

Actuarial Association of Europe

Standards, Freedoms and Professionalism Committee meeting, autumn 2017



**Institute
and Faculty
of Actuaries**

Subject	Update on the activities of the UK's Institute and Faculty of Actuaries (IFoA)
Meeting	22 September 2017 AAE meetings, Copenhagen, Denmark
Author	Emma Gilpin, Senior Regulatory Lawyer, IFoA

Background

1. This note provides an update on recent standards and professionalism activities of the UK's Institute and Faculty of Actuaries (IFoA).
2. The IFoA is responsible for the regulation, in the public interest, of all of its members worldwide. By agreement with the IFoA, the UK's Financial Reporting Council (FRC) sets technical standards in respect of work that is within UK geographic scope while the IFoA remains responsible for setting technical standards in respect of work carried out by members outside the UK. The IFoA's regulatory functions in the UK are also subject to independent oversight by the FRC.
3. Further information on any of these activities can be obtained from Emma Gilpin at the meeting or by email: emma.gilpin@actuaries.org.uk

Update

New standard on applying standards in force (APS X1)

4. As explained in earlier updates, the IFoA has introduced a new standard 'APS X1: Applying Standards'. This [standard](#) is now in force along with its accompanying [guidance](#)
5. APS X1 sets out principles to guide IFoA members in terms of the professional standards they apply and, in particular, introduces a requirement that all IFoA members should be applying standards that are substantially consistent with ISAP 1.
6. The IFoA has begun speaking with different IAA and AAE member associations that have substantially consistent standards to determine whether they would be happy to be included in a list of relevant authorities published by the IFoA. If an association is included then members applying those standards would be deemed to be meeting the requirement in APS X1 to apply substantially consistent standards. No associations will be included in the list without their agreement.

7. If any associations have adopted ISAP 1 or have standards that are substantially consistent with ISAP 1 and would like to be included in the list then we would be delighted to speak further.

Revised versions of insurance standards published (APS L1 and APS G1)

8. The IFoA's insurance standards (APS L1 and APS G1) have been revised to reflect changes to the UK's Prudential Regulation Authority's terminology in the context of the Senior Insurance Managers Regime and to ensure there is no duplication of the PRA's rules.
9. The revised standards came in to force on 1 September and are the standards that underpin the IFoA's requirements for members to have practising certificates when appointed to certain senior insurance roles (e.g. Chief Actuary).

Review of Actuaries' Code

10. The IFoA has been continuing its work on review of the Actuaries' Code and is due to publish a revised version for consultation on 2 October 2017.
11. The revised version of the Code is shorter, more principles based and more concise than the current version but will be supported by more detailed guidance. There is also an increased emphasis on 'speaking up' and an attempt to make the Code less UK focused (e.g. removal of references to UK legislation).

Pilot of outcomes-focused CPD scheme for QAS organisations

12. The IFoA is going to pilot during 2017/2018 an alternative set of requirements for CPD for members working for organisations with the IFoA's Quality Assurance Scheme (QAS) accreditation, recognising that the QAS assessment involves consideration of an outcome in relation to learning and development.
13. This might, for example, involve introduction of outcomes focused CPD requirements rather than hours based requirements and/or some simplifications of the specific requirements in the current CPD scheme.

Review of the Practising Certificates Regime

14. The IFoA is carrying out a substantive review of its requirements for practising certificates, including the roles for which they are required, the process for awarding them and the criteria required.
15. Currently the IFoA requires its members to hold a practising certificate if they are carrying out certain key pensions and insurance roles.

Proposal to introduce direct monitoring of actuarial work

16. The IFoA is also proposing to consult in 2018 on the introduction of a system of direct monitoring of actuarial work of its members. It is currently proposed that this would be focused on work that is of highest risk to the public interest.
17. There is currently a period of informal consultation on the proposals with the IFoA's Practice Boards.

Risk Alert on Climate Change

18. The IFoA published a Risk Alert on the topic of climate change in May 2017.

Launch of 2017/2018 Professional Skills materials

19. The IFoA's new online professional skills materials are due to be published on 30 September 2017.
20. There are a total of 10 video case studies including one filmed in Malaysia with local actors and a local production company. All videos will be available with and without English subtitles.