INTERNATIONAL ORGANISATION OF PENSION SUPERVISORS

IOPS ANNUAL REPORT 2019

Activities from January 2019 to December 2019
2018 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 87 Members and Observers representing supervisory bodies from 77 countries and territories worldwide - from Albania to Zimbabwe - covering all levels of economic development and bringing together all types of pension and supervisory systems.

The IOPS was formed in July 2004. 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 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.*

Report from the President of IOPS

Dr Olga Fuentes
Acting President of IOPS

HIGHLIGHTS

In 2019 the IOPS continued working with individual members and co-operating actively with other international organisations which have an interest in pension supervision.

On 6 March 2019, the Pension Fund Regulatory and Development Authority (PFRDA) of India hosted the IOPS Committee meetings in New Delhi, India. The Committees meetings in India were followed by an international seminar on pension supervision and regulation entitled “Options for creating sustainable pension systems in emerging markets” organised jointly by the PFRDA, the IOPS and the OECD. The purpose of the seminar was to discuss a selected number of policy reform initiatives from the regulatory and supervisory perspectives. Special attention during the seminar was devoted to: 1) Strategies to increase retirement savings; 2) Role of pension supervisors in promoting cost-effective pension arrangements; 3) Supervision of retirement options and 4) Supervision of governance of pension arrangements. The seminar brought together senior officials from the Pension Fund Regulatory and Development Authority and supervisory authorities with a rich representation from the Pension Fund Regulatory and Development Authority and globally. The meetings in India were perceived as highly successful, gathering 53 IOPS Delegates from 32 jurisdictions and approximately 100 Indian participants, including both representatives from public authorities and private sectora. This allowed for a fruitful and informative exchange of views and experiences on a number of topical issues. The presentations delivered at the international seminar in India are available on the IOPS web-site.

IOPS Technical Committee Meeting
6th March 2019
New Delhi, India

Name of IOPS Delegates and PFRDA officials (Left to Right)

Front Row : (1) Dr Gerlinde Taurer (Austria) (2) Mr. Mohammed Hablouz (Morocco) (3) Ms. Julia Cillikova (Slovakia) (4) Mr. Muznee Mohamed (Maldives) (5) Mr. Supratim Bandyopadhyay (India) (6) Ms Nina Paklina (France) (7) Ms. Stephanie Siering (Germany) (8) Ms. Praxidis Saisi (Kenya) (9) Ms. Fiona Stewart (United States) (10) Mr. Pablo Antolin (France) (11) Ms.Srikanya Yathip (Thailand) (12) Mr. Bright Wireko Brobby (Ghana) (13) Mr. Abdel Monsef Mahmoud El Adly (Egypt) (14) Mr. Kenneth Matomola (Namibia) (15) Ms. Amardeep Kaur (Malaysia)

Middle Row : (1) Ms. Trisha Dulloo (Mauritius) (2) Mr. Brenden Kennedy (Ireland) (3) Mr. Peter Carey ((Guernsey) (4) Mr.Hemant G Contractor (India) (5) Mr. Peter Braumueller (Austria) (6) Mr. Hayford Attah Krufi (Ghana) (7) Mr. Ambrogio Rinaldi (Italy) (8) Mr.Mohammed Bello Umar (Nigeria) (9) Mr. Zhao Guangyi (China) (10) Mr. Qianli Wu (China) (11) Ms. Sumeet Kaur Kapoor (India) (12) Ms. Mamta Rohit (India) (13) Ms Manju Bhalla (India) (14) Ms. Jaspreet Kaur Saini (India) (15) Mr. Manish Mani (India)

Last Row: (1) Mr. Roman Saidel (Switzerland) (2) Mr Tom Milamala (Papua New Guinea) (3) Dr. Richard Bense (Hungary) (4) Mr. Adnane Chekli (Morocco) (5) Ms.Bopelokgale Soko (Botswana) (6) Mr.Olano Billy Steve Makhubela (7) Mr Daniel Ashitei Mensah (Ghana) (8) Mr. Dariusz Stanko (France) (9) Mr.Mike Cornwell (Australia) (10) Mr. A.G. Das (India) (11) Mr. Fernendo Folle (Brazil) (12) Mr. Praveen Trivedi (India) (13) Mr. Nzomo Mutuku (Kenya) (14) Mr. Srinivas Bhoosarapu (India) (15) Mr. Aakash Mishra (Mauritius) (16) Dr. Badri Singh Bhandari (India) (17) Mr. Sumit Kumar (India) (18) Mr. Arumugarangarajan P (India) (19) Mr. Devesh Mittal (India) (20) Ms. Jyoti Schwag (India)

International Conference "Options for creating sustainable pension systems in emerging markets", New Delhi, India 7 March 2019

On 3-4 June 2019, the IOPS and the OECD Working Party on Private Pensions organised joint meetings in Paris, France. These were followed by the fourth international Pension Research Association Conference organised jointly by OECD, IOPS and the International Pension Research Association (IPRA), formerly known as International Network for Pensions, Aging, and Retirement Research (INPARR). The event offered a unique forum where leading pension academics presented their research and interacted with the policymakers and supervisory community. The IPRA/INPARR is a collaboration between CEPAR (Australia), the Pension Research Council at the Wharton School of the University of Pennsylvania (USA) and Netspar at Tilburg University (the Netherlands), and has as its mission the promotion and advancement of high-quality social science research on pensions, ageing, and retirement. The theme for this year's event was "Developments in Pensions" which addressed issues such as Implications of morbidity and mortality trends and forecasts, non-standard work arrangements (in the so-called "gig economy"), and clean pensions (in terms of good governance and ressistance to corruption). Nearly 180 persons, world leading academic researchers and the OECD and IOPS Delegates from 64 jurisdictions around the world took part in this event. The presentations of the conference were made available on the OECD as well as on the IOPS web-site.

On 16-17 September 2019, with the support of the IOPS, the Retirement Benefits Authority of Kenya (RBA), Financial Sector Deepening (FSD Africa) organised in Nairobi, Kenya, the Africa Pension Supervisors Forum. This event aimed to discuss the work of FSD Africa and IOPS, the investment of retirement funds globally and in the African region, as well as the highly relevant issues for the continent such as pension coverage and recent innovations in technology. During the event, the Africa Pension Supervisors Forum was established with the aim to strenghten the co-operation of pension supervisors in the continent. Its, interim Chair, Mr Nzomo Mutuku, CEO, Retirement Benefit Authority of Kenya has emphasised that the Forum will be co-operating with IOPS.

The IOPS Annual Meetings were held on 6-8 November 2019 in Tirana, Albania, and were hosted by the Albanian Financial Supervisory Authority (AFSA). The AGM and the IOPS committee meetings were followed by the OECD/IOPS Global Forum on Private Pensions, organised under the theme of "Developing and supervising funded pension arrangements". The event gathered about 100 local guests, including representatives of the government of Albania, representatives of the private pension

and asset management industry in the region and globally, as well as 83 international Delegates from 41 jurisdictions, including IOPS Members and officials from the OECD. The forum benefited from the knowledge and expertise of numerous speakers, including Mr Ervin Mete, Chairman of Albanian Financial Supervisory Authority (AFSA) board, Mr Preston Rutledge, Assistant Secretary of Labor of the United States, Professor Agnieszka Chłoń-Domińczak from the Warsaw School of Economics (SGH) in Poland, as well as IOPS delegates. Participants discussed several important topics, such as the ways to develop funded pension systems in the South-Eastern Europe, the policy and supervisory issues relating to pension funds sustainable investments, the OECD Roadmap for DC pension funds, the experience of 20 years of pension reforms in Central, Eastern and Sourthern Europe, the ways to establish and supervise employer-sponsored pension arrangements, as well as the interactions between pension funds and capital markets. The forum was priviledged to welcome the participation of Ms Anila Denaj, Minister of Finance & Economy, Republic of Albania, and Mr Arben Ahmetaj, Chairman of Albanian Parliament Commission for Economy and Finance who provided opening remarks as well as Mr Ervin Koçi, General Executive Director and Board Member of the Albanian Financial Supervisory Authority (AFSA) who delivered closing remarks. The presentations delivered at the Global Forum in Tirana, Albania are available on the IOPS web-site.

Special thanks are due to all participants of IOPS meetings and the authorities that hosted the meetings for their initiatives and hospitality. The organisation of the Technical Workshops back to back with the Committee meetings proved to be a very useful initiative offering to our Members a valuable source of practical information on highly technical issues related to the supervision of private pension entities. Again, we are grateful to the senior management of the hosting authorities for their support of such initiatives and all colleagues who contributed to these technical seminars.

MEMBERS

Two supervisory bodies joined the Organisation this year: the Croatian Financial Services Supervisory Agency (HANFA) as the IOPS Governing Member, and the Executive Permanent Secretariat of National Commission of Social Protection (SEP/CNPS) of Burundi as the IOPS Associate Member.

Our on-going goal is to expand the membership base of our Organisation through our out-reach events, bilateral contacts and with the help of our Members. 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 incorporate their valuable input into our work.

IOPS is very grateful to its Members who have supported our efforts to expand the membership of the Organisation. Indeed, our best source of recruitment is through our membership. Members are therefore encouraged to get in touch and develop their relationship with supervisory authorities in their regions and help work towards further increasing the membership of our Organisation in 2020.

MEETINGS

The following meetings were held in 2019:

- Executive and Technical Committee meetings; 6 March – New Delhi, India; 5-6 June – Paris, France; 6 November – Tirana, Albania;

- IOPS/OECD/PFRDA International Seminar on Private Pensions: Options for creating sustainable pension systems in emerging markets, 7 March, New Delhi, India;

- IAIS/IOPS/OECD/NBS Conference on synergies between Insurance and Pensions, 10-12 April, Bratislava, Slovakia;
- IPRA/OECD/IOPS Research Seminar: Developments in Pensions, 5 June, Paris, France;
- Annual General Meeting, 7 November, Tirana, Albania;
- OECD/IOPS Global Forum on Private Pensions: Developing and supervising funded pension arrangements, 7-8 November, Tirana, Albania.

Joint IAIS-IOPS-OECD-NBS Conference on synergies between Insurance and Pensions, Bratislava, Slovak Republic, 10-12 April 2019

AIMS

The Organisation successfully worked towards fulfilling a range of aims and objectives during 2019, including the following:

AIM	Achievement 2019
Standard setting body on pension supervisory issues	The IOPS released "Supervisory guidelines on the integration of ESG factors in the investment and risk management of pension funds" that were the result of a series of discussion by IOPS Members during last two years and the subsequent public consultation process. Representatives of the Organisation participated in the work of other bodies promoting the standards developed by the IOPS (e.g. the PRI, OECD Working Party on Private Pensions, G20-

	OECD Task Force on Financial Consumer Protection - OECD).
Worldwide forum for dialogue and exchange	The IOPS organised jointly with OECD, and the International Pension Research Association (IPRA) the international research seminar on the developments in Pensions. The joint OECD/IOPS Global Forum on private pensions was organised in Tirana, Albania. The IOPS continued collaboration with other international institutions (e.g. the World Bank, Latin American Pension Fund Supervisors (AIOS), International Association of Insurance Supervisors (IAIS), International Social Security Association (ISSA), International Actuarial Association and International Federation of Pension Funds Administrators (FIAP)).
Participate in work of relevant international bodies	See description of activities in the section *Relations with other organisations* under this table.
Promote, conduct, facilitate distribution and communication of research	During 2019 the IOPS released one Working Paper. The IOPS continued revision of its website, including its research section and electronic library on the IOPS website that provides research on pension supervision and related topics. Members also receive the leading academic pension journal, 'The Journal of Pension Economics and Finance' (JPEF) developed under the aegis of the IOPS and OECD. The Journal publishes original research papers on topics including pension fund management, the regulation of pensions, and pensions and labour markets. The Issues & Policy section reviews the state of debate on current public policies and other major aspects of the pension's field. Printed copies of the Journal were distributed to the Members at the Paris Committee meetings and the OECD/IOPS Global Forum on Private Pensions. Access to the electronic version of the JPEF is available to the Members through IOPS web-site: www.iopsweb.org

Assist countries with less developed private pension arrangements	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. In September 2019 the IOPS supported and participated in the Africa Pension Supervisors Forum meeting in Nairobi, Kenya which focused on the issues pertinent to the African pension supervisors. The IOPS Committee Meetings and Conferences in New Delhi, Paris, and Tirana saw attendance from non-member countries such as Denmark, Estonia, Japan, Kyrgyzstan, Latvia, Malaysia, Norway, Singapore, Thailand, and the United States. IOPS Members pursue their efforts supported by the Secretariat to expand the Membership of the Organisation in the future.
Develop database of private pension and supervisory systems worldwide	The IOPS continues to work with its partners from the ISSA and OECD to update and develop a comprehensive regulatory and statistical database covering private pension systems worldwide. 2019 update of the joint ISSA/OECD/IOPS Complementary and Private Pension database and IOPS supervisory profiles of up to 20 jurisdictions.

RELATIONS WITH OTHER ORGANISATIONS

The IOPS continued to work closely with other organisations in 2019. Such collaborations included:

- ***G20:*** The IOPS Secretary General, André Laboul, represented the Organisation in the Investment Forum in Argentina organised as a high-level event in the framework of G20 activities under the Argentina presidency.

- ***OECD***: The IOPS continues to work closely with the OECD's Working Party on Private Pensions jointly organising research conferences, joint summer meetings and the Global Forum. This year, the summer joint meeting was held in Paris, France, while the Global Forum took place in Tirana, Albania. The OECD continues to provide Secretariat support to the IOPS via the partnership agreement signed by the two organisations in 2005 and renewed in 2017 at the AGM held in Mauritius. The IOPS also continued to contribute to the G20/OECD Taskforce on Financial Consumer Protection, the Taskforce on Pension Statistics and the G20/OECD Taskforce on Institutional Investors and Long-Term Financing.

- ***ISSA:*** the joint database on complementary and private pensions is further being updated and extended by the three organisations involved (IOPS, ISSA and OECD).

- ***World Bank:*** representatives continue to attend IOPS meetings and provide input and comments to IOPS projects.

- ***IAA:*** the two organisations continue to co-operate, comment on their work programmes and publications as well as organise regular working meetings.

- ***IAIS:*** the two organisations continue to co-operate in respect of monitoring developments, co-ordinating respective work of each organisation and participating in events where relevant. In April 2019 a joint conference was organised in Bratislava.

- ***AIOS***: the two organisations provide regular exchange of information and the representative of AIOS attended and actively contributed to the joint OECD/IOPS Paris meeting.

- ***EIOPA:*** the IOPS and EIOPA provide regular updates of each other's work.

- ***PRI:*** In September 2019, the IOPS Secretary General, André Laboul, represented the Organisation in the 'Sustainable Finance Policy Conference' in Paris organised by the Principles for Responsible Investment (PRI)

FUTURE MEETINGS

2020

- 26-28 February, Committee Meetings, Seminar and Supervisory Workshop (on transition from DB to DC schemes), Flic en Flac, Mauritius;

- 15-16 June, Committee Meetings, OECD, Paris, France jointly with the OECD WPPP;

- 7-9 October, Committee Meetings, AGM & OECD/IOPS Global Forum on private pensions, Yerevan, Armenia.

2021

- 24-26 February, Committee Meetings and Seminar, Hong Kong, China;

- June (dates tbc), Committee Meetings, OECD, Paris, France jointly with the OECD WPPP;

- October/November (dates tbc), Committee Meetings, AGM & OECD/IOPS Global Forum on private pensions, host country tbc;

As a result of the elections of the new IOPS President in the Annual General Meeting held on 7 November 2019 in Tirana, Ms. Helen Rowell, Deputy Chair of the Australian Prudential Regulation Authority (APRA) is the new IOPS President. I would like to extend my congratulations to her and wish her all the best in her new position in the Organisation.

Helen Rowell
(newly elected) President of IOPS

I thank you all for your support during this time and wish all the best to the IOPS community.

Dr Olga Fuentes
Acting President of IOPS

Report by the Chair of the Technical Committee

Brendan Kennedy
Chair of the IOPS Technical Committee

The Technical Committee of IOPS is an essential group tasked with developing principles, standards and good practices on pension supervisory issues and on regulatory issues related to pension supervision. The Technical Committee is also the primary forum in which members discuss and share experiences relating to pension supervision and contribute to the development and issuance of IOPS Working Papers. Participation in Technical Committee meetings is open to all IOPS members.

Over the year, three meetings of the Technical Committee were held which were all well supported by the membership. The June meeting in Paris was again a joint meeting with the OECD Working Party on Private Pensions which provided a valuable opportunity to share and discuss the work of IOPS with a broader group of private pension policymakers and regulators as well as private pension industry representatives and other stakeholders.

The outputs and ongoing work of the Committee are set out in some detail below. The value of a body such as IOPS is that it is able to draw upon the collective experiences of a broad membership of pension supervisors. The quality of outputs of the IOPS is driven by the contributions of these members who are encouraged to participate and provide input whether through participation in project teams, responses to surveys and information requests or through the meeting processes where papers are discussed and commented. I would particularly like to thank those who drafted, edited and supplied input for the Working Papers released, or further developed, this year. I would also like to thank the Secretariat for their efforts in the development of the papers completed and progressed throughout the year and also for the substantial background work needed in arranging the meetings of the Committee so that they can run efficiently and productively.

Going forward, the Technical Committee is committed to an ambitious program of work that will continue to explore the frontiers of developments in private pension systems globally. To achieve these ambitions, we look forward to the ongoing commitment of the membership, the support of the secretariat and ongoing collaboration with our external partners.

PROGRAMME OF WORK (POW) 2019-2020

PRINCIPLES AND GUIDELINES

Revision of the IOPS Principles of Private Pension Supervision:

The IOPS Governing Membership agreed at its Berlin meeting on 29 October 2015 on the need to revise the IOPS Principles of Private Pension Supervision which were previously revised in 2010. The revision started in the second half of 2016 and identified some basic editorial and updating changes to be introduced to the text of the Principles. The first step was to develop Guidelines on the application of ESG factors in supervision of pension fund investment and risk management. The work on the ESG guidelines started in 2018 and has been finalised by their publication in October 2019. The next potential step under this project in 2020 could be to develop advice (e.g. in the area of risk disclosure or scenario testing) that will help IOPS members to apply the Supervisory ESG guidelines in practice. In addition,

members may consider endorsing the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

Supervisory guidelines on the integration of ESG factors in the investment and risk management of pension funds:

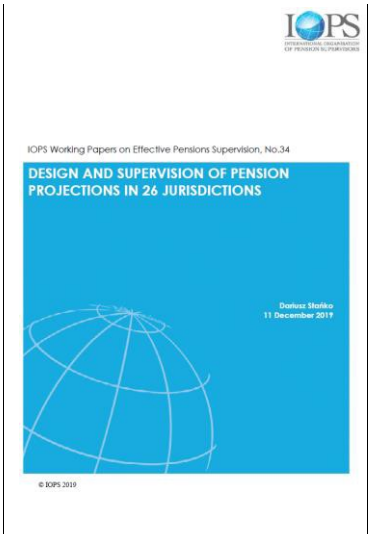
Environmental, Social and Governance (ESG) factors are an important and relatively new issue for the regulatory frameworks of pension funds worldwide. This topic is evolving quickly and can have different impacts and risks depending on the country. These IOPS guidelines are the outcome of numerous discussions held at several IOPS meetings over the last two years. They are voluntary in nature and are intended to guide supervisors and other entities involved in supervision of pension fund risk management and investment. When regulatory issues are addressed in this document, it is done from supervisory angle. They should be read in conjunction with the IOPS Principles of Private Pension Supervision and IOPS Good Practices on Pension Funds Investment Governance.

RESEARCH AND PUBLICATIONS

During 2019, the IOPS continued to ensure that 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.

One Working Paper was released in 2019. The IOPS working paper N° 34 reviews the ways pension projections are designed and supervised in selected IOPS jurisdictions. In particular, the paper reviews the current practice with regard to variables and assumptions used for pension projections. The abstract of the paper follows below. The IOPS welcomes submissions for the Working Paper series. Members 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 the results of research and policy analysis conducted throughout the year. They are developed with the important input and assistance of Technical Committee Members, and are circulated to encourage discussion and comment and feed policy debate in their respective jurisdictions. They represent the views of the authors and may not represent the opinion of the IOPS members as a whole.



WORKING PAPER NO. 34: Design and supervision of pension projections from funded pension funds in IOPS countries

Abstract: This report looks at the design and supervision of pension projections based on a survey of 26 jurisdictions. Predominantly, pension projections in the surveyed IOPS jurisdictions are provided by pension funds and supervisors in the form of on-line calculators, developed by supervised entities, supervisory authorities or other governmental institutions, or regular communications by pension entities via pension benefits statements (PBSs). The paper provides also an overview of key variables used while making pension projections.

PROJECTS

In addition to the projects outlined above, the IOPS has worked on the following projects during 2019, which are expected to be finalised during the coming year:

- ***Supervision of pension investment management, including non-traditional investment, infrastructure and long-term investment:*** In this second stage of the project, initialised in 2018, the IOPS investigates the supervision of infrastructure and long-term investments by pension funds and ways it can be facilitated. It is envisaged that the project may result in issuing IOPS guidelines in the area of supervising pension investment management and the project will also provide important support to the work of the G20/OECD Task Force on Institutional Investors and Long-Term Financing from the pension supervisory perspective.

- ***Projections of retirement benefits:*** This project explores how projections are done in various IOPS jurisdictions and how they are communicated to the users as well as how projections and communication activities are supervised. The first paper, focusing on the design and supervision of pension projections, was published as IOPS Working Paper no. 34. The second paper will focus on how pension projection results are and should be communicated to the members. The paper is currently being jointly developed by the IOPS and the OECD. Both papers identified common problems and good practices in the surveyed jurisdictions which will contribute to developing IOPS good practices on supervision of pension benefits projections.

- ***Solvency of DB pension funds in current financial environment:*** The goal of the project is to understand the current solvency situation of defined benefit pension schemes as well as the regulatory framework and supervisory practices in this area. The paper may also provide estimates of the implications for them under the scenario of low interest rates prevailing until 2025 (tentative date).

- ***Cybersecurity:*** The project on supervisory approaches to enhance cyber resilience in the private pension sector is a continuation of the IOPS Project on digitalisation[1]. It aims to collect and share IOPS Members' supervisory initiatives to assess the preparedness and to enhance cyber resilience in private pension sector. These initiatives may serve as a guidance for other supervisory authorities.

- ***Risk-based supervision:*** Key activities of the project is to update the Members' case studies and develop new case studies in the area of RBS and extend supervisory knowledge on RBS issues by gathering information about lessons learnt and problems encountered during designing, implementation, use, and revision of RBS system as well as solutions used.

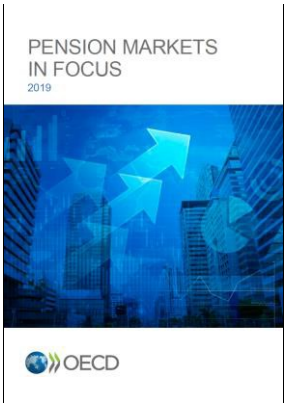
OTHER

Work on updating and expanding of the joint ISSA/IOPS/OECD Complementary and private pension database continued during 2019. The 2019 update of the profiles for inclusion in the joint ISSA/IOPS/OECD database focused on the jurisdictions with most dated information. In conjunction with the update of the joint ISSA/IOPS/OECD profiles, IOPS supervisory profiles of various countries were reviewed.

Furthermore, a broad range of IOPS Members provide statistical information for the OECD/IOPS/WB Global Pension Statistics Project. Selected statistics for IOPS Members are available via the OECD's Pensions Markets in Focus publication and the OECD web-site (www.oecd.org/daf/pensions).

[1] See IOPS Working Paper No. 33, Impact of the digitalisation of financial services on supervisory practices in the private pension sector, http://www.iopsweb.org/iopsworkingpapersoneffectivepensionsupervision.htm

The IOPS Members are encouraged to continue to actively participate and provide, on a regular basis, the requested pension regulatory and statistical data/information as a part of the joint the ISSA/OECD/IOPS Complementary and Private Pensions database and the OECD/IOPS/WB Global Pension Statistics database. The work on the update of IOPS supervisory profiles for the whole Membership will be continued in 2020.



2019 Edition of the OECD Pension Markets in Focus is available via

http://www.oecd.org/daf/fin/private-pensions/pensionmarketsinfocus.htm

IOPS Principles, Good practices and guidelines, Working Papers, Member countries' supervisory profiles, background information and papers by research topic and by country are available on the IOPS web-site: www.iopsweb.org. Members are invited to provide recent reports on their pension systems and developments in supervisory approaches and techniques for inclusion in the research database. The IOPS research web-page will be subject to on-going revision, restructuring and improvement.

Brendan Kennedy

Brendan Kennedy
Chair of the IOPS Technical Committee

Report of the Secretariat

André Laboul
Secretary General of IOPS

The IOPS Secretariat continues to provide a wide range of support to the IOPS membership. In addition to supporting and working to extend the membership base, servicing the Executives and organising Committee meetings and Annual General Meetings, the Secretariat has, on the request of the Executive Committee, continued in an analytical role to provide intellectual input to the Organisation. In addition to drafting papers and guidelines, increased editorial and analytical support was provided to project teams, which resulted in the development of draft papers and publication of further papers in the IOPS Working Paper series. The role of the Secretariat was also instrumental in developing the IOPS "Supervisory guidelines on the integration of ESG factors in the investment and risk management of pension funds".

The secondment of Mr Taejin Han in the IOPS Secretariat has been extended by another year until mid-July 2020. I would like to sincerely thank Financial Supervisory Service of Korea for their agreement to continue Taejin's stay in our Secretariat and their generous and kind support of the Organisation. On behalf of the Secretariat, I would also wish to praise the analytical work delivered by Taejin and his valuable input and support of the Organisation's activities. The practical supervisory experience of the secondees continues to be highly valuable for the Secretariat. I hope that the secondee programme can continue in the future, with other Members joining and contributing to it. IOPS Members are invited to inform the IOPS Secretariat about their willingness to send their staff to support the work of the Secretariat.

MAIN TASKS COMPLETED DURING 2019

DOCUMENTS

The Secretariat provided substantial analytical input to the on-going IOPS projects which led to the publication of the following documents: IOPS Supervisory guidelines on the integration of ESG factors in the investment and risk management of pension funds and Working Paper No. 34 on the design and supervision of pension projections from funded pension funds in IOPS countries.

The Secretariat was closely involved with and assisted the work of various other project teams, helping to fulfil the 2019-2020 Programme of Work of the Organisation. The Secretariat played a central role in organising and leading for certain projects Team work for a number of the IOPS projects undertaken during 2019.

The IOPS Secretariat, along with our OECD colleagues, has also taken on the role of updating and extending the ISSA/OECD/IOPS database and review of the IOPS supervisory profiles.

Finally, the Secretariat coordinated the production of numerous other documents, including the preparation of the agendas and briefings of the Executive and Technical Committee meetings, Annual General Meeting and our out-reach supervisory activities, the revised Programme of Work for 2019-2020, the Annual Budget of the Organisation, President's and other reports, including the IOPS 2019 Annual Report.

MEETINGS

The Secretariat engaged in the establishment, operation, preparation, and organisation of meetings for the Executive and Technical Committees held in 2019 in New Delhi (March), Paris (June) and Tirana, Albania (November). Secretariat analytical and organisational support was also provided for the Annual General Meeting of the Governing Membership held in Tirana, Albania in November 2019.

OECD/IOPS Global Forum on Private Pensions: Developing and supervising occupational pension arrangements,
7-8 November 2019, Tirana, Albania

The Secretariat was involved in the planning and organisation of the IOPS/OECD/the Pension Fund Regulatory and Development Authority (PFRDA) of India International Seminar on Private Pensions held in New Delhi on 7 March, the joint IAIS/IOPS/OECD/NBS Conference on synergies between Insurance and Pensions in Bratislava on 11-12 April 2019, the IPRA/OECD/IOPS joint Research Seminar held in Paris on 5 June, the OECD/IOPS Global Forum on Private Pensions held in Tirana on 7-8 November.

Marketing of the Global Forum by the Secretariat helped to ensure that this annual event continued to attract a wide ranging audience. Indeed, 41 jurisdictions were represented at the Global Forum in Tirana, Albania from the Central and Easter Europe region and worldwide, including non-member delegations from the United States. Support was additionally provided for the Chairpersons of the committees and the Members on their specific requests.

COOPERATION WITH OTHER INTERNATIONAL BODIES

The IOPS Secretariat continues to work closely with the OECD's Working Party on Private Pensions for the purposes of elaboration of joint projects, elaboration of the programmes of the Annual OECD/IOPS Global Forum on private pensions and other international events where OECD and IOPS are taking part. The IOPS Secretariat was involved in organising the fourth international research seminar on pensions in partnership with OECD and International Pension Research Association (IPRA), formerly known as International Network for Pensions, Aging, and Retirement Research (INPARR) in Paris in June.

The Secretariat represented the IOPS and provided related input on the topics discussed at the meetings of: the G20/OECD Task Force on Financial Consumer Protection, the G20/OECD Task Force on Institutional Investors and Long-Term Financing, as well as the working meeting of with ESMA, EBA, EIOPA and EEA on sustainable finance in Paris on June 19. The Secretariat also delivered presentations on technological changes in pensions at the Africa Pension Supervisors Forum, supported by the IOPS, which was held in September 2019 in Nairobi. IOPS Secretary General participated in the Investment Forum organised on 29 November 2018 under the aegis of the Argentina G20 Presidency and in the PRI Sustainable Finance Policy Conference held in Paris on 9 September 2019.

Additionally, the Secretariat worked towards the review and extension of the ISSA/IOPS/OECD database on complementary and private pensions and review of the IOPS supervisory profiles.

The IOPS Secretariat continues to co-operate with the IAIS and the IAA and provides a regular exchange of updates with these colleagues. The IOPS works closely with our counterparts in Europe (EIOPA) and Latin America (AIOS).

ADMINISTRATION AND OTHER

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. All IOPS working documents are available on the Members' Area ("O.N.E. Community Site of IOPS", former "Clear space"). A separate restricted page on O.N.E. Community Site of IOPS was created to access to the documents of the Executive Committee meeting. Comments and suggestions from Delegates in relation to the on-going projects and reports were also coordinated.

The Secretariat provided support to the IOPS Treasurer as well as organised the nomination and election of the IOPS President, Vice President, and the members of the Executive Committee at Annual General Meeting in Tirana, Albania.

The Secretariat continues efforts to update the IOPS website, as well as launching and regularly updating social networking groups for IOPS via the Members' Area.

Finally, I would like to thank the IOPS Governing Members for their continued collaboration with the Secretariat and their readiness to contribute to the work of the Organisation. We look forward to continuing to provide Secretariat support and to working with the IOPS in the future.

André Laboul
Secretary General IOPS

Executive Committee Members 2019

IOPS President and Chair of Executive Committee

Ms Helen Rowell	Deputy Chair of the Australian Prudential Regulation Authority (APRA), Australia (elected on 7 November 2019)

IOPS Vice-President

Dr. Olga Fuentes	Deputy Chair of Regulation, Superintendent of Pensions, Chile (re-elected on 7 November 2019)

Ex Officio - Chair of Technical Committee

Mr Brendan Kennedy	Chief Executive Officer of the Pensions Authority of Ireland (re-appointed by the IOPS Executive Committee on 3 June 2019)

Ex Officio – Vice Chair of Technical Committee

Mr Mike James Cornwell	General Manager, Superannuation Specialised Institutions Division, the Australian Prudential Regulation Authority (APRA), (resigned on 19 November 2019)
Mr Bo Jiang	Director General, Insurance Intermediaries Supervision Department, the China Banking and Insurance Regulatory Commission (CBIRC), (appointed by the IOPS Executive Committee on 28 February 2020)

Ex Officio – IOPS Treasurer

Mr Prakash Seewoosunkur	Chief Operating Officer, the Financial Services Commission of Mauritius (appointed by the IOPS Executive Committee through the written procedure on 13 November 2018)

Elected in 2019 to serve from 2020 until the end of 2021

Botswana	Non-Bank Financial Institutions Regulatory Authority
Egypt	Egyptian Financial Supervisory Authority
Hong Kong (China)	Mandatory Provident Fund Schemes Authority (MPFA)
Italy	Pension Funds Supervision Commission

Kenya	Retirement Benefits Authority
Romania	Financial Supervisory Authority
Uganda	Retirement Benefits and Regulatory Authority

Elected in 2018 to serve from 2019 until the end of 2020

Austria	Financial Market Authority
Brazil	Brazilian Pension Funds Authority (PREVIC)
China	China Banking and Insurance Regulatory Commission (CBIRC)
South Africa	Financial Services Board
Turkey	Ministry of Treasury and Finance

IOPS Members and Observers 2019

Governing Members	
Albania	Financial Supervisory Authority
Armenia	Central Bank of Armenia
Australia	Australian Prudential Regulation Authority
Austria	Austria Financial Market Authority
Bailiwick of Guernsey	Financial Services Commission (GFSC)
Belgium	Financial Services and Markets Authority (FSMA)
Botswana	Non-Bank Financial Institutions Regulatory Authority
Brazil	Brazilian Pension Funds Authority (PREVIC)
Bulgaria	Financial Supervision Commission
Canada	Canadian Association of Pension Supervisory Authorities (CAPSA)
Chile	Pensions Superintendence of Chile
China	China Banking and Insurance Regulatory Commission (CBIRC)
Colombia	Financial Superintendance of Colombia
Costa Rica	Pensions Superintendence of Costa Rica
Croatia	Croatian Financial Services Supervisory Agency (HANFA)
Czech Republic	Czech National Bank
Dominican Republic	Pensions Superintendency (SIPEN)
Egypt	Financial Regulatory Authority
France	Prudential Supervisory and Resolution Authority (ACPR)
Germany	Federal Financial Supervisory Authority (BaFin)
Ghana	National Pensions Regulatory Authority
Gibraltar (UK)	Financial Services Commission
Honduras	National Commission of Banking and Insurance (CNBS)
Hong Kong, China	Mandatory Provident Fund Schemes Authority (MPFA)
Hungary	Central Bank of Hungary
Iceland	Financial Supervisory Authority (FME)
India	Pension Fund Regulatory and Development Authority (PFRDA)
Indonesia	Financial Services Authority (OJK)
Ireland	Pensions Authority
Isle of Man	Isle of Man Financial Services Authority (IOMFSA)
Israel	Capital Market, Insurance & Savings Authority (CMISA)
Italy	Pension Funds Supervision Commission (COVIP)
Jamaica	Financial Services Commission
Jordan	Ministry of Industry, Trade and Supply
Kazakhstan	National Bank of the Republic of Kazakhstan
Kenya	Retirement Benefits Authority (RBA)
Kingdom of Eswatini (former Swaziland)	Financial Services Regulatory Authority (FSRA)
Korea	Financial Services Authority / Financial Supervisory Service
Kosovo	Central Bank of the Republic of Kosovo
Lesotho	Central Bank of Lesotho
Liechtenstein	Financial Market Authority (FMA)
Lithuania	Bank of Lithuania
Luxembourg	Financial Sector Supervisory Commission (CSSF)
Malawi	Reserve Bank of Malawi
Maldives	Capital Market Development Authority (CMDA)
Malta	Financial Services Authority (MFSA)
Mauritius	Financial Services Commission (FSC)
Mexico	National Commission for the Pension System (CONSAR)

Morocco	Supervisory Authority of Insurance and Social Security (ACAPS)
Mozambique	Mozambique Supervisory Institute of Insurance (ISSM)
Namibia	Namibia Financial Institutions Supervisory Authority (NAMFISA)
Netherlands	Central Bank of the Netherlands (DNB)
Nigeria	National Pensions Commission
Papua New Guinea	Bank of Papua New Guinea
Peru	Superintendence of Banking, Insurance and Pension Fund Administrators (SBS)
Poland	Polish Financial Supervision Authority (KNF)
Portugal	Insurance and Pension Funds Supervisory Authority (ASF)
Romania	Financial Supervisory Authority (ASF Romania)
Republic of North Macedonia	Agency for Supervision of Fully Funded Pension Insurance (MAPAS)
Russian Federation	Central Bank of the Russian Federation
Rwanda	National Bank of Rwanda
Serbia	National Bank of Serbia
Seychelles	Financial Services Authority (FSA Seychelles)
Slovak Republic	National Bank of Slovakia
South Africa	Financial Sector Conduct Authority (FSC)
Spain	Directorate General for Insurance and Pension Funds, Ministry of Economy and Enterprise
Suriname	Central Bank of Suriname
Switzerland	Occupational Pension Supervisory Commission (OPSC)
Tanzania	Social Security Regulatory Authority
Trinidad & Tobago	Central Bank of Trinidad and Tobago
Turkey	Pension Monitoring Center
Turkey	Ministry of Treasury and Finance
Uganda	Uganda Retirement Benefits Regulatory Authority
Ukraine	National Securities and Stock Market Commission
United Kingdom	The Pension Regulator (TPR)
Zambia	Pension and Insurance Authority
Zimbabwe	Insurance and Pension Commission (IPEC)

Associate Members

Burundi	The Executive Permanent Secretariat of National Commission of Social Protection (SEP/CNPS)
South Africa	National Department of Social Development
Tanzania	Bank of Tanzania
International Association of the Latin American Pension Fund Supervisors (AIOS)	*Partnership Agreement*
International Association of Insurance Supervisors (IAIS)	*Partnership Agreement*
International Social Security Association (ISSA)	*Partnership Agreement*
OECD	*Partnership Agreement*
World Bank	

Observers		
American Council of Life Insurers (ACLI) **International Actuarial Association (IAA)**	*Reciprocal Membership*	
Secretariat		
Secretary General	Mr André Laboul andre.laboul@oecd.org Tel: +33 1 45 24 91 27	
Secretariat	Mr Dariusz Stańko dariusz.stanko@oecd.org Tel: +33 1 45 24 19 81	Ms Nina Paklina nina.paklina@oecd.org Tel: +33 1 45 24 84 78
	Ms Caroline Lam caroline.lam@oecd.org Tel: +33 1 45 24 82 50	Mr Taejin Han taejin.han@oecd.org Tel: +33 1 45 24 14 82

Report of the Treasurer

Mr Prakash Seewoosunkur
IOPS Treasurer

SUBJECT:

IOPS ACCOUNTS AS OF 31 DECEMBER 2018

Dear Governing Members,

For the year ended 31 December 2018 membership fee income of the International Organisation of Pension Supervisors (IOPS) amounted to 429
442.29 euro. The level of membership fees that are received by the IOPS reflects a permanent member support for the activities of the Organisation.

The primary expense item during 2018 continued to be the Secretariat support provided by the OECD under the official partnership between both our Organisations. The amount charged for the current year was 449 750 euro.

Conference and meeting expenses were 45 779.63 euro in 2018, which is in line with the previous reporting year. The IOPS held Executive Committee and Technical Committee meetings in Dublin, Ireland, Paris, France and Beijing, China. The Annual General Meeting and joint OECD/IOPS Global Forum took place in Beijing, China.

The reserve policy adopted by the Executive Committee in 2007 is to hold a 20% target of the estimated yearly membership fee income as a contingency reserve, to cover uncertainties relating to the timing of receipt and level of membership payments. Due to the relative consistency of membership income between 2017 and 2018, no change has been made to the level of this reserve (90 000 euro). In addition, the Executive Committee decided in 2007 to build up an additional reserve to cover future event expenditure, such as costs relating to conference or regional workshop programs. No draw down from this special reserve was made in 2018.

On balance, taking into account reserves and new members, the IOPS remains in a solid financial position to realise its goals.

Prakash SEEWOOSUNKUR

Prakash Seewoosunkur
Treasurer
The International Organisation of Pension Supervisors
Dated: 31 December 2018

2019 Members Payments			
Albania	Guernsey	Maldives	Slovak Republic
Armenia	Hungary	Malta	South Africa
Australia	Honduras	Macedonia	Spain
Austria	Hong Kong	Malawi	Suriname
Belgium	Iceland	Mexico	Swaziland
Botswana	India	Morocco	Switzerland
Bulgaria	Indonesia	Mozambique	Trinidad & Tobago
Canada	Israel	Namibia	Turkey
China	Ireland	Netherlands	Uganda
Chile	Isle of Man	Nigeria	United Kingdom
Colombia	Italy	Papua New Guinea	Zambia
Costa Rica	Jamaica	Peru	Zimbabwe
Croatia	Kazakhstan	Poland	
Czech Republic	Kenya	Portugal	Associate Members
Dominican Republic	Korea	Romania	South Africa
France	Lethoso	Russian Federation	Tanzania
Germany	Liechtenstein	Rwanda	Observers
Gibraltar	Lithuania	Serbia	The World Bank
Ghana	Luxembourg	Seychelles	ACLI

Report of the Auditors to the Members of International Organization of Pension Supervisors

IOPS Association
Financial year ended December 31, 2018

Opinion
We have audited the accompanying financial statements (the "Financial Statements") of the International Organization of Pension Supervisors ("IOPS"), which comprise the Statement of financial position and the statements of changes in unrestricted net assets for the year ended 31 December 2018, and a summary of significant accounting policies and other explanatory information and notes.

In our opinion, the accompanying Financial Statements of IOPS for the year ended 31 December 2018 are prepared, in all material aspects, in accordance with the accounting policies disclosed in the notes to the financial statements.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibility for the Audit of the Financial statements section of our report. We are independent of IOPS within the meaning of the ethical requirements of IFAC and have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation of these financial statements in accordance with the accounting policies disclosed in the notes to the financial statements and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing IOPS' ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate IOPS or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing IOPS' financial reporting process.

Auditor's Responsibility for the Audit of the Financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As a part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of IOPS' internal control.
- Evaluate the appropriateness of accounting polices used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on IOPS' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, further events or conditions may cause IOPS to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton
French Member of Grant Thornton International

Vianney Martin
Partner

International Organisation of Pension Supervisors (IOPS)
Statement of Financial Position
as at 31 December 2018

		2018	2017
Assets	*Notes*	€	€
Cash at bank		312 143	264 870
Short Term Deposit		119 162	118 313
Sundry Debtors and prepayments	6	110 000	33 694
Secondee Loan		-	-
Total		541 305	416 877
Liabilities and Net Assets			
Accrued Expenses	7	23 868	29 933
Total Liabilities		23 868	29 933
Net Assets		**517 437**	**386 944**
Unrestricted Net Assets & Reserves			
Retained Earnings before transfer		255 794	313 461
Changes in unrestricted net assets for the current year		130 493	(57 667)
		386 287	255 794
Transfer to Contingency Reserve		-	-
Retained Earnings after Transfer		386 287	255 794
Special Reserve		25 000	25 000
Contingency Reserve		106 150	106 150
Total Funds		**517 437**	**386 944**

International Organisation of Pension Supervisors (IOPS)
Statement of Activities
For the year ended 31st December 2018

CHANGES IN UNRESTRICTED NET ASSETS

	Notes	2018 €	2017 €
Revenue and gains			
Membership fees	8	506 000	467 410
Interest		849	492
Total unrestricted revenue and gains		506 849	467 902
Expenses			
Audit	7, 9	9 368	8 433
Bank fees and charges		1 650	1 542
Bad debt expenses		-	33 025
OECD administration	4	299 832	430 000
Conference expenses	5	58 466	43 026
Subscriptions		7 000	7 000
Publishing Costs		-	2 543
Waivered Fees		-	-
Miscellaneous		40	-
Total Expenses		376 356	525 569
CHANGES IN UNRESTRICTED NET ASSETS		130 493	(57 667)

International Organisation of Pension Supervisors (IOPS)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2018

1 NATURE OF THE 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 expenses items are recorded on the accrual basis.

3 INCOME TAXES

the organisation is exempt from income tax

4 PAYMENTS TO OECD	**2018 €**
The IOPS paid the following amounts to the OECD:	
Grants provided to meet secretariat and adminsitrative support services, technical and liaison support - Payment 1	149 916
Payment 2	149 916
	299 832

5 CONFERENCE FEES	
The IOPS paid expenses relating to meetings in Ireland, Italy, Mauritius, China and Morocco	
Ireland	10 226
COVIP, Italy	2 071
China	34 880
Mauritius	9 935
Morocco	354
Other	300
	57 766

6 SUNDRY DEBTORS AND PREPAYMENT	
consist of the Annual fee due from the following for 2018	
Gibraltar, Guernsey, India, Jordan, Kosovo, Lesotho, Malta, South Africa FSCA, Moroco, Portugal, Swaziland, Trinidad, Ukraine, UK, Zambia, Zimbabwe, World Bank	110 000
	110 000

7 ACCRUED EXPENSES	**2018 €**
Audit Fee 2017	8 433

International Organisation of Pension Supervisors (IOPS)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2018

Provision for audit fee 2018	8 435
JPEF 2018	7 000
	23 868

The accrued expenses are the audit fee 2017 due, reservation of the audit fee of 2018 and 2018 JPEF fees

8 FEES BAND

The 2016 fees are levied in three bands according to the stage of economic development in the member's country. The bands are based on the World Bank's country classification.

9 Audit Fees

Accrual for 2018	8 435
Underprovision for audit fee 2016	933
	9 368