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Co-organised and co-sponsored by:
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The International Pension Foundation

SECOND OECD CONFERENCE ON PRIVATE PENSIONS IN BRAZIL

AGENDA

Av. Nove de Julho 2029 – 4º andar

São Paulo, Brazil
23-24 May 2002

SECOND OECD CONFERENCE ON PRIVATE PENSIONS IN BRAZIL

AGENDA

THURSDAY, 23 May 2002

8.30 - 9.00 Participants registration

9.00 - 9.30

Opening Remarks

- Opening remarks by a representative of the host country
Mr. José Cecchin (Minister of Social Security and Assistance, MPAS, Brazil)

Mr. Francisco Sylvio de Oliveira Mazzucca (Dean of EAESP-FGV)
- Opening remarks by the Chair of the Conference
Mr. Ambrogio Rinaldi (Chair of the Conference)
- Opening remarks by the representative of the OECD
Mr. Juan Yermo (Secretary, OECD Working Party on Private Pensions)

9.30-10.30

Session 1: Options and challenges for the regulatory and supervisory regime for pension systems

- "Implications of financial convergence for regulatory and supervisory regimes for financial services"
Mr. Stephen Lumpkin (OECD Secretariat)
- "Developments in the operation and supervision of the pension system in Brazil"
Mr. Flavio Rabelo (Brazil)
- Question and Answers Session

10.30-11.00

Coffee Break

11.00-12.30

Session 2: Structure and Practice of Pension Supervision

- "Developments in pension provision and supervision in Central and Eastern Europe"
Mr. Zoltan Vajda (OECD Secretariat)
- Presentation by the host country
Mr. Luiz Peregrino (Brazil)

Mr. Jorge Prym (Brazil)
- Question and Answers Session

12.30-14.00

Lunch (Sponsored by CIGNA)

14.00-15.30

Session 3: Structure and Practice of Pension Supervision (Continued)

- The Mandatory Provident Fund system in Hong Kong
Ms. Henden Yu (Hong Kong)
- Private and Occupational Pensions in the United States
Mr. J. Mark Iwry (USA)
- Presentation by the host country
Mr. Jose Ferreira Savoia (Brazil)
- Question and Answers Session

15.30-16.00

Coffee Break

16.00-18.00

Session 4: Pension Plan Governance

- Presentation on pension fund governance of occupational pension schemes in Brazil
Ms. Eliane Lustosa (Brazil)

Mr. Fabio Ishigami (Brazil)
- Presentation on pension fund governance of personal pension schemes in Brazil
Mr. Helio Portocarrero (Brazil)
- Presentation on consumer protection issues by the foreign experts
Mr. Stuart Brahs (USA)

Mr. Michael Orszag (United Kingdom)
- Question and Answers Session

19.00

Reception (Sponsored by ANAPP)

FRIDAY, 24 May 2002

9.00-11.00

Session 5: Investment Regulation

- Presentation by the host country
Mr. Sérgio Darcy (Brazil)

Mr. Osvaldo do Nascimento (Brazil)

Mr. Carlos Garcia Lorenzo Filho (Brazil)
- Presentation by the foreign expert
Mr. Russell Galer (OECD Secretariat)
- Question and Answers Session

11.00-11.30

Coffee Break

11.30-13.00

Session 6: Funding and Accounting Rules for Pension Entities and Plan Sponsors

- Presentation by the foreign expert
Mr. Colin Pugh (Canada)
- Presentation by the host country
Mr. Edson Cunha and Mr. Gerlan Santos (Brazil)

Mr. Ilacir Alves do Vale (Brazil)
- Question and Answers Session

13.00-14.30

Lunch (Sponsored by ANAPP)

14.30-16.00

Round Table Discussion on the Topics Covered at the Conference

- Conclusions from each session
Mr. Flavio Rabelo (Brazil)

Mr. Mark Iwry (USA)

Mr. Helio Portocarrero (Brazil)

Mr. Jose Ferreira Savoia (Brazil)

Mr. Raphael de Carvalho (Brazil)

Mr. Colin Pugh (Canada)
- Open Discussion

16.00-16.30

Closing Remarks and Conclusion of the Conference

- *Mr. Juan Yermo (Secretary, OECD Working Party on Private Pensions)*
- *Mr. Ambrogio Rinaldi (Chair of the Conference)*
- *Mr. Jose Ferreira Savoia (Secretary General, Secretaria de Previdencia Complementar – SPC, Brazil)*
- *Mr. Carlos Eduardo de Souza e Silva (Secretary General, Superintendencia de Seguros Privados – SUSEP, Brazil)*

16.30

Coffee break

NOTES

The pension system in Brazil is undergoing significant changes. In addition to structural reforms in the social security system, plans are also well underway to enhance the coverage of the private pension system.

The 2nd OECD Conference on Private Pensions in Brazil aims to provide an impetus to this ongoing work and encourage the continuation of dialogue on key policy issues related to pension reform.

Below we summarise the topics to be dealt with during each session. Note that each working session is organised in such a way that a presentation outlining the situation and options for reform in the host country is followed by an overview of relevant international experiences. The discussion of each topic is concluded with a question and answer session.

DAY 1

Opening Remarks

After opening remarks by a high level representative of the host country, by the OECD and the conference chair, an overview of OECD activities and recent work in the area of private pensions will be given.

Session 1: Options and challenges for the regulatory and supervisory regime for pension systems

Private pensions have typically three regulatory and supervisory dimensions: employer-worker, plan-state (taxation) and plan-market (investment) relationships. The exact design of the country's system will of course affect the relevant weight of these aspects and the roles assigned to the various supervisory/regulatory agencies. Speakers will provide an overview of the relevant priorities for both occupational and personal plans and will provide country examples of the relative merits of consolidated and separate supervisory agencies for pensions and other financial services.

Session 2: Structure and Practice of Pension Supervision

Personal pension plans require an effective supervision of the financial institutions that act as plan providers. In some countries, there is relative freedom on acting as a provider. In others, specific requirements have to be met before a financial institution can act as a plan provider. Policymakers must also pay attention to the role of the plan in retirement income provision, the extent of information available to consumers and their understanding of the products that are offered. This session will focus on these issues related to the supervision of personal pension plans.

Session 3: Structure and Practice of Pension Supervision (continued)

Supervisory agencies rely on a mix of techniques to assure that pension entities, sponsoring employers and service providers comply with regulatory policy. Some techniques internalise compliance through off-site auditing, others through external checks, such as the use of custodians or depositories, and yet others demand hands-on inspections by agency personnel. This session will provide an overview of such requirements and techniques for occupational pension schemes.

Session 4: Pension Plan Governance

Pension funds are administered by one party (the administrator or governing body) for the benefit of the members and beneficiaries of a pension plan. In occupational pension plans, a third party (the plan sponsor) may be involved in the establishment and the operation of the pension fund. Such institutional arrangements create a role for governments to ensure that pension plan members and beneficiaries are adequately protected from conflicts of interest and related agency problems. The key question therefore that will be explored during this session is: how can the pension fund governance framework best protect the interests of pension plan members and beneficiaries?

DAY 2

Session 5: Investment Regulation

Investment regulation should be designed to ensure a high level of professionalism and diligence in the management of pension assets. There are certain basic principles that regulatory frameworks should follow such as diversification and asset-liability matching, but their method of implementation is subject to much controversy. This session will explore some of these issues in defined benefit and defined contribution plans as well as the implications of individual choice for investment regulations.

Session 6: Funding and Accounting Rules for Pension Entities and Plan Sponsors

Funding is a concept that mostly pertains to defined benefit occupational pensions in which sponsoring employers promise a definable outcome. The primary objective of funding these promises is benefit security; that is, to collateralise the pension promises in ways to make it more likely that the promised benefits will materialise, typically this is achieved through diversification. The session will explore this issue as well as related accounting rules and international accounting standards.

Round Table Discussion on the Topics Covered at the Conference

During this session one presenter from each session of the conference will attempt to link the presentations by the host country and by the foreign expert in order to summarise some reform options tailored to the specificities of Brazil. Following a very brief presentation from each session other presenters will be invited for discussion followed by an open question and answer period in order to ascertain the lessons learned during the conference.