

REPORT OF THE ACTUARIAL STANDARDS SUBCOMMITTEE TO THE PROFESSIONALISM COMMITTEE 9 OCTOBER 2020

Since our last report to the Professionalism Committee (ProfC) on 2 April 2020, the Actuarial Standards Subcommittee (ASSC) reports the following.

European Standards of Actuarial Practice (ESAPs)

The ASSC has created a Task Force to review the ESAP 2 (Actuarial Function Report under SII), originally approved on 31.1.2016. The Task Force has 9 members representing several AAE Member Associations and is chaired by Jules Krijgsman van Spangenberg, an ASSC member. The Task Force has started its work on 15 September and aims to have a draft ESAP 2 (2021) text ready for submission to the ASSC by the end of February 2021 to allow for sufficient time for ASSC and ProfC to review and approve for submission for the spring 2021 AAE meeting. The Task Force will use the tabular version of ESAP 2 (2016) as a basis as this allows updating references to regulatory requirements and capturing considerations of the Task Force. ESAP 2 (2021) will refer to the AAE Glossary. To the extent ESAP 2 (2016) definitions are missing in the AAE Glossary or conflicting definitions exist between ESAP 2 (2016) and the AAE Glossary, this will result in proposals to change the AAE Glossary.

No new ESAPs are under work.

European Actuarial Notes (EANs)

The EAN 1 on ESAP 3 and ORSA has been approved by the General Assembly (GA) in May. The Pension Committee is still working to finalize the EAN on IORP II after which the ASSC will review it. The ASSC is following the development of the EAN on Professional Judgement by the Task Force Roles of Actuaries.

Cross References

To date, the AAE has approved three ESAPs and the first revision of ESAP 1. This raised the need to identify the ESAP versions and to clarify the references made from other AAE documents to ESAPs. The AAE [website](#) has been updated to include the earlier versions of the documents identified with the adoption year.

Currently two AAE documents have references to ESAPs, namely EAN 1 and the document "Sample Questions and Answers on the Code of Professional Conduct". As the documents are approved by the GA, the ASSC has proposed technical amendments to those documents for approval by the GA.

Terms of Reference of the ASSC

It was noted that the process to create ASSC Task Forces was cumbersome as the ASSC needed approval by both the ProfC and the Board. The ProfC approved an amendment to the ToRs so that no such approval by the Board is required in the future.

Standard setting activities in the IAA

No new ISAPs are under work. The IAA approved *ISAP 4 IFRS 17 Insurance Contracts* in November 2019. The Committee noted that some amendments are suggested to the IFRS 17 but after considerations agreed not to propose any changes on the ISAP 4 at this time. The Actuarial Standards Committee is reviewing the *ISAP 3 (IAS19 Employee Benefits)*.

Due to the IAA restructuring and the review of its strategy the work of the Actuarial Standards Committee is on hold and the proposal on Specimen Actuarial Standards has not proceeded.

Other matters

The ASSC has been operating by emails. The updated work-plan is attached.

Hillevi Mannonen
Chairperson, Actuarial Standards Subcommittee
23 September 2020