

Institute and Faculty of Actuaries

Noting report

Subject	IFoA Executive update
Regulatory Board meeting	10 November 2021
Author	Executive Team
International Issues considered?	Yes
Purpose	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 July 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. Since the last meeting of the Board, the IFoA has had two meetings with representatives from **HM Treasury (HMT) to discuss the IFoA's response to the consultation on proposals for new arrangements for UK actuarial regulation**. Those were largely to assist HMT in understanding the IFoA's position. Two follow-up letters were also sent to address specific points raised. As yet, there are still no indications of likely timescales for a conclusion to the review or of the next steps in the process (including whether there will be further consultation).
4. There has been a **range of activities in relation to climate change and sustainability** since the Board's last meeting, including: publication of the report of the AMS information gathering exercise on 4 November; publication of the consultation on options for changes to the regulatory framework to reflect climate change issues (closes on 2 December 2021); launch of the CPD RPD toolkit to assist Members with their learning and development in relation to climate change; and submission of an IFoA response to the FRC's climate change survey about IFoA activities in this area (including regulatory activities).
5. Work has also begun on **the review of the IFoA's process for regulatory appointments** (currently carried out, mostly, by the Regulatory Appointments Committee (RAC)). Board Members may recall that it was agreed with Council, as part of the wider regulatory governance changes, that a review of the arrangements for such appointments would be carried out once the new Regulatory Board and Disciplinary Committee were in place. The RAC review will include benchmarking against best practice and looking at how the approach reflects the IFoA's DEI commitments. Proposals will be put to Council for approval in March 2022 and Board views will be sought as part of the review process.

6. **A collaborative executive review of Part II of the Assessment Regulations¹ is underway.** This looks at the process comprehensively from a strategic and pragmatic perspective. It has points of relevance for more than one IFoA board/ committee. This Board's interest is in any regulatory public interest findings. Updates and any regulatory recommendations arising will be presented to this Board at its February and April 2022 meetings. A copy of the terms of reference for the review is available on request.
7. **The new CPD Scheme** completed its first year of operation on 31 August 2021 and, as agreed, Members were asked to make a declaration around CPD compliance as part of their 21/22 Membership renewal process. (redacted)
8. **The new Executive Reflective Practice Team** is now in place with Stephanie Snowden taking on the promoted role of Regulatory Support Manager (with responsibility for PC and CPD matters), supported by a new Reflective Practice Advisor, Caiomhe McKinney, who started in role on 18 October. Work has now begun to plan the first Reflective Practice Discussions (RPDs) which are anticipated to begin before the end of the year. Initial observations will be shared with the Board at its February meeting.
9. The final version of the **revised pensions standard APS P1** was published on 30 September 2021 and will come into effect on 1 April 2022.
10. The Board's **20/21 Annual Report** and revised **Regulatory Policy Statement** have both now been published.
11. **The Joint Forum on Actuarial Regulation (JFAR)** met on 4 October, attended by Ben Kemp and Neil Buckley representing the IFoA. The JFAR established a new Task Force (TF) to oversee a 'deep dive' into climate change issues, with the IFoA being represented on that TF and a report expected to be published in June 2022. There was also discussion at the meeting about Part VII transfers, following up the last meeting (discussed further below), and discussion of FCA work on GI pricing.
12. **The IFoA, PRA and FCA have agreed to meet in early 2022 to discuss the issues relating to actuaries that were previously highlighted by the PRA at a JFAR meeting.** The timing of the meeting is at the request of the PRA, who would like to await the conclusion of their current consultation on such transfers. A Board discussion will be arranged for after that meeting (likely to be at the February Board meeting) with an update and any proposed IFoA actions.
13. **(redacted)**
14. **(redacted)**
15. **The FRC has published its public annual oversight report for 20/21**, including an actuarial section (at page 21). The FRC are attending this Board meeting to talk to their 20/21 private IFoA oversight reports which were the basis of this shorter public statement.

D: KEY PLANNED ACTIVITIES FOR NEXT PERIOD

16. In addition to work mentioned above, over the next period, we anticipate the following key activities:

¹ This document regulates conditions for candidate assessments under the qualification curriculum. Only Part II of the Regulations is within scope. Part II details the process by which any alleged candidate failure to adhere to the conditions of assessment will be investigated. An established breach incurs a range of possible outcomes, including referral for formal disciplinary investigation.

- Publication of the findings of the PC review consultation and of the detailed proposals for changes (subject to, and following, the special Board meeting on 15 December)
- Analysis of responses to the consultation on changes to the regulatory framework to reflect change issues (due to close in December).
- The AMS Review Team will continue analysis and reporting on the Funeral Trust Advice Thematic Review (with a view to publication in Q1 2022) and will launch the Equity Release Mortgages Thematic Review (Q4 2021).
- Subject to approvals and discussion at this meeting, work will commence to implement the refreshed QAS Scheme, including publication of the changes.
- (redacted)
- Drafting of the new Disciplinary Scheme rules and regulations is ongoing but has proved to be challenging in terms of time and resource. The target remains seeking Council approval in June 2022 however instead of seeking the approval of the Disciplinary Committee in December 2021 and the Regulatory Board in February 2022 the updated Scheme rules and regulations will now be presented to the Disciplinary Committee in late January/early February and brought to the Regulatory Board meeting on 26 April 2022. Neil Buckley and Ben Kemp will attend Council on 24th November to present an annual update on key IFoA regulatory matters.