

THE UK ACTUARIAL PROFESSION

APS D1: Investment Related Business Activities for Authorised Professional Firms

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1. Application and Status

- 1.1 Subject to 1.2, this Standard applies to all Members of the Institute or Faculty of Actuaries who are *Principals* of a *Firm* which is authorised by the FSA as an *APF* (as defined by the FSA's Handbook). For the purposes of the Actuaries' Code and this Standard, enrolled Students and Affiliates of the Faculty are deemed to be members.
- 1.2 This Actuarial Profession Standard only applies however where the *Firm's* status as an *APF* is derived from (in terms of the FSA's Handbook) an individual or individuals being subject to the rules of the Institute. It does not apply to firms holding a *DPB* licence from the Institute of Actuaries, or where the *Firm's* *APF* status is derived from regulation by any other *DPB*.
- 1.3 Compliance with this Actuarial Profession Standard (*APS*) is mandatory. Any failure by a Member to comply with the Actuaries' Code, Actuarial Profession Guidance Notes and Standards, and Technical Actuarial Standards and Guidance Notes owned by BAS may be liable to consideration under the Actuarial Profession's Disciplinary Schemes.

2. Requirement to ascertain *APF* status

- 2.1 It is the responsibility of each *Principal* to ascertain whether their *Firm* is an *Actuarial APF*.

3. Requirement of Licence before making use of *APF Exemptions*

- 3.1 Every *Principal* of an *Actuarial APF* is required to ensure that their *Firm*, being an *Actuarial APF*, obtains an *APF Licence* from the Institute before the *Firm* makes use of any of the FSA's *APF Exemptions*.
- 3.2 It is recognised that some *APFs* may not seek to make use of the exemptions which might otherwise be available to them in terms of the FSA's Handbook. Such firms do not require to apply for an *APF Licence* from the Institute. Where an *APF* does not hold an *APF Licence* from the Institute and is as a result not subject to the Institute's *DPB Handbook*, it must not make use of any exemptions which would otherwise be applicable in the FSA's Handbook. It must comply with the full requirements of the FSA's Handbook, including,

but not limited to, any applicable Own Funds Requirements, Capital Resources Requirements, and Professional Indemnity Insurance Requirements, all as imposed by the *FSA* in terms of the *FSA's Handbook*.

4. Disclosure of Regulatory Status

- 4.1 Every *Principal* of an *Actuarial APF* is required to ensure that, if that *Actuarial APF* does not hold an *APF Licence* from the Institute, it does not make any statement or representation to the effect that the *Actuarial APF* is regulated by the Institute.
- 4.2 Every *Principal* of an *Actuarial APF* is required to ensure that any statement or representation as to the *Firm's* regulatory status is fair, clear and not misleading.

5. Definitions

Defined terms appear in italics when used in this Actuarial Profession Standard:

Reference	Definition
Actuarial APF	An <i>APF</i> which derives its status as a Professional Firm (as defined in the Glossary of definitions section of the <i>FSA's Handbook</i>) from the fact that an individual or individuals are subject to the rules of the Institute.
APF	A <i>Firm</i> which satisfies the <i>FSA's</i> definition of an "Authorised Professional Firm" as set out in the Glossary of definitions section of the <i>FSA's Handbook</i>
APF Licence	An "APF Licence" as defined in the Institute's Designated Professional Body Handbook for Licensed Firms
DPB	A Designated Professional Body under Part XX of <i>FSMA2000</i>
Firm	A sole practice, a partnership, a limited liability partnership or a company
FSA	The Financial Services Authority
FSA's APF Exemptions	In terms of the <i>FSA's Handbook</i> , the modifications and disapplications available to <i>APFs</i> to the extent that they are undertaking <i>Non-Mainstream Regulated Activities</i> , including, but not limited to, those set out in section 5.3 of <i>PROF</i> .
FSMA2000	The Financial Services and Markets Act 2000
Non-Mainstream Regulated Activities	Those activities set out in section 5.2 of <i>PROF</i>
Principal	A sole practitioner; a partner of a partnership; a member of a limited liability partnership; or a director of a company
PROF	The Professional Firms Sourcebook, as contained within the <i>FSA's Handbook</i>