

TERMS OF REFERENCE FOR THE ACTUARIAL STANDARDS SUBCOMMITTEE (DRAFT 25 JUNE 2018)

1. Mission

To support the strategic objectives of the Actuarial Association of Europe (AAE) and under the oversight of the Standards, Freedoms and Professionalism Committee (SFPC), the Actuarial Standards Subcommittee (ASSC) will develop, review and maintain European Standards of Actuarial Practice (ESAPs), in accordance with the strategic objectives of the Actuarial Association of Europe (AAE), in the first instance in respect of actuarial roles in insurance entities under Solvency II, and promote and encourage the adoption of ESAPs by Full Member Associations.

2. Objectives

- ~~(a) To review and if necessary make recommendations for any changes needed in the due process for the development and issuance of ESAPs as model standards and the criteria for determining whether it might be appropriate for the AAE to develop and adopt an ESAP for a particular purpose;~~
- ~~(b)(a) To make recommendations, as necessary, concerning the implementation by Full Member Associations of actuarial standards based on the ESAPs;~~
- ~~(c)(a) To review and, if necessary, make recommendations for amendments to each ESAP maintain existing ESAPs at least every five years to ensure that all existing ESAPs they are up-to-date, relevant and meet the needs of users of actuarial services and of actuaries;~~
- ~~(b) To consider, and if thought appropriate to recommend to the SFPC, that additional ESAPs should be developed and to prepare, in accordance with the Due Process, the Proposal to Develop a Standard with defined scope and purpose~~
- ~~(c)(c) To develop, in accordance with the Due Process, exposure and final drafts of ESAPs;~~
- ~~(e) To consider the development of ESAPs for actuaries carrying out the actuarial function under Article 48 of the Solvency II Directive and association regulations and guidance;~~
- ~~(f) To consider whether ESAPs should be developed in respect of other work which actuaries may carry out under Solvency II (including the risk management function);~~
- ~~(g) To consider whether ESAPs should be developed for other areas of actuarial practice, such as pensions, investment and risk management;~~
- ~~(h) To make appropriate recommendations to the SFPC for the development of model standards to ensure compliance with the standard setting policies and due process approved by the AAE;~~
- ~~(d) To review at least every five years and if necessary make recommendations for the due process for the development and issuance of ESAPs;~~
- ~~(e) To support and follow up, as necessary, the implementation by Full Member Associations of actuarial standards based on the ESAPs;~~

To make recommendations, as necessary, concerning the implementation by Full Member Associations of actuarial standards based on the ESAPs;

- ~~(f)~~ To liaise with the ~~AAE Committees Insurance Committee, the Solvency II Project Team, the Pensions Committee and the Investment and Financial Risk Committee~~ as appropriate in respect of the development of particular ESAPs;
- ~~(g)~~ To provide representation from the AAE to relevant international groupings of actuarial standard-setters, such as the Standard-Setters Round Table; and
- ~~(h)~~ To liaise with the Actuarial Standards Committee of the IAA ~~in respect of the IAA's standard setting activities~~ and ~~work in close cooperation~~ with the IAA to ensure that there is, to the extent appropriate, consistency between any model standards developed by the AAE and those developed by the IAA and that overlaps and conflicts are avoided;
- ~~(i)~~ To take into account standards already issued or in preparation by Full Member Associations or national supervisory bodies; and
- ~~(m)~~ To consider whether the objective of developing model actuarial standards at the European level could be furthered by other related initiatives, such as the development of European Actuarial Notes (EANs), and improved ways of presenting the professionalism of actuaries to stakeholders, including, if appropriate, amendments to the AAE Code of Conduct.

3. Reporting authority

~~The ASSC reports to the PC at least biannually including the work-plan for consideration by the PC and approval by the General Assembly.~~

~~The SPT reports to the SFPC. The convener of the project team is appointed by the SFPC, subject to the approval of the Officers of the AAE.~~

4. ~~Task Forces~~ ~~Working Groups~~ reporting to the ~~ASSC~~ ~~SPT~~

The ~~ASSC~~ ~~SPT~~ may establish ~~Task Forces~~ ~~Working Groups~~, which may include individuals (either actuaries or non-actuaries) who are not members of the ~~SPT~~, in order to enable it to carry out its work in the most effective way.

5. Membership

The membership of the ~~ASSC~~ ~~SPT~~ and any ~~Task Forces~~ ~~Working Groups~~ established by the SPT shall be such as to ensure a reasonable geographic spread and representation of associations with different regulatory structures. The ~~ASSC~~ ~~SPT~~ shall take care to ensure that, in carrying out its work, it is sensitive to the views of Full Member Associations.

6. Communication

The SPT shall maintain regular communication with Full Member Associations of the AAE regarding plans, activities and outputs, including the maintenance of a work-plan for consideration by the SFPC and approval on a regular basis by the General Assembly.

The SPT shall maintain an appropriate level of communication and liaison with the European Commission and with EIOPA, as well as with other standard-setting bodies, in relation to the AAE's activities concerning the development and implementation of ESAPs.

Commented [MH1]: What does the PC want? I have forwarded this to the chair of PC

Brussels

~~23 June 2015~~ dd mm 2018