

2010

**Supervision of an EU actuary
during an adaptation period before admission as a Fellow**

A Fellow of the Institute and Faculty of Actuaries may be asked to act as a supervisor during an adaptation period for an actuary who has a formal recognised actuarial qualification awarded in another Member State* of the European Union. Such supervision may not be straightforward and the following notes have been prepared to highlight the principal points which should be considered before accepting such a responsibility.

*For this purpose, Switzerland, Norway and Iceland will be treated as a Member State.

1. Introduction

1.1 The European Directive

The European Union's Directive on mutual recognition of professional qualifications is 2005/36/EC. This was implemented in the UK as "The European Communities (Recognition of Professional Qualifications) Regulations 2007" (UK Regulations) with effect from 19 October 2007. It covers migrant actuaries from Member States where the profession is regulated and, where it is not regulated, those who have at least two years' post-qualification, practical experience. Depending on the individual circumstances, we can impose an adaptation period/experience requirement of up to three years or an aptitude test, the choice normally being the applicant's.

1.2 The Groupe Consultatif Agreement

The main Actuarial Associations in the EU have subscribed to an Agreement of the Groupe Consultatif (the Association of such Actuarial Associations in the EU) that a full member of one member association who wishes to pursue actively the profession of actuary in another Member State of the EU should be eligible to join the association in that state. However, the host state may require the applicant either to undergo an adaptation period such that the applicant has at least three years' practical experience in total of which at least one year must be in the host state or to pass an aptitude test (at the choice of the applicant). The Agreement provides, inter alia, that:

1.2.1 The local code of conduct must be followed.

1.2.2 A full member of one association who is employed or established in another Member State or who provides actuarial services on a regular basis in another Member State must apply for membership of the local association.

1.2.3 No actuary should undertake professional work for which he or she does not have relevant current knowledge and experience.

1.3 Others

There will be some EU actuaries who are not covered either by 1.1. or by 1.2 above.

1.4 Adaptation Period

It is expected that most applicants who have a choice will choose the adaptation period/experience requirement. Where neither the EU Directive, the UK Regulations nor the Groupe Consultatif Agreement applies, we may impose such a requirement. Such an adaptation period must be supervised (see 2 below).

1.5 Aptitude Test

Where an aptitude test is to apply, the applicant will be asked to sit some of the examinations of the Institute and Faculty of Actuaries. The exact examinations may depend on the syllabus covered by the individual in their home country.

2 Supervision of an adaptation period

2.1 Qualifications of the supervisor

The supervisor, who will be responsible for the professional work of the applicant during the adaptation period, has to be approved by the Institute and Faculty and Actuaries.

The qualifications are:

- 2.1.1 Fellow of the Institute and Faculty of Actuaries who has worked as an actuary in the UK for at least three of the past five years.
- 2.1.2 Engaged in the work of a life or general insurance office, the Government Actuary's Department, a firm of consultants dealing in actuarial advice, a firm of stockbrokers or another organisation specifically approved by the Institute and Faculty of Actuaries.
- 2.1.3 Has the relevant knowledge to assess that the applicant's work is of the standard expected of a UK actuary working in the same field.
- 2.1.4 Has completed a programme of Continuing Professional Development in accordance with the Institute and Faculty of Actuaries scheme. This means they must have completed at least 15 hours per year of formal CPD for the last three years.

2.2 Approval of an adaptation period

A supervisor may approve the whole or part of the adaptation period and can arrange further education and training during the adaptation period if he/she considers it necessary. Approval should be granted if the supervisor can certify that:

- * the applicant is familiar with UK legislation requirements and commercial practice in at least one of the four traditional actuarial fields (life assurance, general insurance, pensions and investment) which it is expected will be the one in which they are principally engaged;

A pass in one of the UK practice modules is not required for award of the Fellowship qualification but is required to practice in the UK in a reserved role i.e., as an Actuarial Function Holder, With-Profits Actuary, Reviewing Actuary, Peer Reviewer, Scheme Actuary or Lloyd's Syndicate Actuary. However, the Supervisor may consider it appropriate for the applicant to take this examination during their adaptation period.

- * the applicant has shown technical actuarial competence and a knowledge of a substantial part of our technical areas of work in that field and has a broad understanding of the work in other fields;
- * the applicant has a sound understanding of the Guidance Notes issued by the Institute and Faculty of Actuaries:
- * the candidate has a sound understanding of the Technical Actuarial Standards (TASs) issued by the Board for Actuarial Standards;
- * the candidate has a sound understanding of the principles covered in the Actuaries' Code;
- * the applicant is able to exercise professional judgement comparable at least with newly qualified UK actuaries;
- * in particular the applicant's work in the professional area supervised has been fully up to the standard expected of a newly qualified UK actuary;
- * the applicant is familiar with our guidance on professional conduct.

Approval should be denied if this certification cannot be given.

2.3 Non-approval of an adaptation period

Denial of approval may be seen as action contrary to the terms of the EU Directive and the UK Regulations and contrary to the spirit of the Groupe Consultatif Agreement. It is the Institute and Faculty of Actuaries' intention however that in normal circumstances if an applicant fails to receive approval he/she will be allowed to start a further period of supervision under another actuary. It is important for the supervisor to warn the applicant (and the Institute and Faculty of Actuaries), at as early a stage as possible, if it seems that the supervisor may not be able to give the appropriate certificate at the end of the supervised period.

3. Conclusions

The Actuarial Profession in the UK wishes to encourage experienced practitioners to act as supervisors for European actuaries so that the intentions of the EU Directive, UK Regulations and the Groupe Consultatif Agreement may be carried out. Any Fellow uncertain of how, or whether, to act in the capacity of supervisor should consult the Membership Team at membership@actuaries.org.uk or 0131 240 1325.