

Actuarial Association of Europe

Professionalism Committee Meeting, Spring 2020



Institute
and Faculty
of Actuaries

Subject	Update on the activities of the UK's Institute and Faculty of Actuaries (IFoA)
Meeting	2 April 2020 AAE meetings
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Reviewer	Emma Gilpin, Head of Regulatory Policy, 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.
3. 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. This arrangement is currently subject to review (see below).
4. 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

Monitoring of Actuarial Work

5. The Actuarial Monitoring Scheme (AMS) was launched on 20 September 2019 with the announcement of two thematic reviews as part of the Thematic Review Programme (TRP).
6. The first two review topics are:
 - Actuarial factors used to calculate member benefits (Pensions); and
 - Role of actuarial advice in pricing of specific GI products (General Insurance).

7. During March and April 2020, the IFoA will be accepting submissions from organisations employing UK Scheme Actuary Practising Certificate holders and will be seeking examples of actuarial advice relating to the setting of transfer values and commutation rates for the pensions review topic.

Review of Continuous Professional Development (CPD)

8. The IFoA launched a consultation on 24 January 2020 with proposals to change its CPD Scheme, which is intended to make IFoA requirements easier to fulfil and to reinforce the role and focus of CPD around meaningful ongoing professional development and learning.
9. The new proposed approach is more flexible in recognising a greater range of activities, allowing IFoA Members to participate in more varied opportunities, learning about subjects relevant to their current or future role.
10. The consultation will close on 17 April, following which the IFoA will consider all of the feedback on the proposals.

APS X4: Actuarial work in the financial analysis of social security programmes

11. The IFoA published a new standard APS X4 which came into force on 27 February 2020. This applies to Members carrying out actuarial work in the financial analysis of social security programmes outside of the UK Geographic Scope. In effect, the standard requires Members to apply the terms of the IAA's ISAP 2.

APS X5: Requirements relating to Professional Indemnity Insurance (PII) and other 'appropriate arrangements'

12. The IFoA consulted on issuing a new standard to replace an existing Guidance Note (GN3) which imposes requirements relating to 'appropriate arrangements' to ensure compensation for professional shortcomings (for example, professional indemnity insurance). This consultation closed on 17 February 2020 and the IFoA will publish a feedback paper following the consultation responses.