Institute and Faculty of Actuaries, Regulatory Board

Subject	IFoA Executive Update
Meeting date	14 May 2025
Author	Executive Team
Reviewer	Emma Gilpin, Head of Regulatory Policy
Purpose	Noting

A: Introduction

1. This paper provides an update on the work of the IFoA Executive Team since the meeting of the Regulatory Board (Board) in February 2025 and highlights key issues and developments for the Board to note.

2. **PLEASE NOTE:** Board Members are asked to let the Board Secretary (rbsecretary@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 questions on the below topics via email.

B: Key developments and updates

IFoA organisational updates

3. The Regulatory Appointments Committee (RAC) has appointed two new members of the Board:
    - David Heath C.B.E., who has been appointed as Chair of the Disciplinary Committee, and will therefore take up the ex-officio lay member role on the Board (from 1 April 2025); and
    - Professor Elizabeth Gammie, who will be a lay member of the Board (from 7 April 2025).

4. Catherine Boyd has been appointed as a new lay member of the Disciplinary Committee, with effect from 1 May 2025.

5. The Board Chair, Neil Buckley, has agreed to a three-month extension of his appointment, with an end date of 30 September 2025. The process for recruitment by the Regulatory Appointments Committee (RAC) of a new Chair is now underway.

6. Ashley MacIntyre, IFoA Regulatory Lawyer, will be leaving the IFoA in June and plans are being made to fill her role.

7. Karen Nicol, a lawyer in the IFoA's Disciplinary Investigations team has agreed to take over as Regulatory Board Secretary on an interim basis from June.

8. Katie Davidson, Reflective Practice Executive, joined the CPD and RPD Team on 3 March.

Review of actuarial regulation CONFIDENTIAL

9. **[Redacted].**

10. **[Redacted].**

11. **[Redacted].**

12. **[Redacted].**

13. **[Redacted].**

Disciplinary matters

14. The Committee met in March 2025 and the new Chair was able to observe this meeting. The Committee considered a comprehensive case file review which has been completed by Rosalyn Hayes, a lay Committee member. The review showed that systems were working well, staff to be interactive with parties and decisions made within reasonable timeframes.

15. The complaints statement, the purpose of which is to act as a policy on what matters the Committee will consider feedback and complaints on, has now been finalised and published on the website.

CPD regulation and RPDs

16. IFoA led Group RPDs became a standard offering in September 2024. 19 sessions have been facilitated to date, with almost 90 recently qualified members participating. Initial feedback is overwhelmingly positive with 95% of post-IFoA led Group RPD Survey respondents stating that the Group RPD offered a different perspective or changed their opinion towards CPD.

17. In response to member feedback, the CPD Team are creating a CPD and RPD Toolkit which provides non mandatory guidance, prompts and tips to gain value from the process of completing CPD and participating in Reflective Practice Discussions.

Professional skills training

18. A new release of professional skills content was published on the VLE on 31 March. This included four videos and a storyboard. Topics cover: equity release; potential issues around regulatory compliance and customer transparency; professional liability and climate risk misjudgement in actuarial advice; and power dynamics and role transition challenges.

19. Work is underway for the next cycle of content to be published in September with filming taking place in mid-June in the IFoA’s Edinburgh Hub.

20. A member of the Professional Skills Working Group (PSWG) and Executive colleagues hosted a professional skills and regulatory update workshop at the GI Spring Conference on 30 April.

21. Four online Professional Skills Training webinars are scheduled for June and July.

QAS accreditation

22. Since the last Board meeting a QAS Committee meeting took place on 10 April.

23. An improved QAS annual return form was approved by the QAS Committee in time for the bulk of annual returns due in May 2025. This should reduce duplication and make it easier for firms to provide specific information which the Committee is seeking.

24. A virtual QAS SQAR forum was held on 11 April. This session was an opportunity for the new QAS Chair to introduce himself to SQARs and discuss the 2025 Best Practice Report.

25. Quality Assurance Specialist Reviews are still ongoing and expected to be complete by the deadline of 31 May.

26. **[Redacted].**

Designated Professional Body (DPB) licensing

27. Since the last Board meeting, the DPB Board met on 20 March 2025, where it discussed updating and maintaining its processes and procedures in relation to managing actions, issues and risks.

28. The DPB Board also met on 8 May 2025, where the ICAEW attended to discuss its annual report on firm visits and the review of the 2024 DPB annual returns completed by all DPB firms. The Board also discussed the annual return to be submitted to the FCA by 14 May.

29. One DPB firm has decided to surrender their license. Steps are underway to give effect to that, including consideration, with the DPB Board, around the professional indemnity insurance requirements under the DPB Handbook on surrender of a licence.

30. **[Redacted].**

31. In relation to the ongoing handbook review, the workplan and projected timings for the review have been updated. The next steps will involve the DPB Board considering the feedback to the consultation. Having considered the consultation feedback, a paper is expected to come to the Board in July 2025 setting out the DPB Board's proposals on DPB Handbook amendments.

32. The in-person DPB seminar to be attended by all DPB firms takes place on 22 May 2025 at Staple Inn.

Practising Certificates

33. The Practising Certificates Committee (PCC) has continued to see changes to its membership over the last few months with five new members joining the Pensions Panel and three Pensions Panel members due to step down over the coming months. In addition, a refresh of the Lloyd's and non-Life Panels is underway as some members are passed their tenure. The adverts for both panels are currently live with a closing date of 18 May.

34. Since the last Board meeting, improvements have been made following the post-implementation review of the PC Scheme, including:

- The documentation around the operation of the PCC has been updated to amend the quorum of panel members to proceed with a case from four to three. This amendment was discussed internally and with the Chair of the PCC and it was felt that this small change would help improve turnaround times whilst still upholding the robustness of the PC Scheme.
- The PC page of the IFoA website, the PC FAQ's and the guidance document for completing an application have been updated to provide further clarity to members on the information required, including on the competency framework.

- A video has been produced and is now available on the PC webpage to help members understand the type of information that they should include within their application form.

35. Work on refining guidance following the post-implementation review continues, with the following expected to be finalised during the coming months:

- Updates to the PC Handbook.
- An interactive guide on applying for a PC online using the IFoA's VLE.
- Refreshing and updating the example pages on the website.

Professional and Regulatory Support Helpdesk (PRSH)

36. The Professional and Regulatory Support Helpdesk Annual Report is included in the agenda pack for noting, which includes an update on queries received and planned future activities.

Standards and guidance

37. The eight-week exposure period where members had the opportunity to highlight any significant objections to the proposed changes to the Code and Code Guidance following the DEI guidance consultation has now expired. A paper is included at agenda item 9 which sets out the responses received and gives the Board the opportunity to consider if any significant issues have been raised before the changes to the Code and Code Guidance come into effect in August 2025.

38. The Executive has reviewed the results of the APS X2 member survey. A paper is included at agenda item 7 which sets out proposals for the Board's approval, including amendments to APS X2 and its associated guidance.

39. The Executive has updated the Standards Grid at agenda item 14 with projected timings for the periodical review of the APSs and non-mandatory guidance and will continue work on the review.

FRC technical standards

40. On 14 March 2025, the IFoA submitted a response to the FRC's consultation on proposed revisions to TAS 300 to reflect recent developments in pension scheme funding. The response was prepared by the Executive, with input from the pensions practice board, and approved by the Board.

41. On 7 April 2025, the FRC published its key findings from its pilot monitoring programme, begin in 2022. Their observations are attached at Appendix 1. The FRC notes that its monitoring programme aids its assessment of the effectiveness of the TASs and helps it set proportionate, outcome-focused standards in support of the reliability objective. The FRC has invited actuarial practitioners working in insurance and pensions to express their interest in participating in the 2025/26 monitoring programme. The FRC have confirmed that they will not be publishing any additional detailed findings or any conclusions reached through the pilot in terms of the process. The FRC have also not published the volume or identity of participants, although have indicated that participants received a letter providing more detailed findings in relation to their individual reviews. The FRC have offered to speak to the Board about this activity in more detail if that would be helpful.

Actuarial Monitoring Scheme (AMS)

42. The Climate and Sustainability thematic review was launched in early April, following key stakeholder engagement. There will be ongoing promotion of the review during the submission window (open until mid-June) and there has been some early interest and submissions. Board members are asked to further promote the review where appropriate within their networks.

43. A paper is included at agenda item 10 to cover the Pension Scheme Design Review.

Education and Learning

44. The Learning Group update is attached at Appendix 2.

Engagement meetings

45. Ben Kemp had an informal catch up with the ICAEW's Director of Standards in April, discussion focused on the UK government's audit reform plans and expected legislation.

46. The IFoA had their regular quarterly catch up with the FRC's Actuarial Regulation team in April 2025 where the FRC provided updates on their current standards related activities.

47. The IFoA had their regular catch up with the FCA on April 22, with Ben Kemp and Alan Marshall in attendance, along with IFoA Policy colleagues. Current relevant IFoA regulatory activity and plans were highlighted, including the Customer Fairness and Financial Inclusion thematic review planned for later in 2025. The FCA covered ongoing activity in relation to actuarial work required for funeral plans, and their ongoing focus on the protection market.

48. The IFoA had an informal catch up with ICAS on 29 April, with Emma Gilpin and Jenny Higgins attending. Discussion focused on key regulatory and disciplinary issues facing each organisation.

49. The IFoA's regular catch up with the ACCA is scheduled for 7 May, with Emma Gilpin and Henry Thompson (the IFoA's Head of Public Affairs) attending.

FRC oversight

50. On 27 March 2025, the IFoA received the FRC's 24-25 Annual Supervision Report which sets out its findings from last year's oversight activities and its risk assessment for the IFoA. The report was circulated to the Board on 9 April 2025.

51. On 25 April 2025, the IFoA submitted its response to the Supervision Report, together with an action plan which responded to each recommendation made by the FRC, explained the planned action by the IFoA and provided timescales for completion of the actions. The response and action plan were shared with the Board for comment prior to submission.

52. On 7 May 2025, a meeting was held between the IFoA and the FRC to discuss the Supervision Report and the IFoA's response, including the action plan.

53. The FRC has also shared its oversight plan for 2025/26 which is attached at Appendix 3.

54. The FRC intends to attend the July meeting of the Board to discuss its Supervision Report.

AAE and IAA matters

55. On 26 February 2025, the IFoA submitted its response to the IAA's exposure draft on proposed IAN 300 on professional judgement. On 11 April, an IFoA response was also submitted on the exposure draft of ISAP 8 on IFRS S2 climate-related disclosures, which was prepared with input from the Sustainability Committee and Financial Reporting Group.

56. The AAE's Spring meeting took place in Edinburgh in April, including a meeting of the Professionalism Committee. The main topics of discussion were the IAA's review of its governance (including changes to its Statutes – which will be consulted upon this year) and approval of a consultation on an amended Code of Conduct (to which the IFoA will be able to respond).

57. The International Actuarial Association (IAA's) summer meetings are due to take place in Brazil in late May. It is anticipated that the IAA will approve a consultation over the summer on an amended model standard ISAP 1. This is the model standard which Member Associations (including the IFoA) are expected to achieve substantial consistency.

HMRC consultation on public interest disclosures to professional bodies

58. On 26 March 2025, as part of the Spring statement, HMRC issued a consultation on "broadening disclosure of HMRC's concerns about tax advisers to professional bodies". At present HMRC makes "Public Interest Disclosures" to professional bodies where it believes tax advisers fall short of HMRC's standards for agents.

59. HMRC has made 128 such disclosures across *all* professional bodies in the five tax years to April 2024. We understand no such disclosures have been made to the IFoA.

60. The IFoA would in principle support broadening the scope of HMRC disclosures. However, given this has not previously affected IFoA members and we understand little tax advice is provided by members, it is not currently proposed that the IFoA will respond to the current consultation.

Potential guidance on Collective Defined Contribution (CDC) schemes

61. The IFoA Pension Board's CDC Working Party has been working with DWP in relation to the draft multi-employer CDC regulations that were consulted upon in 2024. These draft regulations set out the requirements for "unconnected multi-employer CDC schemes" and, as drafted, included a provision (at draft Regulation 39) for the scheme actuary to have regard to any guidance issued by IFoA and/or the Pensions Regulator on certain prescribed matters.

62. Initial discussions are taking place with the CDC Working Group to understand the type of guidance material DWP is anticipating might be provided by the IFoA.

63. Any proposed guidance from the IFoA would be discussed with and approved by the Board.

64. In a speech on 29 April, the Minister for Pensions announced that these regulations will be laid in the Autumn.

FCA and PRA diversity and inclusion consultation

65. On 11 March 2025, the FCA and PRA issued letters in relation to their joint consultation launched in September 2023 on proposals aimed a boosting diversity in financial services. The

FCA and PRA advised that having considered the feedback received, expected legislative developments and the growing emphasis on reducing the regulatory burden on firms, they do not currently plan to publish new rules on diversity and inclusion. However, they will continue to support voluntary industry initiatives.

C: Key planned activities for next period (up to next full Board meeting)

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

- Work to identify participants in pilot of QAS PC Scheme.
- Work on the implementation of the revised Actuaries' Code and Code Guidance to take effect in August 2025, including communication to members (subject to approval).
- Continued work in relation to the introduction of the draft Audit Reform and Corporate Governance Bill (draft expected by end of 2025).
- Launch of APS X2 consultation (subject to approval).
- Begin work to review of APSs and non-mandatory guidance in accordance with Standards Grid.
- Publication of the pensions scheme design thematic review report.
- Further promotion of the Climate and Sustainability thematic review and early stages of review work as submissions are received.
- Workshop for Professional and Regulatory Support Helpdesk volunteers taking place in June.
- Workshop for Practice Module facilitators taking place in June.
- Four Professional Skills webinars being held across June and July.
- Review of consultation feedback on proposed amendments to the DPB Handbook and re-drafting begins.
- DPB seminar on 22 May 2025.
- Work to support FRC supervision audit activities (focussed on processes for PCs, QAS and discipline plus thematic reviews on governance and risk)

Appendices

- Appendix 1 – FRC's key findings from the pilot exercise of its 2024 monitoring programme
- Appendix 2 – Learning Group Update
- Appendix 3 - FRC oversight plan for 2025/26