

## Institute and Faculty of Actuaries

### Noting report

<b>Subject</b>	IFoA Executive update
<b>Regulatory Board meeting</b>	26 April 2022
<b>Author</b>	Executive Team
<b>Reviewed by</b>	IFoA Executive
<b>International Issues considered?</b>	Yes
<b>Purpose</b>	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 February 2022) and highlights key issues and developments for the Board to note.
2. **PLEASE NOTE:** Board Members are asked to let the Board Secretary 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

3. The detailed new documents to support the new PC Scheme have now been developed and are on the agenda for the Board at item 8, along with an update on discussions with the FRC and others.
4. The JFAR met on 23 March where they received a presentation from Dave Gordon on the Funeral Plan Trusts thematic review. JFAR considered public interest risks associated with the transition to FCA regulation, including concerns, attracting media coverage, relating to funeral providers which may wind up rather than transition to the new regulatory framework, and the implications for policy holders. Also on the agenda were planning for the next iteration of the JFAR Risk Perspective (Leisha Watson is sitting on the Working Group that is overseeing that refresh), an update on the work of the Taskforce contributing to the development of the Pensions Dashboard and a discussion led by TPR on Collective Defined Contribution Pensions. See also the Chair's Update.
5. The new Risk Alert on climate change and sustainability was provided to the Board via email on 4 April and will be published on 21 April, alongside the outcome to the consultation. A letter from the Chair to the FRC outlining the Board's conclusions following the consultation feedback was provided in advance to the Board on 12 April. The signed version is attached for noting at item 13.1. The Executive will now begin work to develop regulatory guidance on member's obligations

in this area under the Code and engage further with the FRC on the possibility of joint ethical and technical guidance.

6. Proposals for changes to the regulatory appointments process have now been developed and will be put to Council for decision in June. [redacted]
7. Further work is being carried out with the CDC Regulatory Working Group in relation to the proposed new CDC Scheme Actuary PC and other regulatory steps that may be required as the new CDC scheme arrangements come into effect. [redacted] and the Board recently inputted into the CDC Code Consultation.
8. The refreshed Quality Assurance Scheme (QAS) launched on 1 April. All 25 organisations eligible for re-accreditation before 31 March 2023 have arranged their re-accreditation assessment visits with the ICAEW, reflecting an anticipated 100% renewal of the initially accredited organisations. The Specialist Reviewer for the year 2022-2023 has been appointed, [Jasmine Gartner Consulting](#). They will focus on Diversity, Equity and Inclusion.
9. The AMS Thematic Review report on Funeral Plan Trusts was published on 28 March. A follow-up webinar was held on 6 April with review participants and representatives from the Funeral Planning Authority.
10. Work has been carried out on an AMS post-implementation review which the Board are updated on under agenda item 7.
11. The submission window for the Equity Release Mortgages thematic review has been extended. Submissions have started to come in, and the Review Team continues to reach out to potential participants.
12. We wait to see whether the Government's proposals in relation to FRC/ARGA will be included in the Queen's speech on 10 May 2022. In the meantime, our engagement campaign continues and we are preparing for a range of scenarios, including the possibility that this does not feature in the Government's plans for the next Parliament.
13. With the support of communications colleagues, a 'hero campaign' has been launched to promote the value of IFoA regulation. This will include a series of videoed interviews, articles and blogs. The first of those are [interviews with Jane Curtis](#), former President, about what regulation means to her alongside a [blog by Emma Gilpin](#)
14. The FRC has provided its draft private oversight, which is being considered by the Executive Team. There is a period of 14 days to respond and we expect to have a final version to share with the Board by the end of April. The FRC are currently scheduled to attend the July Board meeting to talk to their report.
15. A project plan for the review of APS X2, which applies to all members and imposes requirements in relation to Work Review and Independent Peer Review, is in development. A post-implementation review concluded in November 2019 and a full review of the standard is now due. The Board will be updated further at the July meeting.
16. HMT will be consulting further on Solvency II in the UK which the IFoA will be responding to. The consultation is expected to be launched around the end of April. The Board will be kept updated on the progress of the consultation response. Further consultations are expected from HMT before June regarding the introduction of CDC Schemes and master trusts.
17. The Disciplinary Committee met on 23 March 2022, during which it considered and approved the new Disciplinary Scheme. The new Disciplinary Scheme will be presented to the Board for approval at the April meeting. This was also the last Committee meeting for Stephen Redmond as

Chair and Jim Webber and George Russell as actuary members. A new Chair has been appointed with effect from 8 April 2022 and we are in the process of appointing a new actuary member of the Committee. In addition, one of the Committee's lay members, Velia Soames, has agreed to extend her term on the Committee for a further three years.

#### **KEY PLANNED ACTIVITIES FOR NEXT PERIOD (UP TO NEXT BOARD MEETING)**

18. In addition to work mentioned above, over the next period, we anticipate the following key activities:
- AMS reviews
    - Hopeful that ongoing engagement will lead to further submissions to the Equity Release Mortgages thematic review and work will move to review and reporting activity.
    - Planning and scoping for Corporate Pensions thematic review, including engaging with potential participants.
  - Work to progress on CDC Scheme PCs including developing a consultation on APS P1
  - Work to begin to develop guidance for members on climate change and sustainability issues related to the Actuaries' Code (including engagement with the FRC)
  - Work to begin on the review of APS Z1: Duties and responsibilities for actuaries working for UK Trust-based Pre-Paid Funeral Plans and supporting guidance, following Regulatory Board steer
  - Proposals for changes to the regulatory appointments process to go to Council
  - Revised Disciplinary Scheme to go to Council for approval (subject to Regulatory Board approval)
  - Discussions with FRC's Actuarial Policy Team about TAS 100 Guidance (review or withdrawal)
  - Regulatory DEI work to begin
  - [redacted]
  - Review of the Board's Committees
  - Approval of approach for the creation, maintenance and dissolution of IFoA regulations