

REPOSITIONING OF ISAPs

December 8, 2015

1. Preface to International Standards of Actuarial Practice (ISAPs)

CURRENT WORDING	PROPOSED WORDING
This International Standard of Actuarial Practice (ISAP) is a model for actuarial standard-setting bodies to consider. The International Actuarial Association (IAA) encourages relevant actuarial standard-setting bodies to consider taking one of the following courses of action, if it has been determined that this ISAP is relevant for actuaries in their jurisdiction:	No change
<ul style="list-style-type: none">Adopting this ISAP as a standard with appropriate modification, where items covered in this ISAP are not currently contained in existing actuarial standards, or where such portions of existing actuarial standards are to be withdrawn;	No change
<ul style="list-style-type: none">Endorsing this ISAP as a standard as an alternative to existing standards;	No change
<ul style="list-style-type: none">Modifying existing standards to obtain substantial consistency with this ISAP; or	No change
<ul style="list-style-type: none">Confirming that existing standards are already substantially consistent with this ISAP.	No change
Such an adopted standard (rather than this ISAP) applies to those actuaries who are subject to such body's standards, except as otherwise directed by such body (for example, with respect to cross-border work).	No change
When this ISAP is translated, the adopting body should select three verbs that embody the concepts of "must", "should", and "may", as described in Language, even if such verbs are not the literal translation of "must", "should", and "may".	No change
This ISAP is binding upon an actuary only if so directed by the actuary's standard-setting body or if the actuary states that some or all of the work has been performed in compliance with this ISAP (e.g., if the actuary is directed by the principal to comply with this ISAP).	This ISAP is a model standard of actuarial practice and, as such, is not binding on any actuary.

2. Statement at the top of the ISAP "landing page" on website

CURRENT WORDING	PROPOSED WORDING
The IAA issues International Standards of Actuarial Practice (ISAPs) which are model standards of practice. The IAA encourages its member associations to have in place standards of practice that are substantially consistent with these standards.	The IAA develops International Standards of Actuarial Practice (ISAPs) which are model standards of practice. The IAA encourages its member associations to have in place standards of practice that are substantially consistent with these standards. ISAPs are model standards of actuarial practice and, as such, are not binding on any actuary.

3. Due Process for International Standards of Actuarial Practice

Repositioning the development of model standards as described in 1 and 2 above also has an impact on the existing due process for ISAPs. The following changes are recommended:

CURRENT WORDING	PROPOSED WORDING
<p>1. Definition and Applicability</p> <p>1.1. An International Standard of Actuarial Practice (ISAP) is a standard of actuarial practice that is adopted as a model by the IAA for consideration by (1) its member associations; (2) other standard-setting bodies that establish standards of practice for members of such associations; and (3) individual actuaries.</p>	<p>1. Definition and Applicability</p> <p>1.1 An International Standard of Actuarial Practice (ISAP) is a standard of actuarial practice that is developed as a model by the IAA for consideration by (1) its member associations; and/or (2) other standard-setting bodies that establish standards of practice for members of such associations and (3) individual actuaries.</p>
<p>1.2 Member associations and standard-setting bodies are encouraged to give serious consideration (bearing in mind the wish of the IAA to encourage convergence of actuarial standards of practice) to acting upon each ISAP in a manner that is consistent with the needs of their members or those who are subject to the body's standards.</p>	<p>No change</p>
<p>1.3 The word "model" in paragraph 1.1 above is intended to convey that the effect of ISAPs on individual actuaries is as follows:</p> <p>a. If a member association or standard-setting body adopts an ISAP then the version of the ISAP that is so adopted is applicable to actuaries who are members of such an association, or subject to the standards issued by such a body, in the way that the association or standard-setting body determines.</p> <p>b. If an actuary issues an actuarial report or opinion in which he or she states that the opinion is consistent with an ISAP, then the ISAP is applicable to that actuary to the extent of that report or opinion. (Note: This includes the situation in which the entity commissioning the work has instructed the actuary to comply with an ISAP.)</p> <p>c. If neither (a) nor (b) applies, then the ISAP does not apply to the work of an individual actuary.</p>	<p>Replace with the following (same wording as in 2 above).</p> <p>1.3 ISAPs are model standards of actuarial practice and, as such, are not binding on any actuary.</p>

4. Disclaimer when accessing ISAPs on website

Use wording in 2 above in a check box feature to require some form of acknowledgement before an ISAP can be viewed or downloaded from the website.

5. Annual Confirmation Form for Full Member Associations

Repositioning the development of ISAPs as being solely for the benefit of FMAs also has an impact on the annual confirmation form. The following change is recommended:

CURRENT WORDING			PROPOSED WORDING
4.3 Check below if your association has drawn the attention of your members to the IAA Model ISAPs			Remove opening paragraph and table.
	Drew attention of members to the IAA Model ISAP	ISAP was translated into...	4.3 If you have translated any of the ISAPs, please <u>indicate each ISAP that you translated, the language into which you translated it, and</u> send a copy by email or provide hyperlink(s):
ISAP 1			
ISAP 2			
ISAP 3			
If you have translated any of the ISAPs, please send a copy by email or provide hyperlink(s):			

6. Additional Actions Required

a) General website disclaimer

Improve the general disclaimer on the IAA website and make it easier to find. (It is currently a button on the left hand of the home page footer.) This can be done with a view to what the IASB and the IAIS do. For example, we may decide to include more detail on copyright, downloading material from our website, and links to other websites.

b) Identification of Risks

Identify and assess risks to the IAA that may result from generating ISAPs, and consider risk mitigation options. Strike the right balance between mitigating these risks and the possible reputational risk to the IAA of such mitigation This process should be incorporated into the new risk management initiative of Audit and Finance Committee, and should be reconsidered every few years.