

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

Subject	Guidance to support minor amendments to the Actuaries' Code relating to duties of disclosure
Meeting date	21 November 2023
Previous Steer/Approval	<p>April 2022 - Board approved new Disciplinary Scheme to go to Council</p> <p>July 2022 - Board updated as to Council approval of new scheme and plans for Member vote</p> <p>November 2022 - Board updated on Member vote to approve new scheme and of consideration being given to the need for consequential amendments to Code</p> <p>December 2022 - Board approved proposed changes to the Code to go out for consultation.</p> <p>17 May 2023 – Board considered responses to consultation and approved amendments to the Code</p>
Related horizon scan code	N/A
International issues considered?	Yes
Author	Hannah MacLeod, Senior Regulatory Lawyer
Reviewer	Fiona Goddard, Interim Head of Regulatory Policy
Purpose	Approval

A: Executive summary

1. **This paper relates to the publication of guidance to support the agreed amendment of the Actuaries' Code necessitated by the introduction of a new Disciplinary Scheme, both of which came into effect on 1 August.**
2. The replacement of the previous Disciplinary and Capacity for Membership Schemes ("the Previous Scheme") with the new Disciplinary Scheme ("the New Scheme") necessitated minor consequential amendments be made to the Actuaries' Code ("the Code") relating to the requirements around disclosure of convictions and findings, as well as to update references to the title of the New Scheme.
3. In considering the outcome of the consultation on the proposed Code changes, the Board recognised that guidance would be beneficial to support Members in complying with the requirements of the amended Code. This report invites the Board to approve the publication of enhanced guidance on Principle 4 of the Code (a draft of which is provided at Appendix 2).

B: Background

4. Since 2019, the Code has included requirements for Members to disclose to the IFoA certain convictions and findings. This was previously provided for in the Code by reference to the Previous Scheme. The introduction of the New Scheme in August necessitated consequential amendments to the Code, to ensure that this requirement for Members to make certain disclosures was maintained.

5. Proposals were therefore prepared which introduced a revised Principle 4.2 to summarise the types of circumstance which it is appropriate to require Members to report and these proposals were consulted upon at the start of this year. Following the consultation, the Board agreed the amendments and the new version of the Code came into effect alongside the New Scheme, on 1 August.
6. When approving the amendments to the Code, the Board approved the development of guidance to support Members in meeting the reporting requirements.

C: Guidance and support for Members

7. Although there were relatively few consultation comments received on the proposals, most of the respondents who participated in the consultation stated that guidance would be helpful to assist Members in understanding when they have a duty to self-report to the IFoA.
8. The current guidance on the Code includes a section relating to each Principle. The current guidance relating to Principle 4 (Compliance) comprises paragraphs 6.1 to 6.5 of the draft guidance provided at Appendix 2. It is proposed that the current guidance on Principle 4 (Compliance) be expanded, by paragraphs 6.6 to 6.23 to cover the new Principle 4.2.
9. The draft guidance provided at Appendix 2 aims to do the following:
 - assist Members to understand whether a civil court matter requires to be reported;
 - assist Members to understand whether a minor criminal matter requires to be reported;
 - explain how the requirements affect Members who hold positions of responsibility in respect of a company, trust or other legal entity;
 - explain how the Code applies to Members outside of the UK;
 - provide examples of situations that do and do not require to be reported in accordance with the Code.

D: Recommendations

10. It is recommended that the Board:

Approves the publication of the non-mandatory guidance provided at Appendix 2 to assist Members in understanding the requirement to self-report, with such amendments as may be determined.

E: Conclusion

11. The Board is asked to approve the recommendation noted above.

F: Appendices

- **Appendix 1:** The Actuaries' Code
- **Appendix 2:** Draft guidance on Principle 4 of the Actuaries' Code (Compliance)