

MUTUAL RECOGNITION AGREEMENT

BETWEEN: THE INSTITUTE OF ACTUARIES, a professional body incorporated by Royal Charter in 1884, having its head office and principal place of business in London, England; (hereinafter called the “**Institute**”)

AND: THE ACTUARIAL SOCIETY OF SOUTH AFRICA a professional body (hereinafter called the “**Society**”) registered in South Africa having its Head Office and principal place of business in Cape Town, South Africa.

INTRODUCTION

1. The Institute is one of the two professional actuarial membership bodies based in the UK (although its members practise both within the UK and overseas). The Institute has several categories of membership, but the relevant categories for the purposes of this agreement are Fellows and Associates. The Institute confers the designation ‘FIA’ on its Fellows; this is one of the designations required by statute in some situations to perform actuarial work. The Institute confers the designation ‘AIA’ on its Associates. The Institute requires individuals to complete successfully the examinations set by the Faculty and Institute of Actuaries in the UK (“the UK Actuarial Profession”), as part of the eligibility requirements for becoming a Fellow or an Associate of the Institute.
2. The Society is the sole professional actuarial membership body in South Africa (although its members practise both within South Africa and elsewhere). The Society has several categories of membership, but the relevant categories for the purposes of this agreement are Fellows and Associates. The Society confers the designation ‘FASSA’ on its Fellows and the designation ‘AMASSA’ on its Associates. The Society requires individuals to complete successfully the examinations set by the Society, as part of the eligibility requirements for becoming a Fellow or an Associate of the Society.
3. The objectives of the Institute and the Society (“the parties”) in entering into this agreement are:
 - to facilitate global trade in actuarial services by providing criteria for the recognition of appropriately qualified actuaries from other organisations;
 - to recognise similar qualifications, to avoid unnecessary barriers, and to enhance the global provision of education, research and professional services.
4. In entering into this agreement, each party considers the current qualification system of the other party as acceptable, based on its rigour and high standards.
5. The remainder of this agreement details:
 - The basis on which the Institute will admit members of the Society (Section A);
 - The basis on which the Society will admit members of the Institute (Section B);
 - The obligations accepted by the parties in respect of membership under this agreement (Section C);

- The basis on which both parties will recognise and grant exemptions in respect of individual examinations (Section D); and
- The term of this agreement and provision for early termination (Section E).

A. The basis on which the Institute will admit members of the Society

1. The Institute will, on application, admit to Fellowship a Fellow, or to Associateship an Associate, of the Society on the following conditions:

The applicant must:

- 1.1 have attained Fellowship or Associateship of the Society by examination and not in recognition of membership of another actuarial association;
 - 1.2 have at least one year's post-qualification practical experience of actuarial practice in the UK (the "adaptation period")
 - 1.3 have attended a professionalism course approved by the UK Actuarial Profession either during the adaptation period or during the three years prior to the date of application;
 - 1.4 have passed a UK Practice Module; and
 - 1.5 be of good standing. In making the application, the applicant authorises the Society to release records to the Institute concerning any disciplinary sanction or penalty that has been imposed on the applicant in accordance with the Disciplinary Scheme of the Society. Such records will be taken into consideration by the Institute in determining whether the applicant should become a Member of the Institute.
2. On application, Fellows or Associates of the Society who satisfy conditions 1.1 and 1.5 above, but do not meet all of the conditions 1.2, 1.3, and 1.4, must be enrolled as an Affiliate of the Institute while completing any period of relevant experience, and/or in order to be able to attend a professionalism course, and/or in order to be able to take a UK Practice Module.
 3. Those admitted to Fellowship or Associateship under this agreement will have the same rights, duties and obligations as other Fellows and Associates of the Institute. As such, they will initially become Fully Regulated Members of the UK Actuarial Profession.
 4. The applicant must send his or her application to the Institute which will administer the process provided for in this Agreement.

B. The basis on which the Society will admit members of the Institute

1. The Society will, on application, admit to Fellowship a Fellow, or to Associateship an Associate, of the Institute on the following conditions:

The applicant must:

- 1.1 have attained Fellowship or Associateship of the Institute by examination and not in recognition of membership of another actuarial association,
- 1.2 have at least one year's practical experience of actuarial practice in South Africa (the "adaptation period")

- 1.3 have attended a professionalism course approved by the Society) either during the adaptation period or during the three years prior to the date of application;
 - 1.4 have passed a South African Practice Module; and
 - 1.5 be of good standing. In making the application, the applicant will be required to authorise the Institute to release records to the Society concerning any disciplinary sanction or penalty that has been imposed on the applicant in accordance with the Disciplinary Scheme of the Institute. Such records will be taken into consideration by the Society in determining whether the applicant should become a Member of the Society.
2. On application, Fellows or Associates of the Institute who satisfy conditions 1.1 and 1.5 above, but do not meet all of the conditions 1.2, 1.3, and 1.4, will be enrolled as an Affiliate of the Society while completing any period of relevant experience, and/or in order to be able to attend a professionalism course, and/or in order to be able to take a South African Practice Module.
 3. Those admitted to Fellowship or Associateship under this agreement will have the same rights, duties and obligations as other Fellows and Associates of the Society.
 4. The applicant must send his or her application to the Society which will administer the process provided for in this agreement.
 5. The Council of the Society may, at its sole discretion, decide to waive any or all of the above requirements in any individual case.

C. Obligations accepted by the parties

1. The parties will cooperate on all matters related to membership. In particular, the parties will share information on all regulatory matters related to members covered by this agreement.
2. Any application from a member of one party for membership of the other party will be regarded as an application under the terms of this agreement.
3. Each party will advise applicants for membership of its body of the professional regulation requirements associated with becoming a member of that body.
4. A complaint received by the Institute against a member of the Society, who is also a Fully Regulated Member of the UK Actuarial Profession under the terms of this agreement, will be dealt with in accordance with the Institute's disciplinary scheme. The Institute's scheme contains a provision that all members shall be liable to disciplinary proceedings under the Accountancy and Actuarial Disciplinary Board Scheme on the grounds set out in that Scheme,
5. A complaint received by the Society against a member of the Institute, who is also a member of the Society under the terms of this agreement and who has opted for Partial Regulation by the UK Actuarial Profession, will be dealt with in accordance with the disciplinary scheme of the Society as the member's primary regulator.
6. A complaint received by the Society against a member of the Institute, who is also a member of the Society under the terms of this agreement and who has opted for continued full regulation by the UK Actuarial Profession, will be notified to the Institute under the terms of Paragraph C1 above. Each complaint will be considered on its merits and the parties will agree which body should deal with the complaint in the first instance.

7. The parties recognise that their current qualification standards are substantially equivalent and agree to maintain this equivalence. In particular, the parties agree to:
- Exchange information on a timely basis of proposed changes to their curricula and syllabi; an annual comparison of proposed changes in the qualification systems of the parties will be concluded and agreed by the parties by 1st September each year for the following calendar year.
 - Exchange information on a timely basis on proposed changes to either the work based skills development programme or the Continuous Professional Development Scheme of either party.
 - Adhere to the "Qualification Agreement" attached to this agreement at Appendix A.
8. The parties agree that decisions on the granting of exemptions and the passing and failing of candidates sitting for the examinations of either party will vest with the Board of Examiners (or equivalent body) of that party. It is envisaged that the Society's Board of Examiners will reach their decision after consideration of input, if any, from the UK Actuarial Profession.

D. Exemptions in respect of individual examinations

- A. The parties agree that they will grant mutual exemptions from the individual subjects required for the Associateship qualification on a basis as set out in Appendices A & B to this agreement.

E. Term of agreement and provision for earlier termination

- The term of this agreement is five years from the date upon which it has been signed by the President of the Institute and the President of the Society. Both parties agree that it is the intention that this agreement be renewed subject to terms and conditions appropriate at the time, provided both parties are satisfied with the educational standards of the other party at that time.
- This agreement will terminate if either party concludes that the obligations in Section C are no longer being met. The parties agree that they will engage with each other in a timely manner should any concerns arise that may lead to the termination of this agreement, and that they will use their best endeavours to resolve the concerns raised. Termination of the agreement will not affect the rights of individuals already granted membership under the terms of this agreement.

SIGNED AT LONDON, ENGLAND
THIS 21 DAY OF MAY, 2009

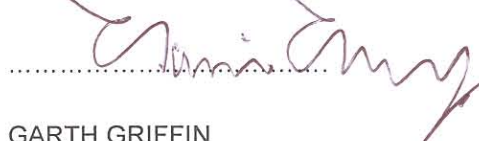
INSTITUTE OF ACTUARIES



NIGEL MASTERS
President

SIGNED AT TALLINN, ESTONIA
THIS 21 DAY OF MAY, 2009

ACTUARIAL SOCIETY OF SOUTH AFRICA



GARTH GRIFFIN
President

Appendices:

- Qualification agreement
- Early examination exemptions

Qualification agreement

Introduction

This appendix sets out the basis of the agreement for ensuring equivalence in the qualification process for the Society and the Institute for the first 5 years of operation of the MRA. It compares the Society's system with the existing UK Actuarial Profession qualification process and sets out the requirements which the Society's process needs to meet. It also provides the Society with access, as an observer, to the qualification process of the UK Profession, subject to certain conditions.

A. Undertakings by the Society

The Institute recognises that the Society has been running large parts of qualification system for many years to a standard that has been acceptable to the UK Profession. However, in order to ensure a continuation of the current extent of oversight provided by the UK Profession until such time as the UK Profession is satisfied that the system is both robust and is functioning effectively, the Society undertakes the following:

Core Technical (CT)

The Society will meet the UK Actuarial Profession CT level requirements by:

- Providing accredited university courses that cover some or all of the CT 1 – 8 subjects, and which offer students, who perform satisfactorily, credits for some or all of the Society's equivalent subjects. The accreditation process will ensure equivalence for each subject through the use of Independent Examiners approved by the Society. Copies of their annual reports will be provided to the Head of Learning at the UK Actuarial Profession. Students will be required to take the whole accredited programme and gain the university qualification as a pre-requisite for gaining the credit[s]; and/or
- Using the UK Actuarial Profession CT examinations for CT 1 – 8 which the Society's students can enter without the need to be Institute members; and
- Providing CT9 courses in South Africa (either through the Society or through accredited universities) which are equivalent to the UK Actuarial Profession CT9 course.

Core Applications (CA)

The Society will meet the UK Actuarial Profession CA level requirements by:

- Providing accredited university courses that cover the UK Actuarial Profession CA1 subject, and which offer students who perform satisfactorily, credit for the Society's equivalent subject. The accreditation process will ensure equivalence through the use of Independent Examiners, approved by the Society. Copies of their annual reports will be provided to the Head of Learning at the UK Actuarial Profession. Students will be required to take the whole accredited programme and gain the university qualification as a pre-requisite for gaining the credit; and/or
- Using the UK Actuarial Profession CA1 examinations which the Society's students can enter without the need to be Institute members; and

- Providing CA2 and CA3 courses in South Africa (either directly by the Society or through accredited universities) which are equivalent to the UK Actuarial Profession versions.

Specialist Technical (ST)

The Society will meet the UK Actuarial Profession ST level requirements by:

- Providing accredited university courses that cover the UK Actuarial Profession ST subjects, and which offer students who perform satisfactorily credits for some or all of the Society's equivalent subjects. The accreditation process will ensure equivalence through the use of Independent Examiners, approved by the UK Actuarial Profession, for each subject. Copies of their annual reports will be provided to the Head of Learning at the UK Actuarial Profession; and/or
- Providing their own ST examinations to the same standard as the UK Actuarial Profession examinations. The question papers, the marking and results will be reviewed by senior members of the UK Actuarial Profession Examinations Board to ensure equivalence.
- The Society's Board of Examiners will oversee the examination and credit processes.

Specialist Applications (SA)

The Society will meet the UK Actuarial Profession SA level requirements by providing its own SA examinations to the same standard as the UK Actuarial Profession examinations. The question papers, the marking and results will be reviewed by senior members of the UK Actuarial Profession Examinations Board to ensure equivalence.

All Fellowship Subjects

Subject by subject recognition will only apply at the CT and CA levels and not at ST and SA levels so that candidates will need to pass all their ST and SA level examinations with one body.

Work Based Skills (WBS)

The Society undertakes to maintain a WBS system equivalent to that of the UK Actuarial Profession which requires completion of at least one year's WBS for Associates and three years' WBS for Fellows.

General Undertaking

In addition to the specifics above, the UK Profession will have unlimited access to documentation on all parts of the qualification process in South Africa.

B. Undertakings by the Institute

In recognition of the nature of this mutual recognition agreement, should it be so requested by the Society, the Institute undertakes to use its best endeavours to obtain the agreement of the UK Actuarial Profession to provide access by senior examiners of the Society to the UK Profession's examination governance process as observers.

Schedule of Associateship Subjects that are individually recognised

Institute		Society
CT1	Financial Mathematics	A201
CT2	Finance and Financial Reporting	A103
CT3	Probability and Math Statistics	A101
CT4	Models	A202
CT5	Contingencies	A203
CT6	Statistical Methods	A204
CT7	Economics	A102
CT8	Financial Economics	A205
CT9	Business Awareness Module	A401
CA1	Actuarial Risk Management	A301
CA2	Model Documentation, Analysis and Reporting	A402
CA3	Communications	A302