

**THE**

**Royal Charter of Incorporation**

**OF THE**

**INSTITUTE OF ACTUARIES**

*Dated 29 July 1884 and amended by variation allowed by Order in Council dated 9 June 2010.*

**Victoria, by the Grace of God, of the United Kingdom of Great Britain and  
Ireland, Queen, Defender of the Faith**

TO ALL TO WHOM THESE PRESENTS SHALL COME GREETING

*WHEREAS an humble Petition has been presented to Us in Our Council by THOMAS BOND SPRAGUE, MARCUS NATHAN ADLER, GEORGE WILLIAM BERRIDGE, CHARLES JOHN BUNYON, and RALPH PRICE HARDY, setting forth to the effect following:*

*That the Petitioner THOMAS BOND SPRAGUE is the President, and the Petitioners MARCUS NATHAN ADLER, GEORGE WILLIAM BERRIDGE, CHARLES JOHN BUNYON, and RALPH PRICE HARDY are the Vice- Presidents of an Association established in London in One thousand eight hundred and forty-eight called the Institute of Actuaries of Great Britain and Ireland.*

*That the Institute of Actuaries was established for the objects following, that is to say:*

- (a) For the purpose of elevating the attainments and status and promoting the general efficiency of all who are engaged in occupations connected with the pursuits of an Actuary.*
  - (b) For the extension and improvement of the data and methods of the science which has its origin in the application of the doctrine of probabilities to the affairs of life, and from which life assurance annuity reversionary interest and other analogous institutions including Friendly Societies derive their principles of operation.*
  - (c) The consideration of all monetary questions involving separately or in combination the Mathematical doctrine of probabilities and the principles of interest.*
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*That the Profession of Actuary is one requiring a wide and varied training in respect of the frequent employment of its Members in the several capacities of Expert Witnesses, Valuers and Advisers in matters relating to financial questions, particularly in reference to those numerous and important questions involving the scientific application of the doctrine of probabilities and the principles of interest.*

*That the Profession of Actuary is one which has already imposed upon it by various Acts of Parliament more particularly by the Life Assurance Companies Act 1870 and by the Friendly Societies Act 1875 and previous Act relating to Friendly Societies specific and important duties.*

*That the representative character of the Institute of Actuaries and the position which its Members occupy in relation to Public interests have been already recognized in the ways following:*

- (a) In the year One thousand eight hundred and fifty-two the then Registrar of Friendly Societies consulted the Institute as to the preparation of Sickness and Mortality Tables from the Quinquennial Sickness and Mortality Returns made by Registered Friendly Societies under the Friendly Societies Act then in force.*
- (b) In the year One thousand eight hundred and seventy-one the Board of Trade consulted the Institute with reference to the proper method of carrying out some of the details of the Life Assurance Companies Act 1870.*
- (c) In the year One thousand eight hundred and seventy-four the then Chancellor of the Exchequer consulted the Institute with reference to certain provisions to be inserted in the Friendly Societies Act which was passed in the year One thousand eight hundred and seventy-five, and also with reference to the preparation of Tables for Friendly Societies.*

*That the profession of Actuary is one to which important matters are frequently referred by the Chancery Division of the High Court of Justice and other Legal and Administrative Departments of the State.*

*That the Institute of Actuaries aims at improving the status of Actuaries, providing means of Professional training and the interchange and dissemination of practical information thereby securing the better discharge of duties affecting interests of great importance.*

*That the Institute of Actuaries has already collected and published extensive data relating to Mortality Statistics and has also caused to be calculated therefrom and published various monetary Tables which have been largely adopted by the Life Assurance Institutions of this and other countries.*

*That the Institute of Actuaries has already by means of its published transactions known by the name of the Journal of the Institute of Actuaries and Assurance Magazine which in greater part consists of contributions from its own members during the last thirty-two years disseminated valuable information theoretical and practical with the result of constituting the said Journal the leading source of information in this and other countries on matters relating to the Profession of Actuaries.*

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*That the Institute of Actuaries has already caused to be written and published for the use of the Profession of Actuaries and others, a Text-Book of the Principles of Interest including Annuities-Certain constituting the first part of a complete Treatise on Actuarial Science.*

*That the Institute of Actuaries has already by means of the important educational functions and system of examinations with which it has charged itself during the last thirty-two years including the establishment and superintendence of classes of instruction conducted by persons appointed by the Institute largely contributed to the better discharge of duties affecting interests of great importance.*

*That the Petitioners are advised and believe that the incorporation of the Members of the Institute of Actuaries under Our Royal Charter would tend greatly to the attainment of the objects which it has in view and would be fruitful of public advantage by enabling the Institute to take more effective measures for securing the adequate training of Actuaries in the duties of their calling and by according to the Institute a position by means of which it would be better able to exercise an influence towards maintaining a high standard of usefulness among the Members of the Profession.*

*That the Members of the Institute do not and cannot under its Bye-laws and Constitution derive any pecuniary benefit from their Membership.*

*AND WHEREAS by the said Petition, the Petitioners on behalf of themselves and the other Members of the said Institute of Actuaries most humbly prayed that We would be graciously pleased to grant Our Royal Charter for incorporating the Petitioners and others under the title of the Institute of Actuaries or such other title as to Us might seem fit, and with all such powers and privileges as to Us might seem fit.*

*AND WHEREAS the following persons namely: CHARLES ANSELL, GRIFFITH DAVIES, EDWARD DOCKER, HAROLD ENGELBACH, RICHARD CHARLES FISHER, JOHN GODDARD, FREDERICK HENDRIKS, JOHN ADAMS HIGHAM, SAMUEL INGALL, CHARLES MCCABE, JOHN GEORGE PRIESTLEY, JOHN WARE STEPHENSON, CHARLES STEVENS, WILLIAM HENRY TYNDALL, THOMAS BOORMAN WINSER, being Members of a collective body established in the year One thousand eight hundred and forty-eight under the name of The Actuaries' Club, and exercising the calling or Profession of Actuary, are desirous of becoming entitled to such privileges as may arise from the incorporation of the Members of the Institute of Actuaries under Our Royal Charter.*

*NOW THEREFORE, We having taken the said Petition into Our Royal consideration in Our Council and being satisfied that the intentions of the Petitioners are laudable and deserving of encouragement Have constituted, erected and incorporated and We by Our Prerogative Royal and of Our especial grace certain knowledge and mere motion by these Presents for Us and Our Royal Successors*

*DO WILL, ORDAIN AND DECLARE as follows (that is to say):*

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1. The persons now members of the Institute of Actuaries and, so that the benefits of a unified actuarial profession in Our United Kingdom may be secured, the persons on 1 August 2010 who are members, affiliates and students of The Faculty of Actuaries in Scotland founded in 1856 and incorporated by Royal Charter in 1868 and all such other persons as may hereafter become members of the Body Corporate hereby constituted pursuant to or by virtue of the powers granted by these Presents, and their Successors, shall for ever hereafter (so long as they shall continue to be such members) be by virtue of these Presents one body corporate and politic by the name of the Institute and Faculty of Actuaries, and by the same name have perpetual succession and a Common Seal, with power to break, alter and make anew the said Seal from time to time at their will and pleasure, and by the same name shall and may sue and be sued in all Courts and in all manner of actions and suits and shall have power to do all other matters and things incidental or appertaining to a body corporate.

## **Objects**

2. The objects of the Institute and Faculty of Actuaries shall be, in the public interest, to advance all matters relevant to actuarial science and its application and to regulate and promote the actuarial profession.

## **Powers**

3. In pursuit of the objects the Institute and Faculty of Actuaries shall have power to do any lawful thing so long as it shall not be repugnant to any provision of this Our Charter or the Bye-laws made under it. Without prejudice to the generality of the foregoing the Institute and Faculty of Actuaries may in particular:

(a) enter into contracts or incur obligations, borrow and raise money, give guarantees and indemnities, and mortgage or charge the whole or any part of the undertaking, assets and rights of the Institute and Faculty of Actuaries;

(b) employ and dismiss staff, remunerate them and provide retirement, death, disability, ill health or other benefits for them, their families, dependants and others;

(c) acquire real or personal property (or any estate or interest in such property) and any other assets, whether within or outside Our United Kingdom;

(d) invest any moneys not immediately required for its objects, in such a manner as may from time to time be determined, subject to any conditions or consents as may for the time being be imposed or required by law and subject also as provided in this Our Charter;

(e) enter into arrangements with others in order to further the objects of the Institute and Faculty of Actuaries;

(f) print, publish, sell, lend or distribute any papers, communications, works or treatises on matters pertinent to the actuarial profession;

(g) do all other things incidental or conducive to the attainment of the objects.

## **Governance**

4. There shall be a Council of the Institute and Faculty of Actuaries in which shall be vested the governance and control of the Institute and Faculty of Actuaries and its affairs subject to the provisions of this Our Charter and of the Bye-laws of the Institute and Faculty of Actuaries.
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5. The Council shall consist of such number of members with such qualifications and shall be elected or constituted in such manner and shall hold office for such period and on such terms as to re-election and otherwise as the Bye-laws shall prescribe.
6. The Institute and Faculty of Actuaries shall have such officers with such functions, tenure and terms of office as the Bye-laws shall prescribe.
7. The business of the Council shall be conducted subject to the provisions of this Our Charter and the Bye-laws in such manner as the Council shall from time to time determine.
8. In order to ensure that the Institute and Faculty of Actuaries is managed efficiently and effectively the Council may delegate powers over any matters within its competence, other than those where the Bye-laws provide for a qualified majority of Council, to any person or persons.
9. There shall be such categories of members of the Institute and Faculty of Actuaries as the Bye-laws shall prescribe. The qualifications, method and terms of admission, rights, privileges and obligations of each of the categories of membership shall be as prescribed in the Bye-laws.
10. No member shall be entitled to use any description of himself or herself in relation to their membership of the Institute and Faculty of Actuaries that includes the word "Chartered" unless the Bye-laws so provide.
11. The Bye-laws set out in the Schedule hereto shall be the Bye-laws of the Institute and Faculty of Actuaries and shall remain in force until revoked, amended or added to in the manner hereinafter provided.
12. The Bye-laws may direct that any matters which pursuant to this Our Charter may be prescribed or regulated in the Bye-laws may be further prescribed or regulated by the Rules and the Regulations made by the Council, provided that any such further prescription or regulation shall not be repugnant to the provisions of this Our Charter or the Bye-laws.
13. The Council shall have power to make Rules and Regulations for the award of qualifications to members and to make awards to members so qualified to receive them, but no Rules or Regulations shall be made for the award of chartered qualifications without the approval of the Lords of Our Privy Council of which approval a certificate under the hand of the Clerk of Our said Privy Council shall be conclusive evidence.
14. Except as otherwise specified in this Charter or the Bye-laws, a Resolution passed either:
  - a) by a majority of not less than three-fourths of the whole number of the members of the Council and subsequently passed at a duly convened general meeting by a simple majority of the members entitled to vote and voting at that general meeting; or
  - b) at a duly convened general meeting by a majority of not less than two-thirds of the members entitled to vote and voting at that general meeting

shall be effective to make, revoke, alter or amend any Bye-law or Bye-laws of the Institute and Faculty of Actuaries for its regulation and governance, and for the furtherance of its objects and powers, provided that the new or amended Bye-law or Bye-laws are not repugnant to this Our Charter or to the Laws and Statutes of this Our Realm, and further provided that no such Bye-law, revocation, alteration or amendment shall take effect until the same has been approved by the Lords of Our Privy Council of which approval a certificate under the hand of the Clerk of Our said Privy Council shall be conclusive evidence.

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15. A Resolution passed either:

- a) by a majority of not less than three-fourths of the whole number of the members of the Council and subsequently passed at a duly convened general meeting by a majority of not less than two-thirds of the members entitled to vote and voting at that general meeting; or
- b) at a duly convened general meeting by a majority of not less than three-fourths of the members entitled to vote and voting at that general meeting

may amend or add to this Our Charter and any such amendment or addition shall when allowed by Us, Our Heirs or Successors in Council become effectual so that this Our Charter shall thenceforward continue and operate as though it had been originally granted and made accordingly. This provision shall apply to this Our Charter as amended or added to in the manner aforesaid.

16. In any case of conflict, the provisions of this Our Charter shall prevail over those of the Bye-laws, the Rules and the Regulations, and the provisions of the Bye-laws shall prevail over those of the Rules and the Regulations.

17. And We do hereby, for Us, Our Heirs, and Successors, Grant and Declare that these Our Letters Patent, or the enrolment or exemplification thereof, shall be in all things good, firm, valid, and effectual, according to the true intent and meaning of the same, and shall be taken, construed and adjudged in all Our Courts or elsewhere in the most favourable and beneficial sense and for the best advantage of the Institute and Faculty of Actuaries, any misrecital, non-recital, omission, defect, imperfection, matter or thing whatsoever notwithstanding.

## SCHEDULE

### *Revised Bye-laws of the Institute and Faculty of Actuaries*

*In these Bye-laws the words shown below in Column 1 have the meanings assigned to them in Column 2. The first reference to these words in these Bye-laws is shown in italics.*

| <b>Column 1</b>                            | <b>Column 2</b>  |
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| AGM  | The general meeting required by Bye-law 54.  |
| Associate                                  | A person meeting the requirements of Bye-law 35 who has been admitted into the category of Associate.  |
| constituency                               | A constituency within the meaning of Bye-law 19.   |
| Continuing Professional Development Scheme | The scheme established by the Institute and Faculty of Actuaries which sets out the regulatory and professional requirements of Members in respect of their continuing professional development. |
| Fellow                                     | A person meeting the requirements of Bye-law 36 who has been admitted into the category of Fellow.   |
| general meeting                            | A general meeting within the meaning of Bye-law 50.  |
| management body                            | A committee reporting to the Council to oversee the operational management of the Institute and Faculty of Actuaries and defined in Bye-law 17.  |
| Motion                                     | A proposal for the passing of a Resolution.  |
| Regulations                                | Regulations within the meaning of Bye-law 28.  |
| Resolution                                 | A matter which is subject to a vote of the members at a duly convened general meeting and which having been passed is binding on the Institute and Faculty of Actuaries.                         |
| Rules                                      | Rules within the meaning of Bye-law 27.  |

### **President**

1. There shall be a President of the Institute and Faculty of Actuaries who shall be elected by the Council in accordance with an electoral scheme to be prescribed in the *Regulations*.

### **President-elect**

2. There shall be one President-elect of the Institute and Faculty of Actuaries who shall be elected by the Council in accordance with an electoral scheme to be prescribed in the *Regulations*.

### **Honorary Officers**

3. In addition to the President and the President-elect there shall be such other honorary officers of the Institute and Faculty of Actuaries as may be prescribed in the *Regulations*, who shall be elected or appointed as the *Regulations* may provide. All honorary officers shall be members of the Council.

## Council

4. The Council of the Institute and Faculty of Actuaries shall comprise 30 *Fellows* or *Associates* who shall be elected by vote of the members of the *constituency* of which they are a member in accordance with the Regulations, plus up to three co-optees as may be prescribed for in the Regulations to cover particular circumstances. These co-optees are in addition to those co-opted in accordance with Bye-law 9. Included in the total number on the Council shall be any honorary officers.
5. All members of the Council, whether elected or co-opted, have equal rights and obligations when serving on the Council except where specified by these Bye-laws.
6. Members of the Council shall serve until they resign, die, are removed under Bye-law 11, or retire in accordance with Bye-law 8. Where on retirement a member of the Council has served only one term without a break, that member may seek re-election immediately but a member who has served two consecutive terms, unless elected by the Council as President, President-elect or other honorary officer, must stand down and not seek re-election immediately.
7. Members of the Council who change constituency may continue to serve on the Council until the next *AGM*, but must then retire. Such members, if otherwise eligible for re-election, may immediately seek election for a vacancy in their new constituency.
8. Each year a third of the members of the Council (rounded down to the lower whole number) representing each constituency shall retire with effect from the date of the *AGM*, in accordance with the *Rules*. Where only one or two members represent a constituency each shall serve for three years before retiring, subject to only one member having to retire in any one year.
9. Casual vacancies of any of the 30 constituency places on the Council which arise between elections, or as a result of a shortage of candidates at an election, may be filled by a person from the relevant constituency co-opted by the Council. The Council may act notwithstanding any vacancy in its membership.
10. Members co-opted on to the Council to fill a casual vacancy must retire at the next *AGM* as part of the number required to retire in accordance with Bye-law 8 and the number of Council members required to retire shall be reduced by the number of any unfilled vacancies.
11. The Council may remove any member of the Council if:
  - in the reasonable opinion of the Council the member has acted in a way that is damaging to the interests of the Institute and Faculty of Actuaries, or
  - the member has failed to carry out the duties of a member of the Council for a continuous period of six months.

Removal of a member of the Council requires a majority of not less than three-fourths of the whole number of the members of the Council (excluding the member concerned) to vote in favour. A member of the Council removed in this way is immediately eligible for election at the next election of members to the Council in accordance with Bye-law 4. Further, a *Resolution* passed by a simple majority of those eligible to vote and voting at a *general meeting* called under Bye-law 50 for that purpose may reinstate such a member with effect from the passing of that *Resolution*.

12. A member of the Council who has a contract of employment with the Institute and Faculty of Actuaries shall resign from the Council unless a majority of not less than three-fourths of the whole number of the members of the Council (excluding the member concerned) vote in favour of the member remaining on the Council.
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13. Any delegation by the Council under Article 8 of the Charter may be for such matters as it sees fit to persons, boards, committees or other working groups, which may have as members persons who are not members of the Council or of the Institute and Faculty of Actuaries. The Council shall publish its scheme of delegation.
14. Any person, board, committee or working group may delegate responsibility for any matter to any sub-committee or person whether members of the Institute and Faculty of Actuaries or not provided that this does not conflict with the Council's scheme of delegation.
15. The Council shall have power to regulate its own procedures. The quorum for meetings of the Council shall be 10 members of the Council.
16. Subject to these Bye-laws, the Rules and the Regulations and any terms and conditions imposed by the Council, the Council and any board, committee or working group may meet, by any means, may adjourn meetings and may otherwise regulate its procedures as it sees fit.
17. There shall be a *management body* which shall oversee the operational management of the Institute and Faculty of Actuaries and report to the Council on the discharge of its functions, and which shall have such duties and responsibilities as the Council decides. The management body shall consist of such persons with such qualifications and shall be constituted in such manner and shall hold office for such period and on such terms as to appointment, re-appointment and otherwise as the Council shall prescribe in the Regulations.
18. There shall be a chief executive officer of the Institute and Faculty of Actuaries who shall be appointed by the management body with such title and such responsibilities as may be determined from time to time by the Council. Subject to the direction of the management body, the chief executive officer shall be responsible to the management body for the executive administration of the Institute and Faculty of Actuaries.

## Constituencies

19. Thirty members of the Council are elected by the members of the Institute and Faculty of Actuaries entitled to vote at general meetings, who shall be divided into two constituencies. There shall be a Scottish constituency for those members who fulfil the criteria set out in the Rules and a General constituency for all other members entitled to vote.
20. Members shall belong to only one constituency, which shall be the constituency of their choosing, subject to such conditions as may be prescribed in the Rules. Members shall vote only in the elections for the members of the Council for their constituency.
21. The number of members of the Council to represent the two constituencies shall be as detailed in the following table from election dates as shown in the table below.

| Year         | General | Scottish |
|--------------|---------|----------|
| 2010 to 2014 | 20      | 10       |
| 2015         | 21      | 9        |
| 2016         | 21      | 9        |
| 2017         | 22      | 8        |
| 2018         | 22      | 8        |
| 2019         | 23      | 7        |
| 2020         | 23      | 7        |
| 2021 to 2025 | 24      | 6        |

The number of members of the Council for each constituency cannot be changed from those stated above unless at least three-fourths of the whole number of the members of the Institute and Faculty of Actuaries in each constituency entitled to vote and voting have agreed to such a change in separate votes at a general meeting arranged by the Council for that purpose.

22. In 2025 the Council shall adjust the number of members of the Council to be elected with effect from 2026 by the Scottish constituency as necessary so that the number of members for each constituency is proportionate (as far as practicable) to the number of the members entitled to vote in that constituency. If, after 2026, the Scottish constituency ceases to have enough members to elect one member of the Council it shall be discontinued by the Council with effect from the next AGM when any member of the Council originally elected by that constituency would have to retire.

### **Scottish Board**

23. The members of the Council elected by the Scottish constituency shall be members of a Scottish Board, which shall report to the management body. The members of the Council elected by the Scottish constituency may co-opt as many other persons as they consider appropriate to serve on the Scottish Board. Each year the members of the Scottish Board shall elect a person from among their number to chair their meetings, but no person who at that time is President shall be eligible for election as the person to chair the Scottish Board. The role of and other arrangements for the Scottish Board may be prescribed in the Regulations.

### **Staff**

24. The Institute and Faculty of Actuaries may employ such staff as it deems necessary for its administration and the operation of its executive functions.

### **Indemnity of those acting on behalf of the Institute and Faculty of Actuaries**

25. The Institute and Faculty of Actuaries shall indemnify all those acting on its behalf whether by election, appointment or employment, against all losses, expenses and liabilities that arise in respect of their service to the Institute and Faculty of Actuaries except such as arise from that person's criminal acts, fraud, wilful default or gross negligence. In this Bye-law, "service" means acts or omissions authorised, or reasonably believed to be authorised, by the Institute and Faculty of Actuaries.

### **The Rules and the Regulations**

26. Any reference to the Rules and the Regulations in these Bye-laws shall be to the Rules and the Regulations made by the Council, and in the case of the Rules confirmed by a general meeting in accordance with Bye-law 27.
27. The Council shall have power to make, amend or delete the Rules governing such matters as are provided for in the Bye-laws and subject to confirmation by a Resolution passed by a simple majority of those entitled to vote and voting, provided that no such Rules may be contrary to, or provide differently from, any provision of the Charter or the Bye-laws, and any provision contained in the Rules which is contrary to, or provides differently from, any provision of the Charter or the Bye-laws shall be invalid.
28. The Council shall have power to make, amend or delete Regulations governing such matters as it sees fit, provided that no such Regulations may be contrary to, or provide differently from, any

provision of the Charter or the Bye-laws, and any provision contained in the Regulations which is contrary to, or provides differently from, any provision of the Charter or the Bye-laws shall be invalid. No Regulation may be made on any matter where the Bye-laws provide for the making of Rules.

29. Except pursuant to Bye-laws 17 and 57 the Council shall only make, amend or delete any of the Rules and the Regulations provided that a majority of not less than three-fourths of the whole number of the members of the Council vote in favour.
30. The Rules and the Regulations currently in force shall be made available on the website of the Institute and Faculty of Actuaries, and any changes shall be effective on publication by such means as the Rules may require or from such later date as shall be stated in the Resolution (in the case of changes to the Rules) or in the decision of the Council (in the case of changes to the Regulations).

## **Membership matters**

### **Category of Membership**

31. There shall be the following categories of membership:
  - Affiliate
  - Student
  - Student Actuarial Analyst
  - Certified Actuarial Analyst
  - Associate
  - Fellow
  - Honorary Fellow
32. Members of any category who become qualified for membership of another category shall be transferred on request, subject to the completion of any form and payment of any fee prescribed by the Regulations, save that no person may become an Honorary Fellow except by a Resolution approved by a simple majority of the members entitled to vote and voting.

### **Qualifications for Membership**

33. Affiliate members shall be persons working in fields allied to those with which members of the Institute and Faculty of Actuaries are involved who meet the entry requirements prescribed in the Regulations.
  34. The educational entry requirements for Students and fees payable on admission shall be prescribed in the Regulations.
  - 34A. The educational entry requirements for Student Actuarial Analysts and fees payable on admission shall be prescribed in the Regulations.
  - 34B. Qualification requirements and the usage of any designated initials for the Certified Actuarial Analyst category shall be prescribed in the Regulations.
  35. Qualification requirements for the Associate category shall be prescribed in the Regulations. Associates of the Institute and Faculty of Actuaries may use either the initials AIA or AFA after their name.
  36. Qualification requirements for the Fellow category shall be prescribed in the Regulations. Fellows of the Institute and Faculty of Actuaries may use either the initials FIA or FFA after their name. A Fellow
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who was both a Fellow of the Institute of Actuaries and a Fellow of the Faculty of Actuaries in Scotland may use both the initials FIA and FFA in any order after their name.

### **Honorary Fellows**

37. Persons who have achieved distinction in related fields or given significant service to the actuarial profession may, by Resolution proposed by the Council and passed by a simple majority of the members entitled to vote and voting at a general meeting, be elected Honorary Fellows and shall, on election, be entitled to use the initials HonFIA or HonFFA after their name and shall have the same voting rights as Fellows. Removal or suspension of this category of membership from any individual shall only be effective provided that a majority of not less than three-fourths of the whole number of the members of the Council vote in favour. The criteria for removal or suspension of Honorary Fellows shall be determined by the Council and published on the website of the Institute and Faculty of Actuaries.

### **Voting Rights**

38. Associates, Fellows and Honorary Fellows shall be entitled to vote on all matters on which the Charter and these Bye-laws make provision for a vote of the members, except that Associates may not vote on any criteria proposed in order to achieve the qualification as Fellow. Affiliate members, Student members, Student Actuarial Analyst members and Certified Actuarial Analyst members may not vote.

### **Chartered Enterprise Risk Actuaries**

39. Associates and Fellows of the Institute and Faculty of Actuaries who have met the requirements as prescribed in the Regulations may use the description "Chartered Enterprise Risk Actuary" and use the initials CERA after their name.

### **Practising Certificates**

40. The holding of certain actuarial roles or undertaking certain specified activities or kinds of activities may be limited to those members holding such Practising Certificates as may be specified and under such conditions and for such fees as may be prescribed in the Regulations.

### **Register of Members**

41. The Council shall cause a register of members to be kept which shall contain such information as the Council may require and may be prescribed by the Regulations. Regulations may provide for the register to be published in any suitable format.
42. Members are required to supply, and keep up to date, such information as is required by the Council to be held on the register of members and prescribed in the Regulations.

### **Membership Subscriptions**

43. Regulations may provide for the payment of membership subscriptions and may prescribe the amounts of such subscriptions, subject to the amount of any increase in the subscriptions not exceeding any limit which may be prescribed in the Rules.

### **European Actuaries**

44. Regulations shall make such provision as is necessary to enable actuaries from all Member States of the European Union or European Economic Area to practise in the United Kingdom in accordance with European Union and United Kingdom legislation.
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## **Mutual Recognition of other Actuarial Qualifications**

45. When the Council determines that another actuarial association has equivalent qualification standards to the Institute and Faculty of Actuaries, the Council may enter into a mutual recognition agreement with that association. The members of the other association may then be admitted as Associates and Fellows of the Institute and Faculty of Actuaries on the same terms as any other Associate or Fellow, subject to any conditions prescribed in the agreement entered into with the other actuarial association.

## **Conditions of Membership**

46. It shall be a condition of membership of the Institute and Faculty of Actuaries that all members agree to be bound by the Charter, the Bye-laws, the Rules (including the disciplinary scheme), the Regulations and the Continuing Professional Development Scheme of the Institute and Faculty of Actuaries.
47. The Council may cause to be published Codes or Standards relating to professional conduct and competence, which shall be binding on such members of the Institute and Faculty of Actuaries as may be specified in the Codes or Standards and may be taken into account in any disciplinary proceedings instituted against any member.

## **Termination of Membership on the Grounds of Incapacity**

48. The Rules may provide for the termination or suspension of membership on the grounds that the member's capacity to practise is impaired to the extent that she/he is unable to perform her/his professional responsibilities as a member of the Institute and Faculty of Actuaries. A member's fitness to practise shall be "impaired" for the purpose of this Bye-law by reason only of adverse physical or mental health.
49. The Rules may provide for the reinstatement of persons whose membership has been terminated or suspended.

## **General Meetings**

50. A general meeting, whether conducted physically or by electronic means, shall constitute the highest legislative assembly of the Institute and Faculty of Actuaries. The Council may call a general meeting at any time it may wish to propose changes to the Charter, the Bye-laws or the Rules or ask the members who are eligible to vote to decide on any matter. A member removed from the Council under Bye-law 11 may require the Council to call a general meeting to consider a *Motion* to reinstate the member.
  51. All categories of member, staff and any person co-opted to the Council or appointed to any body provided for under Bye-law 13 of the Institute and Faculty of Actuaries and the auditors may participate in general meetings but only Associates, Fellows and Honorary Fellows shall be entitled to vote.
  52. Members who are entitled to vote on any matter at a general meeting shall be entitled to exercise their vote on the business to be transacted by any means permitted by the Rules.
  53. The Rules shall provide for the conduct of general meetings. The Rules shall contain provision for:
    - (a) reasonable notice (which may be in any medium) of the time and date of the meeting and the business to be transacted, for documents relating to the business to be circulated a
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reasonable time in advance, and for the form of such documents and for the media in which they may be circulated;

- (b) any quorum;
- (c) chairing and procedure;
- (d) voting on Motions (which shall provide for voting in person or for voting by alternative means);
- (e) the majority required in order for a Resolution to be passed (which must comply with the Charter and the Bye-laws in respect of those matters for which it specifies a particular majority). The Rules may otherwise (but need not) provide for different majorities for different classes of business.

54. The Institute and Faculty of Actuaries shall hold an annual general meeting for each year. The AGM shall be at such time and place as the Council shall decide and announce no less than 60 days beforehand. It shall be held no later than 15 months after the last AGM and at least once in each calendar year. The business of the AGM shall be the appointment or re-appointment of auditors and the setting of their fees, to receive and consider the report of the Council and the financial statements of the Institute and Faculty of Actuaries for the past financial period and to announce the election of new members of the Council. No other business shall be covered unless specified in the notice.
55. If a requisition signed (including electronically) by at least 50 members entitled to vote requesting a general meeting is delivered to the Institute and Faculty of Actuaries for the attention of the President, such a meeting shall (subject to Bye-law 56 below) be convened. The meeting shall be held within 49 days of the request being received at a date, time and location chosen by the President or anyone else delegated by the President for that purpose and shall be subject to the Rules relating to general meetings.
56. The requisition under Bye-law 55 must contain the wording of any specific Motion to be put to a vote of the membership. If in the reasonable opinion of the Council having taken legal advice it appears that any resulting Resolution is not capable of implementation it may require its amendment or decline to accept it.
57. Any Resolution of the members which is passed by a majority of two-thirds or more of those entitled to vote and voting at a general meeting convened in response to a requisition under Bye-law 55 shall be binding on the Council.

## **Communication**

58. Any communication for any purpose under the Charter, the Bye-laws, the Rules or the Regulations may be delivered or made available by any reasonable means and in any reasonable medium. Delivery shall be deemed to have occurred:
- for emails, facsimile and other electronic means, when sent
  - by hand, when delivered and
  - by post 48 hours after posting.

## **Disciplinary procedures**

59. The Rules shall provide for a Disciplinary Scheme for dealing with members who are the subject of a complaint or whose professional conduct is otherwise called into question. Such a scheme shall set out the grounds on which disciplinary action may be taken and provide for a fair and just process for determining whether a member is liable to disciplinary sanction and the action to be taken in the light of the outcome.

60. Disciplinary sanctions may include expulsion or suspension from membership of the Institute and Faculty of Actuaries and any other reasonable and proportionate penalty. The Disciplinary Scheme may provide for the restoration to membership of persons who have been expelled or suspended after such period or in such circumstances as may be just.

#### **Financial Services regulation**

61. Subject to such statutory approval as is necessary the Institute and Faculty of Actuaries may act as a designated professional body for the purposes of the Financial Services and Markets Act 2000, or any successor legislation, and exercise all the powers of such a body.

#### **Financial matters**

62. The Council and the management body shall take such steps as are necessary for the prudent financial management of the Institute and Faculty of Actuaries. The financial year (which shall normally be twelve calendar months but may, exceptionally, be any period of not less than six calendar months and not more than eighteen calendar months) shall be defined in the Rules and the financial statements of the Institute and Faculty of Actuaries shall be prepared each year to the last day of the financial year, and having been examined by the auditors and formally approved by the Council shall be laid before the next AGM.
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# Rules

## Allocation to constituencies

1. Voting members shall be members of the Scottish constituency if any of the following criteria are met:
  - a. They were at the time of establishment of the Institute and Faculty of Actuaries a member or a student of the Faculty of Actuaries in Scotland
  - b. They elect to join the Scottish constituency at a time when their home address or their normal place of business is in Scotland
  - c. On first becoming a voting member they elect to join the Scottish constituency and at any time during their prior membership of the Institute and Faculty of Actuaries they had a home address or their normal place of business in Scotland

Members shall cease to be members of the Scottish constituency if they so elect. Such members may only resume membership of the Scottish constituency if they fulfil any of the criteria above and they so elect. The elections may be expressed in writing or by email.

## Retirement from the Council

2. Those retiring from the Council under Bye-law 8 shall normally be those who have served longest on the Council (or either of the predecessor Councils). In cases where there are members with equal lengths of service or where it is desirable to retain one or more members who would otherwise retire (for example to serve as honorary officers) it shall be the responsibility of the Council to determine the retiring group.

## Elections to the Council

3. At least 49 days before the publicised date of the AGM, candidates (who must be Associates or Fellows) wishing to stand for election to the Council shall complete and submit the nomination form prescribed by the Council, which shall be obtainable from the website of the Institute and Faculty of Actuaries.
4. If any member of the Council, not being one of the group which the Council has determined shall retire, resigns within the period of 60 days before the day of an AGM the resulting vacancy shall be filled by the ballot described in Rule 5.
5. If the number of candidates exceeds the number of vacancies on the Council there shall be a ballot of the members entitled to vote in a format prescribed by the Council, announced at least 35 days before the AGM. The candidates shall be listed in a random order on the ballot form. The voting shall close two working days before the AGM to enable the result to be announced at the AGM. Only those votes which have been received by the published time shall be counted. If the number of candidates is fewer than or equal to the number of vacancies then all the candidates shall be duly elected without a ballot.

## Conduct of general meetings

6. Notice of any general meeting of the members of the Institute and Faculty of Actuaries shall be issued electronically at least 28 days before the meeting giving the time, date and location (unless held electronically) of the meeting and the general nature of the business to be transacted together with any background material if applicable.
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7. Motions which are to be the subject of a vote by the members must be circulated at least 14 days before the date of the meeting. Motions which have been circulated may be amended only for minor or typographical errors unless it is possible to circulate the amended Motions at least 14 days before the date of the meeting. Votes cast before the date of any amendment to Motions, other than for minor or typographical errors, shall not be counted, but those who have cast such votes shall be entitled to vote on the amended Motion notwithstanding that they have already voted. No Motion shall be put to the meeting unless the proper notice has been given. Motions may be withdrawn by those who proposed them at any time before the notified start of the meeting. Votes cast for a withdrawn Motion shall be of no account.
  8. Any vote on a matter raised at a meeting which is not the subject of a properly submitted Motion shall have no binding effect and shall not constitute a Resolution.
  9. A meeting shall not be quorate in respect of any particular Motion unless at least 50 of the members eligible to vote have participated in the vote either in person at the meeting or by voting by electronic means in advance.
  10. The Chair of the meeting shall be the President or anyone else delegated by the President for that purpose. If the person to whom the role has been delegated is not present, the Chair shall be selected by the members of the Council who are present from among their number. If there are no members of the Council present the Chair shall be elected by the Fellows and Associates present from among their number.
  11. An electronic voting form shall be circulated at the same time as the Motions. Members may submit votes using the electronic voting form sent to them in advance of the meeting. Votes submitted in advance of the meeting shall not be included in the count unless they are received at least 48 hours before the scheduled time of the meeting.
  12. Resolutions shall normally be passed by a simple majority of those voting. If the Council resolves that there should be a specified majority for any Motion that it proposes to submit to the meeting, or where a specified majority is required by any provision of the Charter or the Bye-laws, the membership shall be notified of the required majority at the time the Motion is circulated, and the Resolution shall be passed only if the specified majority is achieved.
  13. The Chair may, at the meeting, withdraw any Motion from the business to be transacted if he or she considers that it contains an error other than a typographical error which would make it inappropriate to put the matter to a vote. In such an event any votes cast in advance of the meeting for the relevant Motion shall not be counted. A Motion so withdrawn may be submitted to a later general meeting in its original or amended form.
  14. In the event of equality of votes on any issue the person acting as Chair of the general meeting shall be entitled to a second or casting vote.
  15. The Council may use any provider of electoral services to administer any vote, by any means, on its behalf.
  16. If, owing to unforeseen circumstances the Council considers it necessary to delay a meeting it may do so provided that notification of the delay is given to the members and the time allowed for the casting of votes is adjusted accordingly. The Chair of the general meeting may at any time, without the consent of the meeting, adjourn any meeting (whether or not it has commenced or a quorum is present) to another time or place where it appears to the Chair that an adjournment is necessary so that the business of the meeting may be properly conducted.
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## **Financial year**

17. The financial year of the Institute and Faculty of Actuaries shall run from 1 March to the last day of February each year.

## **Subscriptions**

18. Subscriptions may be varied by the Council each year in accordance with Bye-law 43. If a proposed increase, for those members eligible to vote, is more than the percentage increase plus 1% in any published index used to measure price changes over the same period which it may be reasonable to use and which is prescribed by the Regulations for this purpose, then a Motion to that effect shall be put to the members. The change will not be made unless the Resolution is passed by a simple majority of the members entitled to vote and voting.

## **Publication of the Rules and the Regulations**

19. The Rules and the Regulations will be published on the website of the Institute and Faculty of Actuaries. On publication, a notice to that effect will appear in a special email notice sent to members.

## **Changes to the Regulations**

- 19A. In the case of changes to the Regulations, these will appear on the website of the Institute and Faculty of Actuaries for no less than 28 days before taking effect. If more than 50 members raise formal objections to the amended Regulations during that 28 day period, the Council will re-consider the amendments, taking into account the views expressed by the members.

## **Discipline arrangements**

20. The Disciplinary Scheme made in accordance with Bye-laws 59 and 60 is attached as a separate section of these Rules below.

**INSTITUTE AND FACULTY OF ACTUARIES**

**DISCIPLINARY AND CAPACITY FOR MEMBERSHIP SCHEMES**

**DISCIPLINARY SCHEME REFERRED TO IN RULE 20 AND CAPACITY FOR MEMBERSHIP SCHEME  
REFERRED TO IN BYE LAWS 48 AND 49**

*(Effective 1 February 2018)*

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## **SECTION I - GENERAL**

### **1. Introduction and scope**

#### **Interpretation**

- 1.1 The provisions of this Part shall apply, according to the context, to both the Disciplinary and Capacity for Membership Schemes, unless otherwise stated.
- 1.2 In the interpretation and operation of these Schemes regard shall be had to the principles of natural justice and procedural fairness and applicable articles of the European Convention on Human Rights.
- 1.3 In these Schemes:
  - (a) the words defined in Part 23 of these Schemes shall have the meanings ascribed to them therein;
  - (b) words defined in the Bye-laws shall have the same meaning in these Schemes.
- 1.4 The Interpretation Act 1978 shall apply to these Schemes.

#### **Burden and Standard of Proof**

- 1.5 In all proceedings before a Disciplinary Tribunal Panel or an Appeal Tribunal Panel under the Disciplinary Scheme, the Institute and Faculty of Actuaries shall bear the burden of proving to the civil standard as applied by the Courts of England and Wales in relation to disciplinary proceedings cases that the Respondent is guilty of Misconduct.
- 1.6 In all proceedings before a Capacity for Membership Panel or Appeal Tribunal Panel under the Capacity for Membership Scheme, the Party making the Application shall bear the burden of proving to the civil standard as applied by the Courts of England and Wales that the Respondent's capacity to be a member of the Institute and Faculty of Actuaries is impaired.

### **2. Appointments**

#### **Disciplinary Appointments Committee**

- 2.1 The Disciplinary Appointments Committee shall consist of:
  - (a) four Fellows appointed by the Council;
  - (b) a Lay member being a Queen's Counsel appointed alternately by the Dean for the time being of the Faculty of Advocates and by the Chairman for the time being of the General Council of the Bar;
  - (c) a Lay member nominated by the President for the time being of the Chartered Institute of Personnel and Development,all holding office for a term of three years, such term being renewable.
- 2.2 The Chair of the Disciplinary Appointments Committee shall be the Lay member appointed under rule 2.1(b).
- 2.3 Any meeting of the Disciplinary Appointments Committee shall be quorate only if there shall be three or more members present, of whom one is a Lay member. In the absence of a quorum at the date set for any meeting or hearing of the Disciplinary Appointments Committee, such meeting or hearing shall stand adjourned to a place and time to be determined by the Chair of the Disciplinary Appointments Committee.

- 2.4 The Disciplinary Appointments Committee may convene in person or through appropriate telephone conferencing or other similar facilities, or both, and the quorum provisions of rule 2.3 shall apply taking into account those present through the telephone or other similar facilities.
- 2.5 Decisions of the Disciplinary Appointments Committee shall be made by simple majority.
- 2.6 The Disciplinary Appointments Committee shall comprise Appropriate persons and shall, when making and/or renewing appointments under this Part 2, appoint Members and Lay members who are Appropriate persons.
- 2.7 Any Member or Lay member who is deemed by the Disciplinary Appointments Committee no longer to be an Appropriate person, shall be required to stand down from any appointment under Part 2 of these Schemes.

### **Disciplinary Pool**

- 2.8 The Disciplinary Appointments Committee shall appoint members of a Disciplinary Pool from which members of:
  - (a) Disciplinary Tribunal Panels;
  - (b) Interim Orders Panels;
  - (c) Adjudication Panels; and
  - (d) Capacity for Membership Panelsmay be selected under the provisions of these Schemes.
- 2.9 Members of the Disciplinary Pool shall consist of Fellows and Lay members, and may include Overseas Fellow Equivalents.
- 2.10 In appointing members to the Disciplinary Pool, the Disciplinary Appointments Committee shall have regard to the numbers of members of the panels likely to be required from time to time for the purpose of the proper functioning of these Schemes.
- 2.11 The Disciplinary Appointments Committee shall nominate from the Disciplinary Pool:
  - (a) a Convener and Deputy Convener of the Disciplinary Tribunal Panels;
  - (b) a Convener and Deputy Convener of the Interim Orders Panels; and
  - (c) a Convener and Deputy Convener of the Adjudication Panels; and
  - (d) a Convener and Deputy Convener of the Capacity for Membership Panelssave that no person can occupy more than one position under this rule.
- 2.12 The appointments under rule 2.8 and nominations under rule 2.11 shall be for a term of three years, such term being renewable.

### **Pool of Investigation Actuaries**

- 2.13 The Disciplinary Appointments Committee shall appoint a Pool of Investigation Actuaries who shall consist of Fellows, and may include Overseas Fellow Equivalents, each holding office for a term of three years, such term being renewable.
- 2.14 The Disciplinary Appointments Committee shall nominate two of the Pool of Investigation Actuaries to be the Chair and Deputy Chair of the Pool of Investigation Actuaries respectively, each holding office for a term of three years, such term being renewable.
- 2.15 In appointing members to the Pool of Investigation Actuaries, the Disciplinary Appointments Committee shall have regard to the numbers of Investigation Actuaries likely to be required for the purposes of the proper functioning of these Schemes.



2.16 At the request of the Chair of the Pool of Investigation Actuaries the member of the Disciplinary Appointments Committee so designated by the Disciplinary Appointments Committee for this purpose for the time being may appoint to the Pool of Investigation Actuaries a Fellow, or an Overseas Fellow Equivalent as an Investigation Actuary for the purpose of assisting the Case Manager in the investigation of a specified Allegation or preparing an Application under rule 9.1 of the Disciplinary Scheme.

#### **Independent Examiner**

2.17 The Disciplinary Appointments Committee shall appoint an Independent Examiner and a Deputy Independent Examiner who shall be Lay members.

2.18 The Independent Examiner and the Deputy Independent Examiner shall be appointed for a term of three years, such term being renewable.

2.19 Should the Independent Examiner appointed under rule 2.17 be unavailable or unable for any reason to fulfil her/his functions under Part 7 of the Disciplinary Scheme, the Deputy Independent Examiner shall for the time being exercise the functions of the Independent Examiner under Part 7 of the Disciplinary Scheme.

#### **Interim Orders Panels**

2.20 Each Interim Orders Panel shall be appointed and a Chair nominated from the members of the Disciplinary Pool, with the approval of the Convener of the Interim Orders Panels, in accordance with regulations to be made by the Disciplinary Board, for the purpose of hearing a particular referral made under the provisions of rule 5.28 or 16.1.

2.21 Each Interim Orders Panel shall consist of:

- (a) two Fellows; and
- (b) one Lay member, being a solicitor, advocate or barrister, who shall chair the Interim Orders Panel.

#### **Adjudication Panels**

2.22 Each Adjudication Panel shall consist of three or more persons, at least one of whom shall be a Lay member, appointed from the members of the Disciplinary Pool, with the approval of the Convener of the Adjudication Panels, in accordance with regulations to be made by the Disciplinary Board.

2.23 One of the members appointed to each panel under rule 2.22 shall be nominated, with the approval of the Convener of the Adjudication Panels, in accordance with regulations to be made by the Disciplinary Board, as Chair of the panel.

2.24 An Adjudication Panel may consider one or more Case Reports submitted under the provisions of rule 5.19.

2.25 Members of an Adjudication Panel who have commenced the consideration of a Case Report shall remain constituted as the Adjudication Panel for the purpose of that Case Report until the conclusion of its determinations under Part 6 of the Disciplinary Scheme, subject to the provisions of rule 7.10.

#### **Disciplinary Tribunal Panels**

2.26 Each Disciplinary Tribunal Panel shall be appointed and a Chair nominated from the members of the Disciplinary Pool, with the approval of the Convener of the Disciplinary Tribunal Panels, in accordance with regulations to be made by the Disciplinary Board.

2.27 Each Disciplinary Tribunal Panel shall consist of three or more persons, at least one of whom shall be a Fellow; and at least one shall be a Lay member.

## **Capacity for Membership Panels**

- 2.28 Each Capacity for Membership Panel shall consist of three members, at least one of whom shall be a Lay Member and at least one of whom shall be a Fellow, appointed from members of the Disciplinary Pool, all as appointed by the Disciplinary Appointments Committee.
- 2.29 A Lay member appointed to each Capacity for Membership Panel under rule 2.28 shall act as the Chair of the Capacity for Membership Panel.
- 2.30 A Capacity for Membership Panel may, under the provisions of Section III, consider any matter transferred to it under Part 9 of the Disciplinary Scheme.
- 2.31 Decisions of the Capacity for Membership Panel shall be made by simple majority.

## **Appeals Tribunal**

- 2.32 Subject to rule 2.34 the Disciplinary Appointments Committee shall appoint members of an Appeals Tribunal from whom members of Appeals Tribunal Panels shall be selected under the provisions of these Schemes.
- 2.33 Members of the Appeals Tribunal shall comprise:
- (a) Queen's Counsel appointed by the Dean for the time being of the Faculty of Advocates;
  - (b) Queen's Counsel appointed by the Chairman for the time being of the General Council of the Bar;
  - (c) Fellows and Lay members appointed by the Disciplinary Appointments Committee; and
  - (d) may include Overseas Fellow Equivalents;
- all holding office for a term of three years, such term being renewable.
- 2.34 The Chair and the Deputy Chair of the Appeals Tribunal shall be the Queen's Counsel appointed in accordance with the provisions of rule 2.33 each position being held for a term of three years, such term being renewable. The position of Chair and Deputy Chair shall be nominated alternately by the Dean for the time being of the Faculty of Advocates and by the Chairman for the time being of the General Council of the Bar.
- 2.35 When an appeal is referred to the Appeals Tribunal, the Chair of the Appeals Tribunal shall appoint an Appeal Tribunal Panel for the purposes of hearing an appeal, comprising:
- (a) herself/himself or the Deputy Chair of the Appeals Tribunal who shall be the Chair of the Appeal Tribunal Panel; and
  - (b) two or four other members of the Appeals Tribunal at her/his discretion to include at least one Fellow and one Lay member.

## **Disciplinary Board**

- 2.36 The Disciplinary Appointments Committee shall appoint the members of a Disciplinary Board to consist of:
- (a) six Fellows; and
  - (b) three Lay members,
- each appointed for a term of three years, such term being renewable.
- 2.37 The Disciplinary Appointments Committee shall nominate one of the Lay members appointed under rule 2.36(b) to be the Chair of the Disciplinary Board.
- 2.38 Any meeting of the Disciplinary Board shall be quorate only if there shall be three or more members present, of whom one is a Lay member. In the absence of a quorum at the date set

for any meeting or hearing of the Disciplinary Board, such meeting or hearing shall stand adjourned to a place and time to be determined by the Chair of the Disciplinary Board.

- 2.39 The Disciplinary Board may convene in person or through appropriate telephone conferencing or other similar facilities, or both, and the quorum provisions of rule 2.38 shall apply taking into account those present through the telephone or other similar facilities.
- 2.40 Decisions of the Disciplinary Board shall be made by simple majority.
- 2.41 The functions of the Disciplinary Board shall comprise:
- (a) overseeing the management and operation of these Schemes;
  - (b) deciding the maximum fine which an Adjudication Panel may invite a Respondent to pay under rule 6.6(b);
  - (c) providing bi-annual reports to the Council and such other interim reports on specific issues as it deems necessary;
  - (d) producing an annual report to the Institute and Faculty of Actuaries;
  - (e) setting and monitoring time frames for investigations and proceedings under these Schemes;
  - (f) organising training of those involved in these Schemes;
  - (g) receiving and considering reports from the Independent Examiner, from any Chair, committee, panel or tribunal appointed under these Schemes, from the FRC regarding Allegations considered under the FRC Scheme and from the Chief Executive of the Institute and Faculty of Actuaries on the operation of these Schemes;
  - (h) making and varying such regulations (not being inconsistent with the provisions of the Charter, the Bye-laws, Rules or these Schemes) as it may consider necessary for the implementation of these Schemes and for the performance by Investigation Actuaries, Interim Orders Panels, Adjudication Panels, Disciplinary Tribunal Panels, Capacity for Membership Panels and Appeal Tribunal Panels of their respective functions under these Schemes;
  - (i) providing guidance on procedure it considers appropriate not being inconsistent with these Schemes for the performance of functions under these Schemes;
  - (j) giving feedback to the Council, and/or the FRC and/or any of its operating bodies on lessons learned from any proceedings conducted under these Schemes, in respect of any standards, advice, guidance, memorandum or statement on professional conduct, practice or duties issued by them;
  - (k) providing such guidance on procedure as it considers necessary for the performance by the Institute and Faculty of Actuaries of functions under rule 4.20;
  - (l) providing advice and guidance to the Council about entering into mutual disciplinary agreements with actuarial associations outside the UK who are members of the International Actuarial Association; and
  - (m) such other functions as shall be agreed from time to time by the Council.
- 2.42 The Disciplinary Board may at any time, subject to the agreement of the Council or such other body delegated by them for the purpose, arrange for a review of the provisions and operation of these Schemes or any aspect of it to be undertaken.
- 2.43 The Disciplinary Board shall from time to time provide guidelines for the manner in which sanctions involving education, retraining and/or supervised practice under these Schemes may be imposed. Such guidelines shall be published by the Institute and Faculty of Actuaries.

- 2.44 The Disciplinary Board shall, as soon as reasonably practicable, be given:
- (a) by the Case Manager brief particulars of any Allegation or Application made under these Schemes after it is assigned for investigation; and
  - (b) by the Chair of each of an Interim Orders Panel, an Adjudication Panel, a Disciplinary Tribunal Panel, a Capacity for Membership Panel or an Appeal Tribunal Panel, (as the case may be) a report on the proceedings under these Schemes, containing such particulars as she/he shall consider appropriate.

#### **Legal Advisers Pool**

- 2.45 The Disciplinary Appointments Committee shall from time to time nominate a pool of barristers, advocates and solicitors (each being called or admitted in England and Wales or in Scotland as the case may be for a period of ten years or more) who may advise an Adjudication Panel, an Interim Orders Panel, a Disciplinary Tribunal Panel, a Capacity for Membership Panel or an Appeal Tribunal Panel as provided for under these Schemes.

#### **General provisions relating to Appointments**

- 2.46 No appointment shall be made under the Disciplinary Scheme of:
- (a) a member of the Council;
  - (b) a person currently or previously appointed under the Disciplinary Scheme in respect of the same Allegation, Case Report, Charge, or the subject matter thereof; or
  - (c) a person previously appointed to any role under Part 2 of these Schemes in respect of the same Allegation, Case Report or Charge or the subject matter thereof; or
  - (d) a member and/or director of the FRC or any person carrying out functions under the FRC Scheme.
- 2.47 Any person who has been appointed under these Schemes who becomes a member of the Council shall be deemed to have resigned from her/his appointment under these Schemes with immediate effect.
- 2.48 No person who is a member of the Disciplinary Appointments Committee may be appointed to any other body or position held under these Schemes. Any person being appointed to the Disciplinary Appointments Committee shall be deemed to have resigned with immediate effect from any other body or position held under the provisions of these Schemes.
- 2.49 No person who is a member of the Disciplinary Board may be appointed to any other body or position held under these Schemes. Any person being appointed to the Disciplinary Board shall be deemed to have resigned with immediate effect from any other position or body held under the provisions of these Schemes.
- (a) If for any reason a person appointed to any role under these Schemes is permanently unable to act, a new appointment may be made on the same basis as the person being replaced.
  - (b) In the event of the temporary absence for any reason of a person appointed to a position under these Schemes, the Chair of the Disciplinary Appointments Committee, or any person appointed by the Chair, may make an interim nomination to fill the vacancy.
- 2.50 (a) No Member who has been found guilty of Misconduct shall be appointed to any position or body referred to in these Schemes. Any person so appointed who is found guilty of Misconduct shall be deemed to have resigned immediately from her/his appointment to the relevant position referred to in these Schemes.
- (b) For the avoidance of doubt, a Member has been found guilty of Misconduct who has accepted an invitation issued under rule 6.6(a) by an Adjudication Panel.

- 2.51 Any Member, Lay member and any legal adviser who is a member of another professional body and is found guilty of misconduct by that body shall be deemed to have resigned immediately from any appointment which she/he holds under these Schemes.
- 2.52 Any Member, Lay member or legal adviser shall stand down from any appointment to any position or body referred to in these Schemes if she/he has before a Court of competent jurisdiction in the United Kingdom been convicted of an indictable offence or has, before a Court elsewhere, been convicted of an offence which would have been indictable had the offence been prosecuted before a Court in the United Kingdom, or has in any civil proceedings before a Court of competent jurisdiction in the United Kingdom or elsewhere, been found to have acted fraudulently or dishonestly.
- 2.53 Any Member shall, unless otherwise agreed by the Disciplinary Appointments Committee, stand down from any appointment to any position or body referred to in these Schemes if she/he is the subject of an Allegation or Application under these Schemes, unless and until she/he is the subject of a determination or decision in relation to that Allegation or Application:
- (a) by an Adjudication Panel under rule 6.4(b) that no disciplinary action shall be taken against her/him; or
  - (b) by a Disciplinary Tribunal Panel that she/he is not guilty of Misconduct under rule 8.20;
  - (c) by an Appeal Tribunal Panel that she/he is not guilty of Misconduct, under rule 11.16; or
  - (d) by a Capacity for Membership Panel or Appeal Tribunal Panel that her/his capacity to hold membership of the Institute and Faculty of Actuaries is not materially impaired by reason of illness or other relevant health or medical condition.
- 2.54 Any meeting of an Adjudication Panel (subject to rule 2.55) or any meeting or hearing of an Interim Orders Panel, Disciplinary Tribunal Panel or Capacity for Membership Panel shall be quorate only if there shall be three or more members present, of whom one is a Lay member. In the absence of a quorum at the date set for any meeting or hearing of the relevant panel, such hearing shall stand adjourned to a place and time to be determined by the chair of the relevant panel.
- 2.55 An Adjudication Panel may convene in person or through appropriate telephone conferencing or other similar facilities, or both, and the quorum provisions of rule 2.54 shall apply taking into account those present through the telephone or other similar facilities.
- 2.56 Any Interim Orders Panel, Adjudication Panel, Disciplinary Tribunal Panel, Capacity for Membership Panel or Appeal Tribunal Panel shall have the power to elect a temporary chair on the day if a designated chair is unable to perform that function.
- 2.57 The proceedings of any investigation under these Schemes, or before any Adjudication Panel, Interim Orders Panel, Disciplinary Tribunal Panel, Capacity for Membership Panel or Appeal Tribunal Panel, or of the Independent Examiner shall be valid notwithstanding any invalidity in the appointment of any member thereof.
- 2.58 Any person appointed under this Part may continue to act in that capacity in relation to any relevant ongoing Allegation, Case Report, Charge or Application as the case may be notwithstanding that her/his term of office has otherwise expired.
- 2.59 In these Schemes, any function which may be undertaken by:
- (a) the Chair of the Disciplinary Appointments Committee;
  - (b) the Chair of the Investigation Actuaries Pool;
  - (c) the Convener of the Interim Orders Panels;

- (d) the Convener of the Adjudication Panels;
- (e) the Convener of the Disciplinary Tribunal Panels;
- (f) the Chair of the Appeals Tribunal;
- (g) the Chair of the Disciplinary Board;
- or
- (h) the Convener of the Capacity for Membership Panels,

may be undertaken by any Deputy Chair or Deputy Convener of that body previously so nominated or appointed or, in the absence of such a Deputy Chair or Deputy Convener, by such other member of the body as the Chair or Convener of the body shall designate for that purpose, in each case in the event that the Chair/Convener or Deputy Chair/Deputy Convener shall be unavailable to fulfil that function.

- 2.60 Anyone who serves as an Investigation Actuary, on an Interim Orders Panel, an Adjudication Panel, a Disciplinary Tribunal Panel, a Capacity for Membership Pane, an Appeal Tribunal Panel, or as the Independent Examiner, shall be entitled to such remuneration as the Disciplinary Appointments Committee provides for.

### **3. General Provisions of these Schemes**

#### **General**

- 3.1 Provisions of these Schemes shall form part of the Bye-laws and may be rescinded, varied or added to accordingly.

#### **Pre-Hearing Matters**

- 3.2 An Interim Orders Panel, Adjudication Panel, Disciplinary Tribunal Panel, Capacity for Membership Panel or Appeals Tribunal Panel (or the Chair of any such Panel) or the Convener of Adjudication Panels may at their discretion suspend an investigation and/or any proceedings under these Schemes. Before deciding to suspend such investigation or proceedings, the said Panel or Convener must be satisfied that the Respondent has been accorded a reasonable opportunity to make submissions in relation to the application to suspend proceedings, and shall consider any such submissions made by the Respondent. Any such Panel or Chair, or the Convener of Adjudication Panels, may, on the application of either Party, direct that a suspended investigation is resumed.
- 3.3 Any notice or other document required by any provision of these Schemes to be given or sent to a Party may be sent by pre-paid post addressed to her/him at her/his address notified to the Institute and Faculty of Actuaries for communications, or, if the Institute and Faculty of Actuaries is aware that this address is no longer current for her/him, to her/his usual or last known place of business or residence. Service of any notice or document shall be deemed to have been effected at the end of 48 hours from the time of posting, and in proving that a document was so sent it shall be sufficient to prove that the cover containing it was properly addressed, stamped and posted.

#### **Hearings**

- 3.4 At any hearing of an Interim Orders Panel, a Disciplinary Tribunal Panel (including any procedural hearing before the Chair), a Capacity for Membership Panel or an Appeal Tribunal Panel, the Respondent may be:
- (a) represented by a solicitor, barrister or advocate, or another Member or such other person as the Chair of the relevant panel may agree, provided that this does not unreasonably delay any such hearing; and

- (b) accompanied by a friend or member of her/his family, or by another Member, but the accompanying person may remain during any private session of the relevant panel only with the agreement of the panel.
- 3.5 An Interim Orders Panel, an Adjudication Panel, a Disciplinary Tribunal Panel, a Capacity for Membership Panel and an Appeal Tribunal Panel (or the Chair of such Panel as the case may be) may give all such directions with regard to the conduct of and procedure at meetings or hearings as it considers most suitable for the clarification of the issues and generally for the just handling of the proceedings before it. This includes the power to vary the time limits set out in these Schemes and to adjourn any meeting or hearing. Any such Panel or Chair shall at their discretion be entitled to accept written undertakings from the Respondent.
- 3.6 Provided that an Interim Orders Panel, a Disciplinary Tribunal Panel, a Capacity for Membership Panel or an Appeal Tribunal Panel is satisfied that the Respondent has been given reasonable notice of a hearing, the proceedings of that body shall be valid and of full effect even if the Respondent does not attend, is not represented or does not state her/his case.
- 3.7 All documents put before an Interim Orders Panel, an Adjudication Panel, a Disciplinary Tribunal Panel, a Capacity for Membership Panel or an Appeal Tribunal Panel shall be deemed to be authentic. If a Party challenges the authenticity of any document the relevant body shall consider the objections raised by such Party (and any evidence raised in rebuttal), and shall, on the basis of such representations, give the evidence contained in such document such weight as it thinks fit.

## **SECTION II – DISCIPLINARY SCHEME**

### **4. General**

#### **Misconduct**

- 4.1 A Member shall be liable to disciplinary action under the Disciplinary Scheme if she/he has been guilty of Misconduct.
- 4.2 For the purposes of the Disciplinary Scheme, Misconduct means any conduct by a Member, whether committed in the United Kingdom or elsewhere, in the course of carrying out professional duties or otherwise, constituting failure by that Member to comply with the standards of behaviour, integrity, competence or professional judgement which other Members or the public might reasonably expect of a Member having regard to the Bye-laws of the Institute and Faculty of Actuaries and/or to any code, standards, advice, guidance, memorandum or statement on professional conduct, practice or duties which may be given and published by the Institute and Faculty of Actuaries and/or, for so long as there is a relevant Memorandum of Understanding in force, by the FRC (including by the former Board for Actuarial Standards) in terms thereof, and to all other relevant circumstances.
- 4.3 Misconduct may include any conduct which occurred either before or after the Respondent became a Member save that conduct which was disclosed in writing to the Institute and Faculty of Actuaries by the Respondent prior to being admitted as a Member shall not be Misconduct for the purposes of the Disciplinary Scheme.
- 4.4 References to the Respondent shall include a former Member who has resigned or has ceased to be a Member for any reason since the time of the conduct in respect of which an Allegation is made. Any such former Member shall remain bound to supply such information and explanations as may be required by an Investigation Actuary, a Disciplinary Tribunal Panel or an Appeal Tribunal Panel regarding her/his conduct and shall remain bound by any determinations of a Disciplinary Tribunal Panel or an Appeal Tribunal Panel or any determination of an Adjudication Panel which is the subject of an agreement under rule 6.10 in respect of any Misconduct committed notwithstanding that her/his membership has ceased.

- 4.5 A Member may be liable for Misconduct:
- (a) where a person with whom she/he is connected is guilty of conduct which if committed by the Member would have amounted to Misconduct and either:
    - (i) any act, omission or behaviour by the Member has caused or contributed to such conduct; or
    - (ii) following her/his becoming aware of any such conduct, the Member does not take such action as other Members might reasonably expect her/him to take in the circumstances; or
  - (b) notwithstanding that other proceedings may be taken against the Member or any firm of which she/he is a partner, any body corporate of which she/he is a director, employee or controller (within the meaning of section 422 of the Financial Services and Markets Act 2000 or any amendment or re-enactment thereof), or any person employed by her/him or by any such firm or body corporate.
- 4.6 For the purposes of rule 4.5 and without limitation, a Member shall be deemed to be connected with:
- (a) his employer or employee;
  - (b) any director or employee of a body corporate of which she/he is a director or employee; and
  - (c) any member or employee of a partnership of which she/he is a member or employee.

#### **Proof of certain matters**

- 4.7 The failure by a Respondent to comply with an undertaking accepted under rule 5.11(d) shall amount to *prima facie* evidence of Misconduct. Evidence of such non-compliance may be referred, on the application of the Case Manager, for the consideration, as the case may be, of the Adjudication Panel, Interim Orders Panel, Disciplinary Tribunal Panel or Appeals Tribunal Panel by whom the undertaking is accepted. Such Panel shall be recalled for this purpose (but may be of new composition) and, in considering such evidence, such Panel shall take such steps as it shall see fit and shall have available to it all of the powers, including powers of sanction, otherwise available to it under the Disciplinary Scheme.
- 4.8 For the purposes of the Disciplinary Scheme it shall amount to conclusive evidence of Misconduct that a Member has been subject to an adverse disciplinary determination by her/his nominated Primary Professional Regulator. For the purposes of this provision, a disciplinary determination means a disciplinary determination which is final within the terms of the disciplinary scheme of that Primary Professional Regulator.
- 4.9 For the purposes of the Disciplinary Scheme it shall amount to *prima facie* evidence of Misconduct that:
- (a) a Respondent has in any civil proceedings before a Court of competent jurisdiction in the United Kingdom or elsewhere been found to have acted fraudulently or dishonestly; and/or
  - (b) a Respondent has, before a Court of competent jurisdiction in the United Kingdom, been convicted of an indictable offence, or has, before a Court elsewhere, been convicted of an offence which would have been indictable had the offence been prosecuted before a Court in the United Kingdom.
- 4.10 The fact that a Member:
- (a) has by a court of competent jurisdiction in the United Kingdom or elsewhere been convicted of a criminal offence; and/or
  - (b) has been the subject of an adverse final determination by a regulatory body in exercise of



functions conferred by any of the following Acts, as from time to time amended, and/or any successor legislation to these Acts: the Financial Services Act 1986, the Financial Services and Markets Act 2000, the Insolvency Act 1986, the Companies Act 1989, the Companies Act 2006, the Pensions Act 1995, the Pensions Act 2004; and/or

- (c) has been the subject of an adverse final determination by an actuarial regulatory body which is a full member of the International Actuarial Association; and/or
- (d) has had a disqualification order made against her/him under any of the following Acts, as from time to time amended, and/or any successor legislation to these Acts: the Company Directors Disqualification Act 1986 and/or the Pension Schemes Act 1993; and/or
- (e) has been the subject of a judgement or determination arising from civil proceedings before a court of competent jurisdiction in the United Kingdom or elsewhere;

shall for the purposes of the Disciplinary Scheme be treated as conclusive evidence of the findings of fact upon which the conviction, determination, judgement or disqualification order is based.

- 4.11 The fact that a Member has been the subject of an adverse final determination by a regulatory body of competent jurisdiction in the UK or elsewhere, other than a determination to which rule 4.10 applies, shall for the purposes of the Disciplinary Scheme be treated as *prima facie* evidence of the findings of fact upon which the determination is based.
- 4.12 In a hearing before a Disciplinary Tribunal Panel that involves the decision of a court or tribunal that relates to the Respondent:
  - (a) the fact that the Respondent has been convicted of a criminal offence may be proved by producing a certified copy of the certificate of conviction relating to the offence;
  - (b) the finding and sentence of any tribunal exercising a professional disciplinary jurisdiction may be proved by producing a certified record of the finding and sentence; and
  - (c) the judgement of any civil court may be proved by producing a certified copy of the judgement.

#### **Liability for disciplinary proceedings under the FRC Scheme**

- 4.13 All Members shall be liable to disciplinary proceedings under the FRC Scheme on the grounds set out in the FRC Scheme, irrespective of whether the act of misconduct upon which such proceedings are based took place before or after the commencement of the FRC Scheme.
- 4.14 Part 13 of the Disciplinary Scheme makes further provision in relation to the FRC Scheme.

#### **Members' duty to co-operate**

- 4.15 Every Member has, at all times, a duty to co-operate fully with any investigation, process or procedure under the Disciplinary Scheme. This duty includes providing such written or oral information and/or evidence as may be required by the Case Manager or Investigation Actuary under rule 5.11.
- 4.16 Every Member has a duty to disclose promptly to the Institute and Faculty of Actuaries any conviction, adverse finding, judgement or determination or disqualification order of a type referred to in rules 4.8, 4.9, 4.10 or 4.11, to which she/he is subject.
- 4.17 Members working for the same employer as a Respondent under the Disciplinary Scheme shall be obliged to co-operate in the implementation of any sanction which is binding upon the Respondent under the Disciplinary Scheme.
- 4.18 Nothing in the Disciplinary Scheme, including rule 4.15, shall mean that a Member, including a Respondent, shall be required to produce any document or information which is the subject of legal professional privilege or which might tend to incriminate her/him or

expose her/him to criminal penalties.

- 4.19 The failure to comply with rule 4.15 and/or rule 4.16 shall amount to *prima facie* evidence of Misconduct. For the avoidance of doubt, rules 4.15 and rule 4.16 apply to any former Member whose conduct, at the date that their membership of the Institute and Faculty of Actuaries ceased, was subject to disciplinary proceedings under the Disciplinary Scheme.

#### **Disclosure of information under the Disciplinary Scheme**

- 4.20 The Institute and Faculty of Actuaries may disclose to any of the following bodies such information as it sees fit in relation to any Allegation, referral, investigation, hearing or procedure under the Disciplinary Scheme, for the purpose of assisting that body in properly undertaking its regulatory functions:
- (a) any regulatory body to whom functions are conferred by any of the following Acts, as they may be amended from time to time, and/or any successor legislation to these Acts: the Financial Services Act 1986, the Financial Services and Markets Act 2000, the Insolvency Act 1986, the Companies Act 1989, the Companies Act 2006, the Pensions Act 1995, the Pensions Act 2004;
  - (b) any overseas actuarial professional regulatory body which is a full member of the International Actuarial Association;
  - (c) the FRC.

#### **Miscellaneous Provisions**

- 4.21 Subject to rule 13.15, where, having regard to the interests of the public and/or of the Institute and Faculty of Actuaries, any Executive Officer of the Institute and Faculty of Actuaries considers it appropriate that a matter relating to the conduct of a Member should be investigated, such matter may be referred by her or him for consideration as an Allegation under the Disciplinary Scheme; thereafter the matter shall proceed for the purposes of the Disciplinary Scheme as if the Allegation had been made to the Institute and Faculty of Actuaries under rule 5.2 save that the provisions of Part 7 of the Disciplinary Scheme shall not apply.
- 4.22 The following matters shall be made public by the Institute and Faculty of Actuaries as soon as reasonably practicable in accordance with arrangements prescribed by the Disciplinary Board under rule 4.23:
- (a) the making, rescission or variation of an Interim Order;
  - (b) the referral by an Adjudication Panel of matters in a Case Report to a Disciplinary Tribunal Panel under rule 6.4(a)(ii);
  - (c) the determination and, where applicable, any sanction imposed by an Adjudication Panel resulting from the acceptance by a Respondent under rule 6.10 of an invitation by the Adjudication Panel under rule 6.6;
  - (d) any final determination of a Disciplinary Tribunal Panel; and
  - (e) any final determination of an Appeal Tribunal Panel.
- 4.23 The Disciplinary Board shall prescribe such arrangements as it thinks fit for the manner in which the following shall be published as soon as reasonably practicable:
- (a) determinations of an Adjudication Panel to refer to a Disciplinary Tribunal Panel or, to find Misconduct, and, where relevant, to reprimand, fine or require the completion of a period of education, retraining and/or supervised practice;
  - (b) the election by the Respondent to refer a matter to a Disciplinary Tribunal Panel under rule 5.18;

- (c) Interim Orders and the rescission or variation of those orders;
  - (d) determinations (with reasons) of a Disciplinary Tribunal Panel and Appeal Tribunal Panel;
  - (e) referrals to a Disciplinary Tribunal Panel and Appeal Tribunal Panel;
  - (f) date(s) and place of any public hearings to be held under the Disciplinary Scheme.
- 4.24 The following arrangements shall apply in respect of Members who are resident and/or practising outside the UK:
- (a) The Disciplinary Board may prescribe such arrangements as it sees fit for the implementation under the Disciplinary Scheme of any disciplinary determination imposed on a Member by her/his Primary Professional Regulator.
  - (b) The Disciplinary Board may prescribe such arrangements for investigation and determination of Allegations against all other Members who are resident and/or practising outside the UK as seem appropriate under the circumstances to accord as nearly as possible with the Disciplinary Scheme.
- 4.25 Save where fairness requires otherwise, any hearing or meeting of an Interim Orders Panel, an Adjudication Panel, a Disciplinary Tribunal Panel or an Appeal Tribunal Panel can deal with Allegations, Case Reports or Charges involving one or more Respondents and for such purpose appropriate directions may be given under rule 3.5.

## **5. Investigation stage**

### **Allegations and assignment for investigation**

- 5.1 For the avoidance of doubt, the applicability of this Part 5 is subject to Part 13 of the Disciplinary Scheme (The FRC), which provides for certain circumstances in which action under the Disciplinary Scheme may require to be suspended or to cease.
- 5.2 Every Allegation received by the Institute and Faculty of Actuaries shall be referred by the Case Manager to the Chair of the Pool of Investigation Actuaries.
- 5.3 The Chair of the Pool of Investigation Actuaries shall assign one or more Investigation Actuaries to assist the Case Manager in investigating the Allegation and to provide such advice as is required. The Chair of the Pool of Investigation Actuaries shall not however proceed under this rule unless she/he has first considered whether it is appropriate in the circumstances to make a referral for consideration by the Conduct Committee and to proceed under rule 13.6 of the Disciplinary Scheme.
- 5.4 As soon as reasonably practicable upon an assignment under rule 5.3, the Case Manager shall send to the Respondent:
- (a) a copy of the Allegation;
  - (b) a copy of the Disciplinary Scheme;
  - (c) the name of the Investigation Actuary; and
  - (d) the name and contact details of the Case Manager.
- 5.5 In making an assignment under rule 5.3, or at any time thereafter, the Chair of the Pool of Investigation Actuaries may assign the Allegation to more than one member of the Pool of Investigation Actuaries to assist the Case Manager in investigating the Allegation and, if so, shall nominate one of the Investigation Actuaries as Lead Investigation Actuary.
- 5.6 The Chair of the Pool of Investigation Actuaries may at any time replace any member serving as an Investigation Actuary with another member of the Pool of Investigation Actuaries or change the nomination of who shall be Lead Investigation Actuary.

## **Disciplinary Investigations**

- 5.7 (a) The Allegation shall form the basis of the investigation by the Institute and Faculty of Actuaries into the alleged Misconduct.
- (b) In addition the investigation:
- (i) may take into account any additional conduct of the Respondent which might constitute Misconduct which comes to the notice of the Case Manager and/or the Investigation Actuary during the investigation; and/or
  - (ii) may be conducted in conjunction with the investigation of any other Allegation being undertaken under the Disciplinary Scheme relating to the Respondent.
- 5.8 The Case Manager may:
- (a) appoint a Member, a solicitor or other person or persons to carry out enquiries on the Institute and Faculty of Actuaries' behalf; and/or
  - (b) instruct a barrister, advocate or solicitor to assist in the preparation of the Case Report and/or application for an Interim Order and/or Charge, to present the application to an Interim Orders Panel under rule 5.33 and/or to present the Charge to the Disciplinary Tribunal Panel and/or to the Appeal Tribunal Panel.
- 5.9 The Case Manager may seek and receive from the person making the Allegation and/or any other person such information as she/he thinks proper.
- 5.10 The Case Manager may interview any Member, the person making the Allegation, the Respondent and/or any other individual. Neither the Respondent nor her/his representatives shall be present during any interview or meeting arranged with any other person unless in her/his discretion the Case Manager consents thereto. The Investigation Actuary may, however, elect to be present.
- 5.11 The Case Manager and the Investigation Actuary shall have the power:
- (a) to require copies or originals of any documents relevant to the investigation from any Member (whether or not such Member is the subject of the investigation);
  - (b) to require any further information from any Member relating to the subject matter of the investigation;
  - (c) to require any Member (whether or not such Member is the subject of the investigation) to attend before them (and/or such other persons as they may designate) at a specified time and place to answer questions or otherwise furnish information with respect to any matter relevant to the investigation;
  - (d) to accept written undertakings from the Respondent as they deem necessary in accordance with guidelines issued by the Disciplinary Board under rule 2.41(i); and
  - (e) to take any legal or other expert advice as to any matter relevant to the subject matter of the investigation.
- 5.12 The failure by the Respondent to comply with any undertaking accepted under rule 5.11(d) shall amount to *prima facie* evidence of Misconduct.

## **Expedited procedure for certain matters**

- 5.13 (a) Where at any stage prior to the consideration of an Allegation by the Adjudication Panel, the Case Manager and Investigation Actuary consider that the issues raised by the Allegation are such that it is in the interests of the public and/or of the profession to refer the Allegation directly for consideration by a Disciplinary Tribunal Panel, they shall proceed in accordance with this rule. The Case Manager and Investigation Actuary

shall not however proceed under this rule unless they have first considered whether it is appropriate in the circumstances to make a referral for consideration by the Conduct Committee and to proceed under rule 13.10 of the Disciplinary Scheme.

- (b) In a case to which paragraph (a) of this rule 5.13 applies, the Case Manager shall notify the Respondent that the Case Manager and Investigation Actuary are inclined to refer the Allegation directly for consideration by a Disciplinary Tribunal Panel, in accordance with the provisions of this rule. The Respondent shall be asked to confirm in writing within 21 days whether she/he agrees to the Allegation being so referred. If the Respondent does so agree, the Case Manager shall notify the secretary to the Disciplinary Tribunal and the matter shall proceed directly to be heard by a Disciplinary Tribunal Panel in accordance with Part 8 of the Disciplinary Scheme. In that case, a Case Report shall not be prepared and the Case Manager shall proceed directly to prepare a Charge in accordance with rules 6.16 to 6.18 and Parts 6 and 7 of the Disciplinary Scheme shall otherwise not apply.
- (c) If the Respondent does not agree to the matter being referred directly to a Disciplinary Tribunal Panel, the matter may only be so referred at the discretion of the Convener of Adjudication Panels, to whom written application may be made for this purpose by the Case Manager. The Respondent shall be provided by the Case Manager with a copy of any such application and accorded reasonable opportunity to make written submission in response to the Convener of Adjudication Panels.
- (d) The Convener of Adjudication Panels shall, having considered the application and any submission from the Respondent under paragraph (c), and having taken account of the factors set out in paragraph (g) of this rule 5.13, direct the Case Manager whether or not to refer the matter directly to a hearing of the Disciplinary Tribunal Panel.
- (e) In the event that the Convener of Adjudication Panels directs the Case Manager to refer the matter directly to the Disciplinary Tribunal Panel, the secretary to the Adjudication Panel shall notify the following in writing of this decision, which shall be final:
  - (i) the person who made the Allegation;
  - (ii) the Respondent;
  - (iii) the Case Manager;
  - (iv) the Disciplinary Board;
  - (v) the Institute and Faculty of Actuaries;

and the matter shall proceed directly to be heard by a Disciplinary Tribunal Panel in accordance with Part 8 of the Disciplinary Scheme. In that case, a Case Report shall not be prepared and the Case Manager shall proceed directly to prepare a Charge in accordance with rules 6.16 to 6.18 and Parts 6 and 7 of the Disciplinary Scheme shall otherwise not apply.

- (f) In the event that the Convener of Adjudication Panels does not direct the Case Manager to refer the matter directly to the Disciplinary Tribunal Panel, the Case Manager shall proceed to prepare a Case Report in accordance with Part 5 of the Disciplinary Scheme and, subject to the Respondent's right of election under rule 5.18, the matter shall be considered by the Adjudication Panel in accordance with the Disciplinary Scheme.
- (g) The factors to be taken into account, as applicable, by the Convener of Adjudication Panels under paragraph (c) of this rule 5.13 are as follows:
  - (i) whether the Allegation discloses a prima facie case of Misconduct;

- (ii) the gravity of the issues raised, including whether the Allegation, if proved, would be likely to give rise to the imposition of sanction at a level exceeding that available to the Adjudication Panel in making an invitation under rule 6.6;
- (iii) the extent to which there is a reasonable prospect of establishing the matters giving rise to the Allegation before a Disciplinary Tribunal Panel;
- (iv) the interests of the public and/or the profession; and
- (v) all other relevant circumstances.

### **Content of a Case Report**

- 5.14 The Case Report shall contain a statement of all the relevant facts that the Case Manager and Investigation Actuary regard as material to whether or not there has been Misconduct.
- 5.15 The Case Report shall contain, but is not limited to, a report on the Allegation received under rule 5.2. The Case Report may contain references to matters which may amount to Misconduct outside the scope of the Allegation, if that alleged Misconduct:
- (a) has come to the attention of the Case Manager and/or the Investigation Actuary in the course of the investigation; and
  - (b) is not or has not been the subject of an Allegation being investigated separately and/or a separate Charge.
- 5.16 The Case Report shall be signed by both the Case Manager and the Investigation Actuary or the Lead Investigation Actuary as the case may be.

### **Completion of an investigation**

- 5.17 The signed Case Report shall be sent to the Respondent by the Case Manager.
- 5.18 The Respondent may, within 14 days of receipt of the Case Report sent under rule 5.17, by written notice to the Case Manager, elect to proceed directly to a Disciplinary Tribunal Panel. If so, Part 6 of the Disciplinary Scheme, save for rules 6.16, 6.17 and 6.18, shall not apply.
- 5.19 Subject to the right of the Respondent to elect to proceed directly to a Disciplinary Tribunal Panel under rule 5.18, the Case Manager shall submit the Case Report to an Adjudication Panel as soon as reasonably practicable after the Case Report has been sent to the Respondent under rule 5.17, and shall invite the Respondent to send, within 14 days of receipt of the Case Report, any comments on the Case Report to the secretary to the Adjudication Panel, for consideration by the Adjudication Panel.

### **Advisory Reports**

- 5.20 The withdrawal, by the person who made it, of an Allegation at any stage prior to the completion of an investigation shall cause the Case Manager and the Investigation Actuary to consider whether to discontinue the investigation forthwith.
- 5.21 Where the Case Manager and the Investigation Actuary consider that the investigation should be so discontinued, they shall prepare an Advisory Report for the Adjudication Panel, setting out, with brief reasons, their recommendation that the investigation should be discontinued. The Case Manager shall submit the Advisory Report to an Adjudication Panel as soon as reasonably practicable.
- 5.22 Where, however, the Case Manager and the Investigation Actuary consider that it is in the interests of the public and/or the profession that the investigation should continue, notwithstanding the withdrawal of the Allegation on which it is based, they shall complete the investigation in accordance with this Part 5 of the Disciplinary Scheme.

- 5.23 An Advisory Report may also be submitted to an Adjudication Panel, at the discretion of the Case Manager and the Investigation Actuary, where it appears during the course of an investigation either that an Allegation, if found proven, would not disclose a *prima facie* case of Misconduct or where there is no reasonable prospect of establishing the matters giving rise to the Allegation.
- 5.24 Rules 5.17 to 5.19 of the Disciplinary Scheme shall not apply in relation to the submission to the Adjudication Panel of an Advisory Report.
- 5.25 If, following consideration of an Advisory Report in accordance with rule 6.3, the Adjudication Panel refers the Allegation back to the Case Manager and Investigation Actuary, the investigation shall be resumed, as appropriate, and a Case Report prepared and submitted in accordance with this Part 5 of the Disciplinary Scheme.

### **Interim Orders**

- 5.26 An Interim Order is an order made by an Interim Orders Panel for:
- (a) a period of supervised practice in the terms provided for under rule 2.43; and/or
  - (b) suspension of any Certificate of the Respondent; or
  - (c) suspension of the Respondent from membership of the Institute and Faculty of Actuaries.
- 5.27 An Interim Order shall cease to have effect:
- (a) after six months, or such shorter period as may be specified in the order;
  - (b) on a determination of the Adjudication Panel under rule 6.4(b);
  - (c) on the acceptance by the Respondent of an invitation issued by the Adjudication Panel under rule 6.6;
  - (d) on a determination of the Disciplinary Tribunal Panel; or
  - (e) on a determination of the Interim Orders Panel or the Chair thereof under rule 5.38,
- whichever shall be the sooner, unless the order is renewed by a further hearing of an Interim Orders Panel.
- 5.28 Where there is alleged Misconduct the Case Manager and Investigation Actuary may at any time up to a hearing by the Disciplinary Tribunal Panel submit to an Interim Orders Panel an application for an Interim Order together with the Allegation and/or a Case Report and/or any relevant material in support of the application.
- 5.29 The Respondent shall forthwith be served with written notice of:
- (a) any application to the Interim Orders Panel under rule 5.28, including a copy of the Allegation and any relevant material; and
  - (b) the hearing of the Interim Orders Panel under rule 5.30.
- 5.30 On an application under rule 5.28 or at a further hearing under rule 5.36, the Interim Orders Panel shall convene a hearing and shall, subject to rules 5.34 and 5.35, determine (by simple majority) whether to make an Interim Order.
- 5.31 The Interim Orders Panel, before deciding whether to make an Interim Order under rule 5.30, shall give the Respondent a reasonable opportunity to make representations to the Interim Orders Panel in writing or, at the election of the Respondent, orally, as to:
- (a) whether the Interim Orders Panel shall make an Interim Order; and/or
  - (b) the duration of any Interim Order.

- 5.32 Any election by the Respondent for an oral hearing under rule 5.31 shall be made by the Respondent in writing to reach the secretary to the Interim Orders Panel at least seven days prior to the hearing of the Interim Orders Panel convened under rule 5.30.
- 5.33 In the event of an oral hearing under rule 5.31:
- (a) the Case Manager and/or the Investigation Actuary may also attend to present the application; and
  - (b) the Respondent may attend and make such representations as are provided for in rule 5.31.
- 5.34 The Interim Orders Panel shall not make an Interim Order under rule 5.30 unless it is satisfied that:
- (a) there is sufficient *prima facie* evidence before it to support such allegations; and
  - (b) such measure is warranted by the seriousness of the alleged Misconduct.
- 5.35 If the Interim Orders Panel is satisfied that the conditions in rule 5.34 are fulfilled, it shall then have regard to the following considerations in deciding whether to make an Interim Order under rule 5.30 and, if so, the appropriate period to specify under rule 5.27(a):
- (a) the effect on the Respondent; and
  - (b) the protection of the public, including the likelihood of further alleged Misconduct occurring.
- 5.36 The Interim Orders Panel may hold a further hearing in accordance with the provisions of this Part 5 to consider:
- (a) the renewal of an Interim Order when the term of an Interim Order would otherwise expire;
  - (b) whether to make a further Order.
- 5.37 The Respondent may by notice under rule 11.21 appeal to the Appeals Tribunal within 14 days of the making of an Interim Order. Such an appeal shall not affect the continued operation of the Interim Order.
- 5.38 The Case Manager or the Respondent may at any time make an application to the Chair of the Interim Orders Panel for the rescission or variation of an Interim Order on the basis that the circumstances upon which the order was made have changed to a material degree.
- 5.39 Written notice of the making, rescission or variation of an Interim Order shall be served forthwith upon the Respondent and upon the Institute and Faculty of Actuaries.
- 5.40 The Interim Orders Panel may be advised by a barrister, advocate or solicitor chosen from the Legal Advisers Pool.
- 5.41 Subject to rule 5.42 hearings of the Interim Orders Panel shall be in private.
- 5.42 Hearings of the Interim Orders Panel shall be held in public whenever the Respondent so requests. In the event of a public hearing the Interim Orders Panel may, acting of its own motion or upon the application of any Party, hold all or part of the hearing in private if there is good reason to do so.

## **6. Adjudication panels**

### **General**

- 6.1 The Adjudication Panel shall meet in private.
- 6.2 The Adjudication Panel may consider one or more Case Reports submitted under rule 5.19 and one or more Advisory Reports submitted under rules 5.21 or 5.23.



### Handling of Advisory Reports

- 6.3 In the case of an Advisory Report submitted to the Adjudication Panel under rule 5.21 or 5.23, the Adjudication Panel must either:
- (a) determine that no disciplinary action is appropriate, in which case it shall dismiss the Allegation; or
  - (b) refer the matter back to the Case Manager and Investigation Actuary for further investigation and/or the submission of a Case Report in accordance with the provisions of the Disciplinary Scheme.

### Handling of Case Reports

- 6.4 The Adjudication Panel (by simple majority) shall determine whether:
- (a) a Case Report, or one or more matters within it, discloses a *prima facie* case of Misconduct and, if so, that:
    - (i) the Respondent shall be invited to accept that there has been Misconduct and, where the Adjudication Panel considers it appropriate, invited to accept a sanction in accordance with the procedure in rules 6.6 to 6.10; or
    - (ii) the matters referred to in the Case Report should be referred to a Disciplinary Tribunal Panel;
- or
- (b) a Case Report discloses no *prima facie* case of Misconduct and that no disciplinary action shall be taken against the Respondent.
- 6.5 Before making a determination under rule 6.4, the Adjudication Panel shall consider:
- (a) the Allegation;
  - (b) the Case Report; and
  - (c) any representations submitted to the Adjudication Panel by the Respondent in accordance with rule 5.19.
- 6.6 In accordance with rule 6.4(a)(i), the Adjudication Panel may in writing invite the Respondent to accept that there has been Misconduct and, where the Adjudication Panel considers it appropriate:
- (a) invite the Respondent to accept a reprimand in terms provided for by the Adjudication Panel; and/or
  - (b) invite the Respondent to pay within a specified time scale a fine up to the amount provided for under rule 2.41(b); and/or
  - (c) invite the Respondent to complete a period of education, retraining and/or supervised practice, on terms provided for under rule 2.43.
- 6.7 When exercising its discretion whether to issue an invitation under rule 6.6, the Adjudication Panel shall have regard to the gravity of the alleged Misconduct as set out in the Allegation and/or the Case Report.
- 6.8 A determination under rule 6.4 shall be served upon the Respondent and the Institute and Faculty of Actuaries forthwith.
- 6.9 When making a determination under rule 6.4 or issuing an invitation under rule 6.6, the Adjudication Panel shall provide to the Respondent and the Institute and Faculty of Actuaries a statement of its reasons.

- 6.10 A Respondent accepting an invitation pursuant to rule 6.6 shall do so in writing within 21 days of such invitation and in so doing:
- (a) shall be deemed to have accepted that the conduct in the Case Report as specified by the Adjudication Panel as amounting to Misconduct is Misconduct for the purposes of the Disciplinary Scheme;
  - (b) agrees to be bound by any sanction specified as if it was a sanction imposed by a Disciplinary Tribunal Panel save that the appeal procedure in Part 11 of the Disciplinary Scheme shall not apply.
- 6.11 If the Respondent does not accept, within 21 days, an invitation pursuant to rule 6.6 the conduct in the Case Report shall be referred to a Disciplinary Tribunal Panel.
- 6.12 The Adjudication Panel may at any time adjourn its consideration of a matter and, in particular, seek further information from the Case Manager and/or the Investigation Actuary or, through the Case Manager, from the Respondent and/or the person making the Allegation to which the Case Report refers. The Adjudication Panel may consider this further information before issuing an invitation under rule 6.6 and/or a determination under rule 6.4.
- 6.13 Forthwith upon the determination of the Adjudication Panel under rule 6.4(a)(ii) or rule 6.4(b), or the Respondent's acceptance under rule 6.10 of an invitation under rule 6.6, the Adjudication Panel shall communicate the determination and the reasons to the person who made the Allegation to which the Case Report refers.
- 6.14 If the Respondent has accepted an invitation issued under rule 6.6(c), but has failed to comply with the requirement to complete a period of education, retraining and/or supervised practice, the Adjudication Panel (which may be newly constituted) shall consider any evidence submitted to it that the Respondent has not so complied with such a requirement. Such evidence may be submitted to the Adjudication Panel by the Case Manager and/or such other person as may have been appointed by the Adjudication Panel to supervise or monitor compliance by the Respondent with the agreed requirement. If satisfied that the Respondent has not complied with such a requirement, the Adjudication Panel shall, having regard to the evidence produced, reconsider the Case Report afresh in accordance with the provisions of this Part 6 of the Disciplinary Scheme.
- 6.15 The Adjudication Panel may be advised by a barrister, advocate or solicitor chosen from the Legal Advisers Pool.

### **Charges**

- 6.16 A determination under rule 6.4(a)(ii) to refer the matter to a Disciplinary Tribunal Panel or an election by a Respondent under rule 5.18, or a direct referral under rule 5.13, shall cause the Case Manager to prepare a Charge in accordance with the provisions of rules 6.17 and 6.18, for submission to a Disciplinary Tribunal Panel.
- 6.17 A Charge shall include where necessary concise particulars of the Charge and a statement of all the facts and matters that the Case Manager regards as material. The Charge shall be supported where necessary by documentary and other evidence.
- 6.18 The Charge shall not be limited to the matters within the scope of the Allegation or the Case Report. The Charge may contain alleged Misconduct outside the scope of the Allegation or the Case Report, provided that:
- (a) such alleged Misconduct is not or has not been the subject of an Allegation being investigated separately and/or a separate Charge; and
  - (b) the Respondent is given a proper opportunity to answer the additional matters in the Charge.

## **7. Review by the Independent Examiner**

### **Grounds for review**

7.1 Where:

- (a) the Adjudication Panel has determined under rule 6.4(b) that a Case Report does not disclose a prima facie case of Misconduct and no disciplinary action shall be taken against the Respondent; and
- (b) the person who made the Allegation on which the Case Report is based, is dissatisfied with the determination in so far as it relates to the Allegation she/he made,

then, subject to rules 7.2 to 7.3, she/he may refer the determination insofar as relating to her/his Allegation for review by the Independent Examiner.

7.2 No referral for review shall be made:

- (a) in the event of a determination under rule 6.4(a); or
- (b) of a decision pursuant to rules 14.12 and 14.13.

7.3 A referral under rule 7.1 shall be made only on the following grounds:

- (a) that the determination of the Adjudication Panel was manifestly unreasonable or wrong in law; and/or
- (b) that there was injustice because of a serious procedural or other irregularity in the proceedings before the Adjudication Panel; and/or
- (c) that significant and relevant new evidence has come to light which was not previously available and could not reasonably have been made available during the investigation.

7.4 A referral shall:

- (a) be made in writing to reach the Independent Examiner within 28 days after communication of the determination of the Adjudication Panel under rule 6.4(b) to the person making the referral;
- (b) state on which of the grounds in rule 7.3 the referral is based. The grounds so stated shall not thereafter be altered except with the leave, reasonable cause having been shown, of the Independent Examiner.

7.5 If the referral was not made within the period set out in rule 7.4(a), the Independent Examiner shall refuse to accept the referral, except that, in exceptional circumstances, and upon the basis of reasonable cause shown, she/he shall be entitled to accept a referral outwith this time period.

7.6 (a) Subject to rule 7.5, the Independent Examiner may accept a referral if she/he is satisfied that the person making the referral has stated an arguable and relevant basis for that referral in accordance with rule 7.3. If accepted, the Independent Examiner shall send a copy of the referral to the Institute and Faculty of Actuaries.

- (b) If she/he is not so satisfied, in her/his sole discretion, the Independent Examiner shall inform the person making the referral that the referral is not accepted, and shall send a copy of her/his decision to the Institute and Faculty of Actuaries.

### **Conduct of the review**

7.7 The review conducted by the Independent Examiner shall include consideration, as appropriate, of:

- (a) the determination reached by the Adjudication Panel under rule 6.4(b);
- (b) the investigation procedures followed under Part 5;

- (c) the procedures followed by the Adjudication Panel in making its determination;
- (d) the Allegation;
- (e) the Case Report and any other material considered by the Adjudication Panel; any representations made to the Independent Examiner by the person making the referral;
- (f) any representations made to the Independent Examiner by the Respondent; and
- (g) any representations made to the Independent Examiner by the Case Manager, having regard to the grounds set out in rule 7.3.

7.8 The Disciplinary Board shall have power to make regulations for the procedure of the Independent Examiner. Subject to the Disciplinary Scheme and such regulations made under this rule, the Independent Examiner has discretion to determine her/his own procedure.

#### **Determination of the Independent Examiner**

7.9 After concluding her/his review, the Independent Examiner shall either:

- (a) affirm the determination of the Adjudication Panel; or
- (b) remit papers to an Adjudication Panel for reconsideration having taken into account the matters contained in the review of the Independent Examiner,

giving reasons for her/his determination in either case.

7.10 When remitting papers to an Adjudication Panel under rule 7.9(b) the Independent Examiner shall specify whether the Adjudication Panel should, so far as reasonably possible, comprise the same members who dealt with the matter which was the subject of her/his review or should be a newly constituted Adjudication Panel.

7.11 The determination of the Independent Examiner under rule 7.9 and her/his reasons shall be notified in writing to:

- (a) the person who made the referral;
- (b) the Respondent;
- (c) the Adjudication Panel;
- (d) the Case Manager;
- (e) the Disciplinary Board; and
- (f) the Institute and Faculty of Actuaries.

7.12 Any decision of the Independent Examiner under rule 7.5 or rule 7.6 and any determination of her/his under rule 7.9 shall be final and there shall be no appeal against any such decision or determination.

7.13 The determination of an Adjudication Panel to whom a matter has been remitted under rule 7.9(b) shall not be subject to further referral to the Independent Examiner.

#### **General**

7.14 A referral to the Independent Examiner may be withdrawn at any time by the person who made it, whereupon the review under this Part 7 of the Disciplinary Scheme shall cease.

7.15 The Independent Examiner may seek and receive advice from any individual on legal or actuarial matters.

7.16 The Independent Examiner may provide to the Disciplinary Board from time to time a report covering such matters as she/he thinks fit in relation to the operation of the Disciplinary

Scheme and the procedures adopted by the Case Manager, the Investigation Actuary and the Adjudication Panel.

## **8. Disciplinary Tribunal Panels**

### **Charges**

- 8.1 The Institute and Faculty of Actuaries, assisted by the Investigation Actuary, shall be responsible for presenting the Charge and relevant evidence to the Disciplinary Tribunal Panel.
- 8.2 The Case Manager shall serve the Charge on the Respondent and submit the Charge to the secretary to the Disciplinary Tribunal Panel following:
- (a) a referral to the Adjudication Panel under rule 6.4(a)(ii); or
  - (b) an election by the Respondent to proceed directly to a Disciplinary Tribunal Panel under rule 5.18; or
  - (c) a direct referral under rule 5.13.
- 8.3 As soon as reasonably practicable following receipt of the Charge submitted under rule 8.2, the secretary of the Disciplinary Tribunal Panel shall provide notice in writing of the date, time, venue and duration of the hearing to each of the following:
- (a) the Respondent
  - (b) the Case Manager
  - (c) the Investigation Actuary; and
  - (d) the Institute and Faculty of Actuaries.

### **Pre-hearing procedure (service of grounds of defence and documentary evidence)**

- 8.4 The Respondent, if not intending to make an admission of Misconduct shall, subject to any decision of the Chair of the Disciplinary Tribunal Panel under this rule to the contrary, serve upon the secretary to the Disciplinary Tribunal Panel and the Investigation Actuary written grounds of defence to be received not later than 21 days following service of the Charge under rule 8.2.
- 8.5 The Institute and Faculty of Actuaries may amend the Charge, provided that:
- (a) The Respondent is given a proper opportunity to answer any new matters introduced by the amendment; and
  - (b) The Case Manager serves the amended Charge to reach the Respondent and secretary to the Disciplinary Tribunal Panel not later than 28 days prior to the Disciplinary Tribunal hearing.
- 8.6 All Parties must serve upon the secretary to the Disciplinary Tribunal Panel and each other no later than 21 days before the hearing the copies of the documents upon which they intend to rely.
- 8.7 The Respondent may amend any grounds of defence served under rule 8.4, provided that such amended grounds of defence are served such as to reach the secretary to the Disciplinary Tribunal Panel and Case Manager not later than 14 days prior to the Disciplinary Tribunal Panel hearing.
- 8.8 Where written grounds of defence have been served under rule 8.4 the Investigation Actuary and the Respondent shall, subject to any decision of the Chair of the Disciplinary Tribunal Panel under this rule to the contrary, provide to the Disciplinary Tribunal Panel submissions on any point of law identified by the Parties which may be required to be considered by the Disciplinary Tribunal Panel no less than 7 days before the hearing. Any legal submission shall

be in the form of a skeleton argument and shall be accompanied by copies of supporting authorities.

### **Rights of the Respondent**

- 8.9 The Respondent shall be given a proper opportunity of answering the Charge.
- 8.10 The Respondent shall be entitled to make representations and call any witnesses before the Disciplinary Tribunal Panel in relation to:
- (a) whether or not there has been Misconduct; and/or
  - (b) if she/he accepts that there has been Misconduct or is found guilty of Misconduct by the Disciplinary Tribunal Panel, mitigation as to the sanction.

### **General provisions for the Disciplinary Tribunal Panel**

- 8.11 Where in the opinion of the Disciplinary Tribunal Panel the Charge does not show a prima facie case of Misconduct the Disciplinary Tribunal Panel may dismiss the Charge without hearing the Parties.
- 8.12 The Chair of the Disciplinary Tribunal Panel may require the Respondent and the Institute and Faculty of Actuaries and/or their representatives to appear before her/him from time to time for the purpose of making such orders as she/he shall think fit as to procedural matters for the proper determination of the matter by the Disciplinary Tribunal Panel. Any procedural hearings under this rule shall be held in private.
- 8.13 On the application of any Party, the Chair of the Disciplinary Tribunal Panel may order the disclosure of documents in another Party's possession if they are relevant and if she/he considers that it is fair in all the circumstances that the documents should be so disclosed.
- 8.14 The Chair of the Disciplinary Tribunal Panel shall not require under rule 8.13 the production of any document which is the subject of legal professional privilege or which might tend to incriminate or expose the Respondent to penalties imposed by law.
- 8.15 Where a Charge concerns:
- (a) acts, omissions or other conduct committed by that Respondent outside the United Kingdom; or
  - (b) facts which may best be ascertained by the Disciplinary Tribunal Panel sitting outside the United Kingdom,

and in the opinion of the Disciplinary Tribunal Panel it is necessary, convenient or in the interests of justice for it to sit outside the United Kingdom, then the Disciplinary Tribunal Panel may in its discretion convene outside the United Kingdom for the purpose of taking some or all of the evidence in the matter or for the purpose of disposing of the matter.

### **Hearings**

- 8.16 Subject to rule 8.17, the Disciplinary Tribunal Panel shall hear the Charge in public.
- 8.17 The Disciplinary Tribunal Panel may, acting of its own motion or upon the application of any Party, hear the Charge, in full or in part, in private if there is good reason to do so.
- 8.18 At any stage the Disciplinary Tribunal Panel may appoint a barrister, advocate or solicitor from the Legal Advisers Pool to assist it in any matters of law or procedure. Such adviser may be present at any hearing and may give such advice to the members of the Disciplinary Tribunal Panel during any private deliberations as may be requested by them. Any advice given in private must be made available to the Parties and included in the record of the hearing.

- 8.19 Subject to the Disciplinary Scheme, the Disciplinary Tribunal Panel shall have complete discretion over the procedure to be adopted before it and may, save where fairness requires otherwise, consolidate or hear together any related Charge or Charges under the Disciplinary Scheme.
- (a) The Disciplinary Tribunal Panel may at any time before or during the hearing direct that a Charge or any particulars of a Charge shall be amended, provided that the Disciplinary Tribunal Panel (or the Chair of the Disciplinary Tribunal Panel if prior to the substantive hearing) is satisfied that the Respondent will not be substantially prejudiced in the conduct of her/his defence by the making of such an amendment; and
  - (b) the Disciplinary Tribunal Panel shall, if so requested by the Respondent, adjourn for such time as is reasonably necessary to enable her/him to deal with the Charge as so amended.
- 8.20 At the conclusion of the hearing, the Disciplinary Tribunal Panel shall determine, by simple majority, if a Charge of Misconduct has been established. In the absence of such a majority, the Charge shall be dismissed.
- 8.21 In determining its findings on the Charge and the sanction, the Disciplinary Tribunal Panel shall not have regard to any proceedings or correspondence of the Adjudication Panel under Part 6 of the Disciplinary Scheme or of the Independent Examiner under Part 7 of the Disciplinary Scheme or to any decision under rule 5.13 in relation to the matters giving rise to the Charge.
- 8.22 If the Disciplinary Tribunal Panel determines that the Respondent has been guilty of Misconduct, the Disciplinary Tribunal Panel shall:
- (a) determine that no sanction is appropriate; or
  - (b) impose one or more of the following sanctions:
    - (i) reprimand the Respondent;
    - (ii) order the payment of a monetary fine by the Respondent;
    - (iii) suspend any Certificate of the Respondent;
    - (iv) withdraw any Certificate of the Respondent;
    - (v) exclude the Respondent from holding any Certificate for any period it thinks appropriate up to a maximum of five years, which must elapse before any application to hold such a Certificate may be submitted to the Institute and Faculty of Actuaries;
    - (vi) suspend the Respondent from membership of the Institute and Faculty of Actuaries for any period it thinks appropriate up to a maximum of two years;
    - (vii) expel the Respondent from membership of the Institute and Faculty of Actuaries for any period it thinks appropriate up to a maximum of five years, which must elapse before an application for readmission as a Member may be granted in accordance with Part 10 of the Disciplinary Scheme;
    - (viii) exclude the Respondent (being a former Member who is subject to the Disciplinary Scheme pursuant to rule 4.4) from membership of the Institute and Faculty of Actuaries for any period it thinks appropriate up to a maximum of five years, which must elapse before an application for readmission as a Member may be granted in accordance with Part 10 of the Disciplinary Scheme;
    - (ix) order the Respondent to complete a period of education, retraining and/or supervised practice, on terms provided for under rule 2.43;
    - (x) impose conditions on the Member's continued membership of the Institute and Faculty of Actuaries, or on their continuing to hold any Certificate.

- 8.23 If a sanction has been imposed under rule 8.22(b)(ix), the Disciplinary Tribunal Panel (or a newly constituted Disciplinary Tribunal Panel) may be recalled on the application of the Investigation Actuary and impose a further sanction should the Respondent not comply with the terms of the sanction of education, retraining and/or supervised practice first imposed.

### **Costs**

- 8.24 The Disciplinary Tribunal Panel may make an award of costs against the Respondent or the Institute and Faculty of Actuaries as it considers appropriate.

### **Communication of determination**

- 8.25 A determination of the Disciplinary Tribunal Panel shall be served upon the Respondent forthwith, which determination shall be effective from the date of its making. The Disciplinary Tribunal Panel's reasons shall be served upon the Respondent when the determination is served or as soon as reasonably practicable thereafter.
- 8.26 The Disciplinary Tribunal Panel shall also communicate its determination and reasons to:
- (a) the Investigation Actuary;
  - (b) the person making the Allegation;
  - (c) the Disciplinary Board; and
  - (d) the Institute and Faculty of Actuaries.

## **9. Transfer to a Capacity for Membership Panel**

- 9.1 At any stage prior to a determination being issued by an Adjudication Panel or Disciplinary Tribunal Panel under the Disciplinary Scheme, the Case Manager and/or Investigation Actuary, and/or the Respondent may apply to the relevant Adjudication Panel or Disciplinary Tribunal Panel for the matter to be transferred for consideration by a Capacity for Membership Panel under Section III.
- 9.2 Upon receipt of an Application under rule 9.1, the Adjudication Panel or Disciplinary Tribunal Panel as the case may be, shall decide whether the matter should be appropriately heard by a Capacity for Membership Panel. The Adjudication Panel or Disciplinary Tribunal Panel may only grant such a request where it is satisfied that; -
- (a) there is prima facie evidence of Misconduct;
  - (b) there is prima facie evidence that the Respondent's current capacity to hold membership of the Institute and Faculty of Actuaries may be materially impaired by reason of illness or other relevant health or medical condition and that any such impairment is directly relevant to the allegation or charge; and
  - (c) it is in the public interest that the request is granted.
- 9.3 Where the Adjudication Panel or Disciplinary Tribunal Panel determines that a matter should be transferred for consideration by a Capacity for Membership Panel, the matter shall be considered as soon as practicable by a Capacity for Membership Panel in accordance with Section III and the Adjudication Panel or Disciplinary Tribunal Panel considering the matter under this Part 9 shall stand down.
- 9.4 The relevant Adjudication Panel or Disciplinary Tribunal Panel shall provide written reasons to the Parties for its decision to grant or refuse an Application.
- 9.5 Nothing in this Part 9 shall prevent an Adjudication Panel or Disciplinary Tribunal Panel from exercising its discretion in determining in the absence of an Application that a matter should be transferred for consideration by a Capacity for Membership Panel, where it is satisfied that the conditions in rule 9.2 above are fulfilled.



9.6 Nothing in this Part 9 shall prevent an Adjudication Panel from issuing an invitation to a Respondent in accordance with rule 6.6 of the Disciplinary Scheme.

## **10. Readmission to membership following disciplinary expulsion or exclusion**

### **Application**

10.1 A Member who, in accordance with the Disciplinary Scheme or the FRC Scheme, has been expelled or excluded from membership for a specified period, and who subsequently wishes to apply for readmission, may only do so by application in writing to the Institute and Faculty of Actuaries in accordance with this Part 10 and with such regulations as may for this purpose be issued by the Disciplinary Board.

10.2 In the case of the first such application, this may be made at the earliest three months prior to the expiry of the specified period of expulsion or exclusion. No subsequent application may be made prior to the expiry of a period of one year, or such shorter period as the Disciplinary Tribunal Panel may at its discretion determine, following the determination of the first such application.

### **Action on receipt of an application**

10.3 Upon receipt of an application for readmission under this rule, the Chief Executive of the Institute and Faculty of Actuaries shall notify the Convener of Disciplinary Tribunal Panels and assign the application to a Case Manager. Where the Applicant was subject to exclusion or expulsion under the FRC Scheme, the Chief Executive of the Institute and Faculty of Actuaries shall also notify the Conduct Committee.

10.4 The Case Manager may make such investigations, and obtain such information, documents or reports as she/he considers appropriate, including inquiries as to the Applicant's conduct before and after the order for exclusion or expulsion.

### **Hearing the application**

10.5 The Convener of Disciplinary Tribunal Panels shall convene a Disciplinary Tribunal Panel to hear the application or may assign the application for hearing by a Disciplinary Tribunal Panel already convened for hearing a different matter.

10.6 Not later than 28 days before the hearing before a Disciplinary Tribunal Panel to consider her/his application, the Applicant shall receive from the secretary to the Disciplinary Tribunal Panel notice of the hearing:

(a) requesting the Applicant to notify, within 14 days of the date of the notice, whether she/he wishes to attend the hearing; and

(b) inviting the Applicant, if she/he chooses not to attend the hearing, to make written representations to be received by the secretary no later than 14 days before the hearing.

10.7 The notice under rule 10.6 shall be accompanied by a copy of any statement, report or other document which:

(a) has not previously been sent to the Applicant; and

(b) has been made available to the Disciplinary Tribunal Panel for the purposes of its consideration of the application.

10.8 If any statement, report or other document is subsequently obtained by the Case Manager which is relevant to the Disciplinary Tribunal Panel's consideration of the matter, this may be made available to the Disciplinary Tribunal Panel, subject to the Applicant being given a reasonable opportunity to consider and comment upon any such additional documentation prior to the Disciplinary Tribunal Panel making its determination.

10.9 Subject to rule 10.10 the Disciplinary Tribunal Panel shall hear the application in public.

- 10.10 The Disciplinary Tribunal Panel may, acting of its own motion or upon the application of any Party, hear the application, in full or in part, in private if there is good reason to do so.
- 10.11 The Disciplinary Tribunal Panel and the Parties shall be provided, as soon as reasonably practicable with:
- (a) the determination of the Disciplinary Tribunal Panel or Appeal Tribunal Panel which imposed or affirmed the exclusion or expulsion;
  - (b) any record of the proceedings before the Disciplinary Tribunal Panel, and where applicable before the Appeal Tribunal Panel;
  - (c) any relevant documentary and other evidence including papers from the Applicant in support of readmission.
- 10.12 Unless the Disciplinary Tribunal Panel determines otherwise, the order of proceedings at a readmission hearing shall be as follows:
- (a) the Institute and Faculty of Actuaries shall:
    - (i) inform the Disciplinary Tribunal Panel of the background to the case, and, the circumstances in which the Applicant was expelled or excluded from membership; and
    - (ii) direct the attention of the Disciplinary Tribunal Panel to any relevant evidence and may call witnesses in relation to the Applicant's suitability for readmission to membership;where the facts relating to any matter are in dispute the Institute and Faculty of Actuaries shall bear the burden of proving such facts to the standard referred to in rule 1.5.
  - (b) the Applicant may provide any relevant evidence on which she/he intends to rely and call witnesses in relation to any relevant matter, including her/his suitability for readmission to membership;
  - (c) the Disciplinary Tribunal Panel may question the Parties;
  - (d) the Disciplinary Tribunal Panel shall determine, by simple majority, whether to accept or refuse the application;
  - (e) the Disciplinary Tribunal Panel shall give reasons for its determination.
- 10.13 In reaching its determination the Disciplinary Tribunal Panel shall consider all relevant factors including where appropriate the circumstances of the Applicant, the Applicant's behaviour since expulsion or exclusion, the steps which the Applicant has taken to keep up to date with professional standards and practice, the nature of any professional opportunities open to the Applicant and whether, if readmitted, the Applicant could be expected to uphold the standards expected of a Member.
- 10.14 The provisions of rule 8.18 shall apply to the hearing, and of rules 8.25 and 8.26 to the communication of the determination.

## **11. Appeals**

- 11.1 On appeal, the Respondent shall be known as the Appellant. The Institute and Faculty of Actuaries shall have the right to participate in proceedings as a part for the purposes of Part 11. The Respondent may by notice appeal against:
- (a) a determination of a Disciplinary Tribunal Panel under Part 8 of the Disciplinary Scheme;
  - (b) an Interim Order; and/or
  - (c) a refusal of readmission to membership following disciplinary expulsion or exclusion.

## **Appeal against a determination by the Disciplinary Tribunal Panel under Part 8**

- 11.2 A notice of appeal under rule 11.1 shall be given in writing and served upon the Chair of the Appeals Tribunal and the Institute and Faculty of Actuaries no later than 28 days after the receipt by the Respondent of the written determination of the Disciplinary Tribunal Panel (or such longer period as the Chair of the Disciplinary Tribunal Panel may decide on the application of the Respondent).
- 11.3 A notice of appeal under rule 11.1(a) shall request leave to appeal and state the grounds of the appeal. The grounds of appeal so stated shall not thereafter be amended except, reasonable cause having been shown, with the leave of the Appeal Tribunal Panel appointed under rule 2.32 to hear the appeal.
- 11.4 The Respondent may appeal on any one or more of the following grounds:
- (a) that the determination of the Disciplinary Tribunal Panel was manifestly unreasonable, inconsistent with the evidence or wrong in law; and/or
  - (b) that there was injustice because of a serious procedural or other irregularity in the proceedings before the Disciplinary Tribunal Panel; and/or
  - (c) that significant and relevant new evidence has come to light which was not previously available to the Respondent and could not have become available to her/him on the making of reasonable enquiry; and/or
  - (d) that the sanction imposed was manifestly unreasonable.
- 11.5 Upon receiving a notice of appeal the Chair of the Appeals Tribunal shall, if satisfied that it discloses arguable grounds for appeal under rule 11.4, appoint an Appeal Tribunal Panel to hear the appeal in accordance with the provisions of the Disciplinary Scheme.
- 11.6 If the notice of appeal was not served within the timescale set out in rule 11.2 the Chair of the Appeals Tribunal shall refuse leave to appeal, except that, in exceptional circumstances, and upon the basis of reasonable cause shown, she/he shall be entitled to accept a referral outwith this time period.
- 11.7 If in the Chair's absolute discretion leave to appeal is not granted, the determination of the Disciplinary Tribunal Panel shall continue to apply. Where leave to appeal is granted, the Respondent shall thereafter be referred to as the Appellant.
- 11.8 Where the Appellant has been expelled, excluded or suspended under rule 8.22 or where any Certificate of the Appellant has been withdrawn or suspended under rule 8.22, the Appellant shall remain suspended, excluded or expelled from membership or the holding of any Certificate and the Certificate of the Appellant shall remain withdrawn or suspended, as the case may be, until the appeal has been determined.
- 11.9 The secretary of the Appeals Tribunal shall provide to the Chair of the Appeals Tribunal as soon as reasonably practicable:
- (a) the determination of the Disciplinary Tribunal Panel; any record of the proceedings before it; and
  - (b) any documentary evidence and any other evidence and written submissions placed before it.
- 11.10 The Chair of the Appeal Tribunal Panel shall appoint a hearing of the appeal and shall give reasonable notice in writing of the hearing to the Parties, but such hearing shall be vacated in the event of the Appellant withdrawing her/his notice of appeal.
- 11.11 At any time before the determination of the appeal by the Appeal Tribunal Panel the Appellant may withdraw her/his notice of appeal by writing to the secretary of the Appeals Tribunal,

- whereupon the appeal shall be deemed dismissed and the Appeal Tribunal Panel shall, if requested to do so by any Party, consider the making of a cost determination pursuant to rule 11.16(c).
- 11.12 Subject to rule 11.13, the hearing of the appeal shall normally be by way of review of the papers provided under rule 11.9 and shall be conducted in private.
- 11.13 The Appeal Tribunal Panel may, at the absolute discretion of its Chair, permit an oral appeal hearing and:
- (a) give the Appellant a reasonable opportunity to be heard before it and to call any witnesses before the Appeal Tribunal Panel;
  - (b) hear or re-hear any witnesses who gave oral evidence before the Disciplinary Tribunal Panel;
  - (c) admit fresh evidence if it is reasonable and in the interests of justice to do so; and
  - (d) obtain legal or other advice or opinions as appropriate.
- 11.14 Subject to rule 11.15, any oral hearing of the Appeal Tribunal Panel shall be in public.
- 11.15 The Appeal Tribunal Panel may, acting of its own motion or upon the application of any Party, hear any oral appeal, in full or in part, in private if there is good reason to do so.
- 11.16 The Appeal Tribunal Panel shall make one or more of the following determinations on the appeal:
- (a) affirm, vary or rescind any determination of the Disciplinary Tribunal Panel;
  - (b) substitute any other determination or determinations which the Disciplinary Tribunal Panel may have made, which may include substituting a more severe sanction;
  - (c) make an award of costs against the Appellant or Institute and Faculty of Actuaries as it considers appropriate.
- 11.17 The Appeal Tribunal Panel shall make its determination by simple majority.
- 11.18 The determination of the Appeal Tribunal Panel shall be final.
- 11.19 A determination of the Appeal Tribunal Panel shall be served upon the Appellant forthwith, which determination shall be effective from the date of its making. The Appeal Tribunal Panel's reasons shall be served upon the Appellant when the determination is served or as soon as reasonably practicable thereafter.
- 11.20 The Appeal Tribunal Panel shall also communicate its determination and reasons to:
- (a) the Disciplinary Tribunal Panel;
  - (b) the Case Manager;
  - (c) the person who made the Allegation;
  - (d) the Disciplinary Board; and
  - (e) the Institute and Faculty of Actuaries.

### **Appeal against Interim Orders**

- 11.21 A notice of appeal under rule 11.1(b) shall be given in writing and served upon the Case Manager and upon the Chair of the Appeals Tribunal no later than 14 days after the making of an Interim Order under rule 5.30 (or such longer period as the Chair of the Appeals Tribunal may decide on the application of the Appellant).

- 11.22 Any notice of appeal shall:
- (a) identify the Interim Order or determination appealed against; and
  - (b) state the ground(s) of appeal; and
- neither the scope of the appeal, nor the grounds so stated, shall be amended or changed except, reasonable cause having been shown, with the leave of the Appeal Tribunal Panel appointed to hear the appeal.
- 11.23 The Interim Order shall remain in force until the appeal is determined.
- 11.24 The secretary of the Appeals Tribunal shall notify the person who made the Allegation of any appeal under rule 11.1(b).
- 11.25 The Chair of the Appeal Tribunal Panel shall appoint a hearing of the appeal and shall give reasonable notice in writing of the hearing to the Parties, but such hearing shall be vacated in the event of the Appellant withdrawing her/his notice of appeal.
- 11.26 At any time before the determination of the appeal by the Appeal Tribunal Panel the Appellant may withdraw her/his notice of appeal whereupon the appeal shall be deemed dismissed and the Appeal Tribunal Panel shall, if requested to do so by any Party, consider the making of a cost determination pursuant to rule 11.31(c).
- 11.27 Subject to rule 11.28, the hearing of the appeal shall normally be by way of review of the papers and shall take place in private.
- 11.28 The Appeal Tribunal Panel may, at the absolute discretion of its Chair, permit an oral hearing and:
- (a) give the Appellant a reasonable opportunity to be heard before it on the question of whether an Interim Order should be imposed;
  - (b) admit fresh evidence relevant to whether an Interim Order should be affirmed, if it is reasonable and in the interests of justice to do so; and
  - (c) obtain such legal or other advice or opinions as appropriate.
- 11.29 Subject to rule 11.30, any oral hearing of the Appeal Tribunal Panel arising from an appeal against an Interim Order shall be in private.
- 11.30 Oral hearings of the Appeal Tribunal Panel arising from an appeal against an Interim Order shall be held in public whenever the Appellant so requests. In the event of a public hearing the Appeal Tribunal Panel may, acting of its own motion or upon the application of any Party, hold all or part of the hearing in private if there is good reason to do so.
- 11.31 The Appeal Tribunal Panel shall make one or more of the following determinations on the appeal:
- (a) affirm, vary or rescind any determination of the Interim Orders Panel;
  - (b) substitute any other determination or determinations which the Interim Orders Panel may have made;
  - (c) make an award of costs against the Appellant or Institute and Faculty of Actuaries as it considers appropriate.
- 11.32 The Appeal Tribunal Panel shall make its determination by simple majority.
- 11.33 The determination of the Appeal Tribunal Panel shall be final.
- 11.34 A determination of the Appeal Tribunal Panel shall be served upon the Appellant forthwith, which determination shall be effective from the date of its making. The Appeal Tribunal

Panel's reasons shall be served upon the Appellant when the determination is served or as soon as reasonably practicable thereafter.

- 11.35 The Appeal Tribunal Panel shall also communicate its determination and reasons to:
- (a) the Interim Orders Panel;
  - (b) the Case Manager;
  - (c) the person who made the Allegation;
  - (d) the Disciplinary Board; and
  - (e) the Institute and Faculty of Actuaries.

**Appeal against refusal of readmission to membership following disciplinary expulsion or exclusion**

- 11.36 An Applicant whose application for readmission is refused may, within 28 days of the date on which the written reasons for such refusal are sent to her/him, serve in writing a notice of appeal addressed to the Chair of the Appeals Tribunal.
- 11.37 The determination of the Disciplinary Tribunal Panel regarding readmission to membership shall remain in force until the appeal is determined.
- 11.38 (a) A notice of appeal shall state the grounds of appeal.
- (b) The grounds of appeal shall be one or more of the following:
- (i) that the determination was manifestly unreasonable, and/or inconsistent with the evidence and/or wrong in law; and/or
  - (ii) that there was injustice because of a serious procedural or other irregularity in the proceedings before the Disciplinary Tribunal Panel; and/or
  - (iii) that significant and relevant new evidence has come to light which was not previously available to the Applicant and could not reasonably have been made available to the Disciplinary Tribunal hearing.
- (c) If the Chair of the Appeals Tribunal considers that there is an arguable basis for the appeal on any of the foregoing grounds she/he shall grant leave to appeal and shall appoint an Appeal Tribunal Panel to hear the appeal.
- (d) Thereafter the grounds for appeal may not be amended without the leave, on reasonable cause shown, of the Appeal Tribunal Panel or its Chair.
- (e) If the Chair decides not to grant leave to appeal, she/he shall issue to the Parties and the Disciplinary Board written reasons for her/his decision, and her/his decision shall be final.
- 11.39 At any time before the determination of the appeal by the Appeal Tribunal Panel the Applicant may withdraw her/his notice of appeal, whereupon the appeal shall be deemed dismissed and the Appeal Tribunal Panel shall, if requested to do so by any Party, consider the making of a cost determination pursuant to rule 11.44(d).
- 11.40 Subject to rule 11.41, the hearing of the appeal shall normally be by way of review of the papers and shall take place in private.
- 11.41 The Appeal Tribunal Panel may, at the absolute discretion of its Chair, permit an oral hearing and:
- (a) hear new evidence adduced pursuant to rule 11.38(b)(iii); and/or
  - (b) permit the Applicant and/or the Case Manager to make oral representations and call any witnesses.

- 11.42 The Appeal Tribunal Panel and the Parties shall be provided, as soon as reasonably practicable, with:
- (a) the determination of the Disciplinary Tribunal Panel which refused readmission;
  - (b) any record of the proceedings before it;
  - (c) any documentary evidence and any other evidence and written submissions placed before it; and
  - (d) the notice of appeal and supporting papers.
- 11.43 Any oral hearing of the Appeal Tribunal Panel shall be in public except that the Appeal Tribunal Panel may, acting of its own motion or upon the application of any Party, determine to conduct the oral hearing, in full or in part, in private, if there is good reason to do so.
- 11.44 The Appeal Tribunal Panel may:
- (a) affirm the refusal of the application, and may also determine that a further application from the Applicant should not be considered within a specific period of time (having regard to rule 10.13); or
  - (b) allow the appeal, granting readmission; or
  - (c) if it is of the view that it is necessary in the interests of justice to do so, in light of new evidence adduced pursuant to rule 11.38(b)(iii);
    - (i) remit the application to a Disciplinary Tribunal Panel for rehearing; and
    - (ii) when remitting the application, specify whether it should be re-heard by the same Disciplinary Tribunal Panel whose determination had been appealed or by a newly constituted Disciplinary Tribunal Panel; and
  - (d) make an award of costs against the Appellant and/or Institute and Faculty of Actuaries as it considers appropriate.
- 11.45 The provisions of rules 11.17 to 11.20 shall also apply to appeals under this rule.

## **12. Costs orders and fines**

- 12.1 A fine or an award of costs made by the Disciplinary Tribunal Panel or by the Appeal Tribunal Panel shall be recoverable by the Respondent, Appellant or the Institute and Faculty of Actuaries in whose favour the order is made as a debt due from the Respondent or the Institute and Faculty of Actuaries against whom the order is made.
- 12.2 Any fine payable or costs ordered to be paid shall be paid by the paying party within 28 days:
- (a) of the Disciplinary Tribunal Panel's determination unless notice of appeal is given in which case the period of 28 days begins from the notification, as the case may be, of the Chair of the Appeals Tribunal's decision to refuse leave, or of the dismissal of the appeal under rule 11.11, or of the determination of the appeal under rule 11.16; or
  - (b) of the Respondent's acceptance of an invitation of the Adjudication Panel under rule 6.10.
- 12.3 If a Respondent or Appellant does not pay any fine or award of costs imposed under the Disciplinary Scheme or the FRC Scheme in the time required, she/he may be guilty of Misconduct and further disciplinary proceedings may be commenced against her/him under the Disciplinary Scheme.

### **13. The FRC**

#### **Duty to co-operate**

13.1 The Respondent and any Member (not being a Respondent) shall ensure her/his or her full and prompt co-operation with the FRC and/or its representatives in connection with any investigation under the FRC Scheme, and in particular (but without limitation) provide the FRC with all information and copies of documents relevant to the investigation which are in the Member's control.

#### **Call-in of cases by the Conduct Committee**

13.2 If, before the making of any determination under rule 6.4, or as the case may be the exercise by the Respondent of the right of election under rule 5.18, the Institute and Faculty of Actuaries receives notice in writing from the Conduct Committee that the Conduct Committee is considering whether an Allegation currently being dealt with under the Disciplinary Scheme should be investigated under the FRC Scheme, then:

- (a) any action in relation to that Allegation under the Disciplinary Scheme shall immediately be suspended; and
- (b) the Respondent, the person who made the Allegation, the Investigation Actuary, the Disciplinary Board and, if appropriate, the Adjudication Panel shall be informed that investigation of the Allegation is suspended pending the determination of the Conduct Committee as to whether the Allegation should be investigated under the FRC Scheme.

13.3 Where the Conduct Committee determines that the Allegation should be investigated under the FRC Scheme:

- (a) no further investigation shall be undertaken, and no determination shall be made, under the Disciplinary Scheme; and
- (b) the Respondent, the person who made the Allegation, the Investigation Actuary, the Disciplinary Board and, if appropriate, the Adjudication Panel shall be informed that the Allegation will be investigated by the FRC.

13.4 Where the Conduct Committee determines that the Allegation should not be investigated under the FRC Scheme:

- (a) any action in relation to that Allegation under the Disciplinary Scheme may be recommenced; and
- (b) the Respondent, the person who made the Allegation, the Investigation Actuary, the Disciplinary Board and, if appropriate, the Adjudication Panel shall be informed that investigation of the Allegation under the Disciplinary Scheme has resumed.

#### **Referral of cases to the Conduct Committee prior to an investigation under the Disciplinary Scheme**

13.5 Where an Allegation is received by the Institute and Faculty of Actuaries that relates to matters that are the subject of an investigation under the FRC Scheme no action shall be taken by the Institute and Faculty of Actuaries in relation to that Allegation under the Disciplinary Scheme.

13.6 Where the Chair of the Pool of Investigation Actuaries considers that the Allegation should be referred for consideration under the FRC Scheme she/he shall refer the Allegation to the Conduct Committee to determine whether or not to accept the referral.



- 13.7 Where the Conduct Committee decides to accept a referral under rule 13.6 the Chair of the Pool of Investigation Actuaries shall:
- (a) take no further action under the Disciplinary Scheme in relation to the Allegation; and
  - (b) inform the Respondent, the person who made the Allegation, and the Disciplinary Board that the Allegation will be investigated by the FRC.
- 13.8 Where the Conduct Committee declines to accept a referral made under rule 13.6, the Chair of the Pool of Investigation Actuaries shall proceed under rule 5.3 of the Disciplinary Scheme with the investigation of the Allegation.

**Referral of cases to the Conduct Committee during an investigation under the Disciplinary Scheme**

- 13.9 Where, at any stage during the course of an investigation, it appears to the Case Manager and/or Investigation Actuary that it is appropriate that an Allegation is referred for consideration under the FRC Scheme, the Case Manager and/or Investigation Actuary shall immediately refer the Allegation to the Chair of the Pool of Investigation Actuaries.
- 13.10 Upon receipt of a referral under rule 13.9, where the Chair of the Pool of Investigation Actuaries considers that the Allegation should be referred for consideration under the FRC Scheme, she/he shall:
- (a) forthwith suspend any further investigation of the Allegation under the Disciplinary Scheme; and
  - (b) proceed in accordance with rules 13.6 and 13.7.
- 13.11 Where the Conduct Committee declines to accept a referral under rule 13.10, the Chair of the Pool of Investigation Actuaries shall, in accordance with rule 5.3, assign the Allegation to an Investigation Actuary to recommence investigation under the Disciplinary Scheme. Any assignment under this rule may be to the Investigation Actuary who acted under rule 13.9, or to an Investigation Actuary newly appointed under rule 5.6.

**Referral of cases to the Conduct Committee by an Adjudication Panel**

- 13.12 Before making any determination under rule 6.4, if the Adjudication Panel considers that any matter raised by the Allegation included in a Case Report should be referred for consideration under the FRC Scheme, the Chair of the Adjudication Panel shall:
- (a) refer the Allegation to the Conduct Committee to determine whether or not to accept the referral; and
  - (b) adjourn consideration of the Case Report and notify the Respondent, the person who made the Allegation and the Investigation Actuary accordingly.
- 13.13 Where the Conduct Committee decides to accept the referral under 13.12 the Chair of the Adjudication Panel concerned shall:
- (a) arrange for the Adjudication Panel to take no further action under the Disciplinary Scheme in relation to the Case Report; and
  - (b) inform the Respondent, the person who made the Allegation, the Investigation Actuary and the Disciplinary Board, that the Allegation will be investigated by the FRC.
- 13.14 Where the Conduct Committee declines the referral made under rule 13.12:
- (a) an Adjudication Panel shall resume consideration of the Case Report under the Disciplinary Scheme; and

- (b) the Convener of Adjudication Panels shall determine whether the Adjudication Panel should be the Panel which acted under rule 13.12 or a Panel newly appointed for the purpose.

#### **Referral of cases to the Conduct Committee prior to a referral under rule 4.21**

- 13.15 Before proceeding under rule 4.21 the Executive Officer shall first consider whether, having regard to all the circumstances, it is appropriate that the matter is referred to the FRC Scheme and, if so, she/he shall refer the matter for decision by the Conduct Committee whether to accept the referral.
- 13.16 Where the Conduct Committee decides to accept the referral, the Executive Officer shall:
  - (a) take no further action under these Schemes in relation to the matter; and
  - (b) inform the Respondent and the Disciplinary Board of the referral.
- 13.17 Where the Conduct Committee declines the referral the Executive Officer shall proceed under rule 4.21.

#### **Enforcement of FRC sanctions and findings**

- 13.18 Subject to rule 13.19, any finding made or sanction imposed under the FRC Scheme shall be put into effect, for the purposes of enforcement only, as if it were made or imposed under the Disciplinary Scheme.
- 13.19 Rule 13.18 only has effect in relation to a finding or sanction against which there is no possibility of appeal within the FRC Scheme, either because all routes of appeal have been exhausted or because no notice of appeal against the finding made or sanction imposed has been received by the Conduct Committee within the time limit set out under the FRC Scheme.

#### **Enforcement of costs awarded by the FRC**

- 13.20 Where costs are awarded against a Member in accordance with the FRC Scheme, that Member shall pay the costs so ordered in accordance with the FRC Scheme.

### **SECTION III – CAPACITY FOR MEMBERSHIP SCHEME**

#### **14. General**

- 14.1 The rules set out in this section shall apply where a transfer is made pursuant to Part 9 of the Disciplinary Scheme.
- 14.2 Upon the transfer of a matter under Part 9 of the Disciplinary Scheme, the Capacity for Membership Panel shall consider all of the relevant evidence before it and shall decide whether the facts of the allegations are proven and whether the current capacity of the Respondent to be a Member is materially impaired by reason of illness or other relevant health or medical condition, such impairment being directly relevant to the allegation or charge.

#### **15. Pre Hearing Matters**

- 15.1 Where a matter is transferred under Part 9 of the Disciplinary Scheme a Capacity for Membership Panel shall be convened in accordance with rule 9.3.
- 15.2 The Capacity for Membership Panel may, in accordance with rule 3.5 of these Schemes, receive and consider evidence, including expert medical evidence, presented to it by the Parties. The Capacity for Membership Panel may separately request that the Institute and Faculty of Actuaries and/or the Respondent obtain any such evidence, expert or otherwise, as it considers most suitable for the clarification of the issues and generally for the just handling of the proceedings before it. Any such evidence shall be disclosed to the Parties. The Capacity for Membership Panel shall have discretion over what documents it considers admissible as

evidence, and what weight to accord evidence accepted as admissible, however the following shall normally be relevant to proceedings under the Capacity for Membership Scheme: the Respondent's medical records, expert medical reports and reports from any medical adviser or health professional involved in the treatment of the Respondent.

15.3 At any stage the Capacity for Membership Panel may appoint a member of the Legal Advisers Pool to assist in any matters of law or procedure. Such adviser may be present at any hearing. Any advice given to the Capacity for Membership Panel must be made available to the Parties, who shall be given the opportunity to comment upon such advice.

15.4 The Respondent shall be given at least 21 days' notice of any hearing date.

## **16. Interim Orders**

16.1 Where there is alleged Misconduct the Case Manager and/or Investigation Actuary may at any time up to a hearing by the Capacity for Membership Panel submit to an Interim Orders Panel an application for an Interim Order together with the Allegation and/or a Case Report and/or any relevant material in support of the application.

16.2 The procedure and rules for an application for an Interim Order under this Part 16 shall be consistent with the procedure and rules under Part 5 of the Disciplinary Scheme. Rules 5.26 to 5.42 shall be read accordingly in that light and references to Disciplinary Tribunal Panels, in this context, shall be read as references to the Capacity for Membership Panel.

16.3 Where a Respondent has been made subject to an Interim Order prior to her or his case being transferred to the Capacity for Membership Scheme, the Interim Order shall continue to have effect until such time as any of the events set out in rule 5.27 of the Disciplinary Scheme takes place.

## **17 Consent Orders**

17.1 At any stage after a matter has been transferred to the Capacity for Membership Scheme under Part 9 of the Disciplinary Scheme, the Case Manager may invite the Respondent to agree a provisional consent order to conclude proceedings.

17.2 The provisional consent order shall be drafted by the Case Manager and shall propose one or more of the outcomes available to the Capacity for Membership Panel under Part 19 below.

17.3 The Respondent shall be invited to agree the provisional consent order and she or he must confirm her or his agreement in writing.

17.4 Once agreed, the provisional consent order shall be put before the Capacity for Membership Panel. The Capacity for Membership Panel shall meet in private to consider the provisional consent order and determine whether to approve or reject the order in whole or in part.

17.5 After a full consideration of the provisional consent order the Capacity for Membership Panel may determine the matter by:

- (a) Approving the provisional consent order; or
- (b) Rejecting the provisional consent order and directing that the matter should proceed as normal under the Capacity for Membership Scheme; or
- (c) Varying the consent order with the consent of the Parties.

17.6 The Capacity for Membership Panel shall provide written reasons to the Parties for its decision to grant, reject or vary the provisional Consent Order.

17.7 Nothing in this Part 17 shall delay the convening of a Capacity for Membership Panel to hear a substantive matter under the Capacity for Membership Scheme rules.

## **18. Hearings**

- 18.1 Hearings of the Capacity for Membership Panel shall be in private.
- 18.2 Where a Respondent fails to attend in person or be represented at a hearing, the matter may be heard in the Respondent's absence provided that the Capacity for Membership Panel is satisfied that it is in the interests of justice to do so.

## **19. Outcomes**

- 19.1 After full consideration of all of the relevant evidence before it, the Capacity for Membership Panel will make findings on the facts and the Respondent's current capacity to hold membership and then may direct one or more of the following outcomes:
- (a) No action is appropriate under the Capacity for Membership Scheme;
  - (b) Membership of the Institute and Faculty of Actuaries to be suspended for any period the Capacity for Membership Panel thinks appropriate up to a maximum of two years;
  - (c) Membership of the Institute and Faculty of Actuaries to continue but to have special conditions attached to it for a specified period; or
  - (d) The matter in whole or in part should be considered under the Disciplinary Scheme. In these circumstances the Capacity for Membership Panel shall make any directions that it sees fit.
- 19.2 The decision of the Capacity for Membership Panel shall be communicated to the Respondent and the Institute and Faculty of Actuaries forthwith after the hearing. This shall be done in writing, and shall include a statement of the Capacity for Membership Panel's reasons for the conclusions it has drawn.
- 19.3 The effective date for the purposes of any appeal shall be the date the decision of the Capacity for Membership Panel is served on the Respondent in writing.

## **20. Review Hearings**

- 20.1 Before the expiry of any order made under Part 19 above, a Capacity for Membership Panel shall review the order and may, subject to rule 20.5 below, direct any one or more of the following outcomes:
- (a) Confirm the existing order;
  - (b) Extend or reduce the remainder of the term for which the existing order has effect;
  - (c) Vary the terms of the existing order or replace the order for a specified period with any one or more of the outcomes falling under Part 19 above;
  - (d) Revoke the existing order in whole or in part either with immediate effect or on expiry of the term of the order;
  - (e) Set a recommended period before the expiry of which no early review application can be made.
- 20.2 On cause shown, a review hearing may take place after the expiry of any order made under Part 19 above, provided that the Respondent has been notified of the date of the review hearing prior to the expiry of the order.
- 20.3 The Respondent or the Institute and Faculty of Actuaries may apply to the Judicial Committees Secretary for a review of the suspension, conditions or other order made by the Capacity for Membership Panel under this Part 19 above at any time prior to the expiry of that order, provided that:
- (a) Either Party is able to demonstrate that new information relevant to the substantive order has come to light or that there has been a material change in circumstances that warrants

an early review of the order; and

(b) Subject to rule 20.4 below, no review hearing has taken place in the previous 6 months.

20.4 Where there is evidence that the Respondent has failed to comply with the terms of the substantive order made by the Capacity for Membership Panel, the Institute and Faculty of Actuaries shall be entitled to apply to the Judicial Committees Secretary for an early review of the order.

20.5 The Capacity for Membership Panel may not extend an order by more than two years at any time.

20.6 The Capacity for Membership Panel shall give written reasons for its decision.

**21. Appeal against the outcome of a Capacity for Membership Panel hearing**

21.1 The Respondent may by notice in writing seek leave to appeal against the decision of the Capacity for Membership Panel, such notice to be served upon the Judicial Committees Secretary no later than 28 days after the decision appealed against is deemed served on the Respondent.

21.2 The Chair of the Appeal Tribunal may grant permission to appeal if supportable grounds are made in writing.

21.3 The Notice shall state the grounds of appeal. The grounds so stated may only be amended, reasonable cause having been shown, with the permission of the Appeal Tribunal Panel appointed to decide the appeal. If no such panel has yet been appointed, the Chairman of the Appeal Tribunal shall decide this point.

21.4 The Respondent may appeal on any one or more of the following grounds:

- (a) that the decision of the Capacity for Membership Panel was manifestly unreasonable, or wrong in law; and/or
- (b) that there was injustice because of a serious procedural or other irregularity in the proceedings before the Capacity for Membership Panel; and/or
- (c) that significant and relevant new evidence has come to light which was not previously available to the Respondent and could not have become available to him on the making of reasonable enquiry.

21.5 The procedure and rules for any appeal under the Capacity for Membership Scheme shall otherwise be consistent with the procedure and rules for appeal against a determination of the Disciplinary Tribunal Panel under the Disciplinary Scheme. Rules 11.1 to 11.35 shall be read accordingly in that light and references to Disciplinary Tribunal Panels, in this context, shall be read as references to the Capacity for Membership Panel.

21.6 The Appeal Tribunal Panel shall have discretion to appoint hearings and conduct the appeal in such a manner as it considers appropriate consistent with the principles of natural justice.

21.7 The Appeal Tribunal Panel may decide the appeal by:-

- (a) Refusing the appeal; or
- (b) Granting the appeal in whole or in part, imposing such other decision or directions as it sees fit, provided that such decision or directions are consistent with the powers which would have been available to the Capacity for Membership Panel originally seized of the matter under rule 19.1.

21.8 The appeal shall be conducted in private. The Appeal Panel shall have discretion in deciding whether to publish its decision, and in what form.

## **SECTION IV – COMMENCEMENT, TRANSITION AND DEFINITIONS**

### **22. Commencement and transitional provisions**

#### **Commencement**

22.1 The provisions of this version of these Schemes shall come into force on 1 February 2018 and shall be applicable, as amended from time to time, to all matters arising from allegations received under rules 5.2 or 4.21, at or after that point in time.

#### **Transitional provisions**

22.2 Subject to rule 22.3, all matters arising from allegations received under rules 5.2 or 4.21 prior to the date on which this version of the Disciplinary Scheme comes into force shall be dealt with by the Institute and Faculty of Actuaries in accordance with the version of the Disciplinary Schemes (being the former Disciplinary Schemes of the Faculty and the Institute) in force and applicable at the date on which the allegation was received; and the provisions of all such versions of the Disciplinary Schemes shall continue in force for the purpose of the consideration and determination of any such matter. Such versions and schemes are for this purpose to be applied by the Institute and Faculty of Actuaries subject only to such changes as may be reasonable and necessary, consistent with their being applied as nearly as possible in the manner in which they required to be applied by the Faculty or the Institute.

22.3 Allegations received under rules 5.2 or 4.21 prior to the date on which this version of the Disciplinary Scheme comes into force may however alternatively be considered from that date in accordance with the provisions of the Disciplinary Scheme, subject to the consent of the respondent.

### **23. Definitions of terms used in these Schemes**

In these Schemes, unless the context otherwise requires: 'Adjudication Panel' means a panel appointed under rule 2.22; 'Advisory Report' means a report referred to in rules 5.21 and 5.23;

'Allegation' means a statement in writing addressed to the Institute and Faculty of Actuaries containing an allegation or allegations to the effect that a named Member has or may have been guilty of Misconduct or a referral by the Executive Officer under rule 4.21, and includes such an Allegation relating to a person whose membership is suspended under the Disciplinary Scheme;

'Appeals Tribunal' means the Appeals Tribunal referred to in rule 2.32;

'Appeal Tribunal Panel' means a panel of the Appeals Tribunal appointed under rule 2.35;

'Applicant' means a former Member, who has been expelled or excluded from membership and is applying for readmission to membership;

'Appellant' means a Respondent who appeals against a determination of a Disciplinary Tribunal Panel, an Interim Order, and/or a refusal of readmission to membership, where leave to appeal is granted, all under Part 8;

'Application' means an application by a Case Manager and/or Investigation Actuary and/or Respondent to an Adjudication Panel, Disciplinary Tribunal Panel or Appeal Tribunal Panel to have a matter considered by a Capacity for Membership Panel

'Appropriate person' means a person of good character who is fit to carry out a role under the Disciplinary Scheme;

'Bye-laws' means the Bye-laws of the Institute and Faculty of Actuaries in force from time to time;

'Capacity for Membership Panel' means a panel referred to in rule 2.28;

‘Case Manager’ means a person appointed by the management of the Institute and Faculty of Actuaries to manage the investigation of an Allegation, and any subsequent referrals to an Interim Orders Panel, or Disciplinary Tribunal Panel or Appeals Tribunal Panel, with advice and assistance from an Investigation Actuary;

‘Case Report’ means a report referred to in rule 5.14;

‘Certificate’ means any certificate issued by the Institute and Faculty of Actuaries pursuant to its Practising Certificates Scheme;

‘Charge’ means a formal allegation that a Member has been guilty of Misconduct defined in the document prepared by the Investigation Actuary under rule 6.16;

‘Chief Executive of the Institute and Faculty of Actuaries’ means the person appointed by the Council for the purpose of submitting reports to the Disciplinary Board pursuant to rule 2.41(g) on behalf of the Institute and Faculty of Actuaries;

‘Conduct Committee’ means the Conduct Committee of the FRC, established under the FRC’s articles of association.

‘Council’ means the Council of the Institute and Faculty of Actuaries;

‘Disciplinary Appointments Committee’ means the committee appointed in rule 2.1;

‘Disciplinary Board’ means the board referred to in rule 2.36;

‘Disciplinary Pool’ means the pool referred to in rule 2.8; ‘Disciplinary

‘Tribunal Panel’ means a panel referred to in rule 2.26;

‘Executive Officer’ means the Chief Executive of the Institute and Faculty of Actuaries or such other person as nominated by the Chief Executive;

‘Faculty’ means The Faculty of Actuaries in Scotland;

‘Fellow’ means a Fellow of the Institute and Faculty of Actuaries;

‘FRC’ means the Financial Reporting Council Limited, a company limited by guarantee incorporated in England and Wales, number 2486368.

‘FRC Scheme’ means the disciplinary scheme of the FRC for the Actuarial Profession, originally adopted by the Accountancy and Actuarial Discipline Board on and with effect from 13 September 2007, as amended from time to time.

‘Independent Examiner’ means the person appointed under rule 2.17;

‘Institute’ means the Institute of Actuaries;

‘Interim Order’ means an order provided for in rule 5.26;

‘Interim Orders Panel’ means a panel referred to in rule 2.20;

‘Investigation Actuary’ means an investigation actuary referred to in rule 5.3;

‘Lay member’ means a person who is not and has never been a Member, or an Overseas Fellow Equivalent;

‘Lead Investigation Actuary’ means a member of the Investigation Actuaries Pool nominated under rule 5.5;

‘Legal Advisers Pool’ means the pool of barristers, advocates and solicitors nominated under rule 2.45;

‘Memorandum of Understanding’ means an agreement entered into between, on the one hand, the Institute and Faculty of Actuaries and, on the other hand, the FRC which provides, amongst other things, for the FRC to issue standards and the Institute and Faculty of Actuaries to recognise those standards in its Disciplinary Scheme;

'Member' means a member of the Institute and Faculty of Actuaries of any class other than an Honorary Fellow. For the purposes of any Allegations of a breach of the duty of a Member to co-operate, set out in rules 4.15, 4.16, 4.18, 4.19 and 5.11(a) – (c), the term 'Member' includes former Members of the Institute and Faculty of Actuaries who are currently the subject of disciplinary action under the Scheme.

'Misconduct' means misconduct under rule 4.2;

'Overseas Fellow Equivalent' means a person possessing a qualification which the Disciplinary Appointments Committee considers to be the local equivalent of the Institute and Faculty of Actuaries' Fellowship obtained from an overseas actuarial regulatory body which is a full member of the International Actuarial Association;

'Party/Parties' means a Respondent or the Case Manager, as the case may be; 'Pool of Investigation Actuaries' means the pool referred to in rule 2.13;

'Primary Professional Regulator' means another actuarial regulatory body outside the United Kingdom which is a full member of the International Actuarial Association and has been properly nominated by a Member in accordance with regulations prescribed by the Institute and Faculty of Actuaries for this purpose;

'Respondent' means the Member whose conduct is the subject of the matter of an Allegation or an investigation by or proceedings before an Interim Orders Panel, Adjudication Panel, Disciplinary Tribunal Panel, Capacity for Membership Panel or Appeal Tribunal Panel or an investigation or proceedings under the FRC Scheme.

'Rule' means a rule of these Schemes;

'Schemes' means the Disciplinary Scheme referred to in the Bye-laws and incorporated into the Rules of the Institute and Faculty of Actuaries, together with the Capacity for Membership Scheme.

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# Regulations

## Interpretation of the Objects

1. The Council interprets the Objects of the Institute and Faculty of Actuaries to encompass activities to:
  - Develop the role and enhance the reputation and recognition of the actuarial profession and individual actuaries throughout the world;
  - Promote high standards of professionalism and technical competence among actuaries throughout the world to ensure that the public interest is served;
  - Advance the body of knowledge of actuarial science and its applications;
  - Administer appropriate qualifications;
  - Further the education and personal professional development of actuaries throughout the world;
  - Promote mutual esteem and respect amongst actuaries;
  - Provide a forum for discussion among actuaries throughout the world;
  - Collaborate where appropriate with other actuarial associations around the world;
  - Provide advice on actuarial matters to government when requested to do so;
  - Consider existing and proposed legislation or regulations having an impact on the actuarial profession or its members' work and, where appropriate, make representations and submissions to the relevant government or regulator;
  - Require its members to follow any standards it produces and also follow standards set by the Financial Reporting Council;
  - Maintain a disciplinary scheme for members in order to deal appropriately with allegations of professional misconduct.

## Honorary Officers

2. There shall be the following honorary officers:
  - President
  - President-elect
  - The President who retires at an AGM shall be the Immediate Past President for the period until the next AGM.

## Procedures of the Council

3. Meetings of the Council shall be chaired by the President. The President may nominate either the President-elect, or Immediate Past President to act as Chair. In the absence of such nomination, the President-elect or Immediate Past President shall between them, agree who will chair the meeting.

## Electoral scheme for Honorary Officers

4. Each year at least 60 days before the AGM the Council shall elect a Fellow or Associate to be President-elect with effect from the AGM. The President-elect, if not then a member of the Council, shall be co-opted on to the Council from the date of the AGM as one of the co-options under Regulation 9 (a) and shall continue to be so co-opted while President and Immediate Past President. A President-elect who is already a member of the Council shall remain a member of the Council for the relevant constituency whilst serving as President-elect, President and Immediate Past President.
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5. Each year at least 60 days before the AGM the Council shall appoint a Fellow or Associate to be President with effect from the AGM.
6. On retirement the President shall be invited to become the Immediate Past President for the ensuing period as provided under Regulation 2.
7. The Council shall appoint such other honorary officers as it may require from amongst its members, and such honorary officers shall serve for one year but may be re-appointed.
8. The Council may fill from amongst its members any casual vacancy among the honorary officers that arises in the course of a year.

### **Co-options to the Council**

9. In addition to any co-options to fill casual vacancies, each year the Council may co-opt:
  - a) up to two Fellows or Associates to the Council: and
  - b) when the Council considers it desirable to ensure at least one of its members is resident outside the United Kingdom, an additional Fellow or Associate

provided that at least three-fourths of the members of the Council vote in favour of such a co-option. Members of the Institute and Faculty of Actuaries co-opted in this way may not serve for more than three successive years as co-opted members of the Council and do not form part of the number retiring according to Bye-law 8.

### **Management Board**

10. The management body provided for under Bye-law 17 shall be known as the Management Board. Members of the Management Board as a result of their office or employment shall be:
  - President
  - President-elect
  - Chief Executive (being the person appointed under Bye-law 18)

In addition, the Council may appoint:

- an independent member being someone who is a Fellow or Associate but is not a member of the Council and who has no other role within the Institute and Faculty of Actuaries.
  - another independent member being someone who is not a Fellow or Associate.
  - up to three further Council members, one of whom being (in the event the Scottish Board so requests) a member of the Scottish Board who is a member of the Council elected by the Scottish constituency.
  - up to two further employees of the Institute and Faculty of Actuaries nominated by the Chief Executive who are in senior managerial roles.
11. The Council may fill any casual vacancy among the appointed members of the Management Board which may occur during a year, but need not do so.
  12. The Chair of the Management Board shall be the independent member appointed under Regulation 10, if any, who is a Fellow or Associate and otherwise shall be one of the Fellows or Associates on the Management Board (other than the President).
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## **Administrative arrangements**

13. The Management Board shall maintain a governance manual describing key operating procedures including the scheme of delegations and membership arrangements and the terms of reference for the key boards and committees of the Institute and Faculty of Actuaries. The governance manual shall be published on the website for access by the membership.
14. Any member of the Council or the Chief Executive or any person appointed by the Council for the purpose shall have power to authenticate any document affecting the Institute and Faculty of Actuaries and any Resolution at a general meeting or official record of any committee and to certify copies or extracts as being a true record.

## **Scottish Board**

15. The Scottish Board shall have such duties and responsibilities as the Council decides in order to foster the actuarial community in Scotland.

## **Admission criteria for Affiliates**

16. Affiliates should be educated to degree (or equivalent) level and have relevant experience to meet one or more of the following criteria:
  - Be a member of a professional body related to one of the following areas:
    - Capital projects
    - Corporate finance
    - Derivatives
    - Enterprise risk management
    - General insurance
    - Healthcare
    - Investment
    - Life insurance
    - Pensions
    - Personal finance
    - Statistics
  - Be a partner or principal of a professional firm
  - Hold an executive position in a business involved in one of the areas listed above
  - Be an academic working in one of the areas listed above
  - Have been in regular attendance at events organised by the Institute and Faculty of Actuaries

## **Admission criteria for Students**

17. There are no educational entry requirements for Students. Students shall normally be admitted upon acceptance of an application for admission and subject to such published terms and conditions as required by the IFoA from time to time.

## **Admission criteria for Student Actuarial Analysts**

- 17A. Up to and including 28 February 2017, Student Actuarial Analysts shall normally be admitted if they have passed, or are exempt from, the Module 0 entry test.
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### **Qualified actuary**

- 17B. Only Associates and Fellows may refer to themselves as, or allow themselves to be associated with the term, “qualified actuary”.

### **Qualification as Associate, Fellow and Chartered Enterprise Risk Actuary**

18. The examinations and modules which are required for qualification as Associate, Fellow and Chartered Enterprise Risk Actuary are contained in the Student Handbook and published on the website.

### **Qualification as Certified Actuarial Analyst**

- 18A. The examinations and modules which are required for qualification as Certified Actuarial Analyst shall be contained in the Certified Actuarial Analyst Student Handbook and published on the website.
- 18B. Certified Actuarial Analysts of the Institute and Faculty of Actuaries may use the initials ‘CAA’ after their name.

### **Register of members (commonly known as The Actuarial Directory)**

19. An actuarial directory shall be maintained containing a list of members and their contact and membership details.
20. Members are responsible for ensuring that their personal details in the actuarial directory are complete, accurate and current, by using the website personal profile facility or otherwise by contacting the membership team ([membership@actuaries.org.uk](mailto:membership@actuaries.org.uk)).
21. The Institute and Faculty of Actuaries shall respect the privacy of its members and shall not share personal information with non members except for the exchange of information relevant to regulatory matters with other professional bodies or regulators.

### **Membership subscriptions**

22. The subscription year shall run from 1 October to 30 September each year. The fees payable by members for any subscription year may be varied or waived by the Council and shall be notified to the members. Honorary Fellows pay no subscription.
23. Subscriptions are due on 1 October of the subscription year. Subscriptions which are outstanding as at 1 November shall attract a 10% surcharge which rises to 20% as at 1 December. Failure to settle outstanding subscriptions by 31 December in any subscription year shall result in cancellation of membership. The Council may suspend these requirements in circumstances which it deems appropriate.
24. Following cancellation of membership, a member may apply for re-admittance subject to successful completion of the appropriate approval process and payment of a reinstatement fee of 25% of the applicable membership subscription (the reinstatement process). The whole subscription for the year of reinstatement shall be due and payable on reinstatement. The reinstatement process criteria are available on the website and from the membership team ([membership@actuaries.org.uk](mailto:membership@actuaries.org.uk)).
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25. Any member whose annual income, as defined by United Kingdom Government rules on taxable income, from all sources throughout the subscription year is not more than the earnings levels set by Council for each membership category, may apply to the membership team for a reduced subscription. Members classified as retired under the Continuing Professional Development Scheme (as defined in the Bye-laws) may apply to the membership team for a reduced subscription.
26. The index used by the Council for considering subscription increases shall be the Retail Price Index (RPI) and the period used shall be the year to the February preceding the date of increase.

### **Practising Certificates**

27. Practising Certificates are renewable on an annual basis for a number of specified roles. Those categories of Practising Certificates and the criteria for their award are set out in a Practising Certificates Scheme. Practising Certificate fees may be varied by the Council each year and shall be notified to the members. There is a late payment surcharge of 25% of the applicable practicing certificate fee for applications not received within the required timeframe. The Practising Certificates Scheme, Practising Certificate fees and the circumstances in which the late payment surcharges apply are available on the website of the Institute and Faculty of Actuaries.

### **Admission fees for Students and Student Actuarial Analysts**

28. Admission fees may be varied by the Council each year and shall be published accordingly.

### **Transition arrangements in 2010 on establishment of the Institute and Faculty of Actuaries**

29. The transition arrangements which were in place in 2010 on the establishment of the Institute and Faculty of Actuaries are set out in Appendix 1. Members who were entitled by paragraph 10 of the transition arrangements to become "Life Members" shall no longer be entitled to become "Life Members". Further, those members who were registered to receive certain communications by post shall no longer receive such communications.
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## Appendix 1

### Transition arrangements in 2010 on establishment of the Institute and Faculty of Actuaries

1. The first Council of the Institute and Faculty of Actuaries shall have the following members:

Adrian Baskir, Gordon Bagot\*, Ronnie Bowie\*, Andrew Chamberlain, Mike Codron\*, Seamus Creedon, Helen Crofts, Jane Curtis, Mike Dick\*, Ralph Frankland, Peter Gatenby, Robert Hails, Justyn Harding, Malcolm Kemp, Paul King, Mike Kipling, Trevor Llanwarne, Katie Low\*, Martin Lowes, David Martin\*, Nigel Masters, Keith Miller\*, Fiona Morrison, Stuart Shepley, Elaine Stevenson\*, Mark Stocker, Paul Sweeting, Peter Tompkins, Alan Watson\* and Gordon Wood\*

(those marked with \* form the Scottish Board for the Scottish constituency)

2. The first honorary officers of the Institute and Faculty of Actuaries shall be:

|              |                          |
|--------------|--------------------------|
| Ronnie Bowie | President                |
| Nigel        | Immediate Past President |
| Jane Curtis  | President-elect          |
| Robert Hails | Honorary Treasurer       |

3. The first person to chair the Scottish Board shall be Gordon Bagot.
  4. On establishment of the Institute and Faculty of Actuaries the Management Board shall consist of the members required under Regulation 10 as a result of their office or employment together with all the members of the Management Board in place immediately before that date. This group shall continue to function as the Management Board until such time as the first Council of the Institute and Faculty of Actuaries appoints new members in accordance with the Regulations.
  5. All memberships of boards, committees and working groups of the Faculty of Actuaries in Scotland and the Institute of Actuaries, working together as the Actuarial Profession at the time of the commencement of the Institute and Faculty of Actuaries, shall continue as though they were boards, committees and working groups created by the Institute and Faculty of Actuaries.
  6. The corporate plan of the Faculty of Actuaries in Scotland and the Institute of Actuaries, working together as the Actuarial Profession, shall be adopted as though it had been the corporate plan of the Institute and Faculty of Actuaries.
  7. All appointments made under the disciplinary schemes of the Faculty of Actuaries in Scotland and the Institute of Actuaries shall continue after the establishment of the Institute and Faculty of Actuaries as though they were appointments made under the scheme for the Institute and Faculty of Actuaries.
  8. All staff employed by either the Faculty of Actuaries in Scotland or the Institute of Actuaries shall be employed by the Institute and Faculty of Actuaries on the same terms and conditions of employment as they had with their former employer and on the basis that their service is continuous.
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9. All Standards, Guidance Notes and administrative arrangements (including the ARNs of individual members) which were normal operating practice of the Faculty of Actuaries in Scotland and the Institute of Actuaries working together as the Actuarial Profession at the date of merger shall continue in force as though they had been written or put into effect by the Institute and Faculty of Actuaries until such time as they may be changed by the Institute and Faculty of Actuaries.
  10. Any reserved membership rights from the Faculty of Actuaries in Scotland or the Institute of Actuaries held by any member shall be honoured by the Institute and Faculty of Actuaries. In particular members who were entitled to become "Life Members" on a particular date shall become "Life Members" for the purposes of Regulation 22 on that date. Further, those members who were registered to receive certain communications by post shall continue to receive such communications but no other members shall be added to this register.
  11. Any trust fund with either the Faculty of Actuaries in Scotland or the Institute of Actuaries as its trustee shall transfer to the trusteeship of the Institute and Faculty of Actuaries.
  12. All Affiliates, Students, Associates, Fellows and Honorary Fellows of the Faculty of Actuaries in Scotland or of the Institute of Actuaries shall become members of the Institute and Faculty of Actuaries in that category except that where a person belongs to different categories in the two bodies they must elect which of those categories they assume in the Institute and Faculty of Actuaries.
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