

Institute and Faculty of Actuaries

Regulatory Board

Noting report

Subject	IFoA Executive Update
Regulatory Board meeting	16 November 2022
Author	Executive Team
Reviewed by	Emma Gilpin, Head of Regulatory Policy
International Issues considered?	Yes
Purpose	Noting

A: INTRODUCTION

1. This paper provides an update on the work of the IFoA Executive Team since the last meeting of the Board (in July 2022) and highlights key issues and developments for the Board to note.
2. **PLEASE NOTE:** Board Members are asked to let the Board Secretary (hannah.macleod@actuaries.org.uk) know **at least three days in advance** if there are aspects of the update paper that they would like to discuss, so that appropriate time can be allocated in the agenda and the appropriate member of the Executive team can arrange to attend the meeting. We would also be happy to answer any specific questions on the below topics via email.

B: KEY DEVELOPMENTS AND UPDATES

3. On 27 October 2022 it was announced that IFoA members voted to approve the introduction of the **revised Disciplinary Scheme**. From the 1,500+ votes cast, a little over 85% voted in support. The revised Scheme is expected to come into effect in Spring 2023. As part of the implementation there will be some recruitment for roles under the Scheme, training for those involved in the Scheme and new Guidance will be drafted (which will be approved by the Disciplinary Committee). There will also be a communications plan to support the implementation of the new Scheme to ensure members and the public are aware of the key changes.
4. The Disciplinary Committee has approved updates to two pieces of **disciplinary guidance**: the Timeframes Guidelines have been updated to reflect the current process. The Costs Guidance has been updated to reflect recent case law. These have been published on the [website](#).
5. The IFoA responded to the FRC's **TAS 100 consultation** in August, with the Board approving the response by email. A copy has also been published on the [IFoA's website](#). As yet, there has been no response from the FRC.
6. Work is continuing on drafting of the **Sustainability and Climate Change Guidance**. An initial draft of the guidance has been produced, and we are now developing case studies with assistance from the Climate Change Regulatory Working Party. The guidance is expected to be published in the first part of 2023.

7. Work is continuing on the **Actuarial Monitoring Scheme (AMS) Corporate Pensions thematic review**. This review closed to submissions in September with 15 organisations taking part (including 48 examples of work received). The report is expected to come before the Board early in 2023.
8. There has been some delay to the **Joint Forum on Actuarial Regulation (JFAR) Risk Perspective 2022**. It is now due to be considered by the JFAR at its meeting in December 2022 with publication expected shortly thereafter. There have also been proposals set out by the FRC for the dissolution of the JFAR, to be replaced by 1:1 relationship meetings between relevant regulators and the setting up of ad-hoc meetings between regulators for particular topics. This is to be discussed at the December JFAR meeting.
9. Following the recent Executive review, proposals for a revised **Actuarial Profession Standard (APS) Z1 on Duties and Responsibilities for Actuaries working for UK Trust-based Pre-paid Funeral Plans** were shared with the Board offline in October. A consultation on the proposed changes is on hold pending a (soon to be arranged) further discussion of the Board on Practising Certificate considerations, after further feedback is obtained from practitioners.
10. The **Board's annual report for 2021/22** has now been published on the IFoA's website.
11. The **new Practising Certificates (PC) Scheme** comes into effect on 1 December and communications are being issued through the Actuary magazine and newsletters to raise awareness of the new Scheme. The executive has been worked with the PCC to produce further example applications and guidance for applicants in completing the new applications. Assessment guidance has been produced for the PCC and competency assessment training is taking place over the first three weeks in November to help the PCC with its decision-making.
12. Work continues in advance of the documentation for the **new UK Practice Modules (UKPM)**, which will support the new PC Scheme, 'going live' on 1st December. The FRC's oversight team have requested a meeting to discuss materials sent to them and that is being arranged for this week. We continue to need to increase the recruitment of volunteers from the PC community to facilitate the workshops as this is required to offer dates (currently there is only one volunteer). Alternative plans for resourcing those workshops may need to be considered. The UKPM in its existing form will continue to be offered until the first new online workshop sessions take place in Q1 2023.
13. The Council Regulatory Strategy Steering Group has met since the Board's last meeting to discuss the IFoA's strategy in terms of the **Government's proposed changes to actuarial regulation**. Given the particularly volatile UK political environment over the last few months there has been little apparent progress in terms of the development of any draft legislation nor has there been any confirmation of the Government's current position. The FRC continues to plan for transition to ARGA in April 2024 in anticipation of legislation being introduced and the IFoA has had two useful discussions with the FRC's transition team about possible practical issues.
14. Since the Board's last meeting, a **new Senior Regulatory Lawyer**, Hannah Macleod, has joined the IFoA team and will be taking over the role of Board Secretary following the departure of Leisha Watson. Administrative support for the Board is also temporarily being provided by Karen Cross, who is covering for Gina Thomas (who has taken up an internal secondment opportunity). A more permanent arrangement for covering that latter role is being progressed.

C: KEY PLANNED ACTIVITIES FOR NEXT PERIOD (UP TO NEXT BOARD MEETING)

15. In addition to work mentioned above, over the next period, we anticipate the following key activities:

- Continued engagement on proposed reform of actuarial regulation by UK Government
- Publication of consultation on requirements for members relating to Diversity, Equity and Inclusion and work to begin on related guidance and case studies (subject to Board approval at this meeting)
- Follow up work on the AMS Equity Release Mortgages review (due to presented to the Board for noting at this meeting). The report is scheduled for publication on 7 December (with promotion continuing into early 2023).
- Announcement of AMS future review topics (approved by the Board at the September 2022 Strategy Day) in December.
- Work to progress changes to the structure of regulatory Committees and Board reporting to the Regulatory Board (as agreed in principle at the Board's Strategy Day in September 2022)
- Implementation of new regulatory support process (subject to Board approval at this meeting)
- Implementation of new CDC Scheme Actuary PC (subject to Board approval at this meeting)
- Consultation on changes to APS Z1 in relation to pre-paid trust-based funeral plans.
- Work to begin on the review of aspects of the DPB Scheme, following the appointment of a new DPB Manager, Sam Condry
- Work to progress the planned review of APS X2: Review of Actuarial Work, and its accompanying guidance
- Work to begin on possible interaction between Quality Assurance Scheme (QAS) and PCs as well as possible interaction with Personal and Professional Development (PPD) requirements for students.
- Publication of the JFAR Risk Perspective 2022
- Publication of the FRC's Public Oversight Report for 21/22 and finalised version of Private Oversight Report for 21/22
- FRC oversight reviews of IFoA processes taking place in relation to: disciplinary process; QAS process; examination assessment; and CPD Reflective Practice Discussions. Those are expected to take place during November-December and be included in the 22/23 Private Oversight Report.