



DUE PROCESS FOR INTERNATIONAL ACTUARIAL NOTES

1. Definition and Applicability

- 1.1 An International Actuarial Note (IAN) is an educational document on an actuarial subject that has been adopted by the IAA in order to advance the understanding of the subject by readers of the IAN, including actuaries and others, who use or rely upon the work of actuaries. It is not an International Standard of Actuarial Practice (“ISAP”) and is not intended to convey in any manner that it is authoritative. IANs may be issued
 - a. To assist actuaries in complying with an ISAP, for example by offering practical examples of ways in which actuaries might implement an ISAP or International Financial Reporting Standard (IFRS) in the course of their work, or
 - b. To provide non-binding guidance on an actuarial topic for which the IAA has not developed an ISAP.
- 1.2 Because an IAN is not intended to be authoritative, its language will be chosen carefully. It will not contain words such as “should”. Rather, its style will be descriptive or will convey meaning by the use of examples of actual practice, without suggesting that these examples are comprehensive.

2. Due Process

- 2.1 Because an IAN is not intended to be authoritative and because (unlike an ISAP) it is not intended for possible use by member associations as the basis for issuing Standards of Practice for their members, it seems reasonable that the Due Process for issuing an IAN should be more abbreviated than for an ISAP.
- 2.2 On the other hand, it is also possible that the drafting of an IAN will cause differences of opinion to surface, so some due process is needed.
- 2.3 In addition, because it is important to ensure that the wording of an IAN is consistent with its non-authoritative nature, the Professionalism Committee has an oversight role in terms of the language used in IANs.

3. First Stage – Announcement of Intent to Issue an IAN

- 3.1 Any IAA committee, subcommittee, or task force may, by action at an in-person committee meeting or by an e-mail vote of committee, subcommittee, or task force members, adopt a Statement of Intent to develop an IAN. The Statement of Intent should describe the objectives and scope of the proposed IAN and, once adopted by the committee, subcommittee or task force, should be sent to the Professionalism Committee and to the Secretariat.
- 3.2 In addition, Council may, in accordance with its normal notice and voting requirements, direct a committee, subcommittee, or task force to develop an IAN.
- 3.3 In either event, the Secretariat shall communicate the Statement of Intent promptly to member associations. The communication should provide member associations with a point of contact if they wish to become involved in the process or if they have questions concerning it.

4. Second Stage – Development and Issuance of an Exposure Draft

- 4.1 The committee, subcommittee or task force that is developing the IAN should issue an exposure draft of the IAN and submit it to the Professionalism Committee and to the Secretariat.
- 4.2 The Secretariat should communicate the exposure draft to member associations. The communication should indicate the deadline for comments (normally three months from the date of the communication) and should indicate to whom comments should be sent.
- 4.3 During the exposure period, the Professionalism Committee should review the exposure draft in terms of language and format, and should provide comments to the developers of the exposure draft. The Professionalism Committee's review should also include consideration of any apparent overlap or conflict between the proposed IAN and existing IANs.

5. Third Stage – Issuance of the IAN

- 5.1 The committee, subcommittee or task force that is developing the IAN should review all comments received and consider whether and how to reflect them in the IAN.
- 5.2 The committee, subcommittee or task force should approve the final version of the IAN by action at an in-person meeting or by an e-mail vote of its members.
- 5.3 The Professionalism Committee should approve the IAN from the aspects of language and format and should confirm that the prescribed due process has been followed.
- 5.4 Upon its approval by the committee, subcommittee or task force that developed it, and after confirmation by the Professionalism Committee that the language and format are appropriate and that the appropriate due process has been followed, the Secretariat should publish the IAN, distribute it to member associations, and post it on the IAA website. The Secretariat will develop a numbering system and will assign numbers to IANs when they are distributed and posted.

6. The Role of the Professionalism Committee in the IAN Process
 - 6.1 The Professionalism Committee has the ongoing responsibility to make recommendations to the Council regarding the process for adopting IANs.
 - 6.2 The Professionalism Committee will develop a format in which IANs are to be issued. The format will include a description of the nature of IANs, consistent with the definition set forth in paragraph 1 hereof. The objective of a standard format is to provide the drafters of an IAN with guidance as to the desired style and layout of an IAN; using a consistent style and layout is expected to assist the users of IANs. The format shall include the definition of the term “International Actuarial Note”, and other information that can be expected to be similar or identical for each IAN. Such format is not intended to limit in any way the technical information that is conveyed in the IAN.
 - 6.3 The Professionalism Committee will – as described in paragraphs 4 and 5 hereof – provide comments on exposure drafts of IANs and shall confirm that an IAN is appropriate as to language and format. To expedite the issuance of IANs, the Professionalism Committee may establish a working group to carry out this function.
 - 6.4 The Professionalism Committee has an overall responsibility for monitoring whether the IAN process is working well and whether the process should be updated from time to time. This includes monitoring:
 - » whether the correct Due Process been followed in the preparation of an IAN;
 - » how effectively the IANs have been publicized;
 - » whether member associations are making IANs available to their members;
 - » whether the IANs are meeting their objectives.
 - 6.5 The Professionalism Committee will ensure that IANs that have been adopted are reviewed regularly, and will work with the committee that developed each IAN to have the review carried out. Normally, an IAN should be reviewed every three years; however, the Professionalism Committee may request more frequent review of an IAN if it believes such review to be advisable.

7. Transition Process

- 7.1 With respect to documents previously issued as “Class 4” standards of practice, if the issuing committee believes that a previously issued Class 4 standard should be re-issued, in whole or in part, as an IAN with no material change in technical content, it should re-configure the document to meet the language and format guidance given by the Professionalism Committee.
- 7.2 The Professionalism Committee should approve the IAN from the aspects of language and format.
- 7.3 The Secretariat should distribute the IAN as set forth in paragraph 5.4 above.

- 7.4 If, however, the technical content of the previously issued document is changed fundamentally, the proposed IAN should be treated as an exposure draft, and its development should follow the due process set forth beginning with paragraph 4 herein. A decision by the issuing committee that the technical content is not changed fundamentally is subject to review by the Professionalism Committee, which has ultimate authority concerning such a determination.

Approved by Council May 26, 2012.