

IOPS ANNUAL REPORT 2010

Activities from January 2010 to December 2010
2009 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 almost 70 members and observers representing supervisory bodies from around 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, 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:

- *servicing 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 major achievement of the IOPS in 2010 was the launch of the IOPS Toolkit for Risk-based supervision – which is publicly available on www.iopstoolkit.org. This a groundbreaking piece of work - providing much needed information on an under-researched topic - which we hope will act as a practical guide to our members and other pension supervisors around the world as they develop their oversight systems, making them more efficient and aligned to the risks which they face. The Toolkit provides a check list to help supervisory authorities prepare for a move towards risk-based supervision, and a step by step guide to building a risk-scoring model, as well as in-depth case studies examining the risk-based approach of a range of IOPS members. We hope to update the Toolkit in future to add new modules looking at further aspects of risk-based supervision and delving in more depth into key topics, as well as adding new country profiles as other IOPS members roll out their risk-based approach. Feedback on the Toolkit is most appreciated.

2010 also saw a revision of the IOPS Principles of Private Pension Supervision, which were initially approved in 2006. The Principles have been updated to ensure consistency with other IOPS guidelines and good practices approved in recent years, as well as to reflect inevitable changes in pension and supervisory systems – not least due to the financial crisis of 2008/2009. IOPS Members continue to undertake self-assessment reviews vs. the Principles, using the methodology which has been developed, and which has been updated to reflect the revisions to the Principles. The membership again reported in 2010 that they found such reviews useful and informative, not least as they have highlighted areas of weakness in terms of compliance where the IOPS consequently aims to direct future work.

Finally, I would like to highlight the workshops undertaken during 2010 covering key pension supervision issues. Having personally taken part in these events, I can report that participants highly appreciate this outreach work undertaken by the IOPS and the opportunity to engage with and learn from the experience of their counterparts around the world. I look forward to further meetings in the coming years.

MEMBERS

The IOPS has maintained its membership base during 2010, which consists of around 70 members and observers. New members joining during the year include the Sistema de Ahorro y Capitalización de Pensiones de las Servidores Públicos (SIACAP), Panama.

Our goal for 2011 is to extend our contacts thereby identifying potential new members for future. A range of pension supervisory authorities continue to express interest in our organisation. 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 2011.

MEETINGS

The following meetings were held during 2010:

- Executive and Technical Committee meetings, 22-23rd February – Basel, Switzerland; 2nd June - OECD Headquarters, Paris; 1st November – Sydney, Australia.
- Annual General Meeting, 2nd November Sydney, Australia
- IOPS Workshop on Pension Supervision in CIS, Kuakas and Central Asian region, Istanbul, Turkey, 25th-26th February
- IOPS / CSSPP Bi-lateral Workshop, Bucharest, Romania, 1st-2nd March
- IOPS CEE Workshop on Risk-based Supervision, Warsaw, Poland, 26th-27th July
- Global Pensions Forum, held jointly with the OECD, 2nd-3rd November, Sydney, Australia



IOPS/CSSPP Bi-lateral Workshop

On behalf of the organisation, I would like to thank the International Association of Insurance Supervisors (IAIS) and the Bank of International Settlements (BIS) and the OECD for hosting our meetings and allowing us to use their facilities during the year. I would also like to thank the hosts of our outreach meetings – the Undersecretariat of the Turkish Treasury, the Private Pensions Supervisory Commission of Romania and the Polish Financial Supervisory Authority – for their hospitality and enthusiasm which made our outreach events and workshops such a success. Finally, I would like to thank my colleagues at APRA for their hard work in organising the Annual General Meeting and conference which allowed me to welcome my IOPS colleagues to Sydney.



Ambassador Richard Boucher,
Deputy Secretary-General, OECD



Minister Bill Shorten, MP and Ross Jones, IOPS President

AIMS

The organisation also successfully worked towards fulfilling a range of aims and objectives during 2010, including the following:

AIM	Achievement 2009
<i>Standard setting body on pension supervisory issues</i>	<p>The IOPS Principles of Private Pension Supervision were revised during 2010 – including input following a period of public consultation. The IOPS requested that the IMF and World Bank endeavour to consider how the Principles can be further incorporated into their FSAP investigations. IOPS members continue to undertake self-assessments vs. the Principles.</p> <p>A set of Good Practices for Pension Funds' Risk-management Systems was approved, jointly with the OECD.</p>
<i>Worldwide forum for dialogue and exchange</i>	<p>The IOPS held three successful outreach meetings, for the CIS, Kaukas and Central Asian region, for the CEE region and other IOPS members, and bilaterally with our Romanian colleagues.</p> <p>A joint Global Forum was organised with the OECD.</p>
<i>Participate in work of relevant international bodies</i>	<p>Dialogue with the Financial Stability Board (FSB) regarding the contribution of the pension sector to</p>

	<p>financial system stability continued.</p> <p>Close cooperation was undertaken with the OECD on topics such as the risk management of alternative investments (including the organisation of a joint seminar on the topic).</p> <p>Communication with the IAA on their work on risk-management was continued with the organisation also supplying comments during the consultation period for the IOPS revised Principles and Risk-management Good Practices.</p> <p>Comments on various IOPS projects and guidelines were received from the IAIS, who also hosted the IOPS Technical and Executive Committees.</p> <p>Regular updates on the IOPS Programme of Work were provided to the CEIOPS.</p>
<p><i>Promote, conduct, facilitate distribution and communication of research</i></p>	<p>The IOPS created a dedicated website to launch the Toolkit on Risk-based Supervision.</p> <p>The IOPS released 2 Working paper reports during 2010.</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 Finance and Economics' developed under the aegis of the IOPS and OECD. Proposals to further develop the scope and reach of the Journal are currently under discussion.</p> <p>The proceedings of the 2009 Rio de Janeiro Global Forum were published during 2010, highlighting pension issues and development in the Latin American region.</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 CIS, Kaukas and Central Asia regional workshop was attended by delegates from Armenia, Azerbaijan,</p>

	Belarus, Georgia, Kazakhstan, Kyrgyzstan, Mongolia, Tajikistan and the Maldives. The risk-based supervision meeting held in Poland also welcomed non-members from the CEE region (Republic of Moldova), whilst the IOPS Annual Meeting and Conference in Sydney saw widespread attendance from the Asian region (including Bhutan, Indonesia, Japan, Malaysia, New Zealand, Vietnam, Cook Islands, Chinese Taipei and Macau etc.).
<i>Develop database of private pension and supervisory systems worldwide</i>	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.

RELATIONS WITH OTHER ORGANISATIONS

The IOPS continued to work closely with other organisations during 2010.

- ***Financial Stability Board:*** Dialogue was continued with 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, such as the risk-management, including of alternative investments, (including drafting a joint set of good practices). 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 Sydney, Australia during November 2010 and further events are planned during 2011-2012. 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 to 2011 approved at the 2008 IOPS Annual General Meeting.
- ***ISSA:*** the joint database on complementary and private pensions is currently being developed and extended by the organisations.
- ***World Bank:*** representatives continue to attend IOPS meetings and provide input and comments into IOPS projects.
- ***IAIS:*** the two organisations 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 revised Principles and Risk-management Good Practices, the IOPS received updates on the IAA project on risk-management and the IAA kindly offered to provide input into the IOPS project on Investment Implementation.

- **Others:** comments were received during the consultation period for the review of the IOPS Principles and the IOPS/OECD Good Practices for Pension Funds' Risk-management Systems .

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, the reserves have started to be drawn down. Secretariat and other project activity (particularly activity to assist Members in developing expertise in supervision) will increase.

FUTURE MEETINGS

2011

- 28th February, 1-2March, committee meetings Amman, Jordan (*back to back with IOPS Workshop MENA region*)
- 5-6th May, Supervisory reform support meeting, Abuja, Nigeria
- 8th June committee meetings Paris, France (*back to back with OECD Working Party on Private Pensions*)
- 24th -26th October committee meetings, Annual General Meeting, OECD/IOPS Global Forum, Asian region, Cape town, South Africa (*back to back with OECD Financial Education Conference*)

2012

- 1st quarter 2011 (*date tbc*), committee meetings Santiago, Chile, (*back to back with AIOS event tbc*)
- June (*date tbc*) committee meetings Paris, France (*back to back with OECD Working Party on Private Pensions*)
- 4th quarter (*date tbc*) committee meetings , Annual General Meeting, OECD/ IOPS Global Forum, Asian region (*location tbc*)



Ross Jones
President of IOPS



Report by the Chair of the Technical Committee

Solange Berstein

Chair of the IOPS Technical Committee

The IOPS continued to build a substantial body of work during 2010, 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 systems, 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. The Tour d'Horizon has proved an enlightening part of the meetings, which we shall continue in 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) 2010-2011

PRINCIPLES AND GUIDELINES

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

a review of the IOPS Principles was undertaken during 2010, to ensure compatibility with other IOPS standards and work of recent years. The revised standards were approved at the 2010 Annual General Meeting.

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

the good practices, drafted jointly with the OECD, were approved at the 2010 AGM.

PUBLICATIONS

During 2010, the IOPS was able to ensure the work of its members reached a broader audience. The Organisation and its members have been pleased to respond to requests for information and research from a variety of sources.

Two Working Papers were released during 2010. 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 two 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.



• IOPS TOOLKIT ON RISK-BASED SUPERVISION

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 launched the Toolkit in 2010 via a dedicated website (www.iopstoolkit.org).

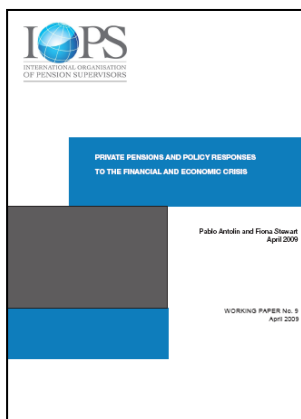
- *Introduction to RBS*: providing a definition of RBS, how it applies to the pension field, why it is being adopted and challenges and lessons learnt by supervisory authorities which have made such a move.
- *Module 1 'Preparation for RBS'*: explaining the legislative environment, supervisory organisation (including data collection) and industry preparation required to begin to move towards a risk-based approach to supervision – including a check list of these conditions.
- *Module 2 'Quantitative Risk-Assessment Tools'*: describing how quantitative tools, such as stress tests, can be incorporated into a RBS framework.
- *Module 3 'Identifying Risk'*: looking at how a supervisory authority should decide which risks to focus on – on both an individual entity and system wide basis- and how to identify indicators for different risk factors.
- *Module 4: Risk Scoring'*: describing how to build a supervisory risk-scoring matrix for categorizing supervised entities by weighting different risks (on a net basis), by considering the

probability and impact factors.

- *Module 5 ‘Supervisory Responses’*: describing how to align the supervisory response to identified risks.

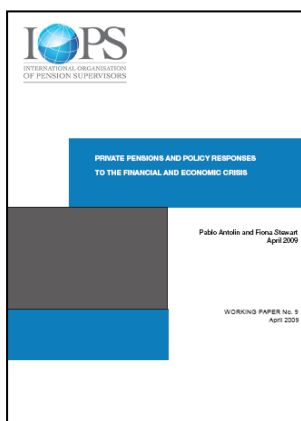
- **WORKING PAPER NO.12: MANAGING AND SUPERVISING RISKS IN DC PENSION SYSTEMS**

Defined Contribution (DC) plans are playing a larger role in pension systems around the world. Pension supervisory authorities are consequently asking if their oversight approaches need to adapt to this development – given that the risks within DC systems are born by the plan members themselves. This paper highlights the key challenges for DC supervisors, outlining the different mechanisms which can be used to control risks within DC systems, and how the use of these mechanisms informs the supervisory approach. Case studies of IOPS members overseeing DC systems are also provided



- **WORKING PAPER NO.13: PENSION FUND INVESTMENT IN ALTERNATIVES AND DERIVATIVES: REGULATION AND INDUSTRY PRACTICE**

This paper (which was produced jointly with the OECD and also released as part of the OECD’s Working Paper series on Finance, Insurance and Private Pension issues) includes a summary of the responses from a questionnaire on the regulatory framework and market practice relating to pension investments in alternative and derivative investments sent to regulatory and supervisory authorities of private pension funds in IOPS and OECD members. Building on these responses, it highlights some key regulatory and supervisory issues regarding the regulation of pension fund investment in alternatives and derivatives.





- **2009 OECD/IOPS GLOBAL FORUM ON PRIVATE PENSIONS, RIO DE JANEIRO, BRAZIL – CONFERENCE PROCEEDINGS**

The papers presented at the 2009 OECD/ IOPS Global Forum were published. These include a review of developments and reforms in the Brazilian pension system, an analysis of the impact of the financial crisis on pension systems in Latin America, papers on contributions and coverage in DC pension systems, risk sharing in hybrid DB systems and human capital and life cycle investing, as well as the initial results of the OECD/ World Bank project on pension fund performance.

PROJECTS

In addition to the projects outlined above, which were completed during 2010 and issued as publications, the IOPS undertook work on the following project during 2010, which is expected to reach completion during the coming years:

- **Implementation of Investment Policies – range of issues and lessons learnt in the context of the financial crisis:** lead by the Dutch delegation, this paper will examine (confidential) examples of problems relating to the implementation of investment policies, particularly in relation to alternative investments, drawing lessons on how pensions supervisors can improve their oversight of investment issues in future.

OTHER

Work on updating the ISSA/IOPS/OECD database continued during 2010 – with IOPS/OECD Secretariat taking over responsibility for updating the database, which continues to be hosted by the ISSA. 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 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 2011, 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, and drafting and editing additional working papers.

MAIN TASKS COMPLETED DURING 2010

DOCUMENTS

The Secretariat - along with an independent expert - drafted Working Paper No.12 (*'Managing and Supervising Risks in DC Pension Systems'*), edited and drafted Working Paper No.13 (*'Pension Fund Investment in Alternatives and Derivatives: Regulation and Industry Practice'*) along with OECD colleagues, which was drawn from a questionnaire drafted specifically for the purpose.

The Secretariat drafted, led and coordinated the work on the *Toolkit for Risk-based Supervision*, including launching a dedicated website for the Toolkit.

The *'Good Practices for Pension Funds' Risk-management Systems* were completed, including input from a public consultation, and were approved by IOPS Governing Members at the 2010 Annual General Meeting. The Secretariat also led the review of and organised the consultation on the *'IOPS Principles of Private Pension Supervision'*, which were approved at the 2010 Annual General Meeting.

The Secretariat produced a comprehensive summary 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.

As with previous years' Global Forum, the papers to be presented at the 2010 event in Sydney, have been collected and will be released as a publication in early 2011.

The Secretariat was closely involved with and assisted the work of various other project teams, helping to fulfill the intended 2010-2011 Programme of Work of the organization. The Secretariat

further assisted in the collection and dissemination of documents for other IOPS projects undertaken during 2010.

Building of the on-line electronic research library continued during 2010. 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 IOPS Secretariat has also taken on the role of updating the ISSA/OECD/IOPS database.

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 2010 Annual Report.

MEETINGS

The Secretariat played a key role in the organisation of the *OECD/ IOPS Global Forum on Private Pensions* held in Sydney, Australia in November – with thanks to the Australian Prudential Regulation Authority 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 Asian region.



Members of the IOPS Executive Committee and Secretariat at the occasion of the IOPS Executive Committee meeting held in Sydney, Australia on 2 November 2010

The Secretariat also organised the IOPS outreach events in the CIS, Kaukas, Central Asian region, the CEE region and also bilaterally with our Romanian colleagues. IOPS regional members, other regional representatives, IOPS delegations and the IOPS President, 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 would like to thank our hosts - the Undersecretariat of the Turkish Treasury, the Private Pensions Supervisory Commission of Romania, and the Polish Financial Supervisory Authority – for their help in organising these events.

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 IAIS and APRA, and OECD staff in the organisation of these meetings was greatly appreciated.

Support was additionally provided for the Chairmen of the committees.

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 (including alternative investments), ensuring that work was coordinated and synergies gained and any overlaps and duplication in projects avoided. A joint seminar on the topic of alternative investments was organised in Paris in July, which included participation from Professor Luis Viciara, a leading pensions academic, and Personal Accounts Delivery Authority of the UK.

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 into various IOPS projects. The Secretariat also coordinated the public consultation on the *[IOPS / OECD Good Practices for Pension Funds' Risk-management Systems](#)*.

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.

ADMINISTRATION AND OTHER

The Secretariat continued their work during 2010 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, the Vice President and the Chair and Vice Chair of the Technical Committee.

Finally, the Secretariat continued to update and develop the IOPS website, including adding webcast material, launching a social networking site and launching a dedicated website for the IOPS Toolkit on Risk-based Supervision.

PLANS FOR 2011

Secretariat and other project activity can be expected to continue during 2011. It is expected that, in most cases, the Secretariat will maintain its high level of analytical contributions to IOPS work and projects during 2011.

Other activities, including the drafting of a further set of operational guidelines may be initiated.

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 specialized 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 2011, improving and deepening the statistical data available for IOPS members.

The IOPS has a wide variety of meetings planned for 2011, which will require planning and preparation on the part of the Secretariat - including a second regional workshop for the MENA region, a seminar to support the supervisory reforms of our Nigerian colleagues, a back-to-back meeting with the OECD's Working Party on Private Pensions and the OECD/IOPS Global Forum on Private Pensions, scheduled to be held in Cape Town, South Africa in October, back to back with a Financial Education conference organised by the OECD.

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 hope to bring on board a series of new members during 2011 who have previously expressed interest in the organisation, and will continue to contact other organisations that could benefit from IOPS membership and provide useful input in our continued Programme of Work.



André Laboul
Secretary General IOPS

Executive Committee Members 2010

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 2009 to serve until 2011

Australia	Australian Prudential Regulatory Authority (APRA)
Egypt	Egyptian Insurance Supervisory Authority (EISA)
India	Pension Fund Regulatory and Development Authority (PFRDA)
Italy	Pension Fund Supervision Commission (COVIP)
Jordan	Insurance Commission

Elected in 2008 to serve until 2010

Hungary	Hungarian Financial Services Authority (HFSA)
Kenya	Retirement Benefits Authority (RBA)
Netherlands	De Nederlandsche Bank (DNB)
South Africa	Financial Services Board (FSB)
Ex Officio – Chile:	Superintendencia de Pensiones (Chair of Technical Committee)
Ex Officio – United Kingdom:	The Pensions Regulator (Vice-Chair of Technical Committee)

Technical Committee Members 2010¹

Chair

Mrs. Solange Berstein

Superintendent of Penions, Chile

Vice -Chairman

Mr. Will Price

The Pensions Regulator, UK

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

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

IOPS Members and Observers 2010

Governing Members

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

Rwanda	Central Bank
Senegal	Supervisory and Regulatory Commission of Social Security Institutions of Sengal
Serbia	National Bank
Slovakia	National Bank
South Africa	Financial Services Board
Spain	Economy and Finance Ministry
Suriname	Central Bank
Swaziland	Ministry of Finance
Thailand	Securities and Exchange Commission
Trinidad & Tobago	Central Bank
Turkey	Pensions Monitoring Center
Turkey	Undersecretariat of the Treasury
Ukraine	State Commission for regulation of Financial Services Markets
United Kingdom	The Pension Regulator
Zambia	National Pension Scheme Authority

Associate Members

South Africa	National Department of Social Development
ISSA	<i>Partnership Agreement</i>
OECD	<i>Partnership Agreement</i>
World Bank	

Observers

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

Secretariat

Secretary General	Mr. André Laboul	
Secretariat	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 2009

Dear Governing Members,

The Treasurer is pleased to report that during the year ended 31 December 2009 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 to 60 in 2008, and to 62 in 2009. Membership fee revenue amounted to €356,493.60 in 2009.

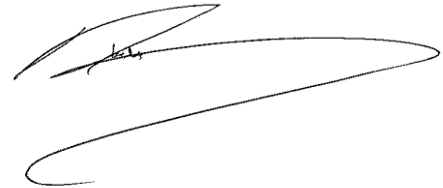
Membership fees and interest were the sole sources of income in 2009.

On the cost side, the major expense incurred by the organisation during 2009 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 2009 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 2009 amounted to €40,270.53.

During 2009 the IOPS continued to develop a strong programme of work, held meetings of the Executive and Technical committees in Budapest, Paris and Rio de Janeiro, and the Annual General Meeting and joint OECD/IOPS Global Forum also took place in Rio de Janeiro.

In addition regional workshops were held in Cairo, Egypt, Budapest, Hungary and Montego Bay, Jamaica. 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 2009. At its March 2009 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. In addition at the meeting of the Executive Committee on 21st 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. The total reserves held at the end of 2009 were therefore €145,000.

The 2010 year commenced on a strong note with membership fee revenue amounting to €262,652.62 having been received from 46 members during the first five months of the year.

A handwritten signature in black ink, appearing to read 'Philip Diamond', written over a large, horizontal, slightly wavy line that serves as a decorative underline or separator.

Philip Diamond
Treasurer

The International Organisation of Pension Supervisors
Dated: **30 November 2010**

2009 Members Payments

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



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Fax : + 33 (0)1 56 57 57 58

IOPS
2 Rue André Pascal
75 775 Paris Cedex 16
France

Neuilly-sur-Seine, 31 May 2010

**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 2009 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 2009, 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 - Aquitaine - Bourgogne Franche-Comté - Bretagne - Lille Nord
Pas-de-Calais - Limoges - Lorraine - Marseille Provence Alpes Côte-d'Azur Corse - Montpellier - Pays de Loire - Picardie - Ardennes Poitou Charentes
Vendée - 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.
SARL au capital de 78 000 € - RCS Nanterre B 632 028 627 - onde APE 6920 Z - TVA n° FR 24 632 028 627 - Siret 632 028 627 00404

International organisation of pension supervisors (IOPS)			
Statement of financial position			
As per 31 December 2009			
Assets	Notes	2009 (Euro)	2008 (Euro)
Cash at bank		95 150,65	179 552,76
Short term deposit		213 262,70	106 656,01
Interest accrued		1 573,17	3 282,70
Sundry debtors and prepayments		-	827,89
Total		<u>309 986,52</u>	<u>290 319,36</u>
Liabilities and net assets			
Prepaid membership fees		62 471,00	42 471,00
Accrued expenses		6 500,00	6 500,00
Total liabilities		<u>68 971,00</u>	<u>48 971,00</u>
Net Assets		<u>241 015,52</u>	<u>241 348,36</u>
Unrestricted Net Assets & Reserves			
Retained earnings before transfer		191 348,36	138 961,03
Changes in unrestricted net assets for the current year		- 332,84	52 387,33
		<u>191 015,52</u>	<u>191 348,36</u>
Less: Transfer to Contingency Reserve		- 71 298,72	- 20 309,53
Less: Transfer to Special Reserve		- 25 000,00	- 50 000,00
Retained Earnings after transfer		<u>94 716,80</u>	<u>121 038,83</u>
Contingency Reserve		71 298,72	70 309,53
Special Reserve		75 000,00	50 000,00
Total Funds		<u>241 015,52</u>	<u>241 348,36</u>

International organisation of pension supervisors (IOPS)
Statement of activities
For the year ending 31st December 2009

CHANGES IN UNRESTRICTED NET ASSETS		
	2009 (Euro)	2008 (Euro)
Revenue and gains		
Membership fees	356 493,60	351 547,67
Interest	4 897,16	3 282,70
Total unrestricted revenue and gains	361 390,76	354 830,37
Expenses		
Audit	6 592,35	6 958,40
Bank fees and charges	1 081,44	990,59
Grants to OECD	30 000,00	
Legal fees	-	717,55
OECD administration	268 500,00	255 800,00
Conference expenses	54 843,44	33 016,50
Subscriptions	706,37	4 960,00
Publishing Costs	-	
Membership fee refund	-	
Total expenses	361 723,60	302 443,04
CHANGES IN UNRESTRICTED NET ASSETS	- 332,84	52 387,33

INTERNATIONAL ORGANISATION OF PENSION SUPERVISORS (IOPS)

NOTES TO THE FINANCIAL STATEMENTS

Year ending 31 December 2009

1 NATURE OF ORGANISATION

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.

IOPS is an association in accordance with French law. It is domiciled in Paris, France and receives membership fees from members worldwide.

2 SIGNIFICANT ACCOUNTING POLICIES

The accounts of the IOPS are drawn on the historical cost basis and income and expense items are recorded on the accruals basis.

3 INCOME TAXES

The Organisation is exempt from income tax.

4 PAYMENTS TO THE OECD

The IOPS paid the following amounts to the OECD:

268 500,00	Grant provided to meet secretariat and administrative support services, technical and liaison support.
<u>268 500,00</u>	

5 CONFERENCE FEES

The IOPS held three sets of meetings in Budapest, Paris and Rio and two regional workshops in Cairo and Montego Bay

54 843,44

54 843,44

6 AUDIT

The audit for the 2009/2009 year is noted

6 592,35

6 592,35

INTERNATIONAL ORGANISATION OF PENSION SUPERVISORS (IOPS)

NOTES TO THE FINANCIAL STATEMENTS

Year ending 31 December 2009 (continued)

6 SUNDRY DEBTORS AND PREPAYMENT

Consist of the following amounts:

0,00

7 ACCRUED EXPENSES

Consist of: 6 500,00 Audit fee based on 2008/09

6 500,00

8 PRE-PAID MEMBERSHIP FEES

Consist of: 62 471,00 2010 membership fee received in 2009

62 471,00

9 RETAINED EARNINGS AND CONTINGENCY RESERVE

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.

This amount has been transferred from Retained Earnings and is reflected in a reduction to the opening retained earnings figure in the balance sheet.

10 SPECIAL RESERVE

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. This amount has been transferred from Retained Earnings and is reflected in a reduction to the opening retained earnings figure in the balance sheet.

11 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. 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

