



Institute
and Faculty
of Actuaries

DISCIPLINARY TRIBUNAL PANEL HEARING

Readmission to Membership

Institute and Faculty of Actuaries

Held online

7 October 2022

Applicant:	Varun Bhatt
IFoA:	Jenny Higgins, Case presenter
Panel Members:	Peter Wrench (Chair/Lay Member) David Ford FIA (Actuary Member) Melissa D'Mello (Lay Member)
Legal Adviser:	Julian Weinberg
Judicial Committees Secretary:	Julia Wanless

Decision:

The application for re-admission to the Institute and Faculty of Actuaries is accepted.

Background:

1. On 22 January 2019 the Applicant was expelled from the Institute and Faculty of Actuaries ("IFoA"), and not permitted to apply for readmission for two years. On 9 June 2022, that period having expired, he made an application under Rule 10 of the Disciplinary and Capacity for Membership Scheme 2021 for readmission to membership of the IFoA.
2. The reasons for the Applicant's expulsion were as follows. The Applicant sat a CA2 examination of the IFoA on 4 and 5 April 2017. The IFoA's markers identified evidence of collusion between three candidates, including the Applicant. When the IFoA investigated, the Applicant denied any wrongdoing. Nevertheless, a case was brought before the Disciplinary Tribunal and the following charges against the Applicant were all found proved:
 1. *During the Institute and Faculty of Actuaries' CA2 Online Examination on 4/5 April 2017 you:*
 - (a) *gave and/or received unauthorised assistance by discussing the examination paper and/or sharing your answers with (an)other candidate(s);*
 - (b) *knew or ought to have known that your actions at paragraph 1a would allow (an)other candidate(s) to submit to the Institute and Faculty of Actuaries an examination paper which was not entirely their own work;*
 - (c) *submitted to the Institute and Faculty of Actuaries an examination paper which was not entirely your own work;*
 2. *Your actions at paragraph 1(a) and/or (b) and/or (c) were in breach of Paragraph 9 of the Institute and Faculty of Actuaries' Exam Regulations Fellowship and Associateship;*
 3. *Your actions at paragraph 1 were dishonest;*

4. *Your actions at paragraph 1 were in breach of the Integrity principle of the Actuaries' Code (version 2);*
 5. *Your actions at paragraph 1 were in breach of the Compliance principle of the Actuaries' Code (version 2).*
 6. *Your actions, in each and all of the above, constituted misconduct in terms of Rule 1.6 of the Disciplinary Scheme of the Institute and Faculty of Actuaries (effective 1 August 2010, amended 18 October 2012 and 1 June 2016).*
3. The Applicant and his fellow Respondents did not attend the Disciplinary Tribunal hearing. In imposing its sanction the Panel said this:

The Panel took into account the following aggravating factors:

- *The evident collaboration to cheat,*
- *The reluctance to admit wrongdoing,*
- *The level of dishonesty and lack of integrity involved,*
- *The lack of remorse or insight shown by all Respondents...*

Having determined that this was not an exceptional case such that no sanction should be applicable, and in accordance with the Indicative Sanctions Guidance, the Panel first considered the lowest available sanction, reprimand, and other lesser sanctions but concluded that this instance of misconduct was serious enough in the case of each Respondent to warrant a period of expulsion from membership of the IFoA and the Panel therefore imposed the following sanction on each Respondent:

- *Expulsion from membership of the IFoA for 2 years.*

Readmission application:

4. In his written application, the Applicant listed his professional activities since his expulsion which include joining KPMG Global Services Pvt Ltd as a Senior Actuarial Associate in September 2019 and receiving a promotion from this position to Assistant Manager in November 2021.
5. The Applicant said that, to keep up to date with professional standards and practice, he regularly visits the IFoA's, and the Institute of Actuaries of India's, websites to read any relevant material with respect to professional standards, practices and recent actuarial developments. He also advised that as part of his current employment he is required to complete a minimum of 40 hours annually to develop as a professional and comply with the standards set by KPMG. These include topics such as audit related training and ethics and integrity training.

6. The Applicant included a reflective statement in his application. He stated that his reasons for applying for readmission to membership were to prove to the IFoA that he has corrected his behaviour and learnt from his mistakes, and to complete his professional actuarial journey.
7. The Applicant provided character references from KPMG Global Services Pvt Ltd and from two Fellows of the IFoA.

Readmission hearing:

8. The Case Presenter set out the background and said the IFoA was neutral on the application.
9. In his submissions, the Applicant said that he was a changed person. He said that he had broken the trust of people who believed in him, and had worked to restore and vindicate that trust. He said that he had been fully open and transparent with his employers about his expulsion from the IFoA, and had also informed actuarial societies in both India and the USA. In answering questions from the Panel, the Applicant described doing annual mandatory training with KPMG that included ethics and professionalism. He said that he mentored junior colleagues and emphasised to them the importance of not doing what he had done. He explained the importance of honesty in the actuarial profession, saying that dishonest behaviour could cause distrust of the numbers to which an actuary attested and of the actuarial profession. He commented that *“one bad seed can spoil the entire crop”*.
10. The Panel accepted the advice of the Legal Adviser.

Consideration:

11. The Panel had regard to Rules 10.12 and 10.13. The latter states:

“10.13 In reaching its determination the Disciplinary Tribunal Panel shall consider all relevant factors including where appropriate the circumstances of the Applicant, the Applicant’s behaviour since expulsion or exclusion, the steps which the Applicant has taken to keep up to date with professional standards and practice, the nature of any professional opportunities open to the Applicant and whether, if readmitted, the Applicant could be expected to uphold the standards expected of a Member.”

12. With regard to the Applicant's circumstances, the Panel noted that he has been working within the actuarial profession and intends to remain with his current employers. He has been transparent with his employers and has produced a very positive reference from them. The references also attest to the Applicant's behaviour since his expulsion. The Panel had seen no evidence of any disciplinary issue having arisen subsequently or any other adverse indications. The Panel was impressed by the Applicant's account of his openness with colleagues and professional bodies about what had gone wrong.
13. In keeping up to date with professional standards and practice, the Applicant has the advantage of continuing to work in the actuarial field. The Panel noted his account of the CPD he has undertaken and his use of the websites of actuarial bodies. With regard to professional opportunities, the Applicant has been clear that he is at the start of his career and wants to move forward. He is valued in his current role and wants to progress from that.
14. The key judgement for the Panel was whether, if readmitted, the Applicant could be expected to uphold the standards expected of a Member. The Panel was satisfied that he could. It considered that his oral submissions had helpfully developed his written reflections, demonstrating that he has learned a hard lesson and moved forward positively. The Panel noted his acceptance of responsibility for what he had done wrong, his significant efforts to remediate fully his misconduct and his clear understanding of the importance of honesty to the profession. His references are very positive, and the Panel considered that he has shown strength of character in persisting with his chosen career.
15. It is broadly accepted in professional regulation that the aims of imposing any sanction may be threefold:
- the protection of the public
 - the promotion and maintenance of public confidence in a profession and its regulator
 - the declaration and upholding of proper standards for members of the profession.

It follows that these three factors should also be considered when a person who has previously been sanctioned and removed from a profession now seeks to be readmitted to it. The Panel did not consider that there would be any risk to the public in readmitting this Applicant since it assesses that the risk of any repetition of his misconduct is minimal. His misconduct was of a sort that clearly is damaging to public confidence, and which requires a firm regulatory response. However, the heavy sanction imposed upon him

reflected that assessment and the Panel was satisfied that an informed member of the public would now recognise both the impact of that sanction and the significant efforts he has made to remediate his misconduct. The Panel similarly concluded that readmitting the Applicant would not undermine the maintenance of proper standards: he has been deprived of membership for the period which the original Panel considered appropriate and has successfully completed a rigorous process of reappraisal.

16. The Panel therefore decided to accept the Applicant's application for readmission.

Publication:

13. Having taken account of the Disciplinary Board's Publication Guidance Policy (May 2019), the Panel determined that this determination will be published and remain on the IFoA's website for a period of five years from the date of publication. A brief summary will also be published in the next available edition of *The Actuary Magazine*.

That concludes this determination.