



Institute  
and Faculty  
of Actuaries

# Standards Framework Review

Report on Conclusions

by Standards Framework Review Working Party

## **FOREWORD**

Professional standards are the “badge of honour” of professional people. By focussing first and foremost on ensuring appropriate quality of work and good conduct of professionals, standards serve the public by reinforcing the reputation for quality with which a profession is associated.

The membership of the Institute and Faculty of Actuaries (IFoA) is acknowledged globally for the quality of its work and for its professionalism.

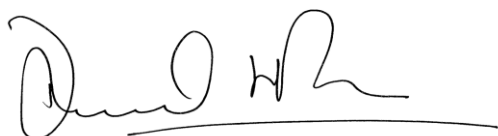
We recognise, equally, the challenges which can be posed by the imposition of regulation, not least in a volatile economic climate and a changing broader market.

The purpose of this holistic review of our standards, as applicable to all of our members worldwide, is to ensure that our standards framework is as effective as possible in reinforcing our members' reputation for quality and making them better practitioners. This will serve the public interest while not undermining our objectives by placing on members a disproportionate burden.

We have therefore carried out the review with the input of experienced practitioners and stakeholders and set out, in this paper, the recommendations arising from it.

The IFoA's Regulation Board will oversee the implementation of these recommendations.

Any questions on the content of this paper should be directed to [regulation@actuaries.org.uk](mailto:regulation@actuaries.org.uk).

A handwritten signature in black ink, appearing to read 'Desmond Hudson', with a horizontal line underneath.

**Desmond Hudson**  
**Chair, Regulation Board**  
**March 2016**

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## 1. INTRODUCTION

- 1.1 The IFoA (both as a merged organisation and as the previously separate Institute of Actuaries and Faculty of Actuaries) has been responsible for issuing ethical standards applicable to all of its members for almost 150 years.
- 1.2 Over the past ten years the IFoA has substantially rebuilt its standards framework around the core values embodied by the Actuaries' Code. That gradual development gave rise to a need to review where we are with our standards framework and to consider holistically how our standards are working.
- 1.3 The aim of that initiative was to deliver on the commitment made in the IFoA's Regulatory Strategy<sup>1</sup> to undertake a top-down review of our standards framework to ensure that it is supporting members and serving the public, and that it is proportionate and fundamentally fit for purpose. This has also provided an opportunity to ensure that the international nature of the IFoA's membership is properly taken into account in its standards framework.
- 1.4 Since 2005 the Financial Reporting Council (FRC) has had a role in both overseeing the way in which the IFoA discharges its UK regulatory responsibilities, as well as a discrete responsibility for setting technical standards applicable to IFoA members carrying out UK work. This division of responsibility for standards setting in the UK was reaffirmed in 2014, following a FRC-initiated review, further details of which are available in a separate paper published by the IFoA and FRC<sup>2</sup>.
- 1.5 This paper explains the conclusions of the work carried out by the Standards Framework Review Working Party and their implications for the framework. It also provides some explanation of the existing framework and how the different aspects of it fit together.

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<sup>1</sup> Found at <http://www.actuaries.org.uk/research-and-resources/documents/professional-regulation-executive-committee-2012-regulatory-strat-2>

<sup>2</sup> Statement on Actuarial Standards, July 2014 <http://www.actuaries.org.uk/research-and-resources/documents/frcifoa-statement-actuarial-standards>

## **2. EXECUTIVE SUMMARY**

2.1 We present in this Report substantive conclusions in relation to the future shape of the IFoA's standards framework:-

- (1) The current structure is, broadly, fit for purpose and should be retained.
- (2) We present eight discrete principles to promote effective standard setting.
- (3) We should simplify slightly the labelling and structure of our standards framework.
- (4) We should use terminology consistently, so far as possible.
- (5) We should enhance the communication and accessibility of our standards and guidance.
- (6) We should take proportionate steps to monitor the effectiveness of our standards and guidance.

These conclusions are addressed in more detail at Section 5. We first set out an overview of the existing framework.

### 3. OVERVIEW OF THE CURRENT FRAMEWORK OF STANDARDS

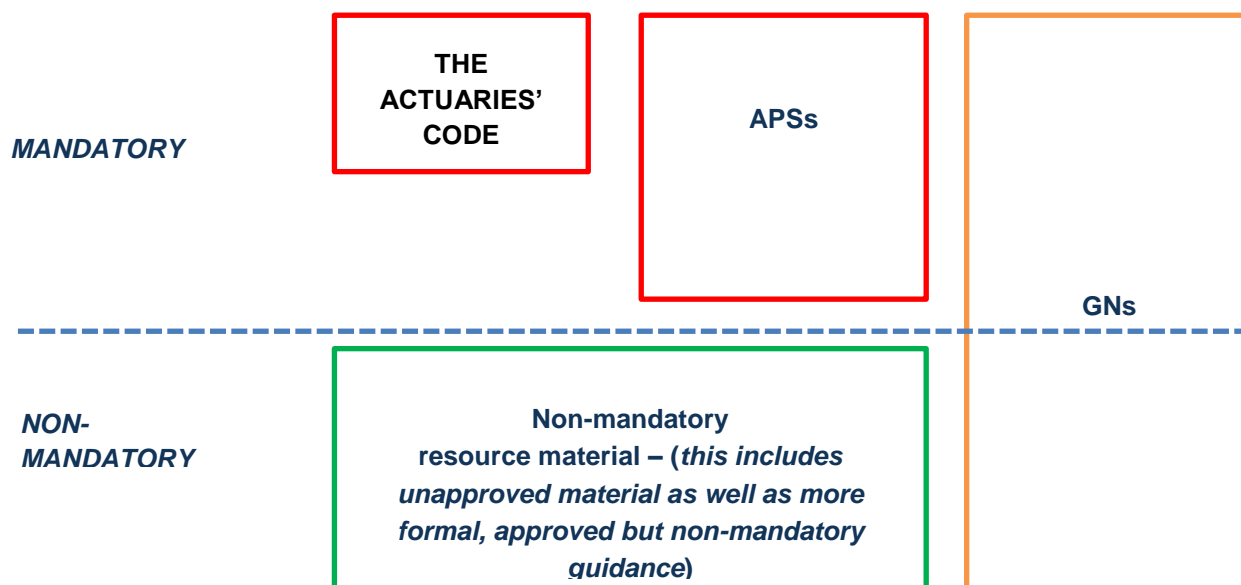
- 3.1 The IFoA takes a principles-based approach to its standard-setting role. The overriding aim is to support members by providing a framework in which they can carry out their work and achieve the level of professional quality expected of them.
- 3.2 The IFoA's existing framework of standards has developed as a response to a range of different issues, including public protection matters that have arisen in relation to actuaries, developments in the market for actuarial work and changes to the regulatory structure.
- 3.3 Because of its incremental development the framework is made up of a range of different types of documents which include both mandatory requirements and non-mandatory guidance.

#### Structure of the IFoA's current standards framework

- 3.4 The IFoA's current standards framework is broadly made up of:
  - the Actuaries' Code
  - Actuarial Profession Standards (APs)
  - Guidance Notes (GNs) and
  - Non-mandatory resource material.

Some of those documents contain only mandatory requirements, some are mandatory but contain a mixture of types of mandatory requirement (i.e. some 'must' and some 'should' requirements), some provide only non-mandatory guidance and some contain both mandatory and non-mandatory provisions. The IFoA has also produced a range of educational materials.<sup>3</sup>

- 3.5 The degree to which those types of standards and guidance are mandatory is illustrated in the diagram below.



<sup>3</sup> For example articles in the Actuary magazine or other informal publications

- 3.6 A more detailed explanation of each of those elements of the framework is in **Appendix 1** of this paper.
- 3.7 A detailed map of the standards and guidance that currently make up the IFoA's standards framework is also set out in **Appendix 2**.
- 3.8 There is, within the non-mandatory resource material, a broad range of different types of material and less clear categorisation in terms of their status or authority.
- 3.9 There are also other materials, including standards and guidance, that are not produced or maintained by the IFoA but which may be relevant to Members carrying out their roles and of which Members will need to be aware. These include the Technical Actuarial Standards (TASs) promulgated in the UK by the Financial Reporting Council, as well as the Rulebooks published by the UK's Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA), Guidance for Actuaries published by UK Government's Department for Work and Pensions (DWP) and guidance produced by the Pensions Regulator (tPR).

### **International perspective**

- 3.10 The IFoA is an international membership body in the sense both that it has a membership located around the world and that members carry out work that relates to a range of different territories. As it has responsibility for regulating all of its members, the IFoA has a particular responsibility to ensure that its standards framework works from an international perspective.
- 3.11 Our approach must therefore take into account both members carrying out work in the UK for UK based entities and also members based outside the UK and/or carrying out non-UK work.
- 3.12 The IFoA requires all its members to comply with the Actuaries' Code and to apply any relevant APSs, TASs (to the extent the work is within their scope and authority) and GNs. This applies to all members regardless of where they are located and also applies to those who are 'partially regulated'<sup>4</sup>. The IFoA plans to introduce a new standard (APS X1<sup>5</sup>) to provide further clarity as to the standards to be applied by members. The responses to the consultation on APS X1 are currently being considered and the final standard is scheduled for publication in the first half of 2016.
- 3.13 The IFoA is a member organisation of the International Actuarial Association (IAA) and the Actuarial Association of Europe (AAE). The IAA and AAE are associations of professional actuarial organisations. The former is made up of organisations around the world and the latter of those based in Europe.
- 3.14 Both the IAA and AAE have been active recently in issuing a range of proposals for model standards. Model standards published by the IAA are called International Standards of Actuarial Practice (ISAPs) and those published by the AAE are called European Standards of Actuarial Practice (ESAPs). These model standards are an attempt to achieve some consistency in the standards applied to actuaries internationally. The IAA and AAE invite their member associations to take steps in relation to the application of those standards to their individual members.

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<sup>4</sup>Members can apply to be 'partially regulated' where they meet certain criteria. On being granted partial regulation status those members are entitled to a reduced rate subscription and may apply the CPD requirements of their 'primary' regulator (subject to completing the IFoA's professional skills training requirements). However, those Members are still bound by the Actuaries' Code and are required to comply with relevant APSs.

<sup>5</sup>An update on the APS X1 proposals can be found at: <http://www.actuaries.org.uk/research-and-resources/documents/aps-x1-feedback-and-responses-document>

- 3.15 Further explanation as to how the model standards issued by the IAA and AAE fit into the IFoA's standards framework is in **Appendix 3**.

### **Technical standards**

- 3.16 The agreed arrangements for actuarial standards setting in the UK provides that the FRC sets *technical* standards for those carrying out work which is within 'UK Geographic scope'<sup>6</sup>. The FRC's current technical standards framework can be found on its website<sup>7</sup>. The IFoA requires its members to apply those technical standards and enforces them via its disciplinary process. The IFoA may also, with the agreement of the FRC, produce formal technical actuarial guidance that applies in the UK.
- 3.17 The arrangement for UK actuarial standards setting is explained in more detail in the joint Statement by the IFoA and FRC that was published in July 2014 and can be found on our website<sup>8</sup>.
- 3.18 In relation to those carrying out work which is outside 'UK Geographic scope', the IFoA remains responsible for setting technical standards for its members. An example of this is the Guidance Note, GN5, relating to 'the prudential supervision outside the UK of long-term insurance business'.
- 3.19 The proposed new APS (APS X1), described above, will introduce mandatory requirements in relation to the application of standards (including technical standards) by members.

### **Applying standards**

- 3.20 Some of the IFoA's standards and guidance are practice area specific, some apply to those carrying out 'reserved' roles<sup>9</sup> and others apply to members from a range of practice areas who are carrying out particular types of work.
- 3.21 The IFoA's standards framework sets out for members the professional standards that they are expected to meet. The standards will also be taken into account if a member is subject to allegations in terms of the IFoA's Disciplinary Scheme in terms of considering whether they have committed 'misconduct'.

Misconduct means not complying with the standard of behaviour, integrity, competence or professional judgement which other members or the public might reasonably expect, as more fully set out at rule 1.6 of the Disciplinary Scheme<sup>10</sup> (version effective 1 August 2010, as amended 18 October 2012).

### **Frequency of review of standards**

- 3.22 There is currently no fixed time period within which standards and guidance are reviewed. This is a matter for the discretion of the IFoA's Standards Review Committee (SRC). In practice, when an APS is introduced, the initial review is usually set down in the standards and guidance itself to take place after three years.

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<sup>6</sup> Defined as 'work done in relation to the UK operations of entities and any overseas operations which report into the UK within the context of UK legislation or regulation' - FRC's Scope and Authority of Technical Actuarial Standards v4.0 [https://www.frc.org.uk/Our-Work/Publications/BAS/Scope-Authority-of-Technical-Actuarial-Standar-\(2\).pdf](https://www.frc.org.uk/Our-Work/Publications/BAS/Scope-Authority-of-Technical-Actuarial-Standar-(2).pdf)

<sup>7</sup> <https://www.frc.org.uk/Our-Work/Codes-Standards/Actuarial-Policy/Technical-Actuarial-Standards.aspx>

<sup>8</sup> <http://www.actuaries.org.uk/research-and-resources/documents/frcifoa-statement-actuarial-standards>

<sup>9</sup> For example in relation to pension scheme actuaries or Actuarial Function Holders

<sup>10</sup> <https://www.actuaries.org.uk/sites/default/files/documents/pdf/disciplinary-scheme-18oct2012.pdf>



### **Accessing the standards framework**

- 3.23 The IFoA currently publishes the standards framework on its website on the 'Upholding Standards' page<sup>11</sup>. It also provides a link to the FRC's website on which the TASs are published. The standards framework is currently presented on the IFoA's website in three ways: (i) a page of 'Standards and Guidance'; (ii) the Professional Standards Directory; and (iii) a table of Non-Mandatory Resource Material. There are also other parts of the framework of standards that are contained elsewhere on the website. For example, the Designated Professional Body (DPB) page contains a set of 'compliance bulletins' for DPB firms which is within the DPB pages.
- 3.24 The Professional Standards Directory contains mandatory standards, including APSs and GNs. Changes to standards or the introduction of measures are communicated to members via an electronic 'Professional Standards Directory Update'. The table of Non-Mandatory Resource Material contains various forms of non-mandatory guidance.
- 3.25 Standards and guidance are all accessed by clicking on links to PDF documents on the IFoA's website.

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<sup>11</sup> <http://www.actuaries.org.uk/upholding-standards>

#### **4. CONSULTATION**

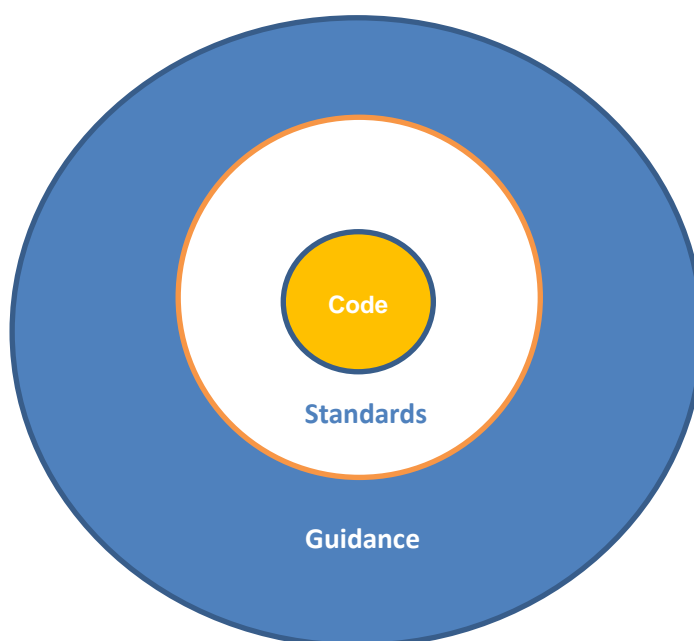
- 4.1 Ensuring the clarity of the status of each standard or piece of guidance is an essential part of the IFoA's regulatory function. We have been considering what improvements might be introduced to the structure of the framework to make it clearer and more straightforward, and to show how the different parts relate to one another.
- 4.2 Consideration was given to the most useful way to carry out the review and it was agreed that the best way to achieve input would be a targeted consultation with the IFoA Practice Boards and Standards Committees and stakeholder groups such as the Joint Forum on Actuarial Regulation. That consultation process took place between April and September 2015.
- 4.3 The input from that consultation was reviewed by the Standards Framework Review Working Party and is reflected in its conclusions.

## 5. OUTLINE OF CONCLUSIONS

- 5.1 The outcome of the review of the standards framework is that it broadly works and that there is not a case for significant changes to its structure or style.
- 5.2 There are however, a number of areas identified for improvement and refinement and a set of conclusions have been developed and are set out below, with some explanation about what that might mean in practice.

### Conclusion 1: Structure generally fit for purpose

- 5.3 We have concluded that the high level structure of the framework is working and should be maintained.
- 5.4 The IFoA should continue to follow the approach of having a high-level Code underpinned by mandatory standards and supported by non-mandatory guidance.
- 5.5 That structure can be shown, diagrammatically, as:



### Conclusion 2: Overarching principles to be applied across the standards framework

- 5.6 A number of principles have been developed that will underpin and be applied to the IFoA's standards framework.
- 5.7 Those will complement the IFoA's regulatory strategy and be applied when making policy decisions about its standards framework.
- 5.8 These principles were put to the various groups involved in the internal consultation process and have been refined in light of their input.

- 5.9 The IFoA will apply the Principles of Good Regulation (regulation should be proportionate, accountable, consistent, transparent and targeted). The framework should aim, where possible to minimise the administrative burden and cost of maintaining and complying with standards, and should complement rather than hinder innovation. More particularly, the framework should adhere to the following principles:-
- i. A principles-based approach which avoids the use of detailed rules where possible and focuses on the regulatory aims and principles rather than process.
  - ii. Keeping mandatory requirements (i.e. standards) and non mandatory material (i.e. guidance) separate. In particular standards (APs) should not include guidance or provisions where the requirement originates from another source, e.g. legislation or rules of another regulator.
  - iii. Expressing the requirements in a clear manner. The terms “must” and “should” should be used to denote the status of the provision.
  - iv. Ensuring the status, application and relationship with other standards/guidance is clear.
  - v. Using plain, simple language.
  - vi. Futureproof – ensuring requirements are able to withstand minor changes to rules and legislation and to the structure of any named bodies or organisations.
  - vii. Ensuring that requirements are enforceable.
  - viii. Ensuring fairness to members, users and the public.

### **Conclusion 3: Labelling and status of standards, guidance etc**

- 5.10 There did not appear to be an appetite for fundamental changes to the labelling of the standards framework and a case was made that, as people were now comfortable with the terms used, no change should be made.
- 5.11 It is therefore proposed that the IFoA continues to have a framework that consists of:
- The Actuaries’ Code
    - mandatory and overarching
  - Actuarial Profession Standards (APs)
    - mandatory and supplementing the Code
  - Guidance
    - non-mandatory but given a formal status by being (a) approved by IFoA Regulation Board (with input as appropriate from IFoA specialist Practice Boards) and (b) subject to the Standards Approval Process including, where appropriate, consultation.
- 5.12 The term ‘non-mandatory resource material’ will not be used going forward and the more straightforward classifications above will be used instead. The IFoA will no longer use the terms ‘GN’ and ‘IAN’. Other material, including educational and research material, articles and other communications will still be published but will not be subject to the Standards Approval Process and falls outside the standards framework.

- 5.13 The IFoA may occasionally introduce standards or guidance in different forms, where the context and purpose make this appropriate and provided always that the reasons for this material, and its status, are made clear.

#### **Conclusion 4: Consistency of terminology**

- 5.14 The IFoA's key objective is to ensure that standards are clear, comprehensible and enforceable and the definitions used in standards and guidance will be those most effective and appropriate for the particular circumstances.
- 5.15 However, there should, where possible, be consistency in the definitions used across the IFoA's standards framework.
- 5.16 Consideration should also be given to whether consistency can be achieved with FRC definitions and those used in international standards.

#### **Conclusion 5: Communication**

- 5.17 Consistent with an approach of "active transparency", the IFoA will communicate and consult on all proposals to introduce or amend standards or guidance. It will publish consultation results and explain its rationale. It will always make clear what is expected of its members.
- 5.18 The standards framework should be presented electronically in a user friendly manner, if possible, on one page. That will also provide an easy link to the FRC's technical framework for the UK and relevant international standards (e.g. ISAPs, ESAPs and IAIS standards). i.e. It will be possible to find all applicable actuarial standards in a single location.
- 5.19 The IFoA will review the options available in this regard and seek user input.

#### **Proposal 6: Monitoring**

- 5.20 The IFoA will periodically review all of our standards and guidance. This will usually be at least every three years.
- 5.21 The IFoA will take appropriate and proportionate steps to monitor the effectiveness of its standards and guidance.
- 5.22 The IFoA will use information gathered from other initiatives for this purpose, including the Quality Assurance Scheme (QAS), and will also conduct bespoke post implementation reviews.

#### **Proposal 7: Transition**

- 5.23 The IFoA will take an incremental approach in ensuring that its standards and guidance satisfy the principles and proposals set out in this report.
- 5.24 We do not intend that all of the existing standards, guidance and other materials are reviewed at once, but rather that this process is factored into their next scheduled review. That should mean implementation of the principles and any changes are gradual and reflects a practical approach that takes into account the finding that there are not significant issues with the framework as it currently stands.

- 5.25 A note of the current plans for review of those existing standards, which would be the point at which they are measured against the principles, is included at Appendix 4.

## APPENDIX 1

### EXISTING FRAMEWORK OF STANDARDS

The existing framework of IFoA standards is made up of the following types of standards and guidance.

#### 1. The Actuaries' Code

- This is the high-level code of ethical principles that all members of the IFoA are required to observe. It is the starting point for any consideration about members' conduct and imposes mandatory requirements.
- The Actuaries' Code applies at all times to members' conduct in their work as actuaries but can also be taken into consideration in other contexts, including in their personal lives, where their conduct could reasonably be considered to reflect on the actuarial profession.
- It is based on 5 principles: integrity, competence and care, impartiality, compliance and communication.
- The Actuaries' Code will be retained as the overarching mandatory Code in the new framework.

#### 2. Actuarial Profession Standards (APs)

- APs impose specific mandatory requirements on members which build on the requirements of the Actuaries' Code.
- The existing APs apply both to particular practice areas (such as pensions and general insurance) or to Designated Professional Bodies, and cross-practice standards which apply to all members, regardless of their practice area (e.g. APS X2 on 'review of actuarial work' and APS X3 on 'The Actuary as an expert in legal proceedings'). The APs are also the mechanism by which the IFoA implements its requirements for practising certificates in the areas of insurance and pensions.
- Unlike the Actuaries' Code, there are certain provisions within APs which are imposed on the basis that a member 'should' act in a particular way. Where 'should' is used, this means that there is a presumption that members will comply with the provision in question but that it is recognised there may be circumstances in which they are able to justify non-compliance.
- Actuarial Profession Standards will be retained as mandatory standards under the new framework.

#### 3. Guidance Notes (GNs)

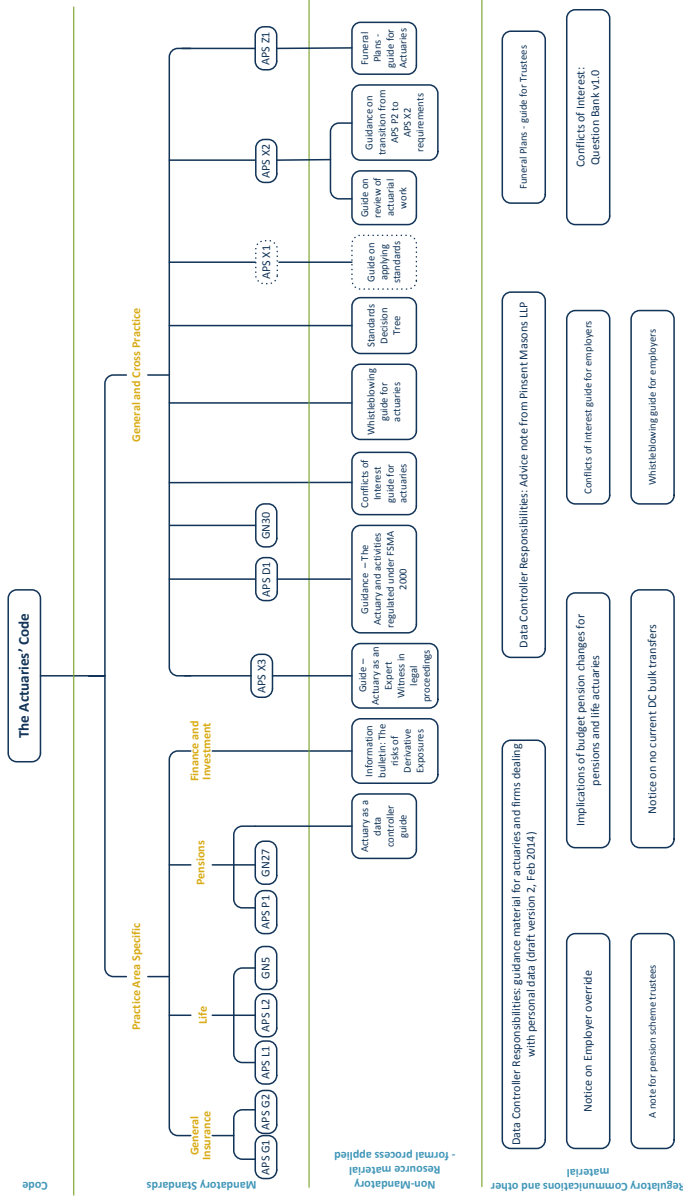
- Guidance Notes impose specific mandatory requirements upon members, but also contain guidance as well.

- The IFoA has not produced any new or revised Guidance Notes since 2008. When introduced they had the role of providing more general requirements that supplemented the Professional Conduct Standards (a precursor to the Actuaries' Code which is no longer in force).
- Many of the Guidance Notes were revoked when the FRC took over responsibility from the IFoA for setting technical standards in relation to UK work. However, there are a number of Guidance Notes which are still in force.
- Guidance Notes include a mixture of mandatory and non mandatory material. They will gradually be withdrawn and replaced where appropriate by standards (mandatory) and/or guidance (non mandatory).

#### **4. Non-Mandatory Resource Material (often entitled 'Guides' or 'Guidance')**

- There is a range of non-mandatory resource material provided on topics including Whistleblowing, Conflicts of Interest and Data Controller Responsibilities. The term 'Non-Mandatory Resource Material' is currently used by the IFoA in a broad sense to encompass a wide range of types of material.
- The resource material provides a steer on good practice and members are not required to follow it, however the IFoA's Disciplinary scheme does provide that regard will be had to any 'code, standards, advice, guidance, memorandum or statement on professional conduct, practice or duties which may be given or published by the [IFoA]' when considering whether a member has committed misconduct. Therefore any non-mandatory resource material may be taken into account where there are allegations of misconduct against a member, although its nature and status will affect the amount of weight given to it.
- Some non-mandatory resource material is subject to a formal approvals process (such as the more recent guides on matters such as review of actuarial work, conflicts of interest and whistleblowing).
- Other materials are not subject to a formal approvals process (such as articles in the Actuary magazine on regulatory matters or certain FAQs). Those materials are not usually contained in the 'Non-Mandatory Resource Material' section of the current Professional Standards Directory but occasionally they are put into that directory.
- Until recently the IFoA's framework of standards and guidance also included Information and Assistance Notes (IANs), which were a particular form of non-mandatory resource material that were subject to a formal process. The last two remaining IANs were recently withdrawn and replaced by APSs and formal Guides.
- Non Mandatory Resource Material will no longer be a category of the new framework. Existing material will be re-categorised where appropriate as either formal guidance (non mandatory), or otherwise sit outside the standards framework.

## IFoA Standards Framework – [February] 2016





**IAA and AAE STANDARDS**

1. Model standards published by the IAA are called International Standards of Actuarial Practice (ISAPs) and those published by the AAE are called European Standards of Actuarial Practice (ESAPs).
2. Where model standards are published by the IAA or AAE, full member associations (of which the IFoA is one in relation to both organisations) are usually encouraged to do one of the following:
  - Adopt the model standard (with modification if appropriate);
  - Endorse the model standard as an alternative to existing standards;
  - Modify existing standards to ensure substantial consistency with the model standard; or
  - Confirm that existing standards are already substantially consistent with the model standard.
3. There may be slightly different or additional options for different model standards. For example, the AAE provides in relation to one of their draft model standards that member organisations might confirm that an equivalent IAA standard has been adopted.
4. The IAA has, so far, approved and published final versions of three ISAPs:
  - ISAP 1: A model standard relating to general actuarial practice and covering both ethical and technical matters.
  - ISAP 2: A model standard relating to the financial analysis of social security programmes.
  - ISAP 3: IAS19 and Employee Benefits
5. It is also developing proposals for further ISAPs on IFRS [X] insurance contracts (ISAP 4), enterprise risk management (ISAPs 5 and 6), IAIS capital standards (ISAP 7) and the Governance of Models (ISAP 1A).
6. In the joint statement of the IFoA and FRC published in July, confirmation was provided that, subject to the introduction of APS X2 on peer review by the IFoA and the FRC extending the scope of its technical standards, the UK standards framework would be substantially consistent with ISAP 1. APS X2 came into force 01 July 2015.
7. The IFoA is currently considering its position in relation to ISAP 2 and, in doing so, is working with the FRC in relation to the position for the UK.
8. The AAE has also so far approved two ESAPs: ESAP 1: A model standard on general actuarial practice which is very similar in content to the IAA's ISAP 1; and ESAP 2: A model standard relating to the actuarial function report required in terms of the Solvency II Directive (2009/138/EC).
9. It is considering a draft standard ESAP 3: A model standard relating to the role of the actuaries carrying out the ORSA in an insurance entity or group under Solvency II.

- 10.** It is also discussing proposals for new model standards in relation to the role of the Actuarial Function in contributing to the Risk Management system under Solvency II (ESAP 4) and independent review by actuaries in the context of solvency II (ESAP 5). This is in addition to the model Code of Conduct that it maintains, a revised version of which is currently out for consultation.
- 11.** The IFoA's International Board has recently approved a new process for responding to proposals for ISAPs issued by the IAA, and ESAPs issued by the AAE. This will ensure appropriate due process, and relevant Practice Board as well as Regulation Board input to the IFoA response.
- 12.** In general the IFoA would not ordinarily expect to adopt a model standard which does not accord substantially with the principles set out in this paper. It might however, where appropriate, apply the substance of such a standard, by adaptation or incorporation within the existing framework.
- 13.** It is worth noting finally that the work of the International Association of Insurance Supervisors (IAIS) and European Insurance and Occupational Pensions Authority (EIOPA) is also influential in terms of the development of international standards.

## SCHEDULE FOR REVIEW OF EXISTING STANDARDS

	Description	Version	Effective date	Comments
<b>APS X2</b>	Review of actuarial work	1.0	01/07/2015	No later than <b>01/07/2018</b>
<b>APS X3</b>	The Actuary as an expert in legal proceedings	1.0	01/01/2015	No later than <b>01/01/2018</b>
<b>Actuaries' Code</b>	<b>The Actuaries' Code</b>	1.0 2.0	01/10/2009 01/10/2013	Full review to be carried out in <b>2015 – commenced December 2015</b>
<b>APS D1</b>	Investment related business activities for authorised professional firms	1.0 2.0	01/12/2009 01/03/2013	No later than <b>01/03/2016</b>
<b>APS G1</b>	The Chief Actuary in Non-Life Insurance	1.0	01/01/2016	No later than <b>31/12/2016</b>
<b>APS G2</b>	Actuarial reporting for Lloyd's syndicate writing US business	1.0 1.1	15/12/2010 01/04/2014	No later than <b>01/08/2016</b>
<b>APS L1</b>	Duties and responsibilities of life assurance actuaries	1.0 1.1 2.0	01/10/2011 01/04/2014 01/01/2016	No later than <b>31/12/2016</b>
<b>APS L2</b>	The Financial Services and Markets Act 2000 (Communications by Actuaries) Regulations 2003	1.0 1.1	01/10/2011 01/04/2014	No later than <b>01/04/2016</b>
<b>APS P1</b>	Duties and Responsibilities of Members Undertaking Work in Relation to Pension Schemes	1.0 2.0	01/04/2011 01/07/2013	No later than <b>01/07/2016</b>
<b>GN5</b>	The Prudential supervision outside the UK of long-term insurance business	3.0 3.1	01/09/2003 01/12/2007	<b>Dependent on publication of APS X1 - publication of APS X1 postponed until 2016 to allow TAS review to progress and other IAA bodies to further progress implementation of ISAP 1.</b>
<b>GN27</b>	Retirement benefit schemes – minimum funding requirement	2.1	13/01/2003	<b>See Appendix 5.</b>
<b>GN30</b>	Compensation for professional shortcomings	1.0	01/09/1997	<b>To be reviewed in due course. See Appendix 5.</b>

## PROPOSALS FOR MIGRATION OF EXISTING STANDARDS AND GUIDANCE INTO FRAMEWORK

<b>GN5</b>	The Prudential supervision outside the UK of long-term insurance business	3.0 - 01/09/2003 3.1 - 01/12/2007	IFoA – Life Standards and Consultations Committee	<p>Once APS X1 is in force, there is unlikely to be a need for GN5.</p> <p><b>Proposal:</b></p> <ul style="list-style-type: none"> <li>- <b>Life Standards and Consultations Committee to carry out assessment of whether any of the content of GN5 would still be required if APS X1 introduced.</b></li> <li>- <b>GN5 withdrawn at the same time APS X1 comes into force.</b></li> <li>- <b>If there is content identified in GN5 that ought to be retained, consideration is given to a new APS or piece of formal Guidance that is consistent with the new standards framework.</b></li> </ul>
<b>GN27</b>	Retirement benefit schemes – minimum funding requirement	2.1 - 13/01/2003	IFoA – Pensions Standards Committee	<p>The Pensions Standards Committee has considered this issue and concluded that while, due to changes in legislation, it is unlikely that there are many schemes that still fall within the scope of this GN there may be some.</p> <p><b>Proposal:</b></p> <ul style="list-style-type: none"> <li>- <b>PSC have agreed to make enquiries through tPR and members surveys to understand the extent to which this GN is still relevant.</b></li> <li>- <b>After that information is obtained, consideration needs to be given to which is the most suitable option for migration.</b></li> </ul> <p><b>Options:-</b></p> <ul style="list-style-type: none"> <li>- <b>If there are very few such schemes and therefore a low regulatory risk, an option would be to withdraw GN27 as an enforceable standard but to make the information contained</b></li> </ul>

				<p>in it still available to those who require it.</p> <ul style="list-style-type: none"> <li>- <b>Another option would be to ‘insert’ the contents of GN27 into the Pensions TAS, possibly with accompanying formal Guidance. This would need to be discussed with the FRC.</b></li> </ul>
<b>GN19</b>	Retirement Benefit Schemes – winding-up and Scheme Asset Deficiency	4.9 - 01/12/2008	FRC	<p>The same issues apply in relation to GN19 as to GN27 and it is likely that there are few schemes that still potentially fall within its remit.</p> <p>As this is a GN ‘owned’ by the FRC there is more limited scope to arrange for its migration and would require the agreement of the FRC.</p> <ul style="list-style-type: none"> <li>- <b>We will raise with the FRC the options for migration and obtain their views.</b></li> </ul>
<b>GN30</b>	Compensation for professional shortcomings	1.0 - 01/09/1997	IFoA – Standards Review Committee	<p>This GN is scheduled for review.</p> <p><b>Proposal:</b></p> <ul style="list-style-type: none"> <li>- <b>Migration is factored into the review, which will consider the issue of requirements for professional indemnity insurance more generally.</b></li> <li>- <b>An option would be to identify the aspects of GN30 that are to be retained and convert them into an APS, possibly with accompanying formal guidance.</b></li> <li>- <b>Another option to be considered is whether any such requirements might be incorporated into a more general APS that covers other professional issues such as the issuing of letters of engagement.</b></li> </ul>
	Standards Decision Tree		IFoA – Regulation Board International Committee	<p>This will no longer be required on the introduction of APS X1.</p> <p><b>Proposal:</b></p> <ul style="list-style-type: none"> <li>- <b>Standards Decision Tree is withdrawn at the same time APS X1 is introduced.</b></li> </ul>

				<ul style="list-style-type: none"> <li>- <b>It is proposed that a flowchart/diagram will be produced to accompany APS X1 to assist with explaining its applications.</b></li> </ul>
	F&I Information Bulletin: The Risks of Derivatives Exposure		IFoA – F&I Board	<p>This document is the only piece of more formally approved guidance that is not consistent with the form of Guidance now produced.</p> <p><b>Proposal:</b></p> <ul style="list-style-type: none"> <li>- <b>The Finance &amp; Investment Board to consider whether this document is still necessary and in line with the agreed principles.</b></li> <li>- <b>If it is something which has content that should be retained, then an option would be to ‘convert’ this into Guidance consistent with the ‘new’ style.</b></li> </ul>
	<p>DPB Compliance Bulletins (Approximately 11 current Bulletins on a range of topics e.g. anti-money laundering, provision of services regulations, purchase of annuities)</p> <p><i>NOTE: These bulletins are issued to provide DPB firms with further guidance on the DPB Handbook, changing legislation or common issues raised during the monitoring of those firms. The bulletins are described as having a status of ‘advisory’ and are approved by the DPB Board but not Regulation Board.</i></p> <p><i>The style of the bulletins has been developed by the DPB</i></p>	Various dates (oldest 11 July 2004, newest 29 May 2014)	IFoA – DPB Committee	<p>These bulletins do not quite fit within the current approach to the framework of standards and ‘advisory’ status is not something which is used within the framework. It is also felt that some of the issues may have wider relevance beyond Designated Professional Body (DPB) firms and may be issues that are covered in other regulatory guidance or materials that are issued.</p> <p><b>Proposal:</b></p> <ul style="list-style-type: none"> <li>- <b>The DPB Board to consider whether there is scope for bringing the form of compliance bulletins into line with the style of Guidance usually issued by the IFoA.</b></li> <li>- <b>Consider, at the natural point of review, whether the bulletins are aligned with the agreed principles and amend them accordingly.</b></li> <li>- <b>Consider whether it would be appropriate for the bulletins to be better integrated with the rest (non DPB) of the IFoA’s framework of standards and guidance and whether there are any changes that could be made to the process for producing and maintaining bulletins that would allow better integration. For example, consideration of whether a piece of</b></li> </ul>

	<i>Board and is not prescribed in any way (although the PRA will have an interest in their effectiveness).</i>			<b>guidance of broader application should be issued with a DPB specific section.</b> <b>- Consider whether the DPB Bulletins should be accessible through the relevant standards and guidance pages of the IFoA's website rather than just the DPB pages.</b>
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