

MUTUAL RECOGNITION AGREEMENT

BETWEEN:

THE INSTITUTE OF ACTUARIES a professional body incorporated in 1884, having its head office and principal place of business in London, UK;

(hereinafter called the “**UK Institute**”)

AND:

THE INSTITUTE OF ACTUARIES OF AUSTRALIA is a company limited by guarantee which holds a licence under the Australian Corporations Law having its head office and principal place of business in Sydney, Australia;

(hereinafter called the “**Australian Institute**”).

THE PARTIES HEREBY AGREE AS FOLLOWS:

WHEREAS the UK Institute is one of the two professional membership organisations for all actuaries practising in the UK and confers the designation “FIA” on its Fellows, which is one of the designations required by statute in some situations to perform actuarial work;

WHEREAS the UK Institute currently has five categories of membership, namely “Fellows”, “Associates”, “Students”, “Honorary Fellows” and “Affiliates”;

WHEREAS the UK Institute traditionally requires individuals to successfully complete the examination requirements set by the Faculty and Institute of Actuaries in the UK, as part of the eligibility requirements for becoming a Fellow of the UK Institute;

WHEREAS the Australian Institute is the professional membership organisation for all actuaries practising in Australia and confers the designation “FIAA” on its Fellows, which is a designation required by statute in some situations to perform actuarial work;

WHEREAS the Australian Institute currently has four categories of membership, namely “Fellows”, “Accredited Members”, “Associates” and “Affiliates”;

WHEREAS the Australian Institute traditionally requires individuals to successfully complete the examination set by it, as part of the eligibility requirements for becoming a Fellow of the Australian Institute;

WHEREAS the parties wish to facilitate global trade in actuarial services by providing criteria for the recognition of appropriately qualified actuaries from other organisations;

WHEREAS the parties wish to recognise similar educational attainment, to avoid unnecessary barriers, and to enhance the global provision of education, research and professional services;

WHEREAS each party considers the current education and examination system of the other party acceptable based on their rigour and high standards.

THEREFORE, THE PARTIES HAVE AGREED AS FOLLOWS:

A. THE UK INSTITUTE OFFER TO FELLOWS OF THE AUSTRALIAN INSTITUTE

1. The UK Institute will on application admit to Fellowship a Fellow of the Australian Institute in good standing on the following conditions;

The applicant must:

- 1.1. have attained full membership of the Australian Institute by examination and not in recognition of membership of another actuarial association;
 - 1.2 attest that he or she wishes to pursue actively the profession of actuary in the UK or the Republic of Ireland or to advise on UK or Irish business;
 - 1.3 have at least three years' recent appropriate practical experience of which at least one year is experience of actuarial practice in the UK or the Republic of Ireland;
 - 1.4 have attended an approved professionalism course within the past ten years; and
 - 1.5 in making the application, the applicant authorises the Australian Institute to release records to the UK Institute concerning any disciplinary sanction or penalty that has been imposed on the applicant in accordance with the Disciplinary Scheme of the Australian Institute. Such records will be taken into consideration by the UK Institute in determining whether the applicant should become a Member of the UK Institute.
2. Fellows of the Australian Institute who satisfy conditions 1.1 and 1.2 above and who wish to apply for Fellowship of the UK Institute in due course must apply to

be enrolled as an Affiliate of the UK Institute while completing any period of relevant experience required under 1.3 above and/or in order to be able to attend the professionalism course required under 1.4 above.

3. Those admitted to Fellowship under this Agreement will have the same rights, duties and obligations as other Fellows of the UK Institute. They will be subject to the Professional Conduct Standards and the disciplinary procedures. Under the former, in particular, Fellows must not offer to undertake duties for which they do not have the relevant knowledge and experience, for example of UK or Irish legislative requirements or commercial practice.
4. Payment of subscriptions to the Australian Institute must be maintained at whatever rate the Australian Institute deems appropriate.
5. The applicant must send his or her application to the UK Institute which will administer the process provided for in this Agreement.

B. THE AUSTRALIAN INSTITUTE OFFER TO MEMBERS OF THE UK INSTITUTE

1. The Australian Institute will, on application, admit to Accredited Member status of the Australian Institute, a Fellow of the UK Institute, who wishes to pursue actively the profession of actuary in Australia, on the following conditions.
 - 1.1 Subject to section 1.2 below, the applicant who has qualified as a Fellow of the UK Institute through examination will be automatically recommended to Council of the Australian Institute for approval once they have met the following conditions:
 - a) he or she has been a resident in Australia for at least 6 months and has gained suitable experience in local actuarial practice;
 - b) he or she has completed a recognised professionalism course within the previous 5 years, or earlier at the discretion of Council, or any other course approved by the Council of the Australian Institute.
 - 1.2 In making the application, the applicant authorises the UK Institute to release records to the Australian Institute concerning any disciplinary sanction or penalty that has been imposed on the applicant in accordance with the Disciplinary Scheme of the UK Institute. Such records will be taken into consideration by the Australian Institute in determining whether the applicant should become a Member of the Australian Institute.
2. Members of the UK Institute who become Accredited Members of the Australian Institute, may apply for Fellowship of the Australian Institute after 6 months of continuous residence and actuarial practice in Australia following becoming an

Accredited Member. Those admitted to Fellowship status under this Agreement will have the same rights, duties and obligations as other Fellows of the Australian Institute.

3. Those admitted to Accredited Member status under this Agreement will have the same rights, duties and obligations as Fellows of the Australian Institute, except where legislation or the Australian Institute's own rules dictate otherwise.
4. Payment of subscriptions to the UK Institute must be maintained at whatever rate the UK Institute deems appropriate.
5. The applicant must send his or her application to the Australian Institute which will administer the process provided for in this Agreement.

C. OBLIGATIONS OF THE UK INSTITUTE AND THE AUSTRALIAN INSTITUTE

1. The UK Institute and the Australian Institute will continue to maintain education standards that are substantially equivalent. The signing of this Mutual Recognition Agreement is in recognition that these actuarial organisations currently have substantially equivalent education standards. Mutual re-attestation of such substantial equivalence will take place when significant changes are made in the education or examination systems of the UK Institute or the Australian Institute.
2. The UK Institute and the Australian Institute will enter into a mutual discipline agreement as soon as is reasonably practicable after the signing of this agreement. A violation of the Code of Conduct of one actuarial organisation will be considered a violation of the Code of Conduct of the other actuarial organisation. Publicity concerning the discipline of a member (that is, a member who has become a Fellow of another actuarial organisation under this Agreement) by either the UK Institute or the Australian Institute will be forwarded to the other actuarial organisation.
3. This Mutual Recognition Agreement will terminate if either of the actuarial organisations signing this Agreement concludes that the obligations in provisions 1 or 2 of this section are no longer being met. Termination of this Mutual Recognition Agreement will not affect rights already granted to individual members under this Agreement.

D. CONTINUING PROFESSIONAL DEVELOPMENT

Where a Fellow has been admitted under this Agreement as a Fellow of another actuarial organisation, if the primary place of residence of that Fellow for a particular year is Australia, he or she must meet the Continuing Professional Development (CPD)

requirements of the Australian Institute, and this will be taken as meeting the CPD requirements for that year of the UK Institute.

Where the primary place of residence of such a Fellow for a particular year is the United Kingdom, or the Republic of Ireland, he or she must meet the CPD requirements of the UK Institute, and this will be taken as meeting the CPD requirements for that year of the Australian Institute.

Where the primary place of residence of such a Fellow for a particular year is not the United Kingdom, Republic of Ireland or Australia, he or she must inform both actuarial organisations as to whether he or she will meet the CPD requirements of the UK Institute or the Australian Institute for a particular year, and this will be taken as meeting the CPD requirements of the other actuarial organisation.

E. TERM OF THIS AGREEMENT

This Agreement concludes five (5) years after the date upon which it has been signed by the President of the UK Institute and the President of the Australian Institute.

SIGNED AT Edinburgh, THIS ____ DAY OF November, 2006.

INSTITUTE OF ACTUARIES (“UK Institute”)

Per: N J Dumbreck MA FIA
President

SIGNED AT Edinburgh, THIS ____ DAY OF November, 2006.

INSTITUTE OF ACTUARIES OF AUSTRALIA (“Australian Institute”)

Per: M A Stevenson, BSc, FIA, FIAA
President