



## APS X1: APPLYING STANDARDS TO ACTUARIAL WORK

**Version:** 1.0, effective from 1 July 2017

**Purpose:** This **APS** sets out how to determine which standards are applicable to actuarial work

### 1. Actuaries' Code and APSs

1.1. Subject to relevant **Legal Requirements** and the provisions in paragraph 5.2, all **Members** must comply with:-

1.1.1. the **Actuaries' Code**; and

1.1.2. relevant **APSs**.

### 2. Substantial consistency with ISAP 1

2.1. **Members** should ensure that their **Actuarial Work** is carried out in a way that is substantially consistent with **ISAP 1**.

2.2. **Members** will be deemed to have met the requirements of paragraph 2.1 if they are:

2.2.1. Applying all relevant **TASs**;

2.2.2. Applying the **Recognised Standards** of a **Relevant Authority** included in a non-exhaustive list of such **Relevant Authorities** as may be published from time to time by the IFoA; or

2.2.3. Applying to that work **Recognised Standards** which, when considered collectively, the **Member** reasonably judges to achieve substantial consistency with **ISAP 1**.

### 3. Applying TASs

3.1. **Members** must apply relevant **TASs** to work which is within **UK Geographic Scope**. They may additionally apply other standards which are appropriate in the circumstances, provided that any such other standards, to the extent applied, are consistent with the **TASs**.

### 4. Applying Recognised Standards

4.1. This section applies only to **Members** undertaking **Actuarial Work** which is outside **UK Geographic Scope**.

4.2. Where a **Member** is required (for example, through a **Legal Requirement** or membership of an **IAA Full Member Association**) to apply a **Recognised Standard**, the **Member** should apply that **Recognised Standard**.

4.3. To the extent appropriate and proportionate, the **Member** should also apply any other relevant **Recognised Standard** that is applicable in the geographic area where the **Member** is carrying out work but which the **Member** is not under an obligation to apply.

## 5. **Additional provisions on applying Recognised Standards**

5.1. This section applies only to **Members** undertaking **Actuarial Work** which is outside **UK Geographic Scope**.

5.2. Where the subject matter of a **Recognised Standard** applied by a **Member** is substantively similar to part or all of an applicable **APS** the **Member** may, if appropriate, treat that **Recognised Standard** as being an alternative to the relevant **APS** (or part of the **APS**).

5.3. To the extent that a **Recognised Standard** is applied as an alternative, the requirement under paragraph 1.1.2 does not apply.

## 6. **Considering any other relevant standards**

6.1. This section applies only to **Members** undertaking **Actuarial Work** which is outside **UK Geographic Scope**.

6.2. In addition to the requirements in Section 4 above, **Members** should also exercise reasonable judgement to consider whether there are other relevant standards (not being relevant **Recognised Standards**) that they ought to apply.

## 7. **Relevant circumstances to consider**

7.1. In exercising judgement for the purposes of sections 4, 5 and 6 **Members** should take into account all relevant circumstances including:

7.1.1. the context in which the **Actuarial Work** is being provided and its purpose;

7.1.2. the scope of any **Recognised Standards** applied under section 4 and whether they cover all aspects of the **Actuarial Work** in question;

7.1.3. the requirement of paragraph 2.1;

7.1.4. the reasonable expectations of **User(s)**;

7.1.5. relevant market expectations and norms in the context in question; and

7.1.6. the regulatory and/or public interest objectives of the **Recognised Standards** or relevant standards in question.

## **8. Communication and justification of the standards applied**

- 8.1. Where necessary to avoid possible misunderstanding on the part of the **User(s)**, **Members** should set out in writing the standards that have and/or have not been applied to their **Actuarial Work**.
- 8.2. **Members** must be able to justify the standards applied (and/or not applied) to their **Actuarial Work**, if reasonably called upon to do so.

## **9. Interpretation and application**

- 9.1. A failure to comply with this **APS** may result in a finding of misconduct in terms of the **IFoA's Disciplinary Scheme**.
- 9.2. This **APS** uses the word "must" to mean a specific mandatory requirement. It uses the word "should" to indicate that, while the presumption is that **Members** will comply with the provision in question, there may be some circumstances in which **Members** are able to justify non-compliance.
- 9.3. In the event of any inconsistency between this **APS** and the **Actuaries' Code**, the **Actuaries' Code** prevails.

<b>Term</b>	<b>Definition</b>
<b>Actuarial Work</b>	Work undertaken by a Member in their capacity as a person with actuarial skills on which the intended recipient of that work is entitled to rely. This may include carrying out calculations, modelling or the rendering of advice, recommendations, findings, or opinions.
<b>Actuaries' Code</b>	The ethical professional code for Members issued by the Institute and Faculty of Actuaries.
<b>APS</b>	Actuarial Profession Standard issued by the Institute and Faculty of Actuaries.
<b>IAA</b>	The International Actuarial Association.
<b>IFoA</b>	The Institute and Faculty of Actuaries.
<b>IFoA's Disciplinary Scheme</b>	The currently in force Disciplinary Scheme of the Institute and Faculty of Actuaries, as may be amended from time to time.
<b>ISAP 1</b>	The first International Standard of Actuarial Practice issued by the IAA, as may be amended from time to time.
<b>Legal Requirement</b>	A requirement of law or regulation, imposed by a body of lawful jurisdiction and directly enforceable by reason of national or local law.
<b>Member</b>	A member of the Institute and Faculty of Actuaries.
<b>Recognised Standard</b>	Professional standard, written practice or guidance, other than a Legal Requirement, issued, given effect to, or otherwise recognised, by a Relevant Authority, and relevant to the professional and/or technical quality of actuarial work.
<b>Relevant Authority</b>	An IAA Full Member Association (as defined by the IAA) or other regulatory entity with equivalent authority to impose standards in relation to actuarial work (for the avoidance of doubt this does not include the IAA or the Actuarial Association of Europe).

<b>TAS</b>	Technical Actuarial Standard produced by the Financial Reporting Council.
<b>UK Geographic Scope</b>	Refers to work done in relation to the UK operations of entities, as well as to any overseas operations which report into the UK, within the context of UK law or regulation (regardless of the location or domicile of the person carrying out the work).
<b>User</b>	The person, including a corporate entity, for whom the actuarial work is produced.