



Institute
and Faculty
of Actuaries

Consultation:

Proposals for a new CPD Scheme

By Regulation Board

24 January 2020



INTRODUCTION

A CPD Scheme for an evolving, dynamic profession.

FOREWORDS

John Taylor, IFoA President



Continuing Professional Development and Lifelong Learning are fundamental parts of our commitment as professionals, and key to ensuring our ongoing relevance as a profession.

It is therefore critical that the IFoA's CPD Scheme drives and enables a culture of ongoing professional development rather than focusing on compliance. It should reflect the profession's need to continuously develop and keep up to date with a rapidly evolving environment.

Our approach to CPD must be supportive of all our Members, giving recognition to their diverse and varied roles and needs.

I believe that the proposals will, in addressing those needs, help to drive a shift towards a more progressive and supportive approach to CPD that is more focused on your development and less on regulatory compliance.

I hope that the greater discretion being proposed will be welcomed by Members. We all may have to be willing to be stretched a little beyond our comfort zones to embrace this new, more flexible approach. It is one which starts from a presumption of mutual trust with you, our Members, and the passion you share for the quality, continuing relevance and reputation of our profession.

I would encourage you to support the proposals. We stand ready to listen to your feedback, and would welcome all comments.

Neil Buckley, Chair of Regulation Board

I am pleased to introduce this consultation from the Institute and Faculty of Actuaries on a proposal for a new approach to Continuing Professional Development requirements.



It has long been recognised that it is vital that actuaries, like all other professionals, maintain their knowledge and skills after qualification and continue to learn and develop. This is in both the interest of the individual actuary but also in the public interest.

The challenge that faces the IFoA, as with many professional regulators, is how best to give effect to the requirement for CPD so that it ensures meaningful, appropriate learning for each individual Member, recognising that actuaries are involved in a range of different roles, industries and practice areas and that each individual will have different development needs.

CPD can also sometimes be viewed as a "tick-box" regulatory requirement rather than a meaningful way to engage with professional development and lifelong learning.

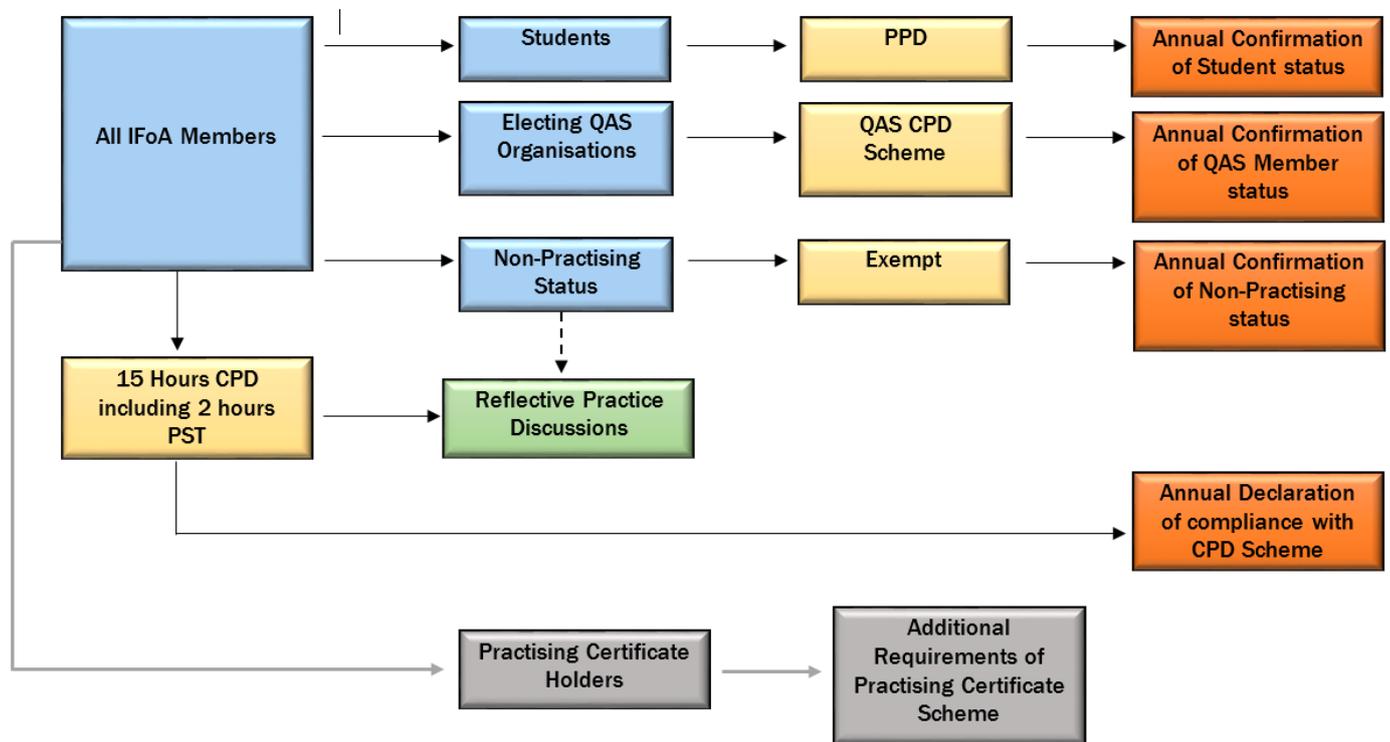
The IFoA is, with these proposals, intending to modernise its approach to CPD. The scheme introduces elements of an outcomes focused approach, proposing to remove the current requirements for recording and compliance audit and, instead, focus on the support of Members and reflective practice discussions.

I would ask as many of you as possible to take part in this important consultation and look forward to hearing your views on this proposal.

CONTENTS

1 Summary of the Proposals	4
2 Guidance and additional material	9
3 Practising Certificate Holders	10
4 Regulatory Impact Assessment	12
5 Key questions answered	13
6 Consultation process and how to respond	16
7 Questions	17
Appendices	24

1 Summary of the Proposals



1.1 The proposed Scheme would mean that:-

- All Members are subject to a requirement to carry out 15 hours of CPD activities every CPD year, including 2 hours of Professional Skills Training;
- The following Members would be exempt from the requirements:-
 - Students, whose requirements are set out in the Personal and Professional Development Scheme;
 - Those employed by an organisation accredited under the Quality Assurance Scheme, that opts to implement the QAS outcomes focused CPD scheme;
 - Those with 'Non-Practising' status, who are not carrying out technical actuarial work;
- A wider range of activities could be counted as CPD;
- A sample of Members would be asked to participate in a 'Reflective Practice Discussion' with the IFoA to talk through their CPD activities, what they gained from them and how they could develop further; and
- Members would have to declare their compliance with the Scheme annually when renewing their membership.

BACKGROUND AND RATIONALE

Current CPD requirements

- 1.2 The Institute and Faculty of Actuaries (the IFoA) proposes to introduce a new Scheme setting out the requirements for its Members in Continuing Professional Development (CPD).
- 1.3 CPD can be defined in a number of ways, but essentially it involves the undertaking of activities by a qualified professional to develop themselves and maintain competence in their field of work.
- 1.4 The [Actuaries' Code](#)¹ has as one of its core principles the requirement that "*Members must carry out work competently and with care*".
- 1.5 It also provides that Members must "*develop their knowledge and skills in a manner appropriate for their role and comply with the Institute and Faculty of Actuaries' Continuing Professional Development (CPD) requirements.*"
- 1.6 The purpose of the CPD Scheme is to set out some more specific requirements around CPD that build upon the principles of the Code.
- 1.7 In the review of the Actuaries' Code this principle was specifically redrafted to ensure the requirements were clear and demonstrated the importance of maintaining competence to protect the public interest, and continual development to keep the profession relevant.

Review of the Scheme and alternative approaches

- 1.8 The IFoA has reviewed its approach to CPD and has looked at alternative possible approaches.
- 1.9 In doing so it has considered the range of different CPD requirements across other professions and, in particular, the move away by many other professional regulators from prescriptive, hours-based requirements. For example, a number of other professions² consider members are better placed to assess what learning is appropriate to maintain their competence and develop themselves, and simply ask

them to reflect upon what is appropriate and report what they have done.

- 1.10 The IFoA has also, in respect of its standards framework, moved to a principles-based, less prescriptive system, relying instead upon the professional judgement of its Members.
- 1.11 With a view to considering whether a less prescriptive CPD Scheme might be suitable, the IFoA recently conducted a pilot of an outcomes focused CPD scheme with a number of QAS accredited organisations. That resulted in the decision to introduce the option of a fully outcomes focused CPD scheme for QAS organisations³. (the QAS CPD Scheme) The findings of that pilot have also been taken into account in developing the proposals⁴.
- 1.12 IFoA Members' views were also central to developing the proposals. Views were obtained on the current requirements through the 2018 all-Member survey, from a 400 Club survey and from feedback of those participating in the pilot of the outcomes focused scheme. At the CPD Co-ordinators' Briefing in November 2019 round table discussions were also held to hear what co-ordinators thought of the arrangements currently in place.
- 1.13 Feedback provided indicated that many Members take part in a great deal of activities that they do not then record for CPD purposes as a result of the current audit process requiring evidence of those activities. There is a lot of emphasis on more formal types of learning where proof of participation is easily evidenced. There is also a perception that the current CPD arrangements do not recognise, and thus encourage, training in new fields.
- 1.14 The IFoA is conscious that many Members are moving away from traditional actuarial fields and many more are looking to diversify their experience and broaden their knowledge, as opposed to striving for the acquisition of knowledge in the pursuit of a linear career path. It also recognises that there will be times during its Members' careers where they are not involved in actuarial work and where the specific requirements may not be appropriate.
- 1.15 In the pilot of the QAS CPD Scheme, many Members remarked on the benefits obtained from more

¹ This is the principles-based mandatory ethical Code applying to all Members of the IFoA.

² Examples in the UK include the Solicitor's Regulation Authority, the Institute of Chartered Accountants of England and Wales, and the Association of Accounting Technicians. The Actuarial Society of South Africa have also introduced an outcomes focused CPD Scheme.

³ More information is available at www.actuaries.org.uk/upholding-standards/quality-assurance-scheme/qas-outcomes-focused-cpd

⁴ A report on the findings of the pilot will be published at www.actuaries.org.uk/learn-and-develop/continuing-professional-development-cpd-and-professional-skills-training/pilot-outcomes-focused-cpd-scheme

diverse methods of learning, and the IFoA were keen to extend this to all Members.

- 1.16 The proposed Scheme therefore allows for a wider range of activities to count towards the CPD requirement.

THE PROPOSALS

- 1.17 The proposed new Scheme can be found at Appendix A.

New, shorter simplified style

- 1.18 In an effort to keep it short, succinct and consistent with other IFoA publications, the Scheme has been drafted in a style more in line with the IFoA's other regulatory documents, including the Actuaries' Code and the Actuarial Profession Standards (APs), although still retaining its unique status as a "CPD Scheme".

Ongoing CPD Scheme rather than annual publication

- 1.19 Instead of a new Scheme being published every CPD year, the Scheme will be an ongoing document, subject to regular review.

Single CPD requirement and removal of 'categories'

- 1.20 In keeping with the objective of producing a simpler Scheme, a single CPD requirement has been prescribed for all Members.
- 1.21 The requirement applies irrespective of category of Membership, making the Scheme more transparent.
- 1.22 The CPD Scheme will not apply to student members (i.e. Members that are pursuing an IFoA qualification that are not Fellows, Associates, Affiliates, Honorary Fellows, or Certified Actuarial Analysts) as any development and learning requirements will be covered in the specific requirements designed to support the qualifications route, such as the IFoA's Personal Professional Development (PPD) Scheme.
- 1.23 PPD enables students to evidence the knowledge and skills they have been gaining in a work environment whilst studying for the IFoA qualifications.
- 1.24 Students are required through PPD, on an annual basis, to record both learning outcomes from key competencies and development activities through formal learning such as company arranged training.

Requirement of 15 hours (including 2 hours Professional Skills Training)

- 1.25 The single CPD requirement is that all Members are required to do 15 hours of CPD activities including 2 hours of Professional Skills Training.
- 1.26 Professional Skills Training is now simply defined as CPD activities "with a learning outcome related to managing professional ethical challenges". This allows Members to consider any activities with this learning outcome as relevant to meeting this obligation.
- 1.27 There may be additional specific requirements around training and learning imposed for those who seek specialist IFoA certifications, for example those who apply for and hold an IFoA Practising Certificate (PC). Any such requirements will be built into the criteria for those certificates. For PC Holders, some interim arrangements are proposed (described at [section 3](#) of this consultation document).

Introduction of 'Non-Practising' status

- 1.28 Careful thought has been given to the appropriateness of who should be subject to the CPD requirements.
- 1.29 It is proposed that where Members are not currently carrying out technical actuarial work then they can apply for 'Non-Practising' status, which would mean they are not required to comply with the CPD Scheme. They would also have this status marked against their name of the publicly available register of Members.
- 1.30 This status is likely to be relevant for those who have retired, who are on a career break, Members no longer in an actuarial job or role, or Honorary Fellows that do not work as actuaries.
- 1.31 Members that are absent from work for reasons related to parental or medical leave would be deemed to be 'Non-Practising' for the relevant period but would not be required to apply and would not be marked as such on the public register.
- 1.32 This makes it clearer, both for Members and for external parties such as users of actuarial work, who is subject to CPD requirements. This is also a more straightforward mechanism by which those on longer periods of leave, retiring or taking a career break, can inform the IFoA of their change in circumstance.

Wider range of CPD activities permitted

- 1.33 With a view to encouraging participation in more diverse types of learning there is a broader definition of “CPD Activities” in the proposed Scheme.
- 1.34 There must be an identifiable learning outcome for the activity to count towards a Member’s CPD requirement but that learning outcome could relate to current or future actuarial work or, more widely, to a Member’s professional development.
- 1.35 Therefore the Scheme now provides that activities relevant to a Member’s future prospects are able to be included in the CPD hours. It should be borne in mind the Actuaries’ Code continues to require Members to maintain their competence, and this should be considered when determining the balance of activities that support development in future roles and maintaining a current role.
- 1.36 The proposed Scheme also widens the type of activity that can be included as CPD, recognising that the most effective ways of learning will vary between individuals, between roles and between stages of people’s careers.
- 1.37 Members are encouraged to take part in a variety of types of activities but no particular types of activities are mandated by the Scheme as long as a learning outcome can be demonstrated.
- 1.38 In focusing on the relevance of the outcome of the activity, Members must critically consider their own development needs and attempt to address them through activities that can be technical or ‘soft’ skills based.

Removal of requirement to record CPD

- 1.39 It is proposed that the requirements to record CPD are removed.
- 1.40 Instead, a recording facility will be made available for those Members that find it useful to record using the IFoA’s system. However, recording on that system will not be mandatory and that system will also be amended to make it less focused on evidencing hours of CPD and more about capturing learning outcomes and planning for the future.

Annual Declarations

- 1.41 It is proposed that Members will be required to declare their compliance with the CPD Scheme when renewing their membership every year. This request to declare will be included in the subscription

renewal notices issued at the start of September each year and will also provide a mechanism for confirming whether there have been any changes that would affect a Member’s Non-Practising status.

- 1.42 The CPD Scheme year will therefore start on 01 September and run to 31 August aligning closer with the subscription renewal date. It is recognised that a change in the CPD year means that there will be a period of two months (July and August) between the end of the current CPD Scheme (for 2019/2020) and the start of the new Scheme. It is proposed that the period for compliance with the 2019/2020 CPD Scheme will be extended to 31 August 2020 so that there are two additional months in which Members can meet their obligations under that Scheme.
- 1.43 Members may have met the requirements of the 2019/20 CPD Scheme by 01 July 2020. If so, they would be entitled to count any activities carried out in July and August towards the 2020/21 year should they so wish.
- 1.44 There are special arrangements proposed in relation to Practising Certificate (PC) Holders and those are explained in detail section 3.

Removal of audit requirements

- 1.45 It is proposed that the current audit process (which is focused on verifying CPD and obtaining evidence of attendance) will be removed.
- 1.46 There will be an audit of records for the 2019/20 CPD year. Members must therefore complete records for that CPD year and have evidence for all activities, which can be provided to the IFoA in the event they are randomly selected for the audit.

Introduction of reflective practice discussions

- 1.47 The aim of the new Scheme is to focus more on supporting Members in their development and learning, rather than on enforcement and ensuring compliance.
- 1.48 Therefore it is proposed that there will be a ‘reflective practice’ process introduced that supports Members’ professional development and also allows the IFoA to better understand the CPD that Members are carrying out.
- 1.49 Members selected for a reflective practice discussion would be required to have a conversation with IFoA executive staff about their learning objectives, the outcomes of their CPD activities over the last year and their plans for future development.

They would also be able to discuss with appropriately trained IFoA team members about what other areas they may want to develop in light of their role or area of work. The IFoA team would make suggestions to Members on how they could meet their objectives, prompt more self-reflection and offer support in identifying activities to address their needs.

- 1.50 Where appropriate, there may be some follow up discussions about particular areas of development or to understand whether particular steps have been taken that were discussed in the reflective practice conversation.
- 1.51 Members would also be required to be prepared to engage in such a discussion if selected, even though it is unlikely that all Members will be selected for a discussion every year. They would be encouraged to have those discussions with colleagues and/or to embed this into their annual performance development review.
- 1.52 This concept of a 'reflective practice discussion' is seen in the CPD requirements prescribed by a number of other regulators, particularly in the medical and legal professions.
- 1.53 The IFoA intends to produce further material and guidance on reflective practice if the proposed new scheme is implemented.

Removal of enforcement provisions for breach of the Scheme

- 1.54 To reflect this move away from compliance auditing to a more supportive approach, it is proposed that the current enforcement provisions for breach of the CPD scheme, including the options to make payments for failure to comply, will be removed. This means that there will not be disciplinary consequences for a failure to comply with the specific requirements of the CPD Scheme.
- 1.55 There will, however, still be potential disciplinary consequences for those who fail to comply with the relevant principles of Actuaries' Code, including those relating to development and learning.

QAS CPD Scheme

- 1.56 Following a successful pilot, QAS organisations will, from July 2020 be able to apply to follow a fully outcomes focused CPD scheme. It is therefore built into this proposed new CPD scheme that Members that work for QAS accredited organisations that have elected to follow the outcomes focused option are exempt from the proposed CPD Scheme.
- 1.57 When renewing their membership, such Members will have to declare that they are employed by such a QAS organisation and therefore remain subject to the QAS CPD Scheme.
- 1.58 More information on the QAS CPD option can be found on the QAS webpage or from the QAS team⁵.

⁵ www.actuaries.org.uk/upholding-standards/quality-assurance-scheme/qas-outcomes-focused-cpd

2 Guidance and additional material

- 2.1 The IFoA is producing further guidance and material to help Members meet their obligations under the proposed Scheme.
- 2.2 This will include advice on how to assess one's learning needs and set objectives for the forthcoming CPD year. It will give pointers on how to analyse the learning outcomes of CPD activities. It will also contain information on what to expect and how to prepare for a reflective practice discussion, and how these discussions can be implemented into Members' working lives.
- 2.3 Recording CPD activities will no longer be mandatory however the recording portal on the IFoA website will remain open, should Members wish to keep a log of their CPD. The portal will be redesigned to help Members capture their learning outcomes and reflect upon their development.
- 2.4 For those that wish to apply for Non-Practising status, application forms and guidance will also be made available in due course.

3 Practising Certificate Holders

- 3.1 Part of the current criteria for a Practising Certificate (PC) is to meet the 'category 1' CPD requirements which include carrying out 'additional' CPD, over and above that required for other Members.
- 3.2 The proposal is that the substantive requirements for PC Holders will remain the same under the new scheme. However, those 'additional requirements' will be built into the PC criteria rather than set out within the CPD Scheme.
- 3.3 There will also be a move away from the concept of PC Holders having a unique 'PC CPD year' so that the CPD year for all Members (including PC Holders) is synchronised and will run from 1 September.
- 3.4 The additional requirement for PC Holders, set out in the PC Scheme will be to complete an extra 15 hours of CPD activities involving technical skills relevant to the role for which they hold a PC. This means that they will be required to carry out 30 hours of CPD activities in total: 15 hours as part of the general CPD Scheme requirements for all Members and an additional 15 hours of technical CPD as part of the PC requirements. For information the proposed draft amended PC Scheme is at Appendix B.
- 3.5 On renewing their IFoA Membership each year, PC Holders will be asked to declare compliance with the CPD Scheme obligations.
- 3.6 PC Holders employed by an organisation that is accredited under QAS and has opted to implement the outcomes focused CPD scheme will simply be required to confirm this is the case.
- 3.7 The proposed CPD Scheme will lead to all Members having the same CPD year, so a PC Holder's CPD year will no longer be determined according to the date their PC is granted. The additional requirements will also only apply while the PC Holder holds a PC, not from the time of application, as is currently the case. This means that for as long as someone is a PC Holder they will be subject to those additional requirements. If they change their status then they are no longer subject to those extra requirements. If

there is a change of status during a CPD year then the requirements will apply on a pro rata basis.

Reflective Practice Discussions

- 3.8 If selected for a Reflective Practice Discussion, PC Holders will be asked to discuss all CPD activities they have taken part in during the CPD period, irrespective of whether the activity was carried out to meet the requirements of the CPD Scheme or the PC Scheme.

Timings

- 3.9 Arrangements will be set out to ensure that there is an easy transition for PC Holders to the single CPD year.
- 3.10 Members that apply for an initial certificate or to renew their certificate prior to 31 August 2020, will be required to comply with the arrangements of the 2019/2020 CPD Scheme, which will extend until 31 August 2020.
- 3.11 During the period 1 September 2020 to 31 August 2021 those applying for an initial certificate or for renewal of their certificate will be required to comply with the requirements of the proposed CPD Scheme and the PC Scheme.
- 3.12 Some illustrations of how this is expected to work are set out below.

Example 1

A PC Holder who applies to renew their certificate on 25 July 2020, will comply with the extended 2019/2020 CPD Scheme and complete and record 30 Hours of CPD activities, of which 20 hours must relate to technical skills, of those 20 hours relating to technical skills, at least 10 hours must be obtained at external events and 2 hours must relate Professional Skills Training (PST).

Example 2

A PC Holder who applies to renew their certificate on 19 November 2020, will comply with the arrangements of the 2020/2021 CPD Scheme. They will be required to complete 15 hours of CPD activities, which includes 2 hours of PST. They will also be required to complete an additional 15 technical hours in compliance with the requirements of the PC Scheme. There is no requirement to record the activities, however they will be required to declare compliance with the CPD Scheme prior to renewing their Membership for 2021/2022.

Example 3

A Member who applies for an initial PC on 20 August 2020, will comply with the extended 2019/2020 CPD Scheme. They will be required to complete and record 30 Hours of CPD activities, of which 20 hours must relate to technical skills, of those 20 hours relating to technical skills, at least 10 hours must be obtained at external events and 2 hours must relate Professional Skills Training (PST).

Example 4

A Member who applies for an initial PC on 16 March 2021, will comply with the arrangements of the 2020/2021 CPD Scheme. They will be required to complete 15 hours of CPD activities, which includes 2 hours of PST. There is no requirement to record the activities, however they will be required to declare compliance with the CPD Scheme prior to renewing their Membership for 2021/2022.

4 Regulatory Impact Assessment

- 4.1 The current requirements to carry out CPD have been prescribed in the CPD Scheme since the last substantive review in 2014. The Scheme is subject to review every year which usually results in minor, administrative changes but there has not been a substantive review of the IFoA's approach to CPD for some time.
- 4.2 Having successfully piloted a different approach to CPD in QAS organisations, listened to Member's feedback on the current requirements and examined trends in CPD from other professional regulators, Regulation Board determined that the current requirements should be reviewed.
- 4.3 The proposed CPD Scheme sets out new requirements for all Members. The proposed Scheme is still "hours based", meaning it requires Members to carry out a particular number of hours of CPD activities in a year. The number of hours prescribed has not increased.
- 4.4 The proposed Scheme recognises a wider range of activities, with the aim of allowing Members to take part in more diverse methods of learning. This should help Members that don't have easy access to formal CPD events, such as seminars and conferences.
- 4.5 As with the current Scheme, the activities must have a learning outcome, however the definition of a "learning outcome" in the proposed Scheme is wider. The learning outcome can be relevant to the Member's current or future role, so that Members can consider their future development as well as maintaining knowledge in their field of specialism.
- 4.6 The proposed Scheme does not require Members to record their CPD activities, nor will they have to provide evidence of those activities to the IFoA through auditing. These changes address some of the grievances Members have had with the current Scheme.
- 4.7 The introduction of reflective practice discussions aims to support Members in carrying out more meaningful CPD. The discussion will allow Members to consider their learning objectives and the outcomes of their CPD activities.
- 4.8 The proposed Scheme requires Members to prepare for a discussion every year. Reflective practice discussions should be easily integrated into the appraisal or personal development review processes that many employers offer. However, not all Members are familiar with such processes, and critically assessing one's development needs may be a new experience for many. Members may also be unclear as to the possible outcomes of the discussions. Guidance will however be produced to alleviate this uncertainty and help Members prepare for them.
- 4.9 The new Scheme changes the CPD year, to align with the issuing of notices for renewal of membership. Some Members and their employers may have put in place processes that correlate with the CPD year, and therefore this change may cause some disruption during the period of implementation. However, given that it will combine this with the process already in place in term of renewals, it should be a simpler, easier single process for Members in the long term.
- 4.10 Removing the correlation between category of membership and CPD requirements might create additional administration for Members and it will cause others to become subject to a CPD requirement. However, that is, again, an implementation issue and should be simpler in the longer terms given that it introduces a single CPD requirement for all.
- 4.11 For those that hold a particular category that under the previous Scheme does not have CPD requirements, such as Affiliate, such Members will have to give consideration to the new Scheme and the conditions of "Non-Practising status".
- 4.12 For those that meet the conditions, they will continue to be exempt from CPD requirements, but will have to take action to be granted that exemption. For those that don't meet the conditions they will be subject to new obligations.

5 Key questions answered

Scope of the requirements

5.1. How does my Membership category affect my CPD requirements under this new scheme?

Under the new Scheme, someone's membership category isn't relevant to their CPD requirement – every Member has the same requirement unless they are eligible for an exemption or they are subject to requirements around CPD that are part of their eligibility for a Practising Certificate for key actuarial roles (explained in more detail in section 3).

5.2. Is Non-Practising status only for Members who are retired or who aren't in paid roles?

Any Member can apply for Non-Practising status if they are not currently involved in technical actuarial work. This might include Members who have retired completely or it might include those Members who are working but not involved in technical actuarial work, such as those acting as Non-Executive Directors or Trustees. They might also be Honorary Fellows who have never been involved in technical actuarial work. Whether work is paid or not is not relevant to someone's eligibility for Non-Practising Status. Applications can only be made where a member has, or intends to have, that status for 5 weeks or more (other than in relation to absence for parental or medical reasons where there is no such limitation).

5.3. How do I apply for Non-Practising status?

You will be able to apply for Non-Practising status at any time by completing an application form and sending it to the Membership Team. Once your application has been approved your entry in the online Actuarial Directory will indicate your Non-Practising status. Application forms would be published by the IFoA in advance of the new Scheme coming into force.

5.4. If I hold Non-Practising Status for less than a full CPD year, how will the requirement for the balance of the year be calculated?

The requirement for the rest of the year will be on a pro rata basis according to the number of weeks that your status is no longer in place (rounded down to the nearest week). The hours requirement will also be rounded to the nearest minute.

If you have held Non-Practising status for 32 weeks and 4 days, then you would be eligible to do 19 weeks of CPD. This equates to 4 hours 44 minutes of CPD plus 38 minutes of Professional Skills Training. The Membership Team will be able to confirm the amount of CPD for those who are unsure.

5.5. I am going on parental leave for nine months, can I apply for Non-Practising status for the period I am away?

Yes, it is proposed that during any absence for part of a CPD year, you would be treated as being Non-Practising for the period that you are away from work. You do not need to apply for the status, but you should notify the Membership Team at the time of renewal. The Actuarial Directory would not reflect any change in status if the reasons for absence relates to parental or medical leave.

The number of hours of CPD that you would be required to undertake would be on a pro-rata basis. If you are away from work for 40 weeks, you are therefore eligible for 12 weeks of CPD. This would equate to 3 hours of CPD plus 22 minutes of Professional Skills Training.

5.6. What happens if I change status during the year?

If your status changes during the year you should notify the Membership Team. Your CPD requirement for the year would be pro-rated from the time of the change of status. If you are unclear about what that means in practice then the Membership Team can help.

5.7. How do I manage my CPD if I join or leave a QAS accredited organisation?

If you join a QAS accredited organisation during the CPD year, and that organisation has opted to implement the QAS CPD Scheme, you will follow the policies and procedures in place by your organisation relating to CPD.

If you leave such a QAS organisation during the year, you must let the IFoA know so that your record can reflect your status. You will then follow the hours

based CPD Scheme. More information about the QAS Scheme can be found in the QAS materials⁶.

5.8. I am retired from my day job but still carry out some occasional work, does this mean I will be classified as a Non-Practising Member?

If the work that you carry out is technical actuarial work, you will not be eligible for Non-Practising status for the purposes of the CPD scheme, for as long as you are carrying out that work..

5.9. Are Honorary Fellows and Affiliate Members subject to the Scheme?

Yes, it is proposed that all Members will be subject to the requirements of the Scheme. However, Honorary Fellows and Affiliate Members (as with any other Members) who are not carrying out technical actuarial work will be eligible to apply for Non-Practising status.

5.10. I am a student member of the IFoA, does this mean I don't have to do any CPD under the new scheme?

Student Members are exempt from the scheme as they are subject to different IFoA requirements, including those under the Personal and Professional Development (PPD) Scheme. This reflects the different learning and development needs of those who are on the path to qualification as opposed to those who are already qualified

5.11. What happens if I work part time?

The CPD Scheme applies to all members in the same way regardless of the number of hours they work per week.

Requirements

5.12. Do I still have to attend 'external events'?

It will be for you to determine your learning and development needs depending on your current or future roles. If you do not have the opportunity to attend any external events or there are no appropriate external events for you, then that is fine, there is no specific requirement to do so. We would, however, encourage members to try, where possible, to obtain CPD from different sources, so that they benefit from a range of different perspectives.

5.13. Can I count CPD activities that relate to future roles that I am considering?

All activities must have a learning outcome. The can be relevant to your current or future role. Therefore any learning that builds on an area you are considering moving into is relevant.

5.14. What will happen if I have not completed any CPD during the year?

It is proposed that there will no longer be disciplinary consequences for failure to comply with the CPD Scheme, except in cases where the Actuaries' Code has been breached. The IFoA aim to better support Members in meeting their needs and assist Members in their professional development. However, Members are still required to comply with the Actuaries' Code and this requires Members to develop their knowledge and skill in a manner appropriate to their role.

Reflective Practice Discussions

5.15. What would the reflective practice discussion process involve?

A selection of Members will be chosen to participate in a discussion with IFoA executive staff to reflect upon their learning and development during the CPD year, the outcomes of their CPD activities and their plans for future development.

The discussion would take place by telephone (or possibly by videoconference) at a mutually agreed time. It is proposed that a suitably trained member of the executive would discuss with the Member their learning needs and the benefit gained from the CPD activities. The two way conversation may also help to identify any gaps in the Members' learning and allow for suggestions of further learning topics.

5.16. Who would the discussions be with?

The IFoA will have a trained, specialist team to support these discussions. Members will also be encouraged to have these discussions with their line managers and peers, even if not selected for a discussion with the IFoA team. How often will I be selected for discussion?

The IFoA is still to determine how it will select individuals for such discussion and about the frequency. It is unlikely that all members will be selected for such a discussion every year.

⁶ www.actuaries.org.uk/upholding-standards/quality-assurance-scheme/qas-outcomes-focused-cpd

⁷ More information on PPD is available on the IFoA website: <https://www.actuaries.org.uk/studying/practical-work-experience-ppd>

Recording

5.17. How do I make a declaration of compliance?

It is proposed that you will be asked to declare your compliance with the CPD Scheme in the membership renewal notice. This will be an online declaration in your own member record. Once you have declared compliance with the CPD Scheme you will be able to renew your membership in the usual way. Those who are exempt will be able to confirm that and also indicate whether they still have that status.

5.18. Can I still record my CPD on the IFoA website?

The CPD recording facility will still be available and will be updated to reflect the requirements of the new CPD Scheme, which will allow you to record your CPD activity, including the learning outcomes, should you wish to do so. However, this will not be monitored by the team and is not required.

5.19. Do I still need to retain evidence of participation in CPD activities?

No, evidence of participation in a CPD activity would not be required. During the reflective practice discussion, if randomly selected, you would have the chance to discuss activities, reflect on your learning and what you have gained from your CPD activities but you won't be asked to provide any evidence or proof of attendance.

Membership of other actuarial bodies

5.20. I satisfy the requirements of the Scheme by complying with the CPD Scheme of another IAA body, can I continue to do this?

As there are no longer recording and audit requirements, the provision in the scheme around recognised scheme of other IAA bodies has been removed. In most cases, if you are currently carrying out CPD under the requirements of another IAA body, it is very likely that you will be able to count those activities towards your IFoA hours requirement too. If you were chosen to carry out a reflective

practice discussion you would be required to take part in the discussion to reflect on the CPD that you had carried out during the year, as a Member of the IFoA.

5.21. Will you continue to confirm my compliance with the Scheme for my other professional body if required?

If you are required to prove compliance with the IFoA Scheme to another body, we would be willing to do that for you.

Timings

5.22. What happens between July 2020 and September 2020?

It is proposed that the current 2019/2020 CPD Scheme will extend to 31 August 2020. Therefore, Members will have two additional months in which they can meet their obligations under that scheme. More details are set out in the consultation document at paragraph 1.42.

For those members who complete their CPD requirements for 2019/2020 by 30 June 2020, they can, if they choose to do so, carry out activity in July and August 2020 and include that in the hours requirement for the 2020/2021 CPD year.

5.23. Does this mean that there will be no audits for the 2019/2020 CPD year?

It is proposed that the current audit arrangements (those in the 2019/2020 scheme) would apply in relation to compliance with that scheme. So those audits will start in January 2021, as usual, and be completed in summer 2021.

5.24. When would the reflective practice discussions start?

It is proposed that Reflective Practice Discussions will start from September 2021, with the possibility of some pilot discussions, for training and learning purposes, possibly taking place during the first half of 2021.

6 Consultation and how to respond

- 6.1. The deadline for responses is 17 April 2020.
- 6.2. Responses should be provided through the online questionnaire found on the IFoA's website at <http://www.actuaries.org.uk/regulation/pages/consultations-and-discussion-papers>.
- 6.3. We would strongly encourage responses via the online questionnaire. However, if there are reasons that you cannot complete it online you can provide a response to regulation@actuaries.org.uk or by post to:
- Regulation Team (Ref: CPD Review), The Institute and Faculty of Actuaries, Level 2 Exchange Crescent, 7 Conference Square, Edinburgh, EH3 8RA
- 6.4. Please mark any emails or letter with the clear reference 'CPD Review'. Please also try to answer the questions as set out in the online questionnaire. Please also indicate whether you wish any of the

information you supply in your response to be treated confidentially. Unless you so indicate, we may make responses to this consultation paper available on our website at www.actuaries.org.uk.

- 6.5. Virtual consultation meetings are being held on Wednesday 05 February and Thursday 02 April. We encourage Members and interested stakeholders to join to discuss and comment on these proposals. The details for signing up to these meetings are available online⁸.
- 6.6. The meetings will be recorded and uploaded onto our website. In advance of a meeting we would invite Members who are unable to join to provide questions or issues for discussions by email. Please clearly mark your correspondence as being a question/issue for the consultation meeting. Please note that for practical reasons it may be the case that not all questions or issues can be dealt with at the meeting.

⁸ www.actuaries.org.uk/upholding-standards/regulatory-communications-and-consultations/current-consultations/consultation-proposed-new-cpd-scheme

7 Questions

1. Personal information

Name:	
Position:	

2. Region

UK		India	
Republic of Ireland		Asia - other	
Rest of Europe		Canada	
South Africa		USA	
Africa - other		South or Central America	
South East Asia		Australia	
Hong Kong		Oceania - other	
China			

3. Are you a Member of the IFoA?

Yes		No	
-----	--	----	--

4. If yes, which category of membership do you hold?

Affiliate		Honorary Fellow	
Associate		Retired	
Certified Actuarial Analyst		Student	
Fellow		Student Actuarial Analyst	

5. If you are an actuary, what is your main practice area? (Answer one option only)

Life Assurance		Enterprise Risk Management	
General Insurance		Health and Care	
Pensions		Resource and Environment	
Finance and Investment		Other	

6. Do you want your name to remain confidential?

Yes		No	
-----	--	----	--

Do you want your comments to remain confidential?

Yes		No	
-----	--	----	--

7. About your organisation (if applicable)

Name:	
-------	--

8. Type of organisation (Answer one option only)

Actuarial consultancy		Public body or Regulator	
Insurance company or reinsurer		Educational Establishment	
Bank or Building Society		Not applicable	
Investment Firm		Other	

If other, please comment:

--

9. How many IFoA Members (if any) does your organisation employ?

None		101+ Members	
2-10		Sole practitioner	
11-50		Don't know	
51-100		Not applicable	

10. Do you want the name of your organisation to remain confidential?

Yes		No	
-----	--	----	--

11. Do these comments represent your own personal views or your organisation's views?

Personal views		Organisation's views	
Both personal views and organisation's views			

12. To what extent do you agree or disagree that the proposed new scheme is, overall, an improvement to the IFoA CPD requirements currently in place?

Strongly Agree		Disagree	
Agree		Strongly Disagree	

Please provide any reasons for your response here:

--

13. To what extent do you agree or disagree with the proposal to prescribe a single requirement for all Members?

Strongly Agree		Disagree	
Agree		Strongly Disagree	

Please provide any reasons or further explanation for your response here:

--

14. To what extent do you agree that 15 hours of CPD Activities including 2 hours of Professional Skills Training is a reasonable requirement for members of the Profession?

Strongly Agree		Disagree	
Agree		Strongly Disagree	

Please provide any reasons or further explanation for your response here:

--

15. To what extent do you agree that any additional requirements for specific roles should be embedded within the criteria relating to that role (for example Practising Certificate holders)?

Strongly Agree		Disagree	
Agree		Strongly Disagree	

Please provide any reasons or further explanation for your response here:

--

16. To what extent do you agree with the proposals to exempt from the CPD Scheme Members that meet the requirements of Non-Practising status?

Strongly Agree		Disagree	
Agree		Strongly Disagree	

Please provide any reasons or further explanation for your response here:

17. To what extent do you agree that those holding Non-Practising status (except those on sick or parental leave) should be shown on a public register?

Strongly Agree		Disagree	
Agree		Strongly Disagree	

18. Do you agree that the proposed criteria for 'Non-Practising' is appropriate?

Strongly Agree		Disagree	
Agree		Strongly Disagree	

If you disagree, what alternative criteria would you propose?

19. Do you agree that 'Non-Practising' is an appropriate description for that status?

Strongly Agree		Disagree	
Agree		Strongly Disagree	

If you disagree, what alternative description would you propose?

20. Do you agree that there should be an additional requirement for those with 'Non-Practising' Status to indicate that status when holding themselves out as an IFoA Member?

Strongly Agree		Disagree	
Agree		Strongly Disagree	

21. If you are an individual IFoA Member:

Please indicate your current CPD Category:

Category 1		Category 2	
Category 4		Category 5	
Category 6		Category 7	
Category 8			

22. On the basis of the proposed new Scheme, please indicate which of the following would you currently fall into (tick all that apply):

Non-Practising		Employee of QAS organisation that implements the QAS CPD Scheme	
Student Member		Member	

23. Do you agree with removing the requirement to record CPD activities?

Strongly Agree		Disagree	
Agree		Strongly Disagree	

Please explain the reasons for your response

--

24. To what extent do you agree or disagree with the proposal for reflective practice discussions?

Strongly Agree		Disagree	
Agree		Strongly Disagree	

Please explain the reasons for your response

--

25. To what extent do you agree with the scope of CPD activities being broadened?

Strongly Agree		Disagree	
Agree		Strongly Disagree	

26. Do you agree with the requirement to make a declaration of compliance?

Strongly Agree		Disagree	
Agree		Strongly Disagree	

27. Do you agree that the reflective practice discussions will improve the IFoA's support of Members in their professional development?

Strongly Agree		Disagree	
Agree		Strongly Disagree	

28. Are there any aspects of CPD that you think have been overlooked in these proposals?

--

29. Do you have any additional or alternative ideas about how the IFoA ought to regulate CPD?

--

30. Are there any impacts of the proposals that you feel have not been considered in this paper? If so, please explain what those are.

--

31. Do you anticipate that there would be any practical or resource implications caused by the introduction of the proposed Scheme? If yes, what sort of implications do you anticipate?

--

32. If you wish to provide any other feedback not already covered then please do so here.

Appendices

- A. Proposed CPD Scheme
- B. Practising Certificates Scheme
- C. QAS CPD Scheme, relevant to 2018-2020 pilot



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Continuing Professional Development (CPD) Scheme

Version: 1.0, effective from 1 September 2020

Purpose: This CPD Scheme sets out the requirements applying to **Members** in relation to Continuing Professional Development. Those supplement the relevant provisions of the **Actuaries' Code**.

1. Application of CPD requirements

1.1. The requirements in this CPD Scheme apply to all **Members** except:

- 1.1.1. **Student Members;**
- 1.1.2. **QAS Members;** and
- 1.1.3. **Non-Practising Members**

1.2. Members that are on parental leave or absent from work for health reasons will be deemed to be **Non-Practising Members** for the purposes of the requirements of section 2 of this CPD Scheme.

1.3. When a **Member's** status in terms of paragraph 1.1 above varies during a **CPD Period**, the requirements set out in section 2 below will apply on a pro-rata basis using the dates that their status changed.

2. CPD requirements

- 2.1. **Members** must carry out 15 hours of **CPD Activities** during each **CPD Period**.
- 2.2. Two of those hours must constitute **Professional Skills Training**.

3. Monitoring and Reflective Practice

- 3.1. **Members** must, if selected to do so, participate in a **Reflective Practice Discussion** with the **IFoA**.
- 3.2. **Members** should prepare for such a **Reflective Practice Discussion** every **CPD Period**.
- 3.3. **Members** must ensure they are in a position to explain how they have met their **CPD Requirements** for the previous **CPD Period** where asked by the **IFoA** to do so. This may be facilitated using the **IFoA's Optional Recording System**.

4. Interpretation and application

- 4.1. This CPD Scheme uses the word “must” to mean a specific mandatory requirement. It uses the word “should” to indicate that, while the presumption is that **Members** will comply with the provision in question, there may be some circumstances in which **Members** are able to justify non-compliance.
- 4.2. In the event of any inconsistency between this CPD Scheme and the **Actuaries’ Code**, the **Actuaries’ Code** prevails.

Term	Definition
Actuarial Work	Work undertaken by a Member in their capacity as a person with actuarial skills on which the intended recipient of that work is entitled to rely. This may include carrying out calculations, modelling or the rendering of advice, recommendations, findings, or opinions.
Actuaries’ Code	The ethical professional code for Members issued by the Institute and Faculty of Actuaries.
CPD Requirements	The requirements imposed upon Members in relation to Continuing Professional Development including this CPD Scheme and the wider development and learning requirements of the Actuaries’ Code.
CPD Activities	Activities that involve development and learning relevant to a Member’s Actuarial Work (current or future) or professional development, which address a personal development need and have an identifiable Learning Outcome. Those activities can be wide ranging and include, for example, lectures, seminars, workshops, webinars, personal reading and research. It could also potentially include carrying out Actuarial Work where that has a relevant Learning Outcome.
CPD Period	The period between 1 September and 31 August.
IFoA	The Institute and Faculty of Actuaries.
Learning Outcome	Knowledge and/or skills which the Member gained as a result of taking part in an activity.
Member	A member of the IFoA
Non-Practising Member	A Member that has been registered, following application, with the IFoA as ‘Non-Practising’. This may include, for example, Members that are: retired from actuarial practice; not carrying out technical Actuarial Work; or on a career break.
Optional Recording System	The IFoA’s non-mandatory CPD recording system, available for use by Members to assist with keeping track of CPD Activities and recording Learning Outcomes

Professional Skills Training	CPD Activities with a Learning Outcome related to managing professional ethical challenges.
Reflective Practice Discussion	A discussion to allow the Member to reflect on the CPD Activities carried out during the previous CPD Period, Learning Outcomes achieved and how they have applied what was learnt; as well as to discuss how they intend to approach future development and learning, including anticipated other work and/or roles.
Student Member	A Member that is not a Fellow, Associate, Affiliate, Honorary Fellow, or Certified Actuarial Analyst.
QAS Member	A Member that is employed by an organisation or part of an organisation accredited under the Quality Assurance Scheme, that is registered with the IFoA as being part of the QAS CPD Scheme
QAS CPD Scheme	The outcomes focused CPD scheme available to organisations accredited under the Quality Assurance Scheme.

DRAFT



Institute
and Faculty
of Actuaries

Practising Certificates Scheme

Contents

1. [Overview](#)

A: Criteria to be awarded a PC

2. [Introduction](#)

3. [Fellowship](#)

4. [Practice Modules](#)

5. [Recent and relevant experience](#)

6. [Technical Experience Criteria](#)

7. [Validation and Verification of Data](#)

8. [CPD requirements^{year}](#)

9. [Attestation from an existing PC holder](#)

10. [Declarations and disclosures](#)

11. [Identity and Criminal Record Checks](#)

12. [Withdrawal or suspension of PC](#)

13. [Fit and proper and the Disciplinary and Capacity for Membership Schemes](#)

14. [Duration of the PC](#)

B: The Application process

15. [Application forms](#)

16. [Timeline to process applications](#)

17. [Renewal applications received after the 21 day processing timeline](#)

18. [Cost of a PC](#)

19. [Appeals process](#)

20. [Communications](#)

Appendix 1: [Governance of the PC Scheme](#)

Appendix 2: [Technical Experience criteria: Chief Actuary](#)

Appendix 3: [Technical Experience Criteria: Chief Actuary \(Life, Non-Directive\) and With Profits Actuary](#)

Appendix 4: [Technical Experience criteria: Lloyd's](#)

Appendix 5: [Technical Experience criteria: Pensions](#)

REQUIREMENTS OF THE PRACTISING CERTIFICATES SCHEME FROM 1 January 2020 (the 'PC Scheme')

1 Overview

1.1 There are specific roles identified in legislative, regulatory requirements and/or guidance which are reserved for actuaries, or which are commonly held by actuaries. IFoA members who hold the following roles must hold the relevant Practising Certificate (PC):

- Scheme Actuary to a pension scheme;
- Chief Actuary with accountability for the actuarial function under Article 48 of the Directive on Solvency II;
- Small Insurer Chief Actuary to a life insurance business;
- Reviewing Actuary, advising the auditor of a life insurance business;
- Appropriate Actuary to a life insurance business;
- With-Profits Actuary to a life insurance business; and
- The Actuary providing an Actuarial Opinion for a Lloyd's Syndicate.

1.2 PCs demonstrate that the actuary who holds them is fit and proper and has the necessary skills and experience to be a PC holder and potentially to carry out reserved work, thereby protecting the public interest.

1.3 The [Actuaries' Code](#) requires that members ensure they have 'an appropriate level of relevant knowledge and skill' to perform their professional duties competently and with care. The provision and retention of PCs is subject to the [Charter, Bye-Laws, Rules and Regulations](#) of the Institute and Faculty of Actuaries (IFoA).

1.4 A public register of PC holders is maintained by the IFoA.

1.5 The Regulation Board of the IFoA has delegated authority from the Council of the IFoA to ensure the effective regulation of the IFoA's members. PCs are issued by the Practising Certificates Committee (PCC) under delegated powers and authorities from the Regulation Board. The PC Scheme and the roles for which a PC is required is subject to periodic review to ensure it remains proportionate and fit for purpose. Details on the governance of the PC Scheme are set out in [Appendix 1](#).

1.6 This document is effective for all initial or renewal PC applications received on or after 1 January 2020.

A. Criteria to be awarded a PC

2. Introduction

To award a PC, the PCC must be satisfied that the applicant:

- i) is fit and proper to hold a PC; and
- ii) meets the Criteria set down by the IFoA in force at the date of the application.

The following guidance outlines how the PCC will apply the Criteria for applications made from the date this guidance is current and is designed to assist applicants in making full and complete applications in a timely manner. Applicants are requested to read this document carefully before making either an initial or a renewal application.

3. Fellowship

The applicant must be a Fellow of the IFoA¹ who qualified by examination or has been admitted under the terms of a Mutual Recognition Agreement (MRA) with another actuarial organisation.

Details of the IFoA MRAs with other actuarial bodies can be obtained from the IFoA [website](#).

4. Practice Modules

All initial applicants who completed the examinations of the IFoA from and including 2005, and all Fellows admitted under the terms of an MRA, are required to have taken and passed the relevant UK Practice Module, unless they have previously completed the relevant IFoA 400 series examination.

Details of the UK Practice Modules (which are multiple choice web-based tests around current UK practice and requirements) can be obtained from the IFoA [website](#).

The following Practice Modules should be passed for each certificate type:

Certificate type	Practice Module
Chief Actuary (Life), Chief Actuary (Life, Non-Directive) and With Profits Actuary	P2 (Life Insurance)*
Chief Actuary (non-Life with Lloyd's), Chief Actuary (non-Life without Lloyd's) and Lloyd's Syndicate Actuary	P3 (General Insurance)
Scheme Actuary	P4 (Pensions)

(* For cases where the Practising Certificate is limited to health-type companies, P1 (Health and Care) may be acceptable.)

5. Recent and relevant experience

All applicants are required to demonstrate that they have gained sufficient and relevant experience of the Technical Experience Criteria of the work reserved for a certificate holder whilst qualified as a Fellow of the IFoA (or as a full member of another actuarial body if admitted more recently under an MRA).

For all PCs, other than Chief Actuary PCs, the applicant must demonstrate to the PCC that the required breadth and depth of technical experience has been gained recently i.e. during a period of:

- at least three years in the last five years, and
- at least three months in the last 18 months.

For Chief Actuary PCs only, the applicant must demonstrate to the PCC:

- breadth in a substantial number of the stated technical areas during a period not exceeding the last 10 years; and
- depth of a number of the technical areas during a period of:
 - at least three years in the last five years, and
 - at least three months in the last 18 months.

¹ Throughout, the term "Institute and Faculty of Actuaries" includes where relevant either of its two antecedent bodies.

It is not necessary for an applicant to demonstrate sufficient experience in each and every year in the last 10 years, and an applicant may demonstrate sufficient experience during a period of less than 10 years.

The required technical experience for all PCs is set out in Appendices 2 to 5.

A. *Recent experience*

At least three years in the last five years, and at least three months in the last 18 months.

It is not necessary for the applicant to have gained exposure to all aspects of the relevant technical experience requirements in each and every year (or part year) of the three year period, just that the applicant has demonstrated sufficient and appropriate experience of relevant work during a period of at least three years (not necessarily consecutive) in the last five years, and during a period of at least three months (not necessarily consecutive) in the last 18 months.

General

The PCC will not have regard to whether the applicant has worked part-time versus full-time in the area concerned, nor whether the applicant has worked part of their time in relevant work to which the technical experience criteria relate and part of their time on other activities. The PCC will look at the applicant's experience in terms of what relevant work activities they have done or supported, not how many hours they actually worked in doing or supporting those activities. Nevertheless, the level of work carried out in each of the relevant three years does need to be sufficient and material.

If the applicant has been absent from work during the relevant period for whatever reason, they are still required to demonstrate having gained the required experience of relevant work during a period of at least three years in the last five years and during at least three months in the 18 months to the date of application for a certificate². This is, in part, to demonstrate that the applicant is familiar with the latest developments in the field. The experience could be gained before or after (or both) the career break. It is therefore important for applicants to work with their employer or firm to plan a program of reserved work to support future applications. The PCC is happy to provide advice in relation to particular circumstances when members are planning career breaks.

If the applicant cannot demonstrate relevant technical experience during a period of at least three of the last 18 months, the applicant will likely be asked to resubmit their application when they have gained such relevant technical experience. This could, for example, be up to three months later if the applicant focuses the work they do over that time on relevant work activities.

B. *Relevant experience*

As well as being recent, the technical experience gained by the applicant also needs to have been gained providing actuarial advice at an appropriately senior level.

For PC holders actually in reserved roles, this should be straightforward in relation to the work reserved to a reserved role holder given the nature of such work.

For technical experience gained by:

- a) initial applicants;
- b) members who hold a PC but do not hold any reserved roles; and
- c) members who are reserved role holders and are also providing support to other reserved role holders³

² This applies also to the "during 10 years" breadth of experience requirement for Chief Actuary PCs".

³ For example, a PC holder who is appointed as Scheme Actuary to one or more pension schemes may also support other actuaries or scheme actuaries on other pension schemes. An insurance consultant may act as Reviewing Actuary for one insurer and may also support the Chief Actuary of another insurance company. A Lloyd's PC holder may sign opinions for one Syndicate and provide critical review of the work of the signing actuary for another Syndicate.

the PCC requires the applicant to demonstrate that such technical experience meets the criteria in i) and ii) below, with iii) potentially providing additional valid experience.

- i) The technical experience gained should demonstrate that the applicant has applied their knowledge to:
- o analyse complex problems in terms of actuarial, economic and financial factors;
 - o integrate the results of such an analysis into a coherent whole;
 - o evaluate critically and interpret the results in a wider context;
 - o draw appropriate conclusions;
 - o make appropriate recommendations; and
 - o draft and deliver that advice to the user.

The PCC requires applicants to demonstrate the utility of the advice given i.e. not just a calculation process but that the actuary has formed conclusions around those calculations, the sensitivity of those calculations to changes in assumptions, and communicated and discussed recommendations to the user on the back of those calculations. The underlying objective may be compliance, risk management and/or economic in nature.

- ii) The applicant should either:
- a. be responsible to the user for the work underlying the specific technical experience; or
 - b. to have worked closely with the reserved role holder who was responsible. This may include preparing, drafting and delivering advice and recommendations.

The PCC require the applicant to demonstrate the seniority of the level of work that the applicant has done, specifically whether the applicant has:

- o been personally responsible to the user for the advice; or
- o has substantially developed (prepared, drafted etc.) that advice to be signed off by another actuary.

The PCC will also be looking for the applicant to demonstrate that they have delivered or participated substantially in the delivery of that advice, either face to face in meetings or on conference calls, to the user, including situations where the advice has been challenged and defended.

Delivering advice to the user or client is part of the professional 'backbone' expected of PC holders, not just in terms of developed communication skills but also in the actuary explaining and reviewing or defending their advice to challenge as appropriate. The applicant needs to state clearly in the application form what experience they have had in delivering advice to users and clients.

It is important that new applicants for a PC, and renewal applicants who may have had little recent client facing experience, work with their employers and firms to build up that experience in support of their PC application.

- iii) For all applicants, the PCC may also have regard to technical experience gained through:
- peer review work (prior to the introduction of APS X2); or
 - work review or independent review (since the introduction of APS X2).
- where that work involved critical appraisal of the work of the first actuary.

Although review work would be considered by the PCC as a contribution towards meeting the required recent and relevant technical experience criteria, it would not in itself be sufficient to be awarded a PC.

In practice, review work can cover a variety of scenarios only some of which the PCC may consider as relevant experience for an applicant. Review work could:

- describe acting as a sounding board for a piece of work and involve discussions only of high level principles; or
- involve a formal (or even statutory) and detailed technical review of work undertaken by another actuary on which the reviewer would produce a formal opinion.

The PCC would not normally consider the first example to be relevant technical experience but may consider the second to be.

It is not possible to set a clear rule when there are different practices around review work in the market. Where an applicant has undertaken review work they should be clear on the scope, extent and deliverables of that work in the application form to enable the PCC to consider if the work is suitable to be deemed a contribution to relevant technical experience.

6. Technical Experience Criteria

6.1 The Technical Experience Criteria are set by the relevant Boards in consultation with the PCC to reflect expectations of a reserved role holder. They will be updated from time to time.

The technical experience criteria by Practice Area, and Guidance from the PCC as to how the PCC will apply the technical experience criteria, and where the PCC may have discretion around the criteria, are set out in appendices 2-5 for the following certificates:

- [Scheme Actuary Certificate](#)
- [Chief Actuary \(Life\), Chief Actuary \(non-Life without Lloyd's\) and Chief Actuary \(non-Life with Lloyd's\) Certificate](#)
- [Chief Actuary \(Life, Non-Directive\)-Certificate](#)
- [With Profits Actuary Certificate \(WPA Certificate\)](#)
- [Lloyd's Syndicate Actuary Certificate](#)

6.1.1 Further clarity on the types of Life and non-Life certificates required is below:

- The Chief Actuary for a life insurance company/business will need to obtain a Chief Actuary (Life) Certificate.
- A Chief Actuary for a non-life insurer/business that does not conduct Lloyd's business will need to obtain either a Chief Actuary (non-Life without Lloyd's) Certificate or a Chief Actuary (non-Life with Lloyd's) Certificate.
- A Chief Actuary for a non-life insurer/business that conducts Lloyd's business will need to obtain a Chief Actuary (non-Life with Lloyd's) Certificate.
- The Chief Actuary to a large non-directive insurer will need to obtain either a Chief Actuary (Life) Certificate or a Chief Actuary (Life, Non-Directive) Certificate.
- The Small Insurer Chief Actuary will need to obtain either a Chief Actuary (Life) Certificate or a Chief Actuary (Life, Non-Directive) Certificate.
- The Appropriate Actuary will need to obtain a Chief Actuary (Life, Non-Directive) Certificate.
- The Appropriate Actuary to a firm carrying out with-profits business will need to obtain a Chief Actuary (Life, Non-Directive) Certificate and a With Profits Actuary Certificate.
- The Reviewing Actuary of a Solvency II Firm will need to obtain a Chief Actuary (Life) Certificate and the Reviewing Actuary of any other firm will need to obtain either a Chief Actuary (Life) Certificate or a Chief Actuary (Life, Non-Directive) Certificate.

If an insurer/business conducts a combination of Life, non-Life or non-Life with Lloyd's business then more than one Certificate will need to be obtained. However, where an organisation has a Life focus for their business but may write a very small amount of Non-Life business, or vice versa, it may be considered to be disproportionate to require the Chief Actuary in such an organisation to hold both Chief Actuary (Life) and Chief Actuary (Non-Life) Certificates. Exceptionally, the PCC may use

discretion to award one Practising Certificate to cover all of the Chief Actuary's business in such circumstances.

It is understood that the Chief Actuary function may on occasion be performed by more than one person (such as in a job share situation) and that it may be permissible for different individuals to be responsible for discrete parts of the required work. In such circumstances, each member who is fulfilling part of the Chief Actuary role, and approved as such by the PRA, will need to hold a relevant Chief Actuary certificate.

- 6.2 The PCC may, at its discretion, determine that alternative relevant technical experience is an acceptable substitute to reserved work experience. However such experience will only be considered where the applicant can already demonstrate substantive adherence to the technical experience criteria. The PCC will not usually apply its discretion for more than one year and will expect the applicant to demonstrate that they have met the recent and relevant technical criteria in the year following the application of discretion.
- 6.3 Where an applicant does not meet the technical criteria to be awarded a full PC, the PCC may grant a restricted certificate. Examples of where a restricted certificate may be granted include certificates to cover:
- specific types or circumstances of pension schemes (e.g. those being wound up);
 - specific types or circumstances of insurance companies or insurance business (e.g. health insurance);
 - specific roles (e.g. Chief Actuary (Life) but limited to Reviewing Actuary roles).

7. Validation and Verification of Data

- 7.1 The PCC, assisted by the IFoA's Membership Team, will seek to validate information presented with an application. In particular:
- that the applicant has ~~met confirmed compliance with~~ the ~~Category 4 additional~~ CPD requirements ~~set out in section 8 below~~;
 - that the applicant has ~~confirmed they have~~ met their Professional Skills Training requirements;
 - that the applicant's experience meets the technical criteria.

The PCC may waive either or both of the first two above requirements in exceptional circumstances where it is considered, in the PCC's sole discretion, that the public interest is not served by the refusal of the applicant's PC.

An Identity and Basic Criminal Record Check is required for all initial applications and for all renewal applications every five years. Where an applicant can evidence that they have met the PRA or FCA fit and proper requirements within the last five years, then (subject to satisfactory evidence of this being provided with the application), no further checks will be needed until five years after meeting the PRA or FCA requirements.

For initial applications, the PCC may contact the PC holder who signs the attestation. The role of the attester is an important one. Attesters should retain evidence to support the basis of their attestation.

- 7.2 The IFoA reserves the right to carry out further validation checks on a sample basis.

8. CPD ~~year~~ requirements

- 8.1 All PC Holders must, in addition to the requirements Clause 3.2 of the CPD Scheme, carry out an extra 15 hours of CPD Activities during each CPD Period. This means that PC Holders will be required to carry out a total of 30 hours of CPD Activities during a single CPD Period.

8.2 ~~The additional 15 hours of CPD Activities must relate to skills which are technical in nature and relevant to the role (or roles) covered by the PC that they hold.~~

8.3 ~~These additional requirements apply from the date upon which the PC is effective, whether an initial or renewed PC.~~

8.4 ~~Where a PC Holder is granted a new PC, has their PC withdrawn or resigns their PC during the course of a CPD Period, these additional requirements will apply on a pro-rata basis using the dates from when their PC is effective (if granted) or no longer in place (if withdrawn or resigned). Those dates can be confirmed by the Membership Team if there is any uncertainty.~~

~~states that “The Category 1 CPD year runs for one full year from the relevant date.” where the relevant date is “either, the date of the member’s application for a PC, whether an initial or renewal application; or selected by the member in accordance with the provisions of the PC Scheme.” To be eligible to apply for an initial PC, you must comply with the Category 1 requirements in place at the time of application.~~

~~For the purposes of Clause 3.2, compliance with Category 1 CPD may be measured as follows.~~

Initial Applications	Measured over the year to the date the application for a PC is made
Renewal Applications	<p>Either</p> <p>Measured over the year to the date the application for a PC is made (if an application is made more than three months before the date the renewal certificate is due the application will be treated as if it had been made three months before the date the renewal certificate is due), or</p> <p>Measured over a 12 month period ending not more than three months before the date the renewal certificate is due. The period under this option will be set by the applicant but must be disclosed to the Membership Team as part of the application process.</p> <p>In any event:</p> <p>If the time period CPD was measured over for the previous application overlaps with the time period CPD is measured over in the current application, the same piece of CPD cannot be claimed for both applications; and</p> <p>The time period CPD is measured over cannot be greater than a year (i.e. 365 days or 366 in a leap year).</p>

8.2 ~~The Membership Team will verify that the applicant has met the requirements of the CPD Scheme by checking their CPD record over the period in question. It is imperative therefore that the applicant has updated their CPD record on the IFoA’s website before submitting their application.~~

8.3 ~~As detailed in the CPD Scheme, Category 1 members must record a meaningful learning outcome for each CPD activity listed in their online CPD record. A learning outcome should include a description of the knowledge and/or skills which the member gained as a result of taking part in the CPD activity. The Membership Team will check that suitable learning outcomes have been maintained.~~

8.4 Applicants who are included in the IFoA's [Pilot QAS CPD Scheme](#) for outcomes based CPD should indicate this on their application form.

~~8.5 Applicants who are absent from work for more than three consecutive months may apply for a partial exemption from the requirements of the CPD Scheme. Please see section 11.1.1 of the [CPD Scheme](#) for further information.~~

9. Attestation from an existing PC holder

9.1 A. General

The attestation is included as part of the application form for an initial application. It must be completed by a PC holder with the same type of PC as the applicant is applying for, subject to the following additional possibilities:

- A WPA certificate holder may attest an applicant for a Chief Actuary (Life) or a Chief Actuary (Life, Non-Directive) certificate.
- A Chief Actuary (Non-Life) certificate holder (with or without Lloyd's) may attest an applicant for a Chief Actuary (Non-Life) certificate (with or without Lloyd's), i.e. the with or without Lloyd's aspect is disregarded for attestation purposes.

The attester may not report to the applicant.

The attestation is an important part of the overall application process and the role of the PC holder making the attestation (i.e. the attester) is an important one. The attester does so in a personal capacity. The attester is reminded that their conduct in providing the attestation is covered by the Actuaries' Code and the Disciplinary and Capacity for Membership Schemes.

It is not the role of the attester to assess the suitability or the extent of the applicant's technical expertise, as this task falls to the PCC itself. The two key roles of the attester are:

- To satisfy themselves that the experience set out on the application form has been accurately and reasonably described, and the attester may wish to discuss the experience with the applicant to ensure that this is the case.
- To confirm that, in the attester's opinion and to the best of the attester's knowledge, the applicant has the self-assurance, influencing skills and ethical standards to behave professionally, exercise sound judgement and meet regulatory requirements when faced with the pressures which may arise in executing the reserved work for which the certificate is required, and that the applicant is a fit, proper and suitable person to hold a practising certificate.

The attester does not have to work on a day-to-day basis with the applicant, nor is the attester accepting responsibility for that applicant's work going forward. However, the attester will need to have or have had reasonable professional contact with the applicant in order to give the second attestation referred above.

If the attester wishes to bring specific points to the attention of the PCC, the attester may do so in the space provided on the attestation form. The PCC will then consider this additional information when reviewing the application.

A PC holder who is asked to make an attestation is recommended to keep a record or audit trail which evidences the reasoning they employed in making that attestation and should retain this evidence until the outcome of the application is known. This is because the PCC may contact the attester to discuss the basis of their attestation.

If a PC holder has concerns that an applicant does not have the relevant experience or suitability to attest to an applicant's relevant experience and suitability, the PC holder should make enquiries until

they are satisfied. The attester should document the steps that they have taken to satisfy themselves that the applicant meets the conditions set out on the attestation form. That is:

- the attester has reviewed and discussed the experience set out in the application with the applicant and is satisfied that the examples of work provided have been accurately and reasonably described; and
- in their opinion and to the best of their knowledge, the applicant has the self-assurance, influencing skills and ethical standards to behave professionally, exercise sound judgement and meet regulatory requirements when faced with the pressures which may arise in executing the reserved work for which the certificate is required, and that the applicant is a fit, proper and suitable person to hold a practising certificate.

Although the attester is not responsible for the future actions of the applicant they attested to, a PC holder considered to have made attestations in a reckless fashion may be referred under the Disciplinary and Capacity for Membership Schemes. If the attester is not satisfied as to the relevance of the experience or as to the suitability of the applicant, then no attestation should be provided.

If an applicant does not have sufficient professional contact with a PC holder who holds the same type of PC that they are applying for, they should contact the [Membership Team](#) who will work with the applicant to find a suitable alternative.

B. Additional considerations for initial applications for Chief Actuary PCs

The attester must not, at the date of the application, be, or have otherwise committed to become, the CEO or CFO of the entity to which the applicant will be the Chief Actuary.

C. Applicants who let a previous PC lapse

If a former PC holder who did not renew their PC at the date their previous PC expired subsequently wishes to apply for a new PC, then that application should be made using the relevant renewal application form provided the application is made (with all relevant information provided and complete) within 18 months of the date of expiry of the previous PC. In particular, the applicant will not in these circumstances be required to obtain an attestation from an existing PC holder.

Former PC holders who make an application to hold a PC 18 months or more after the date their previous PC expired, must do so using the initial application form including obtaining an attestation from an existing PC holder.

10. Declarations and disclosures

10.1 Applicants are required to answer a number of questions and make a number of declarations and disclosures focussed on assessing if the applicant is fit and proper to hold a PC and potentially, therefore, to carry out work reserved to a reserved role holder.

The applicant must disclose any and all matters applicable to these questions, declarations and disclosures. If the applicant is unsure whether to disclose something, they are advised to err on the side of transparency and disclose it.

Applicants are not required to provide previously disclosed offences at each renewal. It is sufficient to note on the application form “see previous declaration” to assist the Membership Team in processing the application efficiently.

For all PC applications, the applicant must also attest to compliance with [APS X2](#).

10.2 Experience and knowledge to carry out a reserved role

PC holders are reminded of the requirements of the Actuaries' Code. In particular, that a PC holder must ensure they have and maintain an appropriate level of relevant knowledge and skills to carry out a particular reserved role with competence and care and if, for whatever reason, they do not, that they take the necessary steps to obtain that level of relevant knowledge and skills.

10.3 Time and resources

All applicants are required to make a declaration, as part of the application form, that they have the necessary time and resources to carry out work reserved to a PC holder that they expect to do over the 12 months that the PC covers. This declaration demonstrates that the applicant has reflected on their work commitments, as they stand at the date of the application, as and against the time and resources which they have at their disposal to carry out work in the reserved role and plan accordingly.

11. Identity and Basic Criminal Record Checks

11.1 The IFoA will action Identity and Basic Criminal Record Checks through Experian to validate the declarations made by the applicant in the application form. Identity and Basic Criminal record checks will apply:

- o automatically to each initial applicant; and
- o to all renewal applicants every five years. PC holders will be advised 12 weeks in advance of their renewal date if an Identity and Basic Criminal Record Check will be carried out as part of their application that year.

Once the checks have been carried out, they will normally be refreshed on a five year cycle.

The PCC will use the information from these checks and other information in the application to assess if the applicant is fit and proper to hold a PC. The information may also be used by the Disciplinary and Capacity for Membership Schemes if the PCC refer the applicant under the Disciplinary and Capacity for Membership Schemes, or under the Appeals Process, if the applicant appeals the decision of the PCC.

Where the required data may not exist, or only partially exist, for example where the applicant has been overseas for a significant period, the PCC will consider the data available but in the process reserve the right to consider other data that may come to its attention in the future which would verify the declarations made by the applicant.

The information will not be used for any other purpose and access to the files will be strictly controlled in accordance with GDPR.

If you have any queries regarding how your data may be used or retained by third parties such as Experian please contact the Membership Team.

11.2 The IFoA will not otherwise conduct an Identity and Basic Criminal Record Check where the applicant has demonstrated that they meet the PRA's or FCA's fit and proper requirements. This may include, in due course, evidence that the applicant has undergone regular criminal checks since the date their PC was first awarded and, if they have not, that they participate in the IFoA's checks every five years.

12. Withdrawal or suspension of PC

12.1 The PCC reserves the right at its discretion to withdraw or suspend a PC holder's certificate and in taking this decision may have regard to relevant information obtained by the IFoA in the exercise of

its regulatory functions. Such information would ordinarily be such as to raise material concern as to the quality of a member's work. Such decision will be supported by written reasons and will only be taken after giving the PC holder in question opportunity to present and/or explain their perspective.

Additionally, the PCC may otherwise not renew or grant a PC if it considers that this is necessary in the furtherance of the public interest. In such circumstances, the PCC will communicate to the applicant its reasoning, and what actions the member should take in order to address the situation.

If a PC holder or applicant does not accept the PCC's decision in either of the above situations, or indeed on any other aspect of an application, such as whether the applicant meets the technical experience criteria, the applicant may take the matter to [appeal](#) (see section 19 of this document).

If the Disciplinary and Capacity for Membership Schemes determines that a PC is to be suspended for a period of time, or that a PC holder may not apply or reapply for a PC for a period of time, then the PCC will comply with that finding.

13. Fit and Proper and the Disciplinary and Capacity for Membership Schemes

13.1 Fit and proper is a requirement that many professions require of their members. In particular, the FCA and PRA have regard to whether an actuary working in certain insurance roles is fit and proper to carry out that role. The IFoA looks in a similar way at whether an actuary is fit and proper to carry out a reserved role.

The PCC needs to be satisfied, based on the evidence of the information declared by applicants and the results of checks on that information carried out by the PCC that the applicant is in particular:

- o honest and trustworthy;
- o willing to comply with regulatory requirements; and
- o able responsibly to manage financial affairs for themselves

and that there is no evident risk that granting the applicant a practising certificate will diminish the public's confidence in the IFoA.

In considering whether an applicant is fit and proper to hold a PC, the PCC will take into account any adverse Disciplinary Tribunal finding, court or regulatory authority judgment or other adverse finding against the applicant. In doing so, the PCC recognises that its role is not to 'punish' but to make appropriate judgements whether an applicant is fit and proper to hold a PC in the light of the IFoA's public interest role.

For the avoidance of doubt, the PCC will not take into account the existence of any disciplinary proceedings against a PC applicant or PC holder (if it becomes aware of such proceedings) unless and until any adverse disciplinary finding emerges. If an adverse disciplinary finding emerges, the PCC may in the circumstances of the case and the other information available, nevertheless be satisfied that the actuary is still a suitable person to hold a PC despite the adverse disciplinary finding (unless, as referred to in section 12 above, it is a specific finding of the disciplinary process that the PC is withdrawn or suspended).

If the PCC identify information, at any time, through an Identity and Basic Criminal Record Check or otherwise, which appears to contradict any of the information presented or declarations made by the applicant in their application, or made by the attester to an initial application, then in the first instance the applicant, or the attester, will be asked to explain the apparent anomaly. This could include information presented that seems incorrect (e.g. the applicant claimed experience that they did not have or the attester attested that the applicant had experience that they did not have) or incomplete (e.g. the applicant did not disclose a prior offence).

If the PCC consider that the application contains false declarations, or where the member is acting in a capacity for which a PC is required but the member does not hold a PC at the time, the PCC may refer the matter under the terms of the IFoA's Disciplinary and Capacity for Membership Schemes.

If an applicant does not accept the PCC's decision on fit and proper, or indeed on any other aspect of the application, such as whether the applicant meets the technical experience criteria, the applicant may take the matter to [appeal](#) (see section 19 of this document).

14. Duration of the PC

- 14.1 Unless withdrawn or suspended for any reason referred to above in this document, each PC lasts for a fixed period of 12 months from the date it is granted. Extensions are not permitted, and it is the responsibility of the PC holder to apply for a renewal certificate comfortably in advance of the date the current certificate expires. Where a PC has previously been granted using discretion, it will be particularly important that the renewal application is submitted in good time to allow consideration of the experience by the PCC.

B. The application process

15. Application forms

The application forms are contained on the IFoA's [website](#).

Completed forms should be returned to

The Membership Team
Institute and Faculty of Actuaries
Level 2 Exchange Crescent
7 Conference Square
Edinburgh
EH3 8RA

Email: practising.certs@actuaries.org.uk

Applications must be typed and can be made by post or email (pdf). The application must be on the correct form, signed and the information provided clearly legible. Applications will be returned otherwise.

16. Timeline to process applications

- 16.1 All **renewal** applicants are encouraged to make their applications as soon as possible. Applications will be processed within 21 days. The 21 days is measured from the date the fully complete application is received and has been checked by the Membership Team, ~~including checking that the CPD requirements have been met~~. Where the PCC has concerns about whether the applicant meets the criteria, further investigation and discussion with the applicant may be necessary.

If there are any complications with the application, the 21 day period can be extended once by the IFoA. Applicants will be notified of the extension, the duration of the extension and the justification for it.

- 16.2 For applicants planning a career break, renewal applications can be submitted up to three months in advance of the renewal date. Applications received earlier than this will be treated as if it had been made three months before the date the renewal certificate is due.

- 16.3 A renewal applicant who wishes to renew their PC concurrent with the date of expiry of their current PC must do so by the renewal date. If they do not, even by one day, the current PC expires and the member will not be able to act as a reserved role holder until a new PC is granted. PCs cannot be backdated. All PC holders are reminded that they must, under the relevant [actuarial professional standards](#), hold a current PC relevant to their role. If a renewal application is not processed before

the expiry date of a current certificate, the member will be required to resign any appointments held until a certificate can be granted.

16.4 For renewal applications where an Identity and Basic Criminal record check will be made that year, the renewal will not be delayed in order to complete the check. However, if the check identifies that the application for a PC may not have been correctly presented, the PCC may refer the matter under the Disciplinary and Capacity for Membership Schemes (see 11 above).

16.5 ~~A random sample of renewal applicants are audited for CPD compliance each month in conjunction with the PC renewal. This is to verify the CPD recorded through the website in support of the PC application. The process will be carried out as quickly and efficiently as possible. If an applicant cannot provide evidence to verify their CPD records, this will result in renewal of the certificate being delayed until such time that it can be verified that the applicant is meeting the CPD requirements. (Note: This does not apply to those members participating in the CPD Pilot Scheme.)~~ [ADD IN ANYTHE -SPECIFIC REQUIREMENTS FOR PC HOLDERS RE REFLECTIVE PRACTICE]

16.6 For **initial applicants**, in addition to the same checks that apply to a renewal applicant, an Identity and Basic Criminal Record Check will be made before a PC is granted. Initial applications will be processed within 30 days, which includes time to review and discuss with the applicant any findings identified in an Identity and Basic Criminal Record check. The 30 days is measured from the date the fully complete application is received and has been checked by the Membership Team, ~~including checking that the CPD requirements have been met~~. Where the PCC has concerns about whether the applicant meets the criteria, further investigation and discussion with the applicant may be necessary.

If there are any complications with the application, the 30 day period can be extended once by the IFoA. Applicants will be notified of the extension, the duration of the extension and the justification for it. Initial applicants are encouraged to make their application well in advance of any date when they wish to take up an appointment that requires a PC.

17. Renewal applications received after the 21 day processing timeline

17.1 If a renewal application is received after the 21 day processing deadline and the renewal is requested to be effective on the date the current PC expires, then the PCC will try to fast track the application. However there is no guarantee that the application will be processed in time, particularly if the application is incomplete, contains errors or further information or clarification is needed to ascertain whether the applicant has met the criteria. **The PC holder makes a late application at their own risk**, and the PC holder is responsible for making the necessary professional arrangements if their PC expires before the new PC is granted (if it is granted).

An administrative surcharge of 25% of the cost of a PC will be incurred by any renewal applicant whose application is received less than 21 days before the renewal date and who wants their new certificate to run concurrently from the date of expiry of the current certificate. Any certificate renewed will not be issued until the administrative surcharge has been paid in full.

17.2 For practical reasons associated with the work cycle of actuaries signing Actuarial Opinions for a Lloyd's syndicate, a **Lloyd's PC** applies to calendar year-end opinions due within one year of the date of issue of the PC. Applicants for a PC to provide an Actuarial Opinion for a Lloyd's Syndicate must make their application to the PCC on or by:

- i) 25 October for a renewal application; and
- ii) 14 October for an initial application.

Applications made after the 25 October will carry an administrative surcharge of 25% of the current fee, and such late applications are still made at the applicant's own risk.

If an application is received after 15 November of the calendar year-end to which the opinion relates it would not normally be accepted unless the PCC considers in its sole discretion that the application arises for reason of an unexpected emergency.

17.3 If an existing PC holder applies to renew a certificate and the application is received less than 21 days before the renewal date but the PC holder does not require that the new certificate runs concurrently from the date of expiry of the current certificate (see clause 16.2) then no administrative surcharge will be applied.

17.4 If an application is declined, the applicant will be informed in writing as quickly as possible.

18. Cost of a PC

18.1 The current cost of any PC is £890. This will be reviewed by Council annually with any increase applying from 1 September.

Payment can be made by credit card (by telephone or online), cheque and also by BACS, as indicated on the application form.

Certificates will not be issued before full payment is made.

If a member applies at the same time for any two or more certificates, the cost will be £890 for all certificates. Otherwise the cost will be £890 for each certificate applied for.

19. Appeals Process

19.1 An applicant who has had their application (initial or renewal) for a PC turned down by the PCC, or where the PCC has withdrawn or suspended a PC (other than following a direction from an adverse disciplinary finding), has the right to take the matter to [appeal](#) under the IFoA's Practising Certificates regime appeals process.

It is hoped that the applicant can in the first instance find reason to accept the PCC's decision, after supply of all information requested by the PCC. The PCC will provide written reasons for the refusal of every application for any withdrawal/suspension.

Before entering the appeals process, the applicant may first want to speak with either the Chair or the Secretary of the PCC to better understand the reasons that the application has been refused or the PC withdrawn/suspended. If the applicant believes that there are grounds for appeal then they should contact the [Judicial Committee's Secretary](#) at the IFoA in writing within 30 days from the date the application was refused (or the PC withdrawn/suspended) to enact the IFoA's appeals process. A body will be formed to hear the appeal within the terms of the PC Scheme independent of the PCC, with no overlap of membership with the PCC.

20. Communications

20.1 Communications with PC holders and applicants will normally be by email. You are reminded of your obligation to keep your email address up to date and monitor your email regularly.

If you wish to contact the Membership Team please do so on 0131 240 1325 or email practising.certs@actuaries.org.uk.

Appendix 1

GOVERNANCE OF THE PC SCHEME

A.1 The PC Scheme provides a method of indication to users of actuarial services that PC holders act in the public interest in demonstration that the actuary is fit and proper and has the necessary skills and experiences to be a PC holder and potentially to carry out reserved work.

The PC Scheme is set by the Regulation Board under delegated authority from Council of the IFoA. A PC is issued by the IFoA in accordance with the PC Scheme.

A.2 Practising Certificates Committee

The PC Scheme is operated on a day to day basis by the Practising Certificates Committee (PCC) under delegated authority and powers by the Regulation Board. The PCC reports to Regulation Board.

The PCC comprises four Panels, one each for Pensions, Life, non-Life and Lloyd's, which consider PC applications. The work of the PCC, and the staff at the IFoA which supports it, is subject to regular review and oversight by a lay member of the PCC and by the Regulation Board.

The IFoA is a small profession and the PCC recognises the potential for biases or conflicts of interest to arise, or to be perceived to arise, in the course of its work. This is managed by ensuring each Panel is comprised of members who have different work backgrounds and experiences and work for different employers. Where a Panel member has personal knowledge of the applicant, as a close friend or a work colleague or otherwise works for the same organisation or an organisation in the same group of companies, then the Panel member will disclose this. If the Panel member's background knowledge of the applicant is such that a conflict of interest may exist, or be perceived to exist, the Panel member will absent themselves from a decision whether the applicant be awarded a PC or not. The PCC Chair will assist panel members in considering potential conflicts of interest where necessary.

If you would be interested in becoming a member of one of the Panels please contact the Membership Team at the IFoA.

A.3 Awarding a Practising Certificate

In awarding a PC, the PCC assesses whether an applicant has satisfied the criteria set down in the PC Scheme to hold a PC. The PC Scheme acts in the public interest to provide assurance that actuaries in reserved roles, carrying out reserved work, have met the criteria set down by Regulation Board to carry out those roles.

In awarding a PC, the PCC is not making a statement as to whether the applicant is competent to carry out a particular reserved role e.g. be appointed as the Scheme Actuary to the ABC Pension Scheme, the Chief Actuary for XYZ Insurance Company, or sign opinions for Lloyd's Syndicate Z. A PC is awarded to an individual - not to a particular role. The appointment (or re-appointment) of a PC holder to a particular reserved role is a matter for the relevant parties (the trustees of the pension scheme, the directors of the insurance company, in some circumstances the PRA and FCA, the managing agent of a Lloyd's syndicate etc.) having made their own enquiries of the capability and suitability of the experience of the PC holder for that particular appointment. PC holders are reminded that under clause 2.1 of the Actuaries' Code they should not put themselves forward for roles they do not consider they have the competence to fulfil.

A.4 Ongoing Review of the PC Scheme

The PC Scheme is subject to review from time to time to ensure it remains proportionate and fit for purpose.

Changes will not be made without appropriate notice. Normally, the PCC would expect to provide at least three months' notice but there may be circumstances where a change is not significant or is

significant but needs to be made in a tighter timeline e.g. regulatory change. A longer period will apply if the nature of the change would have a significant adverse impact on PC holders. Widespread or fundamental changes would be put to a formal Consultation process.

Notice will be provided through newsletters, emails or letters, as appropriate, as well as on the IFoA's website. All changes will be version controlled and a log of changes made will be maintained on the IFoA's website.

Changes require approval from the relevant parties as summarised in the chart below:

Changes to	Accountable party
The PC Scheme itself	Regulation Board
Guidance on the technical experience criteria (Appendices)	PCC in consultation with the relevant Practice Board(s)
Administration procedures including application forms	PCC

A.5 Contacting the Practising Certificates Committee

If you wish to contact the Chair or Secretary of the PCC, please contact the Membership Team in the first instance on 0131 240 1325 or email practising.certs@actuaries.org.uk.

Appendix 2

Technical Experience Criteria: Chief Actuary

1. For a Chief Actuary (Life) or a Chief Actuary (non-Life without Lloyd's) Certificate: Applicants are required to demonstrate that they have a sufficient breadth and depth of recent work experience within Life or non-Life insurance, as applicable, to enable them to fulfil the requirements of the Chief Actuary role for Life or non-Life insurance, as applicable, for a PRA regulated entity as detailed in Article 48 of the Directive on Solvency II.

The breadth of experience should include experience in a substantial number of the technical areas below:

- considering appropriate bases and methodologies for valuing the assets and liabilities of insurers;
 - considering the appropriateness of pricing bases for insurance contracts;
 - considering appropriate reinsurance arrangements for insurers;
 - measuring, managing and mitigating issues and risks to which an insurer is exposed;
 - assessing the requirements for capital for insurers; and
 - analysing the matching of assets and liabilities and advising on investment strategy (Life PC only)
- during a period not exceeding the last 10 years.

The depth of experience should include recent and relevant experience in a number of the technical areas below:

- considering appropriate bases and methodologies for valuing the assets and liabilities of insurers;
- considering the appropriateness of pricing bases for insurance contracts;
- considering appropriate reinsurance arrangements for insurers;
- measuring, managing and mitigating issues and risks to which an insurer is exposed;
- assessing the requirements for capital for insurers ;and
- analysing the matching of assets and liabilities and advising on investment strategy (Life PC only)

during a period of at least three out of the last five years, and at least three months in the last 18 months.

2. For a Chief Actuary (non-Life with Lloyd's) Certificate: in addition to meeting the requirements in 1 above, applicants must have had a material period of relevant experience of working in Lloyd's or the London market during the last five years.
3. The PCC may, at its discretion, determine that alternative relevant technical experience can be used to support any gaps in the experience set out in 1 above.

Guidance on application of Technical Experience criteria: Chief Actuary

The PCC will look to apply the technical experience criteria as follows. Discretion may be applied in the areas noted.

Applicants should read the guidance below in conjunction with the criteria and in particular criterion 5 on recent and relevant experience. Example experience sections of the application forms can be found on the [website](#).

Criterion	Guidance
1	<p>Under the PRA Senior Manager regime the Chief Actuary has responsibility for the actuarial function which covers the areas listed in Article 48 of the Solvency II Directive. The technical experience criteria identify the areas relevant for application for a Chief Actuary (Life) or Chief Actuary (non-Life without Lloyd's) Certificate. For a Chief Actuary (non-Life with Lloyd's) Certificate, both the technical experience criteria in 1 and 2 must be met.</p> <p>The PCC do not expect an applicant to have deep knowledge in all technical areas relevant to the role. Life/GI Board and the PCC normally would expect an applicant to demonstrate recent deep experience of at least two of the technical areas in Criterion 1 during a three year period, with some experience being adequate in the other areas.</p> <p>Applicants should demonstrate on the application form that they have gained:</p> <p>a) Breadth of experience in a substantial number of the technical criteria set out in 1 during a period not exceeding the last 10 years.</p> <p>Breadth of experience will be considered to be sufficient if the applicant has a general understanding of the technical areas such that they are able to review or critique actuarial work put to the Chief Actuary by others.</p> <p>Examples of breadth of experience may include the applicant's contribution to key deliverables in past roles or assignments and how those deliverables relate to the technical criteria. Such as:</p> <ul style="list-style-type: none"> • for a Life actuary, producing or signing off premium pricing decisions, or for a non-Life actuary, recommending a technical price to an underwriter • review of actuarial work produced by others. <p>The experience will need to be gained in a period not exceeding the last 10 years but it is not necessary for an applicant to demonstrate sufficient experience in each and every year in the last 10 years.</p> <p>The sufficient breadth requirement is a rolling test and will need to be met at each renewal. Experience in the role of a Chief Actuary would be considered towards meeting the rolling requirement where the applicant demonstrates that they have carried out review or critique as part of the Chief Actuary role across a substantial number of the technical areas.</p> <p>and</p> <p>b) Recent deep experience in a number of the technical criteria.</p> <p>Depth of experience will be considered to be sufficient if the candidate has developed a detailed understanding of the area concerned, and has maintained and applied that understanding in practical situations in the period concerned. Reviewing the work of others may not qualify as sufficiently deep; that would depend upon the level of detail involved. Also, understanding technical detail will not be sufficient if the applicant cannot demonstrate the ability to communicate the wider context of the work to both users and other team members.</p>

	<p>The PCC do not expect an applicant to have gained recent deep experience in a large number of the technical areas. Life Board, GI Board and the PCC normally would expect an applicant to demonstrate recent deep experience of at least two of the technical areas set out in Criterion 1 during a three year period.</p> <p>It is important to include on the application form:</p> <ul style="list-style-type: none"> ▪ description of the work undertaken and the applicant's role in producing the deliverable of that work (for example: overseeing the calculation of the capital requirements including impact of stressed conditions; producing the Board report on capital requirements vs undertaking the calculation of the market risk component to feed into the report on capital requirements; providing an opinion on adequacy of reinsurance arrangements; setting pricing bases) ▪ the responsibilities undertaken (role on, or in making recommendations to, relevant decision making bodies, committees or Boards; whether work was carried out by the applicant direct or the applicant reviewed the work carried out by others and whether this differed by task, class, geography or volume of business as appropriate) ▪ any regulatory/statutory role undertaken and/or direct interaction with the FCA or PRA. <p>The PCC is looking for breadth/variety of experience in the application of advice in the relevant technical areas as well as depth of technical knowledge.</p> <p>Experience can be provided as an actuary internal to the company and its life or non-life business, as an external consultant or as a Reviewing Actuary advising the audit partner. It is sufficient for the applicant to demonstrate their role in recommending and communicating the advice themselves, or in support of, the Chief Actuary, a Small Insurer Chief Actuary, Reviewing Actuary or Appropriate Actuary.</p>
2	<p>For a Chief Actuary (non-Life with Lloyd's) PC, in addition to meeting the technical criteria in Criterion 1, all applicants must have had a material period of relevant experience of working in Lloyd's or the London market during the last five years. For this purpose, a period of between 6 and 12 months would normally be considered sufficient provided the member gained that experience carrying out relevant actuarial work at a senior level.</p>
3	<p>If applicants do not meet the recent and relevant technical experience criteria set out in Criterion1 above, they need to demonstrate to the PCC that the gaps in their experience are covered by alternative relevant technical experience that the PCC may determine to be equivalent.</p> <p>In particular, the PCC may in special circumstances accept knowledge and experience gained from work done in areas other than those listed as equivalent. This could come in a number of forms:</p> <p>For example, the applicant hasn't met the recent deep experience requirements of the criteria but has otherwise developed and delivered advice that meets those requirements during the last five years that a PC holder would otherwise be expected to demonstrate. Examples might include:</p> <ul style="list-style-type: none"> ▪ the applicant does not have sufficient relevant technical experience with a PRA regulated entity but can demonstrate equivalent experience in similarly regulated non-UK jurisdictions; ▪ the applicant has considerable longer term relevant experience but more recently has only been involved in work that doesn't involve duties reserved for the actuarial function under the Directive. <p>This list is not meant to be exhaustive; rather it is designed to illustrate the discretion delegated to the PCC by the Regulation Board. It should however be noted that that the PCC will not usually apply its discretion for more than one year and will expect the applicant to demonstrate that they have met the recent and relevant technical criteria in the year following the application of discretion.</p>

Appendix 3

Technical Experience Criteria: Chief Actuary (Life, Non-Directive) and With Profits Actuary

1. For a Chief Actuary (Life, Non-Directive) Certificate: Applicants are required to demonstrate that they have gained recent experience in a number of the technical areas below:
 - advising on appropriate methodologies and assumptions for valuing assets and technical provisions;
 - advising on the requirements for capital and the determination of capital requirements;
 - advising on the measurement, management and mitigation of issues and risks to which a life insurer is exposed, including through use of reinsurance;
 - advising on the appropriate pricing basis for long-term insurance contracts;
 - analysing the matching of assets and liabilities and advising on investment strategy.

2. For a With Profits Actuary (WPA) Certificate: All applicants are required to demonstrate recent experience in a number of the technical areas below relating to with-profits business:
 - advising on the management and mitigation of issues and risks, and commenting on the appropriateness of the measurement basis, that may affect the development of the with-profits fund or the interests of the with-profits policyholders;
 - analysing, and advising on, appropriate ways of determining bonus distribution policy and of achieving equity between different groups of with-profits policyholders;
 - advising on the fair treatment of policyholders and compliance with, and recommending changes to, the PPFM;
 - advising on bases for calculating surrender values and the terms for other policy alterations in so far as they may affect the interests of with-profits policyholders;
 - understanding the derivation of the SCR and the technical provision results, and advising on whether the valuation of with-profits business within these is consistent with the PPFM.

3. The PCC may, at its discretion, determine that alternative relevant technical experience can be used to support any gaps in the experience set out in 1 or 2 above.

Guidance on application of Technical Experience criteria: Chief Actuary (Life, Non-Directive) and With Profits Actuary

The PCC will look to apply the technical experience criteria as follows. Discretion may be applied in the areas noted.

Applicants should read the guidance below in conjunction with the criteria and in particular Criterion 5 on recent and relevant experience. Example experience sections of the application forms can be found on the [website](#).

Criterion	Guidance
1	<p>Life Insurance actuaries are involved in many aspects of the underlying business. The technical experience in Criterion 1 identify the areas relevant for application for a Chief Actuary (Life, Non-Directive) Certificate.</p> <p>Applicants should demonstrate on the application form that they have gained recent experience in a number of these relevant areas.</p> <p>The PCC do not expect an applicant to have deep knowledge in all technical areas relevant to the role. Life Board and the PCC normally would expect an applicant to demonstrate recent deep experience of at least two of the technical areas in Criterion 1 during a three year period, with some experience being adequate in the other areas.</p> <p>It is important to include on the application form:</p> <ul style="list-style-type: none"> ▪ description of the role(s) the applicant undertook (for example overseeing the whole Individual Capital Assessment (ICA) including impact of stressed conditions, and producing the Board report vs undertaking the calculation of the market risk component to feed into an overall ICA report); ▪ the responsibilities of the role(s) undertaken (especially to outline the work the applicant was directly responsible for and the communication thereof to the relevant Board or committee); ▪ description of the types/classes/volumes of business covered; ▪ any regulatory/statutory role undertaken and/or direct interaction with the FCA or PRA. <p>The PCC is looking for breadth/variety of experience in the application of advice in the relevant technical areas as well as depth of technical knowledge.</p> <p>Experience can be provided as an actuary internal to the company/its life business, as an external consultant or as the Reviewing Actuary advising the audit partner. It is sufficient for the applicant to demonstrate their role in drawing up and communicating the advice in support of a Small Insurer Chief Actuary, Reviewing Actuary or Appropriate Actuary.</p>
2	<p>The technical experience in Criterion 2 identify the areas relevant for application for a WPA Certificate. Applicants should demonstrate on the application form that they have gained recent experience in a number of these relevant areas.</p> <p>Life Board and the PCC normally would expect an applicant to demonstrate recent deep experience of most of the technical areas noted in two during a three year period.</p> <p>It is important to include on the application form:</p> <ul style="list-style-type: none"> ▪ description of the role(s) the applicant undertook (for example contributing towards the determination of asset shares; advising on run off plans for the with-profits business or advising on the use of the free estate; consideration of management actions that might be incorporated in capital projections, particularly in stressed scenarios); ▪ the responsibilities of the role(s) undertaken (especially to outline the work the applicant was directly responsible for and the communication thereof); ▪ description of the types/classes/volumes of business covered;

	<ul style="list-style-type: none"> ▪ any regulatory/statutory role undertaken and/or direct interaction with the FCA or PRA. <p>The PCC is looking for breadth/variety of experience in the application of advice in the relevant technical areas as well as depth of technical knowledge.</p> <p>Experience can be provided as an actuary internal to the company/its life business or as an external consultant. It is sufficient for the applicant to demonstrate their role in drawing up and communicating the advice in support of a With-Profits Actuary or Appropriate Actuary acting in relation to with-profits business.</p> <p>It should be noted that an applicant with little or no with-profits experience should not expect to be awarded a WPA Certificate just because the life insurance business they work for has a small with-profits business and it is operationally convenient for that business if the applicant is awarded a WPA Certificate. A WPA Certificate will only be awarded to those applicants who demonstrate the required experience of relevant technical areas.</p>
3	<p>If applicants do not meet the recent and relevant technical experience criteria set out in 1 or 2, above, they need to demonstrate to the PCC that the gaps in their experience are covered by alternative relevant technical experience that the PCC may determine to be equivalent.</p> <p>In particular, the PCC may in special circumstances accept knowledge and experience gained from work done in areas other than those listed as equivalent. This could come in a number of forms:</p> <p>For example, the applicant hasn't met the recent deep experience requirements of the criteria but has otherwise developed and delivered advice that meets those requirements during the last five years that a PC holder would otherwise be expected to demonstrate. Examples might include:</p> <ul style="list-style-type: none"> ▪ the applicant does not have sufficient relevant technical experience in a UK Life insurance market but can demonstrate equivalent in similarly regulated non-UK jurisdictions; ▪ the applicant has considerable longer term relevant experience but more recently has been involved in work that doesn't involve WPA duties. <p>This list is not meant to be exhaustive; rather it is designed to illustrate the discretion delegated to the PCC by the Regulation Board. It should however be noted that the PCC will not usually apply its discretion for more than one year and will expect the applicant to demonstrate that they have met the recent and relevant technical criteria in the year following the application of discretion.</p>

Appendix 4

Technical Experience Criteria: Lloyd's

1. All applicants are required to be working in the field of general insurance providing actuarial work:
 - this should include at least one of the following core actuarial functions: reserving, pricing, capital setting or reinsurance (purchasing or pricing);
 - this should include significant exposure to the Lloyd's or London Market over that period.
2. Further, the applicant should normally have carried out reserving work for a Lloyd's Syndicate or the Corporation of Lloyd's within the last 18 months that involved: carrying out calculation of claim and premium projections, taking responsibility for selections of key assumptions and methodologies used in the calculation, presenting results to senior management, and responding to challenge from senior management.
3. The PCC may, at its discretion, determine that alternative relevant technical experience can be used to support any gaps in the experience set out in 1 or 2 above.

Guidance on application of Technical Experience criteria: Lloyd's

The PCC will look to apply the technical experience criteria as follows. Discretion may be applied in the areas noted.

Applicants should read the guidance below in conjunction with the criteria and in particular Criterion 5 on recent and relevant experience. Example experience sections of the application forms can be found on the [website](#).

Criterion	Guidance
1.	<p>General Insurance actuaries are involved in many aspects of the underlying business. There are four areas the General Insurance Board and PCC see as core actuarial functions:</p> <ul style="list-style-type: none"> - Reserving - Pricing - Capital setting - Reinsurance (purchasing or pricing) <p>Applicants should demonstrate on the application form that they have gained experience in at least one of these areas.</p> <p>It is important to include on the application form:</p> <ul style="list-style-type: none"> ▪ description of the role(s) the applicant undertook (for example design and running models assessing capital needs vs undertaking the calculation of market risk to feed into those models); ▪ the responsibilities of the role(s) undertaken (especially to outline the work the applicant was directly responsible for and the communication thereof); ▪ description of the types/classes/volumes of business covered; ▪ any regulatory/statutory role undertaken and/or direct interaction with either the PRA or Lloyd's. <p>The PCC is looking for breadth/variety of experience in the application of advice in the core technical areas as well as technical knowledge.</p> <p>Experience can be provided as an actuary internal to the company/syndicate or as an external consultant. It is sufficient for the applicant to demonstrate their role in drawing up and communicating the advice in support of a reserved role holder.</p>

2.	<p>The experience expressed on the application form must include reserving work over the last year, where 'reserving' is the estimation of quantum and timing of:</p> <ul style="list-style-type: none"> (a) future gross claim payments and reinsurance recoveries (and costs associated with the claim payments and reinsurance recoveries) and, where appropriate, (b) future premium income and reinsurance premium outgo (and costs associated with these cash flow items).
1 & 2	<p>Lloyd's and London Market business tends to demonstrate different characteristics to other General Insurance areas and as such the PCC is looking for the applicant to demonstrate significant recent exposure to Lloyd's and London Market business.</p> <p>Lloyd's itself is unique with characteristics and/or requirements that differ to the wider London Market and as such the PCC is looking for the applicant to have gained some experience relating to at least one or more syndicates or the Corporation of Lloyd's over the last 18 months to demonstrate an up to date understanding of the Lloyd's environment.</p>
3.	<p>If applicants do not meet the recent and relevant technical experience criteria set out in Criterion 1, above, they need to demonstrate to the PCC that the gaps in their experience are covered by alternative relevant technical experience that the PCC may determine to be equivalent.</p> <p>In particular, the PCC may in special circumstances accept knowledge and experience gained from work done other than those listed as equivalent. This could come in a number of forms:</p> <p>For example, the applicant hasn't met the recent deep experience requirements of the criteria but has otherwise developed and delivered advice that meets those requirements during the last five years that a PC holder would otherwise be expected to demonstrate. Examples might include:</p> <ul style="list-style-type: none"> ▪ the applicant has met the 18 month reserving experience at Lloyd's requirement but does not have sufficient relevant technical experience in the London or Lloyd's market, but can demonstrate equivalent experience of having provided reserving opinions in non-Lloyd's jurisdictions; ▪ the applicant has considerable longer term relevant experience acting as a syndicate actuary, providing opinions, but more recently has not undertaken reserving work as they have been advising syndicates on capital issues. <p>This list is not meant to be exhaustive; rather it is designed to illustrate the discretion delegated to the PCC by the Regulation Board. It should however be noted that the PCC will not usually apply its discretion for more than one year and will expect the applicant to demonstrate that they have met the recent and relevant technical criteria in the year following the application of discretion.</p>

Appendix 5

Technical Experience Criteria: Pensions

1. All applicants must have recent experience of **both** of the following:
 - Providing funding advice to trustees of defined benefit pension schemes;
 - Advising trustees on setting and calculating cash equivalents.

2. Together with recent experience of **some** of the following:
 - Acting as a Scheme Actuary to one or more pension schemes and complying with [APS P1](#);
 - Providing advice to trustees, and liaising with other professional advisers, the Pensions Regulator and the Pension Protection Fund in providing that advice, in some of the other aspects of reserved work (see further below);
 - Analysing the issues affecting the risks undertaken by a pension scheme, including working with other professional advisers, in advising the trustees how the trustees can manage and mitigate those risks.

3. The PCC may, at its discretion, determine that alternative relevant technical experience can be used to support any gaps in the experience set out in 1 or 2 above.

Guidance on application of Technical Experience criteria: Pensions

The PCC will look to apply the technical experience criteria as follows. Discretion may be applied in the areas noted.

Applicants should read the guidance below in conjunction with the criteria and in particular Criterion 5 on recent and relevant experience. Example experience sections of the application forms can be found on the [website](#).

The term 'reserved work' means work reserved for a Scheme Actuary Practising Certificate holder. When assessing the relevant experience of an applicant for a Scheme Actuary PC, the PCC will have regard to the list of reserved work items as set out in the Annex to this guidance.

Criterion	Guidance
1.	<p>Advice to trustees on funding and setting cash equivalent transfer values are core reserved type work for a Scheme Actuary. The PCC in consultation with the Pensions Board expect that all PC holders have a material amount of relevant experience in both these areas.</p> <p>Applicants should demonstrate on the application form their experience in these areas and, for funding advice, whether that experience addressed matters such as:</p> <ul style="list-style-type: none"> ▪ the impact of the sponsor covenant (but not the assessment of the strength of the sponsor covenant itself), investment strategy and other factors on funding advice given, or ▪ preparing and communicating funding advice to the trustees, or, ▪ preparing or certifying schedules of contributions. <p>The PCC is looking for breadth/variety of experience in the application of funding and cash equivalent advice to trustees as well as technical knowledge in these areas. Breadth/variety of experience may arise from work across a number of schemes or from work on one or more large schemes with particularly broad or challenging issues.</p> <p>This experience need not be founded as (or solely as) a Scheme Actuary of one or more pension schemes. It is sufficient for the applicant to demonstrate their role in</p>

	<p>drawing up and communicating the advice in support of one or more Scheme Actuaries.</p> <p>A relevant consideration is the quantum of Scheme Actuary or Scheme Actuary related work that a PC applicant (either initial or renewal) is undertaking. The PCC will normally regard exposure to four schemes to be the minimum requirement, but this could reduce to two or potentially even one if these schemes are very large and require a significant amount of work in the reserved role areas.</p>
2.	<p>The additional areas of reserved type work the PCC is looking for the applicant to demonstrate include some of:</p> <ul style="list-style-type: none"> ▪ bulk transfers, section 67, PPF measures, advice in relation to debt on the employer regulations and winding up; ▪ or any other reserved work listed in this guidance.
3	<p>If applicants do not meet the recent and relevant technical criteria set out in Criterion 1, above, they need to demonstrate to the PCC that the gaps in their experience are covered by alternative relevant technical experience that the PCC may determine to be equivalent.</p> <p>In particular, the PCC may in special circumstances accept knowledge and experience gained from work done for parties other than trustees of private sector pension schemes – for example, where the applicant has changed career from another field of pensions work into reserved work for trustees. This could come in a number of forms, for example:</p> <ul style="list-style-type: none"> ▪ the applicant hasn't met the recent deep experience requirements of the criteria but has otherwise developed and delivered advice that meets those requirements during the last five years that a PC holder would otherwise be expected to demonstrate; ▪ the applicant has experience of the technical criteria but in a capacity other than reserved work for trustees. In this respect, the PCC may have regard to public sector reserving work, corporate pensions advisory or other work in relation to matters reserved to a reserved role holder. However, such experience will only be considered where the applicant can already demonstrate substantive adherence to the technical experience criteria for work reserved to a reserved role holder. <p>This list is not meant to be exhaustive; rather it is designed to illustrate the discretion delegated to the PCC by the Regulation Board. It should however be noted that the PCC will not usually apply its discretion for more than one year and will expect the applicant to demonstrate that they have met the recent and relevant technical criteria in the year following the application of discretion.</p>

Annex: Reserved work in relation to Scheme Actuary PC applications

The following work is a comprehensive list of the work considered to fall within the ambit of 'reserved work' for the purposes of Scheme Actuary PC applications.

A Bulk transfers without consent

Section 73 of the Pension Schemes Act 1993 and Regulation 12(3) of The Occupational Pension Schemes (Preservation of Benefit) Regulations 1991 (SI 1991/167)

- A1 The certificate required under Regulation 12(3)
- A2 In connection with the certificate in A1, drawing the trustees' attention to any other matters as required by paragraph 4.4 of **APS P1**

B Cash equivalent transfer values and cash transfer sums

The Occupational Pension Schemes (Transfer Values) Regulations 1996 (SI 1996/1847)

The Occupational Pension Schemes (Early Leavers: Cash Transfer Sums and Contribution Refunds) Regulations 2006 (SI 2006/33)

- B1 Advice to trustees on economic, financial and demographic assumptions
- B2 Provision of an insufficiency report (including taking certain decisions in relation to the calculations, such as the sub-division of liabilities)

C Employer debt

Sections 75 and 75A of the Pensions Act 1995 and the Occupational Pension Schemes (Employer Debt) Regulations 2005 (SI 2005/678)

- C1 Provision of the certificates set out in Schedules 1, 1C and 1D of the above Regulations

D GMP conversion

Section 24C of the Pension Schemes Act 1993 and Regulation 69A of the Occupational Pension Schemes (Contracting-out) Regulations 1996 (SI 1996/1172)

- D1 Providing advice on appropriate assumptions to test actuarial equivalence
- D2 The calculation of pre and post conversion benefits and the provision of the actuarial certificate confirming actuarial equivalence

E Modification of subsisting rights

Section 67C of the Pensions Act 1995 and Regulation 5 of The Occupational Pension Schemes (Modification of Schemes) Regulations 2006 (SI 2006/759)

- E1 Providing the actuarial equivalence statement
- E2 In connection with the statement in F1, drawing the trustees' attention to any other matters as required by paragraph 4.4 of **APS P1**

F Payment of surplus to the employer in an ongoing scheme

Section 37 of the Pensions Act 1995 and The Occupational Pension Schemes (Payments to Employer) Regulations 2006 (SI 2006/802)

- F1 The calculation and certification of liabilities

G Pension Protection Fund

*Sections 143, 152, 158 and 179 of the Pensions Act 2004
The Pension Protection Fund (Valuation) Regulations 2005 (SI 2005/672)*

G1 PPF levy – Section 179 valuations, actuarial certification of deficit reduction contributions, block transfer certification, confirmation in relation to planned deficit reduction contributions when seeking acceptance of a type C (ii) Contingent Asset.

G2 PPF entry – Section 143 valuations or funding estimates for funding determinations by the PPF under Section 143(2)(a), Section 152 valuations or funding estimates for funding assessments by the PPF under Section 152, Section 158 (closed scheme) valuations.

H Scheme funding

Part 3 of the Pensions Act 2004 and The Occupational Pension Schemes (Scheme Funding) Regulations 2005 (SI 2005/3377)

H1 Actuarial valuations subject to Part 3 or revisions to funding documentation between valuations, including provision of advice on:

- methods and assumptions;
- preparing or revising the statement of funding principles;
- preparing or revising a recovery plan;
- preparing or revising a schedule of contributions; and
- modification of future accrual.

H2 Setting the assumptions and methodology for the solvency estimate and delivering this estimate

H3 Producing the formal written report of the actuarial valuation required by Section 224

H4 Certification of the technical provisions

H5 Certification of the schedule of contributions

H6 Producing the annual actuarial report

I Winding-up

Section 73 of the Pensions Act 1995 and The Occupational Pension Schemes (Winding Up) Regulations 1996 (SI 1996/3126) and The Occupational Pension Schemes (Winding Up etc.) Regulations 2005 (SI 2005/706)

Regulation 18 of The Occupational Pension Schemes (Scheme Funding) Regulations 2005 (SI 2005/3377)

I1 The calculation and certification of liabilities of different categories of member to determine how assets must be apportioned

I2 The actuary's annual estimate of solvency required for a scheme that started to wind up on or after 30 December 2005

In addition to the above, the following work will also be classed as relevant experience for the purposes of Scheme Actuary PC applications:

J Actuarial Factors

J1 Providing advice in relation to and updating various actuarial factors

K Auto-enrolment

K1 Providing advice and certification with regard to compliance with auto-enrolment requirements via the 'cost of accruals' test

K2 Providing advice and certification with regard to compliance with auto-enrolment requirements via the Test Scheme Standard



Institute
and Faculty
of Actuaries

2018/2019 and 2019/2020 Continuing Professional Development – Outcomes Focused Scheme Pilot

Version 1 – June 2018

Effective from 1 July 2018
to 30 June 2020

Contents

Introduction	1
Application	2
Requirements for Participating Members	3
Obligations of Pilot Organisations	4
Role of Senior Quality Assurance Representatives	5
Exemptions	6
Compliance	7
Evaluation of the Pilot	8
Definitions	9

1. Introduction

- 1.1** All Members of the Institute and Faculty of Actuaries (IFoA) have an obligation under the Actuaries' Code to maintain their competence.
- 1.2** The IFoA's Continuing Professional Development (CPD) Scheme sets out the framework which assists members in complying with this obligation.
- 1.3** For the 2018/2019 and 2019/2020 CPD years the IFoA will operate a pilot of an outcomes focused approach to CPD (the Pilot) for organisations or parts of organisations accredited under the Quality Assurance Scheme (QAS) that participate in the Pilot (Pilot Organisations). Members employed by a Pilot Organisation will not be required to comply with the individual responsibilities set out under the 2018/2019 and 2019/2020 CPD Schemes (the CPD Schemes).
- 1.4** This document sets out the arrangements for the Pilot.

2. Application

- 2.1** The Pilot will operate from 1 July 2018 to 30 June 2020 (the Pilot Period). Prior to the end of the Pilot Period the IFoA will confirm whether the outcomes focused approach to CPD will continue, or whether Participating Members will require to comply with the 2020/2021 CPD Scheme.
- 2.2** Members, except Student Members, employed by a Pilot Organisation must participate in the Pilot (Participating Members) and will therefore be subject to the Pilot arrangements and adopt an outcomes focused approach to CPD. Where a Pilot Organisation is part of a wider entity and the rest of the entity is not accredited under the QAS, only Members who are working within the accredited part of the organisation are able to take part in the Pilot.
- 2.3** Category 1 Members must apply the Pilot arrangements to the CPD years in which they renew/apply for a certificate after 1 July 2019. The outcomes focused approach to CPD may therefore extend for Category 1 Members to their renewal in 2021.
- 2.4** In the event the outcomes focused approach to CPD does not continue after the Pilot Period Category 1 Members whose CPD year continues after the Pilot Period will continue the outcomes focused approach to CPD to the end of that CPD year.
- 2.5** Members who join a Pilot Organisation during the Pilot Period must adopt an outcomes focused approach under the system being piloted.
- 2.6** Participating Members who leave employment with a Pilot Organisation during the Pilot Period will cease to be part of the Pilot, and will become subject to the CPD Schemes. Such Members must engage with the Membership Team of the IFoA to agree an appropriate balance of activities having regard to the remaining length of the CPD year and the activities completed to date.

2.7 Pilot Organisations should, as soon as is reasonably practical, report to the Membership Team of the IFoA the details of any Member who leaves the employment of a Pilot Organisation during the Pilot Period.

3. Requirements for Participating Members

3.1 Participating Members are not required to meet the individual responsibilities under the CPD Schemes, in particular, the obligations to:

- complete a minimum amount and types of learning; and
- record and report those activities to the IFoA via their on-line member record.

3.2 Participating Members will of course remain subject to the overarching obligation to maintain their competence under the Actuaries' Code.

3.3 Participating Members will be required to comply with the policies and procedures in relation to their development and training as set by the Pilot Organisation they are employed by.

4. Obligations of Pilot Organisations

4.1 QAS accredited firms have demonstrated that they maintain and apply appropriate policies and procedures in relation to the development and training of Members of the IFoA in order to achieve the outcomes listed in the Appendix to APS QA1.

4.2 Pilot Organisations will be required to engage with the IFoA and/or its assessment team on the ways in which those policies and procedures support the development and training of its Members. Pilot Organisations will be assessed by the IFoA and/or its assessment team in line with APS QA1 and the obligations set out under this Pilot. This assessment will be incorporated as part of the usual QAS assessments where possible.

5. Role of Senior Quality Assurance Representatives

5.1 The engagement between the IFoA and Pilot Organisations will be facilitated through the role of the Senior Quality Assurance Representatives (SQARs) already appointed under the QAS accreditation.

5.2 For the avoidance of doubt, and in accordance with section 15.7 of the QAS Handbook, SQARs will not have any individual obligations to the IFoA over and above their professional obligations as a Member, where applicable. The IFoA will not hold SQARs appointed to Pilot Organisations accountable for the CPD activities of their organisations' Participating Members during the Pilot Period.

5.3 The SQARs may, where appropriate, delegate the implementation of this scheme to appropriate colleagues.

6. Exemptions

- 6.1 If a Participating Member is absent from work during the Pilot they should agree with the SQAR, or person to whom the SQAR has delegated under clause 5.3 an appropriate course of learning activities having regard to their personal development needs and the length of their absence from work.

7. Compliance

- 7.1 Participating Members will be deemed to be compliant with the IFoA's CPD requirements for the 2018/2019 and 2019/2020 CPD years (and corresponding CPD years for Category 1 members) so long as they follow their employer's training and development procedures.
- 7.2 Pilot Organisations are expected to support their Participating Members in complying with the Pilot arrangements. Where, despite such support, Participating Members fail to comply, the IFoA expects Pilot Organisations to report that non-compliance.

8. Evaluation of the Pilot

- 8.1 Throughout the Pilot Period the IFoA will gather feedback from Participating Members and SQARs through surveys and interviews to evaluate the success of the Pilot.

9. Definitions

CPD	Continuing professional development
CPD Schemes	2018/2019 and 2019/2020 CPD Schemes produced by the IFoA
IFoA	Institute and Faculty of Actuaries
Member	Members of the IFoA
Participating Member	All Members of the IFoA, except Student Members, who are employed by a QAS accredited organisation or QAS accredited department that is participating in the Pilot
Pilot	IFoA's Pilot of an outcomes focused approach to CPD
Pilot Organisation	Organisation or part of organisation that is accredited under the QAS and is participating in the Pilot
Pilot Period	Period from 1 July 2018 to 30 June 2020
QAS	IFoA's Quality Assurance Scheme
SQAR	Senior Quality Assurance Representative