

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE INTERNATIONAL ACTUARIAL ASSOCIATION

AND

THE INTERNATIONAL FINANCIAL REPORTING STANDARDS FOUNDATION

1. INTRODUCTION

- 1.1 The International Actuarial Association (IAA) is an independent not-for-profit, private sector organisation. A strategic objective of the IAA is to establish, maintain and promote common principles of professional conduct through the development and issuance of actuarial standards in the jurisdictions of all Full Member Associations and the global convergence of actuarial standards, including by developing model International Standards of Actuarial Practice (ISAPs).
- 1.2 The International Financial Reporting Standards Foundation (the Foundation) is an independent not-for-profit, private sector organisation. The objective of the Foundation is to develop a single set of high quality, understandable, enforceable and globally accepted International Financial Reporting Standards (the Standards) through its standard-setting body, the International Accounting Standards Board (the Board), and the promotion of their use and rigorous application.

2. SHARED INTEREST

- 2.1 Although the activities of the IAA, the Foundation and the Board are independent, both bodies have a shared interest in ensuring that standards and guidance developed through their respective standard-setting processes are consistent, comprehensive and well-developed insofar as they relate to financial reporting. Furthermore, the work of both bodies is mutually supportive in that ISAPs often deal with the advice actuaries provide in relation to key items in financial reporting, whilst the Standards encompass measurement bases for items in financial reporting.

3. COOPERATION

- 3.1 The IAA and the Foundation intend there to be mutual interaction at the working level, with an expectation that it will enhance consistency between the work of the Board and the work of the IAA. The regular transparency and confidentiality policies and practices of the IAA and the Foundation will apply to these interactions.

- 3.2 The IAA commits to:

- Provide input, as appropriate, to the Board on proposed amendments to the Standards and developments in financial reporting that are relevant to the areas on which actuaries advise, through regular exchanges of information, meetings and the Board staff's outreach processes for researching new issues.
- Consider the Board's comments, in the normal course of its work, in developing ISAPs and other actuarial guidance material, and providing feedback as appropriate.

- 3.3 The Foundation commits to:

- Provide input, as appropriate, to the IAA on proposed amendments to ISAPs and other actuarial guidance material, through regular exchanges of information, meetings and the IAA staff and member's outreach processes for researching new issues.

- Consider the IAA's comments, in the normal course of its work, in developing the Standards, and on financial reporting issues which would involve actuarial advice and providing feedback as appropriate.

3.4 Both parties commit to:

- Provide the opportunity for each other's staff or representatives to be included in their respective advisory and consultative groups, committees and task forces, as appropriate, recognising that each party determines the composition of these groups on a case-by-case basis.
- Keep abreast of developments, inform each other and exchange views about emerging and divergent practice issues and research with respect to measurement in financial reporting under the Standards.
- Organise, as and where necessary, discussion sessions for the staff or representatives of both parties, in order to highlight any relevant issues that may impact upon their work and the standards they publish.
- Participate, as and where necessary, in each other's conferences, symposia and panels dealing with topics of mutual interest, providing suitable speakers where possible.

4. REVIEW OF THE MEMORANDUM

- 4.1 Both the IAA and the Foundation believe that the role of the IAA and the Foundation will continue to evolve. Accordingly, in approximately two years, representatives of both organisations will meet to review how this Memorandum has contributed to the goals they have in mind, and to determine whether there are ways in which the Memorandum can be improved.

5. NON EXCLUSIVITY

- 5.1 For the avoidance of doubt, nothing in this Memorandum shall be construed as limiting the rights of either party from forming future relationships, or entering into similar memorandums, with any other organisation.

6. NON ENDORSEMENT

- 6.1 For the avoidance of doubt, nothing in this Memorandum shall be construed as amounting to either party endorsing each other's work. Each organisation takes sole responsibility for the drafting and dissemination of its standards, and any supporting documentation which may be used to justify this material.

7. TERMINATION OF THE MEMORANDUM

- 7.1 Either party may terminate this Memorandum by giving not less than two months written notice by e-mail to the named contact person noted in section 8 below.

8. PRINCIPAL CONTACTS

- 8.1 The two principal points of contact at the Foundation shall be a designated member of the Board and the Executive Technical Director.
- 8.2 The two principal points of contact at the IAA shall be a designated member of the IAA's Executive Committee and the Chair of another Committee determined from time to time by the IAA.
- 8.3 Appendix A contains the names and email addresses of the individuals currently designated. Should any of these principal contacts noted in Appendix A change, the parties will ensure that appropriate named contacts will be appointed and the details of the appointed individual(s) shall be shared, and Appendix A will be updated accordingly.

9. DATA PROTECTION AND CONFIDENTIALITY

9.1 Should any personal data be exchanged between the parties at any time, the parties undertake to hold this information in confidence, and unless required by law, shall not make the other parties' information available to any third party or use such information for any purpose other than the implementation of this Memorandum. The party receiving the personal data shall use the same degree of care as it uses to protect its own personal data or personal information of like nature, but no less than a reasonable degree of care, to maintain in confidence the information of the disclosing party. The parties agree that any personal information that it collects with regards to the implementation of this Memorandum shall be held and protected in accordance with the provisions of any applicable privacy legislation in the jurisdiction in which such personal information was obtained.

9.2 This clause 9 shall survive termination of this Memorandum, however arising.

10. INTELLECTUAL PROPERTY RIGHTS

10.1 Neither party shall acquire any right, title or interest in or to the intellectual property rights of the other party (including without limitation copyright, database rights, trade marks, business and domain names and any other proprietary rights).

10.2 Each party may license the other party to use such of its intellectual property rights as it may agree may be used by the other party from time to time provided such licence is in writing and executed by an authorized representative of both parties.

11. GENERAL TERMS

11.1 Nothing in this Memorandum shall be construed as creating a partnership or relationship of agent and principal between the parties.

11.2 In the event that any provision of this Memorandum is void, voidable, illegal, or otherwise unenforceable the remaining provisions of this Memorandum shall remain in full force and effect.

11.3 This Memorandum is not assignable.

11.4 No variation to the Memorandum shall be given effect unless expressly agreed in writing by an authorised representative of both parties.

11.5 It is not anticipated that either party shall make, or permit any person to make, any public announcement concerning this Memorandum without the prior written consent of the other party except as required by law or any governmental or regulatory authority.

11.6 The parties intend that clauses 9 and 10 of this Memorandum are legally binding and enforceable.

11.7 This Memorandum shall be effective as of April 28, 2015.

AS WITNESS whereof the parties have executed this Memorandum the 28th day of April 2015.

Signed for:
The Foundation

Yael Almog
EXECUTIVE DIRECTOR

Signed for:
International Actuarial Association

F.R.D.
President

APPENDIX A
POINTS OF CONTACT

Designated at 2015.04.28

- In accordance with paragraph 8.1, for the Board:
 - Designated member of the Board: Darrel Scott, dscott@ifrs.org
 - Executive Technical Director: Hugh Shields, hshields@ifrs.org

- In accordance with paragraph 8.2, for the IAA:
 - Designated member of the Executive Committee: Micheline Dionne, michedionne@gmail.com
 - Chair of the Pensions and Employee Benefits Committee: Tom Terry, tom.terry@terrygroup.com