

Institute
and Faculty
of Actuaries



SOCIETY OF ACTUARIES

1 JANUARY 2015

MUTUAL RECOGNITION AGREEMENT

between

INSTITUTE AND FACULTY OF ACTUARIES

and

SOCIETY OF ACTUARIES

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MUTUAL RECOGNITION AGREEMENT

BETWEEN: INSTITUTE AND FACULTY OF ACTUARIES a professional body incorporated by Royal Charter (RC000243) of Level 7, Holborn Gate, 326-330 High Holborn, London, WC1V 7PP (“**IFoA**”)

AND: SOCIETY OF ACTUARIES a professional body incorporated as an Illinois Not For Profit Corporation whose registered office is 475 North Martingale Rd., Suite 600, Schaumburg, Illinois 60173 (“**SoA**”).

1. BACKGROUND

- 1.1. The IFoA is the sole professional actuarial membership body based in the UK, although its members practise both within the UK and overseas. The IFoA has several categories of membership, but the relevant category for the purpose of this agreement is Fellow. The IFoA confers the designations ‘FIA’ and ‘FFA’ on its Fellows; these are designations required by statute in some situations to perform actuarial work. Fellows of the IFoA are required by statute in the UK to perform certain actuarial work in the UK. The IFoA requires individuals successfully to complete its education and examination requirements, in addition to a period of specific work-based skills, professionalism and continuing professional development requirements as part of the eligibility requirements for becoming a Fellow.
- 1.2. The SoA is one of the professional actuarial membership bodies based in the United States of America although its members practise both within the United States of America and elsewhere. The SoA has several categories of membership, but the relevant category for the purposes of this agreement is Fellow. The SoA confers the designation ‘FSA’ on its Fellows. The SoA requires individuals successfully to complete eligibility requirements, approved by the SoA Board, which include education and examinations, prior to it granting the Fellow designation.
- 1.3. The parties are entering into this agreement with the joint intention of:
 - 1.3.1. facilitating global trade in actuarial services by providing criteria for the recognition of appropriately qualified actuaries from other organisations; and
 - 1.3.2. recognising similar qualifications to avoid unnecessary barriers and to enhance the global provision of education, research and professional services.

2. AGREED TERMS

- 2.1. The terms of this agreement are subject to what is permissible at law, the law being as it applies to each party from time to time.
- 2.2. For the avoidance of doubt, this agreement is not intended to confer any rights on individual members of either the IFoA or the SoA and instead, sets out the rights and obligations existing between the IFoA and the SoA as professional bodies in order to fulfil the terms of this agreement.

3. THE BASIS ON WHICH THE IFOA WILL ADMIT MEMBERS OF THE SoA

- 3.1. The IFOA will, on application, admit to Fellowship a Fellow of the SoA on the following conditions:

The applicant must:

- 3.1.1. have attained Fellowship of the SoA by completing the qualification requirements of the SoA, which may include education and examinations co-sponsored with other actuarial organisations (including where relevant, obtaining one or more of the SoA's examination exemptions that are available from time to time), and not solely in recognition of membership of another actuarial association;
 - 3.1.2. within three years, up to and including the date of application, have completed at least one year's post-qualification practical work-based experience of UK actuarial practice;
 - 3.1.3. have successfully met the requirements, prescribed by the IFOA from time to time, in respect of eligibility, education, professional experience, and continuing professional development;
 - 3.1.4. be a member in good standing with the SoA; and
 - 3.1.5. at the same time as applying, authorise in writing the SoA to release relevant records to the IFOA concerning any adverse disciplinary determination, finding, sanction and/or penalty, to which the applicant has been subject, in accordance with the SoA's disciplinary process. Such records may be taken into consideration by the IFOA in considering the application, and may be retained by the IFOA thereafter for as long as is reasonably necessary.
- 3.2. Those admitted to Fellowship under this agreement will have the same rights, duties and obligations, as may from time to time be applicable to other Fellows of the IFOA, and will be subject to all relevant requirements.
- 3.3. On application, Fellows of the SoA who do not meet all of the conditions set out in conditions 3.1.2 and 3.1.3 may, at the absolute discretion of the IFOA, be enrolled as an Affiliate of the IFOA while completing any period of relevant experience (condition 3.1.2) and while taking action to meet other requirements prescribed by the IFOA from time to time (condition 3.1.3).
- 3.4. Those admitted as an Affiliate under this agreement will have the same rights, duties and obligations, as may from time to time be applicable to other Affiliates of the IFOA, and will be subject to all relevant requirements.
- 3.5. The IFOA will be responsible for considering and administering applications received under this clause of this agreement.

4. THE BASIS ON WHICH THE SoA WILL ADMIT MEMBERS OF THE IFOA

- 4.1. The SoA will, on application, admit to Fellowship a Fellow of the IFOA on the following conditions:

The applicant must:

- 4.1.1. have attained Fellowship of the IFOA by completing the qualification requirements of the IFOA including the examinations and assessments administered by the IFOA¹ and

¹ The SoA acknowledges that the IFOA may waive certain examination requirements and allow Fellowship candidates to obtain credit for such requirements by successfully completing equivalent work and passing examinations in university-based actuarial

not solely in recognition of membership of another actuarial association. For the purposes of this clause 4.1.1, references to the IFoA includes its predecessor entities;

- 4.1.2. within five years, up to and including the date of application, have successfully completed the SoA Fellowship Admissions Course or a professional course recognised as its equivalent by the SoA;
 - 4.1.3. have successfully met the requirements, prescribed by the SoA from time to time, in respect of eligibility, education, professional experience and continuing professional development;
 - 4.1.4. be a member in good standing with the IFoA; and
 - 4.1.5. at the same time as applying, authorise in writing the IFoA to release relevant records to the SoA concerning any adverse disciplinary determination, finding, sanction and/or penalty to which the applicant has been subject, in accordance with the IFoA's disciplinary scheme. Such records may be taken into consideration by the SoA in considering the application, and may be retained thereafter by the SoA for as long as is reasonably necessary. The SoA may also take appropriate account of any such relevant determinations, findings, sanctions and/or penalties issued or imposed by the Financial Reporting Council under The Actuarial Scheme.²
- 4.2. Those admitted to Fellowship under this agreement will have the same rights, duties and obligations, as may from time to time be applicable to other Fellows of the SoA, and will be subject to all relevant requirements.
- 4.3. The SoA will be responsible for considering and administering applications received under this clause of this agreement.

5. DATA PROTECTION

- 5.1. Each party warrants to the other party that it shall abide by, observe and perform all covenants, requirements, conditions and stipulations of all data protection and privacy laws that apply to the transfer and/or processing of personal data in connection with this agreement.
- 5.2. Each party further warrants to the other party that:
 - 5.2.1. it will only use any personal data received in connection with this agreement for the purposes set out in clauses 3.1.5 and 4.1.5 respectively; and
 - 5.2.2. such data will be kept secure and will only be accessible by the relevant party unless otherwise required by law, or by the IFoA's or SoA's disciplinary process. If a disclosure is made due to such requirements, the relevant party shall (in so far as it is able to) notify the other party in writing and the parties shall in good faith agree to such action as is necessary.

courses offered by IFoA-accredited universities. Credits toward IFoA Fellowship obtained in this manner will be recognised for the purposes of this Agreement.

² See: <http://www.frc.org.uk/Our-Work/Conduct/Professional-discipline.aspx>

6. CO-OPERATION BETWEEN THE PARTIES

- 6.1. The parties will co-operate on all matters relating to the exercise of their respective regulatory and membership functions which are relevant to this agreement. For the avoidance of doubt, information that is shared shall be shared via secure means, be in a form accessible by the other party's systems and be stored securely.
- 6.2. Each party will notify applicants for membership of its body of the professional regulation requirements associated with being a member of that body.
- 6.3. Subject to clause 6.4:
 - 6.3.1. The parties will co-operate on all disciplinary matters conducted by either party against a member of the other party.
 - 6.3.2. Where there is any complaint laid, referral made, or information provided of a disciplinary nature ("Allegation") against a member of both the IFoA and the SoA who has been admitted to the other under this agreement, such Allegation will be notified to the other party on receipt, or as soon as reasonably practicable thereafter.
 - 6.3.3. Each disciplinary matter will be considered on its merits and the parties will agree on which party should initially handle the Allegation. The parties will use the following, non-exhaustive criteria to consider which party is the appropriate one to initially consider the Allegation:
 - whether that party has jurisdiction to deal with the Allegation in the first place;
 - where the work which is the subject of the Allegation ("Work") has been undertaken;
 - where the member who is the subject of the Allegation is located;
 - whether the Work has been undertaken in accordance with the legal or regulatory requirements of the UK or the US;
 - whether the Work is intended to be used in the UK or the US;
 - whether the recipient of the Work is based in the UK or the US; and/or
 - whether the member who is the subject of the allegation is partially regulated by the IFoA.
 - 6.3.4. Where an agreement cannot be reached within a reasonable time, each party may then handle the matter as they choose, by reference to their own rules, regulations and disciplinary scheme or process.
 - 6.3.5. Each party will, so far as reasonably possible, disclose to the other any such information in relation to any information, disciplinary complaint, referral, investigation, hearing or procedure which is relevant for the purpose of assisting the other in properly undertaking its regulatory functions.
 - 6.3.6. Upon a final determination that rules of professional conduct have been violated, the investigating party shall communicate its findings to the other party (other than in the case of a private admonishment). As a result of the determination, each party shall give such weight as is appropriate to the other party's findings for the purposes of considering the matter under its own disciplinary scheme or process.
- 6.4. Nothing in this agreement shall adversely affect either party's ability to invoke the terms of its disciplinary scheme or process in force from time to time.

7. TERM OF AGREEMENT, REVIEW AND TERMINATION

7.1. This agreement shall be deemed to have commenced with effect from 1 January 2015 and including and, subject to the provisions for earlier termination contained within this agreement, shall continue indefinitely. The agreement shall be subject to a review of its terms every four years after the commencement date.

7.2. The parties are entering into this agreement based on a mutual recognition that the educational requirements and professionalism standards necessary to qualify for Fellowship in their respective organisations are substantially equivalent, and based on the expectation that they will remain so. Accordingly, each party agrees to designate and advise the other party of:

7.2.1. an appropriate day-to-day contact point ("Contact Point") to consider requests or to provide relevant information to the other party in relation to regulatory, governance and disciplinary matters connected with the terms of this agreement or to provide any notices required under this agreement; and

7.2.2. an appropriate educational contact point ("Educational Contact Point") to consider requests or to provide relevant information to the other party regarding qualification, educational and syllabus requirements in connection with the terms of this agreement.

7.3. Each party's Contact Point must advise the other party's Contact Point if there have been or are likely to be material changes to their own governance, regulatory or disciplinary, requirements which are relevant to the terms of this agreement, including, but not limited to changes to:

7.3.1. continuing professional development requirements; and/or

7.3.2. practical work training requirements;

and the parties shall agree to review the terms of this agreement within a reasonable period of time following the notification of these material changes.

7.4. Each party's Educational Contact Point must advise the other party's Educational Contact Point if there have been or are likely to be material changes to their own qualification or educational requirements which are relevant to the terms of this agreement, including, but not limited to changes to:

7.4.1. membership categories; and/or

7.4.2. syllabus and educational requirements;

and the parties shall agree to review the terms of this agreement within a reasonable period of time following the notification of these material changes.

7.5. Subject to clause 7.4 above, each party's Educational Contact Points shall have an annual review meeting, whether in person, or by teleconference, to discuss any changes to their qualification structure and/or syllabus and educational requirements.

7.6. Either party may terminate this agreement by giving the other party not less than three calendar months' written notice, provided always that in the event of a material breach of this agreement either party may give the other party written notice of termination, which shall be deemed effective on the date of postage.

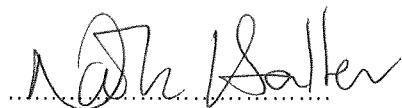
7.7. Any notice under this agreement shall be sent to the relevant party's address, as set out at the beginning of this agreement, or to such other address as may from time to time be notified in writing by either party to the other.

- 7.8. Each party will from time to time notify the other in writing of the appropriate person or persons to whom notices under this agreement should be addressed.
- 7.9. Termination of this agreement will not affect the rights, recognition and obligations of individuals already granted membership under the terms of this agreement.

SIGNED AT London, United Kingdom

THIS ²² DAY OF December, 2014

**INSTITUTE AND FACULTY OF
ACTUARIES**



NICHOLAS SALTER

President

SIGNED AT Schaumburg, USA

THIS ²³ DAY OF January, 2015

SOCIETY OF ACTUARIES



ERROL CRAMER

President