

To AAE Membres Titulaires

by e-mail only

Brussels, 17 June 2019

In application of Article 18 of the Statutes, a General Assembly will be held in Vienna on 11 October 2019. The draft Statutes which are annexed to this letter (Annex 1) will be proposed for approval at the General Assembly. The statute changes have been prepared by the Professionalism Committee and have been approved by the AAE Board of Directors.

VOTING RIGHTS

The Professionalism Committee recommends setting a new 'category 4 membership threshold' for ease of implementation and tracking while ensuring that the current equilibrium is kept. The committee proposes setting the 'voting category 4 membership threshold' to 1,600 and more members. This allows a good distribution across voting categories while ensuring stability over time. The underlying document, as discussed in the Professionalism Committee in April 2019, is attached to the mail message.

The following statute changes are proposed:

Change in Article 8.3 'General Assembly of the AAE, Delegations, Membre Titulaire, Membre Suppléant'

Current Article 8.3

European States with ... have ...

1 - 150 subscriptions – 1 delegate

151 - 600 subscriptions – 2 delegates

601 - 1200 subscriptions – 3 delegates

1201 or more subscriptions – 4 delegates.

New Article 8.3

European States with ... have ...

1 - 150 subscriptions – 1 delegate

151 - 600 subscriptions – 2 delegates

601 - 1,600 subscriptions – 3 delegates

1,601 or more subscriptions – 4 delegates.

Change in Article 13.4 'Voting Rights'

Current Article 13.4

The total voting power of a delegation is weighted according to the number of actuaries in the European States for whom AAE subscriptions are paid as observed on 1 April each year based on the number of full members in each association on 1 January of that year, on the following basis:

1 - 150 subscriptions – vote multiplied by 1

151 - 600 subscriptions – vote multiplied by 2

601 - 1200 subscriptions – vote multiplied by 3

1201 or more subscriptions – vote multiplied by 4.

New Article 13.4

The total voting power of a delegation is weighted according to the number of actuaries in the European States for whom AAE subscriptions are paid as observed on 1 April each year based on the number of full members in each association on 1 January of that year, on the following basis:

1 - 150 subscriptions – vote multiplied by 1

151 - 600 subscriptions – vote multiplied by 2

601 - 1,600 subscriptions – vote multiplied by 3

1,601 or more subscriptions – vote multiplied by 4

PROFESSIONALISM COMMITTEE

At the meeting in Utrecht on September 21, 2018, the General Assembly approved the revised Terms of Reference of the Professionalism Committee. As a result of that decision, the name of the committee in the Statutes must be changed.

Change in Article 9.1

Current Article 9.1

The General Assembly may from time to time establish Committees on specific subjects, among these the **Standards, Freedoms and Professionalism Committee**.

New Article 9.1

The General Assembly may from time to time establish Committees on specific subjects, among these the **Professionalism Committee**.

Change in Article 19.2

Current Article 19.2

The Statutes will be reviewed by the General Assembly at least once every three years, with appropriate advice of the **Standards, Freedoms and Professionalism Committee**, based on a report on their practical impact that will be prepared by the Secretariat.

New Article 19.2

The Statutes will be reviewed by the General Assembly at least once every three years, with appropriate advice of the **Professionalism Committee**, based on a report on their practical impact that will be prepared by the Secretariat.

With kind regards,



Esko Kivisaari,
Chairperson

**STATUTES
OF THE
ACTUARIAL ASSOCIATION OF EUROPE**

(to take effect from 11 October 2019)

Article 1

Name, Legal Structure and Registered Office

The Actuarial Association of Europe, referred to as “the AAE”, is, as a forum of European actuarial associations, an association within the meaning of Article 60 of the Swiss Civil Code with registered office domiciled in Zurich.

Article 2

Aims

The Aims of the AAE are to:

1. Represent Member Associations and provide objective, independent, professional advice to European institutions and stakeholders on all matters of actuarial relevance, in pursuit of the public interest.
2. Enhance the development and standing of the actuarial profession in Europe by, *inter alia*:
 - prescribing educational standards;
 - promoting professionalism;
 - supporting mutual recognition of actuaries among Member Associations; and
 - facilitating a consistent approach to actuarial work undertaken in the context of European regulation.
3. Provide opportunities for networking and encourage sharing of best practice among actuaries across Europe, both in traditional areas of work and in wider fields as actuaries extend their areas of involvement.

Article 3

Members

1. All actuarial associations in Europe meeting the relevant membership criteria are eligible to become members of the AAE unless the majority of members joining an association applying for membership are also members of a Full Member Association of the AAE situated in the same European State.
2. The number of Member Associations representing the profession within a particular European State is not limited.
3. Admission to membership shall be decided by the General Assembly.

Article 4

Membership Categories

There are two categories of membership in the AAE:

- **Full Member Associations** - situated in a Member State of the EU or another European state and meeting the professionalism criteria as defined in Article 5
- **Observer Member Associations** - situated in a Member State of the European Union, or in another European State, but not meeting the criteria for full membership

Full and Observer Member Associations are equally allowed to send representatives to all AAE events and meetings of the AAE's Committees (subject to Article 12).

Article 5

Criteria for Full Membership

1. Actuarial associations applying for full membership must have a Code of Conduct that reflects at least the requirements of the AAE's Code of Professional Conduct, and comply with minimum education standards as set out in the AAE's Core Syllabus for Actuarial Training in Europe of December 1998, as may be amended from time to time.
2. Within 18 months after applying for membership they have to have a formal disciplinary process in place meeting the following criteria:
 - Accessibility of the complaint process to anyone affected by a member's work and his / her professional peers,
 - Availability of a due defence process available for a member complained against,
 - Existence of an independent and objective formal appeal process,
 - Definition of appropriate sanctions.
3. If standards of practice are recommended by the applying association an appropriate promulgation process must be in place meeting the following criteria:
 - Exposure of proposed standards to members and where relevant to third parties for comment,
 - Consideration of comments on the exposure draft,
 - Process of promulgation of standards by an authority vested with adequate powers,
 - Publication of standards and distribution to practitioners.

Article 6

Mutual Recognition

1. Full Member Associations must sign the AAE Agreement of April 1991 (as amended from time to time) concerning the recognition by each EU actuarial association of members of the other EU associations, (the Mutual Recognition Agreement) if they are situated in a European State which is a signatory to the European Economic Area Agreement of May 1992, or which has otherwise entered into a treaty or other agreement with the EU which, inter alia, extends to that state the benefits of EU Directive 89/48/EEC (as amended by Directive 2001/19/EC) on a general system for the recognition of higher education diplomas awarded on completion of professional education and training of at least three years' duration, and the Directive on the recognition of professional qualifications 2005/36/EC (as amended by Directive 2013/55/EC).
2. Observer Member Associations cannot be a party to the Mutual Recognition Agreement. They may, however, with the prior approval in each case of the signatories of the principal Agreement, enter into a parallel bilateral Agreement on the Mutual Recognition of Qualifications.

Article 7

Subsidiarity and Interference

1. The AAE will respect the principle of subsidiarity, i.e. that decisions that can and should be taken at the national level (or problems that should be solved on a national basis) must not be addressed at the AAE level. The transfer of local professional conflicts to AAE level must be avoided.
2. The AAE must not interfere in the internal arrangements of a Member Association or between different Member Associations in a particular state except by invitation of the association(s).
3. On all issues of importance for the actuarial profession the AAE will aim to be complementary, not contradictory, to the International Actuarial Association.

Article 8
General Assembly of the AAE, Delegations,
Membre Titulaire, Membre Suppléant

1. The General Assembly of the AAE consists of delegations of the different European States represented on the AAE by at least one Member Association.
2. The maximum size of a delegation representing a European State on the AAE is determined according to the total number of actuaries in this State for which subscriptions to the AAE are paid on the basis of the following pattern:
3. European States with ... have ...

1 - 150 subscriptions	– 1 delegate
151 - 600 subscriptions	– 2 delegates
601 - 1,600 subscriptions	– 3 delegates
1,601 or more subscriptions	– 4 delegates.
4. Where there is more than one Member Association in a European State, it is a matter for the associations in that State to determine their joint delegation to the AAE.
5. Where no agreement is possible between different Member Associations in the same European State, the AAE will decide the number of delegates (rounded to full integers) from each association that corresponds to its percentage of the whole subscription base of the State, applied to the maximum size of the delegation coming from that State.
6. Each Member Association of the AAE will appoint a member of the delegation of its home state as “membre titulaire”, carrying the votes of that association.
7. Delegates not nominated as membre titulaire may participate in meetings of the General Assembly as “membre suppléant”. They may only vote as alternate for a membre titulaire who is unable to participate.

Article 9

Committees

1. The General Assembly may from time to time establish Committees on specific subjects, among these the Professionalism Committee.
2. Each Full and Observer Member Association has the right to nominate a representative for each Committee.
3. Delegates to the General Assembly have the right to attend a meeting of any of the AAE's Committees if they so wish.
4. Committee Chairpersons must be full members of a Full Member Association and shall be elected for a term of three years, renewable once.

Article 10

Board of Directors

1. The Board of Directors is responsible for the execution of the strategy; to promote strong relationship with the Member Associations, key European institutions and key stakeholders; and the continuity of the AAE operations. Further responsibilities of the Board of Directors are stipulated in the Terms of Reference to be approved by the General Assembly.
2. The Board of Directors, also called the Officers, comprises the Chairperson, the Vice-Chairperson and the Immediate Past Chairperson (the Senior Officers), as well as six additional members, one of whom will assume the role of Honorary Treasurer.
3. All members of the Board must be full members of a Full Member Association.
4. At least two of the Senior Officers as well as the majority of all Board members must be members of Full Member Associations from countries which are EU Member States.
5. Committee Chairpersons are eligible for appointment as Board members, but must retire from their Committee Chairperson position at the date of their appointment to the Board.
6. At least one Board member will be chosen from each voting category, herein including the Senior Officers, with no more than one Board member from each Full Member Association. In the case that it is not possible to find a candidate from a voting category, the position will remain vacant until a suitable candidate from this voting category can be found.
7. The Senior Officers are elected by the General Assembly for a term of one year, starting directly after the election by the General Assembly. The Vice-Chairperson elected for one year will normally be elected as Chairperson for the following year and become the Immediate Past Chairperson for the year after that.
8. All other members of the Board are elected by the General Assembly, normally for a term of three years, starting directly after the election by the General Assembly, with two members retiring each year. A term of office may normally only be renewed if a member is elected Vice-Chairperson.
9. In electing the Board of Directors, the General Assembly shall - whenever possible - have regard to the distribution of previous appointments by geography, size of association, gender and otherwise.

Article 11
Nominations Panel

1. Nominations for appointment as member of the Board of Directors or the Nominations Panel or as Chairperson of a Committee shall be considered in the first instance by a Nominations Panel.
2. The Nominations Panel shall comprise eleven persons and include the Senior Officers.
3. The members of the Nominations Panel, except the Senior Officers, are elected by the General Assembly, normally for a term of three years, with two or three members retiring each year.
4. The Terms of Reference of the Nominations Panel are approved by the General Assembly.
5. The Nominations Panel shall submit its recommendations to the General Assembly.

Article 12
Meetings

1. The AAE will hold an ordinary General Assembly at least once a year.
2. An extraordinary meeting of the General Assembly may be called by the Chairperson or by not less than 25% of potential votes. An extraordinary meeting may be held in person or, if the Chairperson so decides and no objection is raised by any Member Association, by means of a telephone, electronic or other communication facility.
3. An association will not be allowed to send any delegates to AAE Meetings (or representatives to Committee Meetings) if its subscriptions to the AAE have been outstanding for more than a year.
4. Notification of a General Assembly must be circulated to members no later than 20 days before the meeting.

Article 13

Voting Rights

1. Observer Member Associations have no right to vote.
2. Full Member Associations from countries which are not EU Member States are not allowed to vote on any issue relevant only to the EU legislative environment.
3. All decision-taking powers of the AAE are vested with the General Assembly.
4. The total voting power of a delegation is weighted according to the number of actuaries in the European States for whom AAE subscriptions are paid as observed on 1 April each year based on the number of full members in each association on 1 January of that year, on the following basis:

1 - 150 subscriptions	– vote multiplied by 1
151 - 600 subscriptions	– vote multiplied by 2
601 - 1,600 subscriptions	– vote multiplied by 3
1,601 or more subscriptions	– vote multiplied by 4.
5. If more than one Full Member Association represents the profession within the same European State on the AAE, the total voting power of that State is split between the Full Member Associations corresponding to their relative subscription base at 1 January each year.
6. A Full Member Association will not be allowed to vote on any issue, if its subscriptions to the AAE have been outstanding for more than 12 months.
7. A vote may be carried out by electronic means, using e-mail or other electronic questionnaires or voting facilities, provided the proposal has been exposed for discussion among the Member Associations, at least three months before the date of the vote, or for such shorter or longer period of time proposed by the Board and not objected to by any Member Association.

Article 14

Majorities and Treatment of Diversity of Views

1. Member Associations of the AAE aim - as far as possible - to decide unanimously on all matters of professional importance and on amendments to the Statutes.
2. From time to time there may be technical questions where there is a diversity of views. These may arise in particular when submissions or advice are requested by the European Commission, EIOPA, or another outside body, or in relation to issues on which the AAE proposes to make a public statement. In such circumstances, it may be impracticable to obtain a single view and, indeed, it may be of more value to external parties to be aware of the range of alternatives considered.

- a. If the AAE has a unanimous and unequivocally established position, this must be clearly conveyed;
 - b. Where a unanimous position has not emerged and there is a clear majority view, this must be clearly conveyed along with the minority position(s);
 - c. Where there is no agreed majority view, and time permits, attempts should be made to obtain agreement on a majority view amongst the Member Associations, following which the majority view shall be stated but must be accompanied by the minority position(s);
 - d. Where no majority view can be established or where time does not permit consultation over diversity of views, these should all be clearly and objectively reported;
 - e. Where a view is being presented in a personal capacity or on behalf of a Member Association this must be clearly stated, particularly where this is at variance with points a) - d) above
3. If there is disagreement between Member Associations on a particular internal issue, including amendments to the Statutes, there will be a cooling-off period of up to one year, after which a majority consisting of not less than 75% of the votes cast can make a decision which shall be binding on the AAE, provided at least two-thirds of potential votes are represented.

Article 15 Secretariat

The AAE shall maintain a permanent Secretariat, the location of which will be determined from time to time by the AAE. The Secretariat shall be managed by a Chief Executive, who shall be appointed by the Board of Directors on terms and conditions agreed by the Board.

Article 16 Languages

The official languages of the AAE are English and French.

Article 17 Financial Year and Budget

1. The financial year of the AAE is the calendar year.
2. The audited financial statements and the draft budget for the subsequent year shall be submitted each year by the Honorary Treasurer to the General Assembly for approval.
3. Should the General Assembly fail to adopt a budget or agree a subscription rate prior to the beginning of a financial year, the previous year's budget and subscription rate shall apply.

Article 18

Subscriptions

1. Subscriptions will be payable on 1 April each year based on the number of full members in each association on 1 January of that year.
2. Each Full and Observer Member Association is responsible for the costs incurred by its delegates to the AAE and its representatives on Committees.
3. All other costs will be met by an annual subscription from the Full and Observer Member Associations.
4. Each Member Association - no matter to which membership class it belongs - will pay an annual subscription to the AAE which corresponds to the per capita amount fixed by the General Assembly at least 13 months in advance, multiplied by the number of fully qualified actuaries on 1 January for which the Member Association itself receives full subscriptions on the national level.
5. The General Assembly may approve a 50% reduction of subscriptions to newly-established Member Associations for the first five years of their membership in the AAE, and a 25% reduction for the next five years.

Article 19

Amendments to the Statutes and Winding-Up of the AAE

1. These Statutes may be amended at an ordinary or extraordinary General Assembly called in accordance with Article 12, provided the proposed changes have been exposed for discussion among the Member Associations at least three months before that General Assembly.
2. The Statutes will be reviewed by the General Assembly at least once every three years, with appropriate advice of the Professionalism Committee, based on a report on their practical impact that will be prepared by the Secretariat.
3. In the event of a winding-up of the AAE, any accumulated surpluses would be returned exclusively to the Member Associations in direct proportion to their size and contributions.

Article 20

Effective Date

These revised Statutes were approved by the General Assembly in Vienna on 11 October 2019 and will take effect from the close of the General Assembly on 11 October 2019.