

To: Randal K Quarles, Chair, Financial Stability Board

Cc: Jonathan Dixon, Secretary General, International Association of Insurance Supervisors
André Laboul, Secretary General, International Organisation of Pension Supervisors

Subject: COVID-19 recovery: Importance of continuity of national self-funded pension systems

Dear Mr Quarles,

Against the backdrop of the COVID-19 pandemic and the substantial challenges it creates in terms of public finance and economic recovery, we are writing to call on the Financial Stability Board to support the resilience of private capital-backed pension systems. Indeed, besides their role in contributing to the stability of pension systems and the adequacy of pension revenues, private capital-backed pension systems also have a key role to play in the recovery from the ongoing COVID-19 pandemic in both developed and emerging markets.

While we appreciate the efforts already undertaken by the FSB in this regard, and we particularly welcome the FSB's letter from 15 July to the G20, we believe that more could be done to enable private capital pension systems to contribute to economic recovery.

We consider that the 2021 Italian G20 Presidency provides new momentum to bring into the spotlight the long-term benefits of pre-funded retirement savings. Therefore, we would urge the FSB to highlight the importance of private capital-backed pension systems in its policy suggestions for the G20 summit recommendations. Targeted suggestions in this regard would enable the Italian G20 Presidency to look at the role that long-term capital asset accumulation could play in facilitating the recovery from the COVID-19 pandemic.

In a similar vein, we would like to invite the FSB to encourage the International Association of Insurance Supervisors (IAIS), the International Organisation of Pension Supervisors (IOPS) and the Organisation for Economic Cooperation and Development (OECD) to further contribute to the discussions on the risks that COVID-19 poses to funded retirement systems. Such discussions should also cover the contribution of these long-duration assets to economic recovery.

Thank you in advance for your consideration. We would very much welcome the opportunity to further engage on this topic.

Kind regards,



Recaredo Arias
GFIA President