



## **Introduction of a chartered designation for IFoA actuaries: rationale for the proposal**

### **What is the vote about?**

Our voting members are being asked to vote on amendments to the IFoA's Bye-laws, to introduce the chartered actuary designation for Fellow and Associate members of the IFoA.

### **The Motion**

The Motion that members are asked to vote on is:

#### **AMENDMENTS TO THE IFoA's BYE-LAWS**

Introduction of the chartered designation for Fellow and Associate members of the IFoA.

#### **To pass a Resolution to:**

- (i) introduce new Bye-laws 35A and 36A; and**
- (ii) to make amendment to Bye-laws 35, 36 and 37,**

**all as shown in red font in Appendix 1 and subject to the approval of the Privy Council.**

### **Rationale – why do this?**

We set out below the detailed rationale for the introduction of new Bye-laws 35A and 36A and related amendments to Bye-laws 35, 36 and 37. They are presented within a single all-encompassing Motion, as all Bye-laws must be introduced and amended as proposed in Appendix 1 in order for the intended changes to be articulated fully and consistently throughout the Bye-laws.

As a professional royal chartered body, the IFoA has the opportunity to offer its qualified members the opportunity to use the highly regarded designation 'chartered', as many other professions do, such as engineers and accountants.

IFoA Council believes that the chartered actuary designation will increase recognition of the level of qualification and professional status IFoA actuaries (Associates and Fellows) have achieved and the standards they work to, both within and outside of areas of traditional actuarial practice, thereby benefitting IFoA members, employers and the wider public.

The proposals do not result in any change to the current requirements for IFoA qualification (Associateship or Fellowship), only the designation awarded to those who have successfully achieved such qualification. The proposals also maintain the important distinction between Associates and Fellows of the IFoA.

### **The member vote: amending the Bye-laws**

Changes to the Bye-laws require approval by the IFoA's Council, the voting members of the IFoA, and the formal approval of the Privy Council. The IFoA's Council has approved the necessary changes by the required majority of at least three-quarters of the whole of Council, and the Privy Council's Advisors have indicated their *in principle* support for the proposed amendments and the rationale for them.

What is now required is approval by a simple majority of those voting IFoA members who choose to vote on the Motion submitted here.

In addition to the proposed Bye-law changes, consequential changes to the Regulations will be required. Regulation changes do not require member vote and as such are not included in the Motion.

### **Any questions?**

If you have any queries about these matters please email [charteredactuary@actuaries.org.uk](mailto:charteredactuary@actuaries.org.uk)

No.	Key Change	Why
1.	<p>(i) To amend Bye-law 35 from:</p> <p><i>“Qualification requirements for the Associate category shall be prescribed in the Regulations. Associates of the Institute and Faculty of Actuaries may use either the initials AIA or AFA after their name.”</i></p> <p>to read as follows:</p> <p><i>“Qualification requirements for the Associate category shall be prescribed in the Regulations.”</i> <del>Associates of the Institute and Faculty of Actuaries may use either the initials AIA or AFA after their name.</del></p> <p>(ii) To amend Bye-law 36 from:</p> <p><i>“Qualification requirements for the Fellow category shall be prescribed in the Regulations. Fellows of the Institute and Faculty of Actuaries may use either the initials FIA or FFA after their name. A Fellow who was both a Fellow of the Institute of Actuaries and a Fellow of the Faculty of Actuaries in Scotland may use both the initials FIA and FFA in any order after their name.”</i></p> <p>to read as follows:</p> <p><i>“Qualification requirements for the Fellow category shall be prescribed in the Regulations.”</i> <del>Fellows of the Institute and Faculty of Actuaries may use either the initials FIA or FFA after their name. A Fellow who was both a Fellow of the Institute of Actuaries and a Fellow of the Faculty of Actuaries in Scotland may use both the initials FIA and FFA in any order after their name”</del></p>	<p>Bye-laws 35 and 36 are primarily concerned with the qualification requirements for Associateship and Fellowship, respectively. There will be no changes to those qualification requirements as a result of the proposed introduction of the chartered designation for Associate and Fellow members.</p> <p>The proposed amendments set out in (i) and (ii) are consequential amendments arising from the proposed introduction of two new Bye-laws, namely Bye-laws 35A and 36A (key change 2 below). In essence, the proposed changes involve:</p> <p>(i) The removal (as shown in red) of the qualification post-nominals for Associate members from Bye-law 35 because, as proposed, new Bye-law 35A will set out the qualification post-nominals available for use by Associates.</p> <p>(ii) The removal (as shown in red) of the qualification post-nominals for Fellow members from Bye-law 36 because, as proposed, new Bye-law 36A will set out the qualification post-nominals available for use by Fellows.</p>

No.	Key Change	Why
2.	<p>(i) To introduce new Bye-law 35A:</p> <p><i>“Associates of the Institute and Faculty of Actuaries who have agreed to any Regulations prescribed by the Institute and Faculty of Actuaries may use the description “Chartered Actuary (Associate)” and may use either the initials AIA or AIA C.Act or AFA or AFA C.Act after their name.”</i></p> <p>(ii) To introduce new Bye-law 36A:</p> <p><i>“Fellows of the Institute and Faculty of Actuaries who have agreed to any Regulations prescribed by the Institute and Faculty of Actuaries may use the description “Chartered Actuary (Fellow)” and use the initials FIA or FIA C.Act or FFA or FFA C.Act after their name. A Fellow who was both a Fellow of the Institute of Actuaries and a Fellow of the Faculty of Actuaries in Scotland may use both the initials FIA and FFA or FIA C.Act and FFA C.Act in any order after their name.”</i></p>	<p>Proposed new Bye-law 35A would allow Associates of the IFoA, if they wish, to use the designation Chartered Actuary (Associate) and AIA C.Act or AFA C.Act as post-nominals.</p> <p>Proposed new Bye-law 36A would allow Fellows of the IFoA, if they wish, to use the designation Chartered Actuary (Fellow) and FIA C.Act or FFA C.Act as post-nominals.</p> <p>The rationale for the proposed introduction of the chartered designation and related post-nominals for Associate and Fellow members of the IFoA is:</p> <p><b>1. Enhanced recognition of the actuarial skillset and high standards of professionalism and competence to which IFoA actuaries operate</b></p> <ul style="list-style-type: none"> <li>• The chartered designation is a highly esteemed quality bench-mark recognised globally across professional sectors. Use of the designation by IFoA actuaries will give appropriate recognition of their valued qualification and professional status, giving them the opportunity to raise their profile and compete globally across a wide range of established and emerging sectors.</li> <li>• Extensive employer consultation has told us that the introduction of the chartered designation will enhance recognition and relevance of the actuarial skillset and its applicability across both established areas of actuarial practice in financial services and newly emerging employment sectors, i.e., data science, government policy/advisory work and in the tech sector. Future-proofing the profession and preserving long term sustainability of employment and opportunity for the current and aspiring generation of IFoA actuaries is important, particularly in times of economic turbulence and change. The chartered designation will set IFoA actuaries apart and ensure that the roles undertaken by them remain at the forefront.</li> <li>• Distinction is maintained between the general core actuarial skillset of Associates and the specialist qualification and experience of Fellows. The introduction of the chartered designation preserves this existing</li> </ul>

No.	Key Change	Why
		<p>important distinction in membership and qualification status. There is no dilution of the prestige or standard of IFoA qualification at either level, rather enhanced recognition of IFoA actuaries at both levels.</p> <p><b>2. Clear distinction between qualified, regulated actuaries and unqualified, unregulated actuaries</b></p> <ul style="list-style-type: none"> <li>• The term “actuary” is not a legally protected term in the UK or in many parts of the world in which our members operate, and, as such, the IFoA has no control over its use by non-members. It can be used by unregulated, unqualified individuals. The right to use the chartered designation will allow IFoA actuaries the benefit of a protected title which the IFoA could assert ownership and control over, creating a clearer distinction between qualified, regulated and unqualified, unregulated actuaries. The IFoA will be able to defend the designation from abuse by anyone who is not entitled to use it thus protecting those who do have the right of use, further protecting and upholding the IFoA brand and standard.</li> <li>• Adoption of the chartered actuary designation would assist public understanding and increase confidence that in dealing with an IFoA actuary, whether that be a Chartered Actuary (Associate) or Chartered Actuary (Fellow), they are engaging with someone who operates to a high level of technical expertise, professional and ethical standards. We will continue to ensure that the important distinction between Associates and Fellows is clearly communicated. As currently, only Fellows will be entitled to apply for an IFoA practising certificate.</li> <li>• This may be particularly important in new and emerging fields or sectors, where the role of actuaries is less well established and understood. The new designation will help to promote universal understanding of the actuarial profession, and of the distinction between IFoA qualified and regulated actuaries and those undertaking similar work without being qualified and/or regulated.</li> </ul>

No.	Key Change	Why
3.	<p>To amend Bye-law 37 from:</p> <p><i>“Persons who have achieved distinction in related fields or given significant service to the actuarial profession may, by Resolution proposed by the Council and passed by a simple majority of the members entitled to vote and voting at a general meeting, be elected Honorary Fellows and shall, on election, be entitled to use the initials HonFIA or HonFFA after their name and shall have the same voting rights as Fellows. Removal or suspension of this category of membership from any individual shall only be effective provided that a majority of not less than three-fourths of the whole number of the members of the Council vote in favour. The criteria for removal or suspension of Honorary Fellows shall be determined by the Council and published on the website of the Institute and Faculty of Actuaries.”</i></p> <p>to read as follows:</p> <p><i>“Persons who have achieved distinction in related fields or given significant service to the actuarial profession may, by Resolution proposed by the Council and passed by a simple majority of the members entitled to vote and voting at a general meeting, be elected Honorary Fellows and shall, on election, be entitled to use the initials HonFIA or HonFFA after their name and shall have the same voting rights as Fellows. <b>Honorary Fellows are not permitted to use a Chartered designation.</b> Removal or suspension of this category of membership from any individual shall only be effective provided that a majority of not less than three-fourths of the whole number of the members of the Council vote in favour. The criteria for removal or suspension of Honorary Fellows shall be determined by the Council and published on the website of the Institute and Faculty of Actuaries.”</i></p>	<p>The rationale for this proposed amendment (new additional wording shown in red) is to make it clear that Honorary Fellows are not permitted to use the chartered actuary designation. The chartered designation may, as proposed, be used by fully qualified members of the IFoA, namely by Associate and Fellow members only.</p>