

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

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| Subject | Actuarial Profession Standard (APS) L2 |
| Meeting date | 18 November 2025 |
| Previous Steer/Approval | Pre-2020 only |
| Related horizon scan code | N/A |
| International issues considered? | UK scope only |
| Author(s) | Cargill Sanderson, Regulatory Policy Manager |
| Reviewer(s) | Emma Gilpin, Head of Regulatory Policy |
| Purpose | Approval |

A: Executive summary

1. The **Regulatory Board is asked for approval to withdraw** APS L2: The Financial Services and Markets Act 2000 (Communications by Actuaries Regulations 2003).

B: Background

2. APS L2 first came into effect in 2011, under the authority of the Life Standards and Consultations Committee (LSCC). The LSCC's role was delegated by the Life Board, which was then responsible for actuarial standards relating to life insurance. An updated version of APS L2 came into effect in 2014. The (Regulatory) Board is now responsible for all IFoA standards.
3. APS L2 outlines various obligations placed on life insurance actuaries in the UK as a result of the Financial Services and Markets Act 2000 (Communications by Actuaries) Regulations 2003 as well as consequent obligations in rules and regulations issued by bodies such as the Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA).
4. The conclusion of the Executive review of APS L2 is that the standard should be withdrawn.

C: Rationale for withdrawal

5. APS L2 is issued as an IFoA standard but does not introduce any requirements for members which do not otherwise exist in legislation or regulations issued by other bodies. To this extent, APS L2 is a catalogue of obligations already placed on members, more akin to guidance than a standard. Additionally, rules and regulations issued by the FCA and PRA tend to be managed at a firm level, rather than by individuals such as the IFoA members subject to APSs.
6. Whilst references in APS L2 are out of date, no significant public interest issues in this area have emerged with respect to the conduct or actuarial work of IFoA members. It is therefore reasonable to conclude that APS L2 can be removed without significant risk to the public interest. For these reasons the Executive recommends the withdrawal of APS L2.
7. In light of these considerations the Executive consulted the LSCC, the committee originally responsible for the standard. The LSCC did not raise any objections to the withdrawal of L2, and the Chair confirmed support for a recommendation to withdraw.

D: Potential alternatives

Withdraw and covert the standard to guidance

8. Given that it does not introduce any specific IFoA requirements, it may be appropriate to withdraw APS L2 and replace it with non-mandatory guidance. This could be seen as a positive step for members, in so far as it would helpfully bring numerous related matters together in one place, and in that sense, may be preferable to withdrawal. However, given that APS L2 relates to rules and regulations generally managed at a firm level, and which are issued by bodies other than the IFoA, it may not be proportionate to create new guidance.
9. **[Redacted]**.

Update the standard

10. As noted, references in APS L2 are out of date. If the standard is to remain in place, a draft revised version would need to be created, ahead of wider consultation with the membership and the organisations for which they work.

D: Conclusion

11. APS L2 is out of date but there have been no significant incidents to suggest that actuaries are not following the related legislation and regulations to which they are subject. It should therefore be possible to withdraw the standard without significant risk to the public interest. The expectation is that this is because related rules and regulations issued by the UK government and its statutory regulators are managed at a firm level, rather than by individual actuaries. Given these considerations, and the fact that the standard does not introduce any unique IFoA requirements, **the Board is asked to approve the withdrawal of APS L2.**

E: Next steps

12. Should the Board approve withdrawal of APS L2, the Executive will coordinate with communications colleagues to announce the withdrawal to members with an appropriate period of notice prior to the withdrawal coming into effect (6 to 8 weeks). The Executive does not propose active consultation of members on this matter, as a withdrawal would not fundamentally change the obligations on members. However, during this notice period members would be able to contact the Executive to raise any serious concerns ahead of the announced effective date.
13. If another option is preferred by the Board, the Executive will seek expert input from the LSCC and return with further recommendations at a future date.