

21. May 2010

## Icelandic Pension Funds want investigation in to the events leading to the economic collapse

The Icelandic Pension Funds Association is requesting an independent investigation into their working methods and investment policies in the events leading to the economic collapse in Iceland in the fall of 2008. This was decided at the Association's annual general meeting on May 18th, 2010. A report is expected to be ready by the end of October 2010.

The Pension Funds have been publicly criticized in Iceland, especially after the Investigative Body of Alþingi, the Icelandic Parliament, published its report on the collapse last April. The report did not specify much in regards to the Pension Funds, but it did criticize that they did not have a code of professional conduct. Recent news, that some pension funds are planning to cut pension rights as a result of the collapse, have furthermore given rise to criticism into the Funds' investment policies and operations.

The Icelandic Confederation of Labor and the Confederation of Icelandic Employers, the backstops of the Icelandic pension funds, have recently been discussing whether there was reason to react to this criticism by doing a thorough check-up of the operations and investments of the pension funds, as there is nothing there to hide! At the general meeting in May, the Icelandic Pension Funds Association agreed to arrange for an investigation and that the board would decide formally on how the investigative committee would be appointed. Furthermore, the board would ensure that the investigative committee would do a thorough and precise job, so that its findings could not be questioned, and so that ideas for improvement could be implemented, promoting peace around the pension system, and to rebuild trust.