech Republic</b>	National Bank
<b>Egypt</b>	Egyptian Insurance Supervisory Authority
<b>France</b>	Autorité de Contrôle des Assurances et des Mutuelles
<b>Germany</b>	Federal Financial Supervisory Authority
<b>Hungary</b>	Hungarian Financial Supervisory Authority
<b>Hong Kong</b>	Mandatory Provident Fund Authority
<b>India</b>	Pension Fund Regulatory and Development Authority
<b>Ireland</b>	Pensions Board
<b>Isle of Man</b>	Insurance and Pensions Authority
<b>Israel</b>	Ministry of Finance
<b>Italy</b>	Pension Funds Supervision Commission
<b>Jamaica</b>	Financial Services Commission
<b>Jordan</b>	Insurance Commission
<b>Kazakhstan</b>	Financial Supervision Authority
<b>Kenya</b>	Retirement Benefits Authority
<b>Korea</b>	Financial Services Authority / Financial Supervisory Service
<b>Kosovo</b>	Banking and Payments Authority of Kosovo
<b>Lichtenstein</b>	Financial Market Authority
<b>Luxembourg</b>	Commission de Surveillance du Secteur Financier
<b>FYRO Macedonia</b>	Agency for Supervision of Fully Funded Pension Insurance
<b>Malta</b>	Financial Services Authority
<b>Malawi</b>	Central Bank
<b>Mauritius</b>	Financial Services Commission
<b>Mexico</b>	Comision Nacional del Sistema de Ahorro para el Retiro
<b>Namibia</b>	Namibia Financial Institutions Authority
<b>Netherlands</b>	De Nederlandsche Bank
<b>Nigeria</b>	National Pensions Commission
<b>Norway</b>	Financial Supervisory Authority
<b>Pakistan</b>	Securities and Exchange Commission
<b>Palestine</b>	Capital Markets Authority
<b>Peru</b>	Superintendencia de Banca, Seguros y AFP
<b>Poland</b>	Insurance and Pension Funds Supervisory Commission
<b>Portugal</b>	Instituto de Seguros de Portugal
<b>Romania</b>	Private Pension System Supervisory Commission
<b>Rwanda</b>	Central Bank
<b>Senegal</b>	Supervisory and Regulatory Commission of Social Security Institutions of Senegal
<b>Serbia</b>	National Bank

<b>Slovakia</b>	National Bank
<b>South Africa</b>	Financial Services Board
<b>Spain</b>	Economy and Finance Ministry
<b>Suriname</b>	Central Bank
<b>Swaziland</b>	Ministry of Finance
<b>Thailand</b>	Securities and Exchange Commission
<b>Trinidad &amp; Tobago</b>	Central Bank
<b>Turkey</b>	Pensions Monitoring Center
<b>Turkey</b>	Undersecretariat of the Treasury
<b>United Kingdom</b>	The Pension Regulator
<b>Zambia</b>	National Pension Scheme Authority

#### Associate Members

<b>Netherlands</b>	Ministry of Social and Employment
<b>South Africa</b>	National Department of Social Development
<b>ISSA</b>	<i>Partnership Agreement</i>
<b>OECD</b>	<i>Partnership Agreement</i>
<b>World Bank</b>	

#### Observers

<b>USA</b>	American Association of Life Insurers
<b>Europe</b>	European Federation for Retirement Provision
<b>Finland</b>	Finnish Centre for Pensions
<b>IAA</b>	<i>Reciprocal Membership</i>
<b>IAIS</b>	<i>Cooperation Agreement</i>

#### Secretariat

<b>Secretary General</b>	Mr. André Laboul	
<b>Secretariat</b>	Ms. Fiona Stewart fiona.stewart@oecd.org Tel: +33 145 24 14 52	Ms. Nina Paklina nina.paklina@oecd.org Tel: +33 145 24 84 78
	Ms. Sally Day-Hanotiaux sally.day-hanotiaux@oecd.org Tel: +33 145 24 96 61	



**Philip Diamond**  
IOPS Treasurer

## Report of the Treasurer

### **SUBJECT:**

### **IOPS ACCOUNTS AS OF 31 DECEMBER 2008**

Dear Governing Members,

The Treasurer is pleased to report that during the year ended 31 December 2008 the International Organisation of Pension Supervisors (IOPS) continued to build on the solid financial basis established in earlier years. The number of members paying fees increased from 35 in 2005, to 42 in 2006, to 55 in 2007 and to 60 in 2008. Membership fee revenue amounted to €351,547 in 2008.

The IOPS would like to express its appreciation to the World Bank for their support during the Organisation's early years which came to an end in 2007. As a result membership fees and interest were the sole sources of income in 2008.

On the cost side, the major expense incurred by the Organisation during 2008 was the Secretariat support provided by the OECD under the official partnership agreement between the OECD and the IOPS signed in 2005. A detailed description of services provided in 2008 was outlined in the reports provided by the OECD to the Treasurer. The total spend by the Secretariat was in line with budget. Conference and meeting expenses during 2008 amounted to €33,016, with the majority of that amount being in respect of the IOPS contribution to the Conference held in Washington jointly with OECD and World Bank.

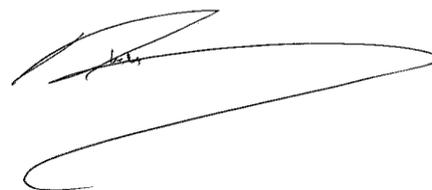
During 2008 the IOPS continued to develop a strong programme of work, held meetings of the Executive and Technical committees in Washington, Paris and Mombasa, and the Annual General Meeting and joint OECD/IOPS Global Forum also took place in Mombasa.

In addition a regional workshop was held in Senegal. In recognition of the Organisation's non-profit status, funds built up as surplus during the initial 2004 -2005 period continued to be drawn down for project work during 2008. At its March 2008 meeting the Executive Committee adopted a reserving policy designed to hold a target 20% estimated membership fees as a contingency reserve, to cover uncertainties relating to the timing of receipt and levels of membership fee payments, from which the Organisation's main income is derived. The decision was ratified at the AGM in November 2007 and a contingency reserve of €50,000 was shown in the financial statements for the year ended 30 December 2007. This was supplemented by an additional 20,309 in 2008 to retain 20% of assets as of 30 December 2008. The Articles of Association have been amended to reflect the need to manage

reserves. In addition at the meeting of the Executive Committee on 21<sup>st</sup> March 2007 it was also agreed to build up an additional reserve amounting to 75,000 Euro over three years to cover potential future event expenditure, such as costs relating to conferences or regional workshop programs. This was not put aside in the 2007 accounts so 50,000 Euro was put aside in 2008. This amount has been transferred from retained earnings and is reflected in a reduction to the opening retained earnings figure in the balance sheet.

As advised in previous years, other additional costs can also be expected to increase in the future as the IOPS relies less on the most appreciated support of the OECD, which has been vital to the Organisation during its initial years. For example, accumulated surplus funds can be expected to be used to cover costs for additional regional meetings and other work activities as the organisation develops. For this purpose, the provisional budget for 2009-2010 featured the build up of an additional special reserve to cover potential future event expenditure. This is reflected in the opening retained earnings figure as detailed above.

The 2009 year has commenced on a strong note with membership fee revenue amounting to €289,000 having been received from 51 members during the first five months of the year.



**Philip Diamond**  
Treasurer

The International Organisation of Pension Supervisors  
Dated: **21 May 2009**

#### 2008 Members Payments

Albania	Israel	Mexico	Swaziland
Australia	Ireland	Namibia	Thailand
Austria	Isle of Man	Netherlands	Trinidad & Tobago
Belgium	Italy	Nigeria	Turkey (Treasury)
Bulgaria	Jamaica	Norway	Turkey (PMC)
Brazil	Jordan	Pakistan	Ukraine
China	Kazakhstan	Peru	United Kingdom
Chile	Kenya	Poland	Zambia
Costa Rica	Korea	Portugal	
Czech Republic	Kosovo	Romania	
Egypt	Liechtenstein	Senegal	Netherlands (Ministry)
France	Lithuania	Serbia	United Kingdom (GAD)
Germany	Luxembourg	Slovakia	Finland
Hungary	Malta	South Africa	The World Bank
Hong Kong	FYRO Macedonia	Spain	ACLI
India	Mauritius	Suriname	EFRP



**IOPS**  
**2 Rue André Pascal**  
**75 775 Paris Cedex 16**  
**France**

**PricewaterhouseCoopers**  
**Entreprises**  
 63, rue de Villiers  
 92208 Neuilly-sur-Seine Cedex  
 Téléphone 01 56 57 58 59  
 Fax 01 56 57 62 22

Paris, 4 June 2009

**Report of the Auditors**  
**To the Members**  
**International Organisation of Pension Supervisors**

We have audited the accompanying balance sheet of the International Organisation of Pension Supervisors (the "IOPS") as of 31 December 2008 and the related statements of income for the year then ended. These financial statements are the responsibility of IOPS's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of IOPS as of 31 December 2008, in accordance with International Financial Reporting Standards.

**Jean-Pierre MION**  
**Partner**

Société d'expertise comptable inscrite aux tableaux de l'ordre : Paris - Ile-de-France • Alsace • Bretagne • Lille - Nord Pas-de-Calais • Marseille - Provence-Alpes-Côte d'Azur-Corse • Montpellier • Pays de Loire • Picardie Ardennes • Rhône-Alpes. Société de commissariat aux comptes membre de la compagnie régionale de Versailles.  
 Siège social : 63, rue de Villiers 92208 Neuilly-sur-Seine Cedex.  
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<b>International organisation of pension supervisors (IOPS)</b>					
<b>Statement of financial position</b>					
<b>As per 31 December 2008</b>					
<b>Assets</b>		<b>Notes</b>	2008 (Euro)		2007 (Euro)
Cash at bank			179,552.76		95,695.94
Short term deposit			106,656.01		103,969.87
Interest accrued			3,282.70		2,686.14
Sundry debtors and p			827.89		5,109.08
<b>Total</b>			<b>290,319.36</b>		<b>207,461.03</b>
<b>Liabilities and net assets</b>					
Prepaid membership fees		10	42,471.00		12,500.00
Accrued expenses		9	6,500.00		6,000.00
<b>Total liabilities</b>			<b>48,971.00</b>		<b>18,500.00</b>
<b>Net Assets</b>			<b>241,348.36</b>		<b>188,961.03</b>
<b>Unrestricted Net Assets &amp; Reserves</b>					
Retained earnings bef			138,961.03		165,057.21
Changes in unrestricted net assets for the current year			52,387.33		23,903.82
			<b>191,348.36</b>		<b>188,961.03</b>
Less: Transfer to Contingency Res		11	- 20,309.53		- 50,000.00
Less: Transfer to Special Reserve		12	- 50,000.00		-
Retained Earnings after transfer			<b>121,038.83</b>		<b>138,961.03</b>
Contingency Reserve		11	70,309.53		50,000.00
Special Reserve		12	50,000.00		
<b>Total Funds</b>			<b>241,348.36</b>		<b>188,961.03</b>

<b>International organisation of pension supervisors (IOPS)</b>		
<b>Statement of activities</b>		
<b>For the year ending 31st December 2008</b>		
<b>CHANGES IN UNRESTRICTED NET ASSETS</b>		
	2008 (Euro)	2007 (Euro)
<b>Revenue and gains</b>		
Membership fees	351,547.67	304,688.08
Interest	3,282.70	2,686.14
Grants from World Bank	-	48,431.56
<b>Total unrestricted revenue and gains</b>	<b>354,830.37</b>	<b>355,805.78</b>
<b>Expenses</b>		
Audit	6,958.40	7,279.00
Bank fees and charges	990.59	631.40
Grants to OECD		33,431.56
Legal fees	717.55	-
OECD administration	255,800.00	232,500.00
Conference expenses	33,016.50	39,883.30
Subscriptions	4,960.00	3,176.70
Publishing Costs	-	15,000.00
<b>Total expenses</b>	<b>302,443.04</b>	<b>331,901.96</b>
<b>CHANGES IN UNRESTRICTED NET ASSETS</b>	<b>52,387.33</b>	<b>23,903.82</b>

INTERNATIONAL ORGANISATION OF PENSION SUPERVISORS (IOPS)	INTERNATIONAL ORGANISATION OF PENSION SUPERVISORS (IOPS)
NOTES TO THE FINANCIAL STATEMENTS	NOTES TO THE FINANCIAL STATEMENTS
Year ending 31 December 2008	Year ending 31 December 2008 (continued)
<b>1 NATURE OF ORGANISATION</b>	<b>8 SUNDRY DEBTORS AND PREPAYMENT</b>
The International Organisation of Pension Supervisors (IOPS) is an international body representing a range of members involved in the supervision of private pension arrangements. The Organisation's members cover all levels of economic development and bring together all types of pension and supervisory systems.	Consist of the following amounts:
IOPS is an association in accordance with French law. It is domiciled in Paris, France and receives membership fees from members worldwide.	827.89 Seminar flights for 2009 paid in 2008
	<b>827.89</b>
<b>2 SIGNIFICANT ACCOUNTING POLICIES</b>	<b>9 ACCRUED EXPENSES</b>
The accounts of the IOPS are drawn on the historical cost basis and income and expense items are recorded on the accruals basis.	Consist of: 6,500.00 Audit fees (see Note 5)
	<b>6,500.00</b>
<b>3 INCOME TAXES</b>	<b>10 PRE-PAID MEMBERSHIP FEES</b>
The Organisation is exempt from income tax.	Consist of: 42,471.00 2009 membership fee received in December 2008
	<b>42,471.00</b>
<b>4 GRANT FROM WORLD BANK</b>	<b>11 RETAINED EARNINGS AND CONTINGENCY RESERVE</b>
The World Bank provided a grant to support the IOPS during its initial years of operation. Such grants can only be extended for a maximum of 3 years and therefore ended in 2007	At its March 2007 meeting the Executive Committee resolved to set aside in the accounts of the Organisation a contingency reserve of 20% of membership fees for the year to provide against uncertainties in timing of receipt of income in future years.
	To reach this figure in light of increased membership income an additional 20,309.53 was put aside in 2008
<b>5 AUDIT</b>	The decision was ratified by the IOPS at the AGM in November 2007.
The amount of €6,958.40 consists of an estimate of €6,500.00 of audit fees to be paid in 2009 relating to the audit of financial statements for the year ended 31/12/2008 plus an additional cost of €458.40 (above the amount accrued) for the 2007 audit.	This amount has been transferred from Retained Earnings and is reflected in a reduction to the opening retained earnings figure in the balance sheet.
<b>6 PAYMENTS TO THE OECD</b>	<b>12 SPECIAL RESERVE</b>
The IOPS paid the following amounts to the OECD:	At the meeting of the Executive Committee on 21st March 2007 it was also agreed to build up an additional reserve amounting to E75000 over 3 years to cover potential future event expenditure, such as costs related to conferences or regional workshop programs
255,800.00 Grant provided to meet secretariat and administrative support services, technical and liaison support.	This was not put aside in the 2007 accounts so E50000 was put aside in 2008
<b>255,800.00</b>	This amount has been transferred from Retained Earnings and is reflected in a reduction to the opening retained earnings figure in the balance sheet.
<b>7 CONFERENCE EXPENSES</b>	<b>13</b> While the IOPS is a non-tax paying organisation and accordingly would not normally accumulate a surplus or reserves, the Organisation was newly founded in 2004 with some uncertainty as to membership revenue and expenses in the first few years.
Consist of the following amounts:	Accordingly, the decision was taken to build up some initial reserves which were to be drawn down over the coming years, spending on increased staff support and other expert and professional input into IOPS projects
4,535 relates to 2008 AGM Deposit	
22,470.00 relates to IOPS expenses for the conference held in the World Bank consisting of 20,000 grant to the World Bank for hosting and 2470 euro of additional charges	
6,011.50 relates to costs for 2008 AGM in Mobassa	
<b>33,016.50</b>	



**IOPS Secretariat** – 2, rue André-Pascal  
75775 Paris Cedex 16  
France

**Tel. :** +33 1 45 24 82 00

**Fax :** +33 1 44 30 63 08

[www.iopsweb.org](http://www.iopsweb.org)