

**Actuarial Association of Europe**  
**Professionalism Committee Meeting**  
**Autumn 2018**



Institute  
and Faculty  
of Actuaries

<b>Subject</b>	Update on the activities of the UK's Institute and Faculty of Actuaries (IFoA)
<b>Meeting</b>	21 September 2018 AAE meetings, Utrecht, Netherlands
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**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](mailto:emma.gilpin@actuaries.org.uk)

**Update**

**Review of Actuaries' Code**

4. The revised Actuaries' Code was published on 18 May 2018. It will come into force on 18 May 2019.
5. A document providing guidance on the revised Code was also consulted upon and revised following consultation. The final version of the guide will be published in early spring 2019 once there has been a substantive review of the conflicts of interest and speaking up sections of the Guide.
6. The IFoA is also looking at other materials that will need to be updated to reflect the new requirements.
7. A note detailing how the revised Code reflects the requirements of the current and revised AAE Codes was submitted to the AAE.

### **Monitoring of Actuarial Work**

8. The IFoA has been developing proposals to introduce proportionate, direct monitoring of the work of actuaries. The consultation on the proposals was launched at the end of June 2018 and closes on 28 September.
9. The IFoA's proposals would involve the introduction of a monitoring system to gather information about the work being carried out by its Members, to use that information to provide evidence of the quality of actuarial work, to promote best practice and, as appropriate, to develop and adapt training, education, standards and guidance.
10. In terms of the proposals, the more direct, regular monitoring would be focused on the pensions and insurance roles for which the IFoA currently requires Members to obtain a Practising Certificate (e.g. those appointed as Scheme Actuary to an occupational pension scheme or Chief Actuary for a Solvency II insurer). There would also be a programme of thematic reviews looking at a wider range of actuarial work.

### **Quality Assurance Scheme (QAS) International Development**

11. The IFoA has removed the geographic restrictions on its QAS accreditation scheme (QAS) so that organisations based anywhere (not just the UK) can now apply for the accreditation.
12. The first non-UK accreditations were awarded in May 2018, with organisations from Hong Kong, Singapore, Malaysia and Indonesia receiving the accreditation.

### **Pilot of outcomes-focused CPD scheme for QAS organisations**

13. The IFoA has begun a pilot of a different type of CPD scheme for organisations accredited under QAS. Seven organisations have committed to the pilot which will run from 1 July 2018 to 30 June 2020.
14. The pilot scheme essentially removes the specific hours based CPD requirements and the requirements for recording, for individual Members that are employed by a QAS accredited organisation participating in the scheme.
15. Instead, the organisation commits to outcomes in relation to development and learning for its actuary employees and is subject to assessment (through the QAS team) that it has in place appropriate processes and procedures to identify learning needs, organise training to fulfil these needs, and then reflect on the outcomes met.
16. The pilot scheme harnesses what each QAS accredited organisation already has in place and formally recognises that by following their employer's procedures, Members will carry out appropriate, meaningful CPD.
17. The results of the pilot will be considered in the first half of 2020.

### **Review of the Practising Certificates Scheme**

18. The IFoA is in the final stages of its review of the system under which Practising Certificates are awarded.
19. It is expected that the recommendations will be put into effect later in 2018.

### **Professional Skills materials**

20. The team is currently finalising content for the 2018/2019 CPD year. Some of the new content will be filmed in the countries in which we are developing membership such as those in South East Asia and certain parts of Africa. The content will be released towards the end of September.

### **Independent Review of the Financial Reporting Council (FRC)**

21. The UK Government has set up an independent review of the FRC. The FRC has specific responsibilities in relation to the regulation of actuaries carrying out work within UK geographic scope, as discussed above at paragraph 2. The review is being led by Sir John Kingman.
22. The Review issued a call for evidence in June 2018 and specifically includes questions around the arrangements for regulation of actuaries in the UK. The IFoA submitted its response to the consultation on 6 August.
23. The call for evidence is now closed and the final report for the UK Government on its findings will be produced towards the end of 2018. The Government will then consider the report and consult on any changes in 2019.