

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

<b>Subject</b>	IFoA Executive Update
<b>Meeting date</b>	21 November 2023
<b>Author</b>	Executive Team
<b>Reviewer</b>	Fiona Goddard, Interim Head of Regulatory Policy
<b>Purpose</b>	Noting

### **A: Introduction**

1. This paper provides an update on the work of the IFoA Executive Team since the meeting of the Board in July and highlights key issues and developments for the Board to note.
2. **PLEASE NOTE:** Board Members are asked to let the Board Secretary ([rbsecretary@actuaries.org.uk](mailto:rbsecretary@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. We would also be happy to answer any specific questions on the below topics via email.

### **B: Key Developments and Updates**

3. The feedback paper resulting from the Board's consultation on proposals to introduce **Diversity Equity and Inclusion** principles into the Actuaries' Code was published on 27 July. A plan to engage with members in respect of the guidance to be developed in support of the agreed changes, is included within the papers.
4. The **revised Disciplinary Scheme** came into effect on 1 August, together with the ancillary revisions to the Actuaries' Code relating to the obligation on members to self-report criminal convictions, relevant civil court findings or adverse professional rulings. Since 1 August 2023, 13 new complaints have been received - under the new Scheme, all complaints require to be assessed to determine whether they should progress as an allegation under the Disciplinary Scheme, 5 Respondent members also opted to transfer their cases from the previous Disciplinary and Capacity for Membership Schemes.  
  
The FRC observed the Disciplinary Committee on 11 October and provided positive feedback.
5. The **Regulatory Board's Annual report for 2022/23** was published on 3 November and includes a summary of the work carried out and overseen by the Board during this period, as well as the agreed priorities for the coming year.
6. The **AMS** team continues its work in progressing its thematic reviews into **Data Science and Pensions on Divorce**.

The data science review is moving into the reporting phase and the team plans to have a draft report ready for the Board to consider at the February 2024 meeting. In addition to the Risk Alert published in September, the team is also presenting on AI risks at the upcoming Life conference in Birmingham.

The submission window for the Pensions on Divorce review has closed, with encouraging participation levels. The Review team will be assessing submissions and carrying out interviews with participants in the coming months.

7. Members of the Executive team attended the **IFoA GIRO Conference** earlier this month. Caoimhe McDonagh held 7 in-person reflective practice discussions with attendees providing positive feedback, stating that they benefited from the discussion and have a new recognition for the supportive nature of IFoA led RPDs.
8. The first release of **professional skills content** for the 2023-24 CPD year was published on 5 October. The content included 3 videos, 2 mini case studies and an interactive DEI case study. Work is now in development for the second release of content for March 2024. Two members of the Professional Skills Working Group hosted a plenary session at the GIRO conference which was very well received.
9. The FRC has published a consultation on proposals to update **Actuarial Standard Technical Memorandum 1** (which sets out requirements for producing annual Statutory Money Purchase Illustrations) by increasing accumulation rate assumptions. The consultation is open until 4 December and it is expected that the changes will come into effect in April 2024.
10. Members of the Executive met with members of the FRC's Actuarial Policy team in September to discuss the IFoA's response to the **FRC's consultation on a revised TAS 300 and a new TAS 310**. This discussion was helpful in providing clarity as to the basis of certain proposals, and allowed the Executive to provide direct feedback in relation to the proposals. The FRC has indicated its intention to publish the revised TAS 300 later this year and the new TAS 310 early in 2024. The team also indicated their intention to publish a **revised TAS 200** for consultation in 2024.
11. In October the **FRC published the results of its recent research into gender imbalance in the actuarial profession** which was submitted to the Treasury Select Inquiry on 1 September (Sexism in the City).
12. The **FRC also published** in October the results of research, carried out by the Government Actuary's Department on its behalf, exploring how **Artificial Intelligence and Machine Learning** are used for actuarial work in the UK.
13. Alan Marshall represented the IFoA at a meeting in London in September with the **FCA, the FRC and actuaries working in the funeral plan sector**, to discuss the application of the FCA's new regulatory regime. This was a constructive session with the FCA making clear its expectations in relation to Solvency Assessment Reports drafted by actuaries on behalf of Funeral Plan providers. Shortly thereafter, the revised APS Z1, which reflects this regulatory change, was published and came into force on 19 November.
14. The **Practising Certificates Committee (PCC)** welcomed a new member to the CDC Panel, which was recently formed to assess applications for CDC Scheme Actuary PCs. Two members of the PCC have indicated that they would like to step down from their positions, therefore recruitment is being carried out for two new PCC members to join the Lloyd's and Life panels.

The Committee held its second meeting of the year in October, with feedback incorporated into the PCC report to the Board.

15. The consultation on proposals to remove the requirement for **Reviewing Actuaries to hold a Practising Certificate** commenced on 17 August and will close on 17 November. A report will be brought to the Board following consideration of the responses received.
16. The **QAS Committee** made two new appointments in September with Kathryn Wilson and John Herbert, both joining as volunteers from September 2023 and April 2024 respectively. The Committee held its strategy session in September 2023, the summary of which will be shared with the Regulatory Board in due course.
17. Various **proposals to revise international actuarial standards** have been shared with the IFoA including: a Statement of Intent for a proposed International Actuarial Note on Professional Judgement, with an exposure draft due to be circulated for consultation in due course; a revised European Standard of Actuarial Practice 3 (2023) relating to the Own Risk and Solvency Assessment process under the Solvency II Directive; and a draft Statement of Intent for an International Standard of Actuarial Practice in relation to IFRS S2 Climate related disclosures.
18. The **DPB Board** is currently recruiting for several new members (2 actuaries and 1 lay member) who are expected to join the Board by the end of the year. The 2023 Annual Return will open for returns from DPB Firms on 1 December.
19. A full cycle of **UKPM workshops** has now been completed, with workshops taking place across all disciplines. Feedback from candidates has been extremely positive and a review of any feedback received has taken place. The aim is to release in December the next set of dates for further workshops. There is a requirement to confirm who will take the lead in organising and administering the workshops, with the education actuaries continuing to provide support.
20. There have been several **staffing changes within the Executive team** since the Board's last meeting. [REDACTED]

### **C: Key Planned Activities for Next Period (Up to next Board meeting)**

21. In addition to work mentioned above, over the next period, we anticipate the following key activities:
  1. Progress proposals to consult on possible integration of the QAS and PC Scheme
  2. Begin implementation of new regulatory support process.
  3. Work to progress the planned review of APS X2: Review of Actuarial Work, and its accompanying guidance.
  4. Be ready to commence member engagement in relation to DEI changes to the Code.
  5. Complete pre-consultation work on review of DPB Handbook and processes.
  6. In January, the Reflective Practice team will begin work to progress a trial of Group Reflective Discussions to take place with newly qualified members.
  7. Commence the Post-Implementation Review of the Practising Certificates Scheme

