

Institute and Faculty of Actuaries
Regulatory Board
Noting report

Subject	Update on operation of the Designated Profession Body (DPB) licensing system
Regulatory Board meeting	8 February 2022
Previous Board Update/Steer/Approval	N/A
International Issues Considered?	UK specific matter
Author	IFoA Executive
Purpose	Noting

A: Executive summary

1. This paper provides an update to the Board on recent decisions by the IFoA's Management Board on the continuing operation by the IFoA of a Designated Professional Body (DPB) licensing system.

B: Background

2. As Board members will be aware, the IFoA operates, under the UK's Financial Services and Markets Act 2000 (FSMA), a DPB licensing system for actuarial firms to be authorised to carry out certain incidental regulated investment activities. The alternative would involve (a more onerous) full authorisation from the Financial Conduct Authority (FCA).
3. The Board has, under its Terms of Reference, responsibility for ensuring that the DPB system operates in the public interest. Operation of the DPB is carried out by the IFoA executive, in conjunction with the DPB Board, chaired by James Smith FIA, which is a Committee of the Regulatory Board made up of mainly actuaries with relevant experience plus two lay members. External oversight of the IFoA's DPB system is provided by the FCA, rather than the FRC.
4. [redacted]
5. A review was carried out to look at the options and Management Board has now approved a range of proposals.

C: Update

6. [redacted]
7. A copy of the full Management Board paper can be provided to Board members, on request.

D: Next steps

8. Recruitment of a new DPB Manager with specialist expertise has begun and, once that individual is in post, work will begin to update various processes, procedures and documents,

overseen by the DPB Board.

9. The DPB Board will continue to provide their Annual Report to the Board, with the next one scheduled for the Board's April meeting.
10. The role of the DPB Board in overseeing operation of the DPB will be looked at as part of the planned review of all of the Board's Committees, scheduled to take place this summer.

E Discussion

Members of the Board are invited to note the update.