

30 November 2006

To All Members

Dear Member

GN48: Compliance Review: Pensions

Introduction

GN48 was introduced to ensure that advice given by Scheme Actuaries under Practice Standard Guidance Notes is subject to a process of review. It was issued as Recommended Practice with effect from 31 December 2004, becoming a Practice Standard on 1 January 2007 with an attestation, as detailed in Appendix 2, being required when applying for a Scheme Actuary Practising Certificate from that date.

The purpose of this letter is to inform you that GN48 (version 2.0) has now been issued following the issue of an Exposure Draft (EXD72) in August 2006 and consultation under Due Process. The only change that has been made to EXD72 is the inclusion of a Purpose and Application section. Version 2.0 of GN48 comes into effect on 1 January 2007.

Detail

GN48 covers all written advice provided by the Scheme Actuary that is subject to the guidance notes listed within the Guidance Note, whether or not they are retained by the Profession or are the responsibility of the Board for Actuarial Standards.

The Pensions Board is aware that questions have been raised about the scope of advice that might be covered within GN48. In order to address this, an appendix has been added setting out types of written advice that must be subject to compliance review. The appendix is not an exhaustive list of advice which may be subject to peer review.

References to GN49 and GN51 have been added, as these Guidance Notes were issued after version 1.0 of GN48.

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In addition you should note that GN27 remains subject to GN48. The types of written advice that must be subject to compliance review under GN27 have not been added to the appendix as the scope for certificates to be given under that guidance is now limited.

Version 2.0 of GN48 can be found, on the profession's website at
www.actuaries.org.uk/files/pdf/map/GN48V2-0.pdf.

Board for Actuarial Standards

The Actuarial Profession has handed over responsibility for the setting of technical standards to the Board for Actuarial Standards (BAS) and from 19 May 2006 BAS has adopted, and is responsible for, a set of guidance notes originally produced by the Profession. The Profession retains the responsibility for Guidance Notes 11, 19, 28, 49 and 51 and a Technical Memorandum (TM1) only until the DWP have changed the relevant references in legislation, whereupon the Guidance Notes will be adopted by the BAS. This is not expected to take place until April 2007. Members will be notified when this happens. As GN48 deals with matters that are not within the remit of the BAS it remains with the Profession.

Yours sincerely



Gordon Sharp
Chairman, Pensions Board