



IFoA proposal

Impact and mandate

Falco Valkenburg, chairperson

Virtual, 19 June 2020

2.1 Discussions with the IFoA (I)

What has taken place so far:

- 18/12 Letter from IFoA (Annex 2.1a)
- 4/2 Meeting in London: aim to understand the background
- 11/3 Meeting in Brussels → virtual: exploring ways forward
- 19/3 Virtual meeting
- 24/3 Virtual meeting
- 31/3 Virtual meeting
- 10/4 Letter from AAE (Annex 2.1b)

2.1 Discussions with the IFoA (II)

What has taken place so far:

- 17/4 Call Grahame/Falco
- 26/4 E-mail from IFoA: response to letter of 10 April
- 4/5 Letter from AAE (Annex 2.1c)
- 19/5 Call Grahame/Falco
- 25/5 Letter from IFoA (Annex 2.2)
- 28/5 Call for extraordinary meeting of the General Assembly
- Since then many bilaterals
- 16/6 e-mail from IFoA
- 17/6 e-mail from AAE with response
- 17/6 Letter from IFoA
- 18/6 Call Grahame/Falco
- 19/6 Extraordinary meeting of the General Assembly

3. Financial impact proposal IFoA

- Subscriptions IFoA based on # full members in Europe
 - Close to 10,000 full members ~ €200,000 per annum
- Proposal IFoA is to introduce a cap of 5,500 full members
 - Proposed subscriptions €110,000 per annum
 - (45% reduction)
- Total subscriptions AAE ~ €500,000 per annum
 - After proposed reduction €410,000 per annum
 - (18% reduction of total budget)
 - IFoA share of total subscriptions down from 40% to 27%

3. Board assessment of possible measures

Just as background information

Brainstorm on extreme solutions in order to get a feel for possibilities

Focused on:

- Increase of income
- Cost Savings

Result is a list with well over 100 possible measures

3. Conclusion of Board assessment

We can cope with a significant reduction of subscriptions

The proposal of the IFoA will have a significant financial impact

No need to be guided too much by this financial impact in decision-making now

3. Suggested process based on a mandate

Board will enter formal discussions with IFoA based on the mandate of the GA

Discussions/negotiations during the summer period

Aim to have another extraordinary meeting of the General Assembly before the annual meeting for a vote

If no unanimity we take a second vote at the annual meeting (art. 14.3 Statutes)

So, final decision in October meeting the latest

3. Five MAs submitted proposals for a mandate

The proposals are all different but very much aligned in substance.
Good starting point for our discussion.

1. Full membership with full rights: basis for mandate?
2. Cap or equivalent option of comparable monetary terms: basis for a mandate?
3. Full payments for 2020?
4. Commitment as to SO1 and SO2 (e.g. MRA)?

Any other topics?

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