These draft guidelines, prepared by the OECD Insurance and Private Pensions Committee and the Working Party on Private Pensions, are open for public consultation until 1 October 2008.
DRAFT OECD GUIDELINES FOR PENSION FUND GOVERNANCE

I. GOVERNANCE STRUCTURE

1. Identification of responsibilities

There should be a clear identification and separation of operational and oversight responsibilities in the governance of a pension fund. To the extent that a pension entity is established that owns the pension fund on behalf of plan/fund members and beneficiaries, the legal form of this entity, its internal governance structure, and its main objectives should be clearly stated in the pension entity's statutes, by-laws, contract or trust instrument, or in documents associated with any of these. If the pension fund is established as a separate account managed by financial institutions, the pension plan or contract between plan sponsors/members and beneficiaries and the financial institution should clearly state the responsibilities of the latter with respect to the management of the pension fund. As good pension fund governance should be ‘risk-based’, the division of responsibilities should reflect the nature and extent of the risks posed by the fund.

2. Governing body

Every pension fund should have a governing body\(^2\) vested with the power to administer the pension fund and who is ultimately responsible for ensuring the adherence to the terms of the arrangement and the protection of the best interest of plan members and beneficiaries. The responsibilities of the governing body should be consistent with the overriding objective of a pension fund which is to serve as a secure source of retirement income. The governing body should not be able to completely absolve itself of its responsibilities by delegating certain functions to external service providers. For instance, the governing body should retain the responsibility for monitoring and oversight of such external service providers. Appropriate oversight mechanisms should also be established where the governing body is a commercial institution.

3. Delegation and expert advice

The governing body may rely on the support of sub-committees and may delegate functions to internal staff of the pension entity or external service providers. Where it lacks sufficient expertise to make fully informed decisions and fulfil its responsibilities the governing body could be required by the regulator to seek expert advice or appoint professionals to carry out certain functions. The governing body should assess the advice received and verify that all its professional staff and external service providers have adequate qualifications and experience.

4. Auditor

An auditor, independent of the pension entity, the governing body, and the plan sponsor, should be appointed by the appropriate body or authority to carry out a periodic audit consistent with the needs of the arrangement. Depending on the general supervisory framework, the auditor should report promptly to the governing body and - if the governing body does not take any appropriate remedial action - to the

\(^1\) In EU countries, these Guidelines may not apply to those occupational, private pension plans, funds and entities that fall outside the scope of the Directive 2003/41/EC of the European Parliament and of the Council of 3 June 2003 on the Activities and Supervision of Institutions for Occupational Retirement Provision.

\(^2\) The governing body is responsible for all strategic decisions and may also be an administrator. In a two-tier board system, involving a managing and a supervisory board, the managing board is considered the governing body.
competent authorities and other appropriate persons wherever he or she becomes aware, while carrying out his or her tasks, of certain facts which may have a significant negative effect on the financial situation or the administrative and accounting organisation of a pension fund.

5. Actuary

An actuary should be appointed by the appropriate body or authority for all defined benefit plans financed via pension funds. As soon as the actuary realises, on performing his or her professional or legal duties, that the fund does not or is unlikely to comply with the appropriate statutory requirements and depending on the general supervisory framework, he or she shall inform the governing body and - if the governing body does not take any appropriate remedial action - the supervisory authority and other appropriate persons without delay.

6. Custodian

Custody of the pension fund assets may be carried out by the pension entity, the financial institution that manages the pension fund, or by an independent custodian. If an independent custodian is appointed by the governing body to hold the pension fund assets and to ensure their safekeeping, the pension fund assets should be legally separated from those of the custodian. The custodian should not be able to absolve itself of its responsibility by entrusting to a third party all or some of the assets in its safekeeping.

7. Accountability

The governing body should be accountable to the pension plan members and beneficiaries, its supervisory board (where relevant) and the competent authorities. Accountability to plan members and beneficiaries can be promoted via the appointment of members of the governing body by pension plan members and beneficiaries or their representative organisations. The governing body may also be accountable to the plan sponsor to an extent commensurate with its responsibility as benefit provider. In order to guarantee the accountability of the governing body, it should be legally liable for its actions which fail to be consistent with the obligations imposed on it, including prudence. In defined contribution plans, accountability calls for safe harbour rules that clarify the responsibilities and liabilities of the governing body.

8. Suitability

Membership in the governing body should be subject to minimum suitability (or non-suitability) standards in order to ensure a high level of integrity, competence, experience and professionalism in the administration of the pension fund. The governing body should collectively have the necessary skills and knowledge to oversee all the functions performed by a pension fund, and to monitor those delegates and advisors to whom such functions have been delegated. It should also seek to enhance its knowledge, where relevant, via appropriate training. Any criteria that may disqualify an individual from appointment to the governing body should be clearly laid out in the regulation.

II. GOVERNANCE MECHANISMS

9. Risk-based internal controls

There should be appropriate controls in place to ensure that all persons and entities with operational and oversight responsibilities act in accordance with the objectives set out in the pension entity's by-laws, statutes, contract, or trust instrument, or in documents associated with any of these, and that they comply with the law. Such controls should cover all basic organisational and administrative procedures; depending upon the scale and complexity of the plan, these controls will include performance assessment,
compensation mechanisms, information systems and processes and risk management procedures. The governing body should also develop a code of conduct and a conflicts of interest policy for them and the staff of the pension entity as well as for any party with operational responsibilities. There should also be appropriate controls to promote the independence and impartiality of the decisions taken by the governing body, to ensure the confidentiality of sensitive information pertaining to the fund and to prevent the improper use of privileged or confidential information.

10. Reporting

Reporting channels between all the persons and entities involved in the administration of the pension fund should be established in order to ensure the effective and timely transmission of relevant and accurate information.

11. Disclosure

The governing body should disclose relevant information to all parties involved (notably pension plan members and beneficiaries, supervisory authorities, auditors etc.) in a clear, accurate, and timely fashion.
I. GOVERNANCE STRUCTURE

1. Identification of responsibilities

Good governance calls for a clear identification and separation of the operational and oversight responsibilities of a pension fund. To the extent that a pension entity is established that owns the pension fund on behalf of plan/fund members and beneficiaries, the assignment of these responsibilities needs to be clearly stated in the pension entity's statutes, by-laws, contract, or trust instrument, or in documents associated with any of these. These documents also need to state the legal form of the pension entity, its internal governance structure, and its main objectives. If the pension fund is established as a separate account managed by financial institutions, the pension plan or contract between plan sponsors/members and beneficiaries and the financial institution should clearly state the responsibilities of the latter with respect to the management of the pension fund. In addition, there need to be a mechanism for ensuring appropriate independent oversight of the decisions taken by these third parties.

Pension entities are established in accordance to statutes, by-laws, contract (including collective agreements with trade unions), or trust instrument. These documents, sometimes together with associated material, should define the legal form of the pension entity as well as its internal governance structure and main objectives. The main objectives of the pension entity will vary depending on the type of plan that they support. In defined contribution plans, the main objective of the pension entity may be to invest the pension assets in order to maximise risk-adjusted returns, taking into consideration any costs borne by members. In defined benefit plans, the pension entity may have several objectives, such as ensuring an adequate match between the pension plan assets and its liabilities and paying benefits upon the death or retirement of plan members and beneficiaries.

Some of the operational functions of the pension entity that should be identified and assigned include collection of contributions, record-keeping, actuarial analysis, funding and contribution policy, asset-liability management (for defined benefit and hybrid plans), investment strategies (for both DB and DC schemes), asset management, disclosure to plan members, regulatory compliance and, where appropriate, financial education. These responsibilities and their assignment should be clearly stated in the pension entity's documents, and where outsourced, monitored via service level agreements.

As good pension fund governance should be ‘risk-based’, the division of responsibilities should reflect the nature and extent of the risks posed by the fund. For example, where funds adopt a sophisticated investment strategy, an investment sub-committee may be more appropriate.

The role of the plan sponsor and the rights of the plan/fund members and beneficiaries with respect to the governance of the fund should be also clearly documented. Appointment of the governing body should be ruled by the pension entity’s statutes and/or legal provisions. The plan sponsor may appoint at least some of the members of the governing body. Pension plan/ fund members and beneficiaries or their representative organisations may also play a role in appointing members of the governing body of the pension fund. If the plan is established as part of a collective agreement, the contracting trade union(s) have responsibility for the appointment of the governing body on behalf of plan/fund members and
beneficiaries. Where the pension fund is established as an independent legal entity, some of the professional staff of this entity, such as actuaries and asset managers, may also be employees of or external advisors to the plan sponsor. However, in general, it should be the governing body's responsibility to appoint the professional staff and the external service providers of the pension entity.

When the pension fund is established as a separate account managed by financial institutions, their responsibilities should be clearly stated in the plan or contract documents. In occupational plans, plan sponsors should sign a contract with the financial institutions responsible for the management of the pension fund, where the objectives of the fund are also clearly stated. In personal plans, the contract is signed directly between the plan member and the financial institution.

2. Governing body

Pension funds are controlled by a governing body or administrator that is responsible for the operation and oversight of the pension fund. The governing body may also be responsible for other (or indeed all) aspects of the administration of a pension plan. This governing body or administrator may be a person, a committee or committees of persons or a legal entity. In a two-tier board system the managing board or body which is responsible for all strategic decisions is considered the governing body. In some countries various entities have fiduciary duties and may therefore be considered on a par with the governing board. In general, it is appropriate to split operational and oversight responsibilities, with the governing board focusing solely on strategic decisions (e.g. broad asset allocation) and oversight functions. Operational tasks should be delegated to the pension entity’s executive staff or a sub-committee and, where appropriate, external service providers.

A separate supervisory board or oversight committee may be established whose main functions are the selection and oversight of the management board in charge of strategic decisions. The supervisory board may have other responsibilities, and may, for example, appoint the auditor or actuary of the pension fund and control potential conflicts of interest. The supervisory board may form part of the internal governance structure of the pension entity (as in a two-tier board system) or it may be established externally. Its members may be elected by the plan sponsor and plan/fund members and beneficiaries. In pension funds established in the corporate form, the general meeting of plan/fund members and beneficiaries also exerts some oversight functions. On-going, independent oversight by such a supervisory board is especially advisable where the governing body is also a commercial institution.

Though the governing body may delegate operational duties to the pension entity's internal staff or external service providers, it remains ultimately responsible for ensuring that pension funds fulfil their overriding objective which is to serve as the sources of funds for retirement benefits. In particular, the governing body should retain the responsibility for monitoring and oversight of those service providers, preferably via service level agreements. Core functions, such as formulating the investment policy and risk monitoring should also normally rest with the governing body taking advice from subcommittees, though external advice may of course be requested.

The governing body's main responsibilities should include at least:

- monitoring the administration of the pension fund in order to ensure that the objectives set out in the fund by-laws, statutes, contract or trust instrument, or in documents associated with any of these, are attained (e.g. diversified asset allocation, cost-effectiveness of administration, etc);
- selecting, compensating, monitoring, and, where necessary replacing staff with operational responsibilities as well as external service providers (e.g. asset managers, actuaries,
custodians, auditors, etc); in a two-tier board system the appointment of external service providers (e.g. actuaries, auditors) may be the responsibility of the supervisory board;

- ensuring the compliance of the activities of the entity with the pensions law and other applicable statutes (e.g. investment regulations, reporting and disclosure requirements, control of conflicts of interest situations, improper use of privileged information, etc);

With DC pension funds, additional key tasks of the governing body include: to ensure suitable investment choices are on offer to members (including a suitable default fund), to monitor the performance of these funds and to ensure that costs charged to members are optimised and disclosed in their disaggregated form. To enable the governing body to undertake its role effectively, safe-harbour rules may be appropriate.

While the governing body should best serve the interest of the pension plan members and beneficiaries, it may also be required to avoid imposing an unnecessary financial burden on the plan sponsor (i.e. where the interest of plan members and beneficiaries could be equally best served through other means, which are more beneficial for plan sponsors). The expenses of administering the pension fund should be managed efficiently, and the governing body may be required to minimise the cost to employers where these expenses are borne exclusively by the plan sponsor.

3. Delegation and expert advice

Where it is appropriate to do so, the governing body should seek expert advice and may delegate functions to sub-committees of the pension entity, internal executive staff, or to external service providers. Some of the functions where the governing body may require external advice from consultants and other professional service providers include investment policy, asset-liability management, and benefit payment. The governing body should have power and the ability to appoint, assess and remove such advisors. It should also take care not to rely exclusively on one source of information and ensure that the advice is independent / non-conflicted. The pension fund governing body may also delegate certain operational duties, such as asset management and benefit payment, to professional service providers. It may also utilise the resources of the plan sponsor, though this may not always have qualified staff to carry out specific functions, such as actuarial analysis.

The governing body should ensure that all its professional staff and, where appropriate, the external service providers have the relevant qualifications and experience required to carry out their functions in accordance with the objectives of the pension entity and the pension plan.

4. Auditor

The auditor is responsible for reviewing the financial accounts for the pension plans and/ or the pension fund with an appropriate periodicity. The extent and frequency of the audit will vary depending on the nature, complexity, and size of the pension plan/fund.

Auditors should also play also a “whistle-blowing” function. If, in the course of the exercise of their duties, they become aware of any significant threat to the financial position of a pension fund or its administrative and accounting organisation, they should promptly report to the governing body. If appropriate remedial action is not taken by the governing body, the auditor should report to the competent authorities and other appropriate persons. If appropriate remedial action is not taken, the auditor should also take this into account in the issuance of any audit opinion. The authorities or relevant professional bodies should issue guidance for auditors on the significance of actions of non-compliance with the
pension fund statutes and/or current legislation. In some countries, some of the functions normally carried out by auditors may be carried out by other entities, such as the custodians.

The independence of the auditor from the pension entity, the governing body, and the plan sponsor is important to ensure the impartiality of the audit. Normally, the auditor should be appointed by the governing body of the pension entity and in a manner consistent with fiduciary duties. In a two-tier board system the supervisory body may appoint the auditor. In some instances, the supervisory authority may appoint the auditor directly.

5. Actuary

The governing body should appoint an actuary for all pension funds that support plans where the plan sponsor insures the plan member against investment or/and biometric risk. In a two-tier board system the supervisory body may appoint the actuary. Even in defined contribution plans, however, an actuary with a limited role may be advisable, since investments should be made taking into account the adequacy of all retirement income assets.

The actuary may not always be an employed member of the staff of the pension entity or the financial institution managing the fund. For example, the actuary may be employed directly by the employer or plan sponsor or he/she may be an external service provider (e.g. a professional actuary or a benefits consultant firm). Members of the governing body should not normally be appointed as pension plan/fund actuaries. Where the actuary is employed directly by the employer or plan sponsor, the possible conflict of interest should be properly managed.

The role of the actuary should include at least the evaluation of the fund's present and future pension liabilities in order to determine the financial solvency of the pension plan following recognised actuarial and accounting methods. The actuary should also identify the funding needs for the pension plan, and estimate the level of contributions taking account of the nature of the liabilities of the pension plan. The actuary should also play a "whistle-blowing" function, and report to the governing body immediately when he or she realises that the fund does not or is unlikely to comply with the appropriate statutory requirements (e.g. minimum funding requirement). If the governing body does not take appropriate remedial action, the actuary should report to the competent authorities and other appropriate persons. If appropriate remedial action is not taken, the actuary should also take this into account in the issuance of any actuarial report or opinion. The authorities or relevant professional bodies should issue guidance on the significance of actions of non-compliance with the pension fund statutes and/or current legislation.

6. Custodian

Where appropriate, it may be required that a custodian, different from the pension entity or the financial company that manages the pension fund, is appointed by the governing body of the pension fund. The appointment of an independent custodian is an effective way to safeguard the physical and legal integrity of the assets of a pension fund.

The custodian holds the pension fund assets and should be in a position to ensure their safekeeping. They may also provide additional services such as securities lending, cash management, investment accounting and reporting, and performance measurement. In some cases, the custodian may also play an external whistleblowing function similar to that of the auditor with respect to, for example, the investment of pension assets.
7. Accountability

Accountability over governance functions is particularly important in order to allow the supervisory authority and the plan members and beneficiaries to discipline the governing body or seek other means of redress in case of mismanagement. The governing body may also be accountable to the plan sponsor to an extent commensurate with its responsibilities as a benefit provider.

In order to guarantee the accountability of the governing body, it should be liable for its actions which are in breach of its duties. Such liability may include in some instances personal financial responsibility. In such cases, insurance of this liability can strengthen the ability of the pension fund to recover losses in case of mismanagement.

In cases where the plan sponsor acts as the governing body or directs a third party provider in a DC plan, safe harbour rules may be appropriate to ensure that plan sponsors are accountable for their decisions but have a liability commensurate with the scope of those decisions. For instance, such rules can allow the plan sponsor to carry out due diligence in the choice and ongoing monitoring of service providers, investment alternatives and default options, whilst limiting his liabilities.

The accountability of the governing body also requires:

- regular meetings of the governing body;
- diffusion of decision-making power in the governing body (for example, a requirement for decisions to be taken on a majority basis);
- appropriate disclosure of the decisions reached in these meetings to affected plan members and beneficiaries;
- regular reporting of important and significant information about the operation of the pension fund to the supervisory board, where relevant;
- reporting of information about the operation of the pension fund to the supervisory authorities;
- transparent selection mechanisms for the members of the governing body (including the possibility of appointments of representatives of plan members and beneficiaries through a fair selection system);
- appropriate succession planning processes.

Disclosure to plan members and beneficiaries may be required for plan changes that could have a material impact on future pension benefits, such as a material change in the plan terms or their application. In order to reduce the administrative burden on the governing body, disclosure could be made on a regular basis, for example, once a year, rather than after every meeting of the governing body.

The selection and succession planning structure should deal with the term, appointment/election and removal of members of the governing body of the pension fund. The term of appointment of the members of the governing body may vary depending on the type and context of particular plans.

Accountability to plan members and beneficiaries can be also enhanced by requiring representation of plan members and beneficiaries on the governing body. When the pension plan is established as part of a
collective agreement, the nomination process normally involves the contracting trade unions. In some countries, paritarian representation of employers and employees in the governing body is required by law, ensuring that their respective points of view are represented. In other countries, labour laws governing union-management relations may prescribe when employee representation on pension funds is necessary. The appointment of independent professionals to the governing body is also an effective way to promote good governance.

Election through a fair voting system (e.g. majority voting) is recommended in cases where plan members and beneficiaries can elect some of the members of the governing body. Biographical information on the member of the governing body seeking election should be provided to those involved in the selection process. The information should be provided in a timely manner and should be sufficient including age, length of time he/she has been associated with the pension fund, qualifications and experience. Having said this, existing associations of employees (e.g. trade unions) already have internal electoral systems in place which may make these additional elections redundant.

8. Suitability

Members of the governing body should be subject to minimum suitability standards, such as “fit and proper” criteria. Causes of automatic disqualification could include conviction for fraud, theft or other criminal offences, and gross mismanagement of a pension or other fund that led to significant civil penalties, and, in some cases, personal bankruptcy.

Each member of the governing body should also contribute to a balanced set of skills that enables the board, acting as a collective body, to execute successfully its obligations. For this purpose, the governing body may establish a template of the skills set needed and identify any gaps. The qualifications and experience required of the members of the governing body will depend on their responsibilities. It is advisable for at least some members to possess appropriate professional qualifications and experience to assist in some key decisions such the design of the investment strategy. In general, it is desirable that all members of the governing body have sufficient knowledge and experience to be able to understand the decisions of the professionals that operate the fund. Where the governing structure includes a general assembly of the plan members and beneficiaries (as is sometimes the case in pension funds set up in the corporate form), these would evidently not be subject to fit and proper criteria.

The governing body should regularly review its collective skill set and consider whether it is adequate. Where relevant, it should seek to enhance its collective knowledge of pension fund matters via appropriate training, paid for by the pension entity. In general, training is recommended both initially on appointment and on an on-going basis (at least every two years). Such training could be supported by pension fund regulatory or supervisory bodies (for example via free on-line courses, other material or approval of other education providers). Alternatively, the supervisory authorities may identify or approve suitable courses. More advanced training may be needed to ensure that the governing body fully understands investment in complex financial instruments.
II. GOVERNANCE MECHANISMS

9. Risk-based internal controls

The scope and complexity of internal control measures should be ‘risk-based’ and will vary according to the type and size of pension plan, fund and entity and the type and extent of risks faced. However, there are certain basic organisational and administrative procedures that are central to risk management and control and sound business practice:

- Regular assessment of the performance of the persons and entities involved in the operation and oversight of the pension fund, particularly where the governing body is also a commercial institution;
- Regular review of compensation mechanisms, in order to ensure that they provide the correct incentives for those responsible for the operation and oversight of the pension fund;
- Regular review of information processes, operational software systems, and accounting and financial reporting systems;
- Identification, monitoring, and, where necessary, correction of conflicts of interest situations. A policy for dealing with conflicts of interest situations should be in place;
- Mechanisms to sanction the improper use of privileged information;
- Implementation of an adequate risk measurement and management system including effective internal audit
- Regular assessment of regulatory compliance systems

Mechanisms are needed to assess regularly the performance of the pension entity’s internal staff as well as the external service providers (e.g. those providing consultancy, actuarial analysis, asset management, and other services for the pension entity). It is also good practice for the governing body to undertake self-analysis and for an independent, external person/organisations (or, where it exists, the supervisory board) to undertake a review of the internal controls of the pension entity and the performance of the governing body. The governing body could also restate annually that they are aware of the governance obligations and other key documents relating to the fund, that they are in compliance or have notified any potential conflicts.

Objective performance measures should be established for all the persons and entities involved in the administration of the pension fund. For example, appropriate benchmarks should be established for external asset managers. Performance should be regularly evaluated against the performance measures and results should be reported to the relevant decision maker, and, where appropriate, to the supervisory board, the supervisory authority, and the pension fund members and beneficiaries. The benchmarks should be reviewed regularly also to ensure their consistency with the pension fund objectives (e.g. the investment strategy).

Appropriate compensation can provide the right incentives for good performance. The establishment of a compensation committee and chairperson may optimise the process of evaluating the compensation of those responsible for the operation and oversight of the pension fund, such as asset managers, custodians, actuaries, as well as the members of the governing body.
The compensation policy of sales forces of pension plan providers may also warrant close scrutiny by the governing body, since these costs can reduce pension benefits significantly. There is a risk also that sales staff may not act in the best interest of plan members and beneficiaries, offering products that are not suitable for certain individuals. The governing body should therefore ensure that the remuneration structure for sales staff does not create distorted incentives or and lead to ill-advised decisions by consumers.

A conflict of interest policy should be in place and trustees and staff should regularly report compliance with these rules. Conflicts of interest situations should be identified and dealt with in a suitable manner. Conflicts should be disclosed and recorded in the minutes of the board, as should the role of third parties in settling policy/strategy for the fund, including trading policies, and the commission and other fees paid by the fund. In certain cases, banning the concentration of functions in a single person or entity that would otherwise lead to a conflict of interests may be the preferred solution. In other cases, disclosure of the conflict of interest to the governing body may suffice, who should be required to monitor these cases closely. It may be in the fund’s best interest to adopt policies which prevent even the appearance of a conflict of interests. One effective way of doing so is for the conflicted individual to abstain from voting on any decisions related to the matter of the conflict.

Where the conflict involves a member of the governing body, the case should be reviewed and monitored by the members of it who are not conflicted. Where appropriate, the governing body may seek independent advice or guidance regarding the service or transaction. In the event of the governing body not being able to resolve a conflict of interest situation that may be judged by some of the members of the governing body as harmful to the interest of the plan members and beneficiaries, this should be reported to the supervisory board or supervisory authority, which will make a decision on whether they should be permitted, and if so under what conditions. In some cases, the supervisory authority may decide to appoint an independent professional to the governing body.

The governing body should also establish appropriate controls to promote the independence and impartiality of the decisions taken - ensuring an equal treatment of all plan members -, ensure the confidentiality of sensitive information pertaining to the fund and prevent the improper use of privileged or confidential information. A code of conduct should be established to implement these goals, requiring employees to observe high standards of integrity, honesty, and fair dealing. Internal review mechanisms may be put in place to verify and sanction the compliance with the code of conduct. An adequate risk measurement/management system and an effective internal audit should be also established. The risk management system should cover both investment and biometric risks. These control mechanisms form the basis of good business conduct, enhanced transparency, consistency as to management decisions, and for the protection of all stakeholders of the pension fund.

Finally, pension entities should have mechanisms to assess the compliance with the law. A compliance officer may be assigned to carry out this activity on a regular basis.

10. Reporting

Processes need to be put in place to ensure that the members of the governing body receive appropriate, timely, accurate, complete, consistent, and easily comprehensible information so they may discharge their responsibilities effectively, in accordance with the code of conduct, and ensure that delegated responsibilities are fulfilled.

For its part, the governing body should ensure that actuaries, asset managers, consultants, custodians, and other professional service providers also receive relevant and accurate information in a timely manner in order to ensure they carry out their duties as assigned by the governing body.
11. Disclosure

The governing body should disclose relevant information to all parties involved (notably pension plan members and beneficiaries, the supervisory board, where appropriate and supervisory authorities, etc.) in a clear, accurate, and timely fashion. In the case of pension funds that support personal pension arrangements, information may also need to be disclosed to the public at large via appropriate mechanisms (e.g. websites and printed media).

The specific information that plan members and beneficiaries should receive is described in the OECD Guidelines for the Protection of the Rights of Members and Beneficiaries. The governing body may also wish to disclose if, and if so how, environmental, social, and governance considerations are taken into account in the investment policy.