

## Institute and Faculty of Actuaries

### Noting report

<b>Subject</b>	IFoA Executive update
<b>Regulation Board meeting</b>	5 May 2021
<b>Author</b>	Executive Team
<b>International Issues considered?</b>	Yes
<b>Purpose</b>	Noting

#### A: INTRODUCTION

1. This paper provides an update on the work of the IFoA Executive Team since the last meeting of the Board (in February 2021) and highlights key issues and developments for the Board to note.
2. **PLEASE NOTE:** Board members are asked to let the Board Secretary (leisha.watson@actuaries.org.uk) know at least three days in advance if there are aspects of the update paper that they would like to discuss, so that appropriate time can be allocated in the agenda and the appropriate member of the Executive team can arrange to attend the meeting.

#### B: KEY DEVELOPMENTS

3. The UK Government has now published the long-awaited White Paper on 'Restoring trust in audit and corporate governance', which includes a specific section the proposals around arrangements for actuarial regulation, following on from the Kingman Review recommendations of 2018. There have also been two meetings of the Regulatory Strategy Steering Group, including one to discuss the response to the White Paper. This matter will be discussed further under **agenda item 6 (Paper 5)**.
4. Since the last meeting of the Board, there has been further progress made in relation to the changes proposed around regulatory governance, including the establishment of a new Regulatory Board. This has included (i) a full Member Vote on changes to the Disciplinary Scheme to give effect to the disciplinary governance changes (due to close on 5 May) and (ii) approval of revised Terms of Reference for the Regulation Board so that the Board will take on oversight of the public interest aspects of the IFoA's qualifications and examinations from the (now disbanded) Lifelong Learning Board. This is discussed further under **agenda item 7 (Paper 6)**.
5. The consultation on proposals for changes to the Practising Certificates (PC) Scheme was launched on 8 April 2021 and will remain open until 1 July 2021. So far there have been 50 responses and 1628 visits to the consultation webpage. Webinars are scheduled for 27 May and 30 June 2021. The results of the consultation are scheduled to come to the Board for consideration at its meeting on 29 September 2021. There has been a slight delay in the publication of the proposals on the new UK Practice Modules as the Lifelong Learning team continue to work on the detail.

6. The latest Thematic Review under the Actuarial Monitoring Scheme (AMS), the information-gathering review on climate related risk, has now been launched, with the first responses received already. It will remain open to submissions until 18 June 2021 and a report of findings will be produced towards the end of this year.
7. The pilot of IFoA CPD Reflective Practice discussions has now been completed and its findings are reported on under **Agenda item 12 Paper 11**.
8. The Financial Reporting Council (FRC) have published a Call for Feedback as part of the Post Implementation Review of their Technical Actuarial Standards (TASs). This seeks feedback on the overall TAS framework, on TAS 100 and on whether to revise the TASs to adopt the International Actuarial Association's model standard ISAP 4 (which relates to the accounting standard IFRS 17). It has been agreed that the Board should approve the 'regulatory' IFoA response, with a more specific member-focused response being developed separately. A draft has been shared with the Board by email for comment. Responses are due by 8 May 2021.
9. The Board were provided with an opportunity to input into the IFoA response to the UK Financial Conduct Authority's (FCA) consultation on the regulation of the sale and administration of pre-paid funeral plans. The Chair of the Board will take part in upcoming discussions with the FCA in May around their proposed requirements for actuaries in this area and in particular, on the proposed 'solvency assessment reports'. Additionally, we will discuss with the FCA the potential for any practicing certificate for members carrying out the new statutory requirements and report back to the Board.
10. The IFoA has confirmed that it will retain its full membership of the Actuarial Association of Europe (AAE), following positive discussions with the AAE leadership. Dialogue is ongoing in relation to the AAE Mutual Recognition Agreement, following revision to both the AAE and IFoA qualification syllabuses.
11. Two new QAS applications were considered by the QAS SC at its March meeting and are pending approval (additional information required). One organisation is a UK based Wealth Management company and the other is a Nigerian insurance company.

**D: KEY PLANNED ACTIVITIES FOR NEXT PERIOD**

12. Over the next period, we anticipate the following activities:
  - GI pricing thematic review report published (call arranged with the Board on 19 May 2021)
  - Response developed and submitted to BEIS White Paper and related discussions with FRC
  - New Regulatory Board set up (subject to outcome of member vote) and Scheme of Delegation drafted for approval
  - APS P1 post-consultation proposals developed
  - Announce new UK Practice Modules
  - Joint Forum on Actuarial Regulation (JFAR) approves and publishes 'light touch' refreshed Risk Perspective document

