

Institute and Faculty of Actuaries
Regulatory Board
Approval report

Subject	Final post consultation APS P1	
Regulatory Board meeting	27 July 2021	
Previous Board Steer/Approval	May 2018	Board approved proposal for the Pension Standards Committee to undertake the review of the APS P1 and provided a steer on the approach.
	Sep 2018	Board were updated on the progress of the review
	Dec 2018	Board were updated on the progress of the review and asked to provide a steer on the direction of the review being taken by the Committee.
	Sep 2019	Board updated within executive update on the review including a proposed extension of requirements to scheme advisers on the corporate side
	May 2020	Board updated within executive update on progress
	July 2020	Board approved the draft revised APS to go out to consultation and provided a steer
	Feb /May 2021	Board updated that post-consultation proposals will be developed
International Issues Considered?	Yes – see paragraphs 15-17	
Author	Chair of the Pensions Standards Committee and IFoA Executive	
Purpose	Approval	

A: Executive summary

1. This paper seeks approval from the Regulatory Board ('the Board') to introduce a revised APS P1: *Duties and Responsibilities of members undertaking work in relation to pension schemes* (Version 3.0).
2. This follows a successful [consultation](#) on the proposal to introduce a revised APS P1 which closed in January 2021.
3. The review of APS P1 was undertaken by the Pensions Standards Committee ('the Committee') and the Board has previously provided various steers and approvals on the review, as detailed above.

B: Introduction

4. APS P1 sets out specific ethical requirements, including Practising Certificate obligations, that apply in addition to the Actuaries' Code, for Members operating in the pensions area and was last reviewed in 2013. Since then, the regulatory framework of the IFoA has changed significantly, with a move towards simplified, principles-based standards.
5. Members of the Board will recall that they approved the review of the APS P1 to be undertaken by the Committee at the end of May 2018. The Board also agreed that the APS should be as principles-based as possible with any helpful further material contained in either an appendix or elsewhere, and agreed to extend certain provisions beyond Scheme Actuaries, to include those actuaries providing advice to corporate sponsors of a scheme. The Board however left it to the Committee to advise on the extent of the extension to the scope.
6. In July 2020, the Board approved the Committee's proposal to consult on withdrawing the current version of APS P1 and replace it with a new version. The new version of APS P1 aims to provide a more streamlined and clearer standard for Members operating in the pensions area, clarifying Members' responsibilities. Additionally, there is a small proposed extension in scope to those advising the employer, and clarification that 'in-house' advisers are also covered.
7. The revised APS sets out specific obligations for Scheme Actuaries and newly defined Equivalent Scheme Actuaries, Other Actuarial Advisers and Employer Advisers. Each paragraph clearly defines who exactly it applies to, with the definitions of each role contained under the definition Section.
8. The requirements themselves largely mirror the current requirements in APS P1, but in a clearer, more easy to follow manner. However, some of the previous content/requirements have been removed as the Committee felt they did not add anything of sufficient substance or were overly prescriptive.
9. The specific requirements for Scheme Actuaries in particular remain focussed on appointment, replacement and absence, speaking up/notifying the trustees of certain matters and conflicts of interest.
10. For a reminder on the further detail of the proposal consulted on, please see the [consultation package](#).

C: Outcome of the consultation

11. [redacted]
12. [redacted]
13. [redacted]
14. [redacted]

15. [redacted]

16. [redacted]

17. [redacted]

18. [redacted]

19. [redacted]

D: Next Steps

20. [redacted]

21. [redacted]

E: Decision

The Board is asked to approve the final proposal of the Committee to introduce the new revised version of APS P1 (Version 3.0), to replace the current version (2.0).

APPENDICES

Appendix 1 – Final revised APS P1 (Version 3.0)

Appendix 2 – Comparison document with the consultation version