

Institute and Faculty of Actuaries, **Regulatory Board**

Subject	The Revised TAS 100, and consequential withdrawal of IFoA Guidance
Meeting date	17 May 2023
Previous Steer/Approval	<p>June 2021 Response to FRC's Call for Evidence on TAS 100 circulated to the Board</p> <p>February 2022 Update to Board on FRC's publication of a position paper</p> <p>July 2022 Update to Board on FRC's publication of revised TAS 100 and guidance for consultation</p> <p>August 2022 Board approved IFoA's response to FRC consultation (by email)</p>
International issues considered?	UK specific matter
Author	Hannah MacLeod, Senior Regulatory Lawyer
Reviewer	Suzie Lyons, Consultant Ben Kemp, General Counsel
Purpose	Approval

A: Executive Summary

1. This paper provides an update to the Regulatory Board ('the Board') on publication by the Financial Reporting Council (FRC) of a revised TAS 100 and associated guidance.
2. This paper also sets out the proposed next steps in relation to this development and seeks approval for the withdrawal of IFoA guidance on the existing version of the TAS 100.

B: Background

3. The TAS 100 is the FRC's 'General Actuarial Standard' applying to all IFoA members that are carrying out 'Technical Actuarial Work' within 'UK Geographic Scope' (both terms are defined by the FRC). This was introduced in late 2016.
4. The IFoA published (in January 2018), at the request of the FRC, Non-Mandatory Guidance on the TAS 100, which was developed by an IFoA Working Party following extensive engagement with members and with approval of the FRC.
5. In early 2021, the FRC issued a Call for Evidence (CFE) in relation to TAS 100 and the Board, in consultation with the IFoA's Council Regulatory Strategy Steering Group (the Strategy Group) submitted a response which raised concerns about the general application of the TAS 100.
6. In June 2022 the FRC published a draft revised TAS 100 and associated guidance (on definitions and on applying proportionality) for consultation.

7. The Board responded to the consultation in August 2022, reiterating the view that the definitions of Technical Actuarial Work and Geographic Scope will cause uncertainty; and that the revised TAS includes professional ethical matters which duplicate the IFoA regulatory framework.

C: Publication of a new TAS 100 and guidance

8. The FRC consultation closed in September 2022, and on 2 March the FRC published a feedback statement, the revised TAS 100 and guidance (on Proportionality and Definitions). The published TAS 100 contains relatively few adjustments to the exposure draft.
9. The Board's response to the consultation is not specifically acknowledged in the feedback statement and the concerns raised are not addressed in the revised TAS.
10. The feedback statement addresses the challenge that TAS 100 contains ethical standards, by stating that:

"The FRC considers ethical standards to be codes of behaviour that are societally acceptable or concerned with the principles of right and wrong, typically addressing behaviours such as integrity, impartiality and duty of care. Examples of ethical standards include the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA), which the ICAEW's Code of Ethics is based on, and includes five fundamental principles: integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour."

11. The revised TAS 100 is due to come into effect on 1 July 2023.
12. The published guidance, as with the drafts, covers Proportionality, and the definitions of Technical Actuarial Work and Geographic Scope This guidance mirrors the existing IFoA guidance to a significant degree, with the exclusion of certain examples, and the addition of others.
13. The FRC wrote to the IFoA on 1 March to ask that the IFoA withdraw its guidance on the existing TAS 100. This request by the FRC is consistent with the IFoA and FRC MoU approach to the division of mutual responsibilities in this area.
14. The new guidance replicates IFoA guidance in large part. Given the overlap between the FRC TAS 100 guidance and the existing IFoA guidance, it is recommended that, as requested by the FRC, the IFoA guidance is withdrawn in advance of 1 July. The IFoA's Standards Approval Process provides that a consultation is not required in respect of the revisal or removal of non-mandatory guidance, unless this would have a material impact on members. Given the proposed publication of FRC guidance, the impact on members is not considered to be material, and it is not felt that a consultation would be beneficial in these circumstances.
15. The documentation published by the FRC in March contains further, final revisions in response to its broad consultation feedback. These final adjustments raise some additional queries that we are raising with the FRC, with the aim of improving our understanding of the intent in the published TAS and guidance, and to support members in its introduction.

D: Recommendations

16. It is recommended that the Board:

- Approves the withdrawal of the IFoA TAS 100 guidance from 30 June.
- Notes that a further paper will be brought to the Board to report on the outcome of discussions between FRC and IFoA any for its consideration in respect of any further action.

E: Conclusion

17. The Board is asked to approve the recommendations noted above.