

**Institute and Faculty of Actuaries**  
**Regulatory Board**  
**Approval report**

<b>Subject</b>	Review of the Practising Certificates Scheme	
<b>Regulatory Board meeting</b>	26 April 2022	
<b>Previous Board Update/Steer/Approval</b>	Dec 2019	Board <b>approved</b> review of PC Scheme
	July 2020	<b>Steer</b> on direction of travel of PC review and <b>approval</b> in principle of UKPM changes (including changes to requirements)
	Nov 2020	Board discussion on executive <b>update</b>
	Jan 2021	Board workshop providing <b>steer</b> on proposals
	Feb 2021	Board <b>approved</b> proposals for consultation
	July 2021	Board <b>update</b> on consultation responses
	Nov 2021	Board <b>steer</b> on consultation outcomes
	Dec 2022	Board <b>approved</b> publication of the proposed new PC Scheme; the Chief Actuary and Scheme Actuary competency frameworks; and the Consultation Feedback Document
<b>International issues considered?</b>	No – relates only to UK PC scheme.	
<b>Author</b>	Stephanie Snowden, Regulatory Support Manager	
<b>Reviewer</b>	Emma Gilpin, Head of Regulatory Policy	
<b>Purpose</b>	Approval	

**A: Executive summary**

1. This paper provides an update to the Board on the feedback received on the proposed new PC Scheme and draft Competency Frameworks and seeks approval, for publication, of the final PC Scheme, new PC Handbook and implementation date.
2. The Board is also asked to provide a steer on the transitional arrangements for current PC holders.

**B: Introduction**

3. At its last meeting, the Board approved publication of the following documents:
  - the proposed new PC Scheme; and

- draft Chief Actuary and Scheme Actuary competency frameworks;
4. These documents were published on 24 January and allowed a period of eight weeks for comments/feedback. The Consultation Feedback Document was also published at the same time.
  5. The remaining draft Competency Frameworks were published shortly thereafter, allowing a reasonable period of time for any further comments/feedback on those competencies.
  6. Since then, work has been done to produce the following documents to support the final PC Scheme:
    - PC Handbook;
    - Transitional Arrangements;
    - New application forms; and
    - The Appeals Process has also been reviewed and updated to bring this in line with the new Scheme.

### **C: [redacted]**

#### **D: PCC and FRC feedback**

##### **15. PCC feedback**

- 15.1 The PCC met on 11 April to discuss the new PC Scheme and in particular, the draft documents mentioned at point 6.
- 15.2 The PCC provided feedback on the transition arrangements and this is discussed in further detail below.
- 15.3 There were also some detailed drafting points raised about descriptions of PC roles and legislative references in the Handbook that are being checked for consistency.
- 15.4 In relation to the new requirement for all initial applicants to sit the relevant UK Practice Module within the two years before applying for a PC. One PCC member recalled a commitment made around the time the practice modules were introduced, that those who qualified pre-2005 would never have to sit the practice module. However, we cannot find any obvious record of such a commitment and nothing was raised by any members as part of the consultation, which possibly reflects the small percentage of members in that position who are planning still to apply for a PC in the future.

The IFoA is under a responsibility to make future changes to requirements that are appropriate in the public interest, so any such commitment to 'never' requiring something in the future would not have been appropriate. It is also relevant to note that the new practice modules are going to be quite different in nature to the existing modules.

##### **15. [redacted]**

##### **16. FRC feedback**

- 16.1 The draft documents mentioned at point 6 were shared with the FRC for review and the Executive met with the FRC's Oversight Team on the 11 April to discuss feedback which had been received by email.
- 16.2 Overall, the FRC is not fundamentally opposed to the Scheme as designed, however does have concerns on the implementation of the Scheme and how it will work in practice.
- 16.3 The FRC's feedback and proposed responses has been communicated separately to the Board for input.

#### **E: Final PC Scheme and supporting documents**

##### **17. Final PC Scheme**

- 17.1 Board members may recall that following, last minute, intervention by the FRC, one small change was made at 2.2 of the PC Scheme in advance of publication in January. This was communicated to the Board through the Executive Update at the Boards last meeting. There is opportunity for discussion about, and refinement of, that drafting before publication if Board Members feel that would be appropriate.
- 17.2 One further clarification has also been added to the Definitions section of the Scheme to include the IFoA's Individual Qualification Recognition route to Fellowship, as an alternative means of gaining Fellowship with the IFoA and therefore applying for a PC.
- 17.3 The final PC Scheme is included at **Appendix 1** for **approval**.
18. **PC Handbook**
- 18.1 The new PC Handbook is included at **Appendix 2**, which sets out the detailed processes and procedures to support the PC Scheme.
- 18.2 The Board is asked to **approve**, subject to further review and (non-substantial) drafting by the Executive, the PC Handbook.
19. **[redacted]**
20. **[redacted]**
21. **Application Forms**
- 21.1 New application forms have been produced and work is being carried out with the PCC to test how the new forms will work in practice.
- 21.2 Once this testing is complete, the application forms will be finalised for publication.
- 21.3 The new application forms are available for review by the Board on request from Stephanie Snowden

## **F: Next steps**

22. **[Redacted]**
23. **Communications**
- 23.1 An all Member communication will be issued to confirm publication of the final Scheme, the PC webpages will be updated and the changes will be promoted on the front page of the website. The aim is to publish this in May.
- 23.2 In conjunction with the Communications Team work will be done to ensure Members are suitably informed of the changes and consideration will be given as to whether further guidance is required to ensure Members are sufficiently supported.
24. **QAS integration**
- 24.1 Once the final Scheme has been published, work will be carried out to further consider the possible integration of the PC Scheme with the QAS, including more research and consultation with relevant stakeholders.
- 24.2 This work will be brought back to the Board later in the year.

## **G: Discussion**

Members of the Board are asked:

- 1) to **approve**:
  - a. Final PC Scheme (Appendix 1);
  - b. New PC Handbook (Appendix 2); and
  - c. Implementation date

and

- 2) Provide a **steer** on the process of transitioning current PC holders to the new Scheme

and

- 3) To **note** the update and proposed next steps