

Regulated Professions Task Force

Report for Zagreb Council from the Regulated Professions Task Force

Council was informed in June about IAA involvement in an important **Private Sector Task Force of Regulated Professions and Industries (PSTF)**, which was formed to prepare recommendations to go to the G20 on regulatory reform.

This Task Force was established in May 2011 at the request of the French Government, which chairs the Group of Twenty (G-20) in 2011.

The PSTF aims to provide to the G-20 an analysis of the development of financial policy and regulation to facilitate economic stability in the world's capital markets. One of the most prominent areas of focus is global regulatory convergence, which is a critical issue for capital markets. It is a matter on which the private sector has expertise that can assist the G-20 in its objective to achieve a level playing field in relation to regulation, including standards.

Establishment of the PSTF was coordinated by the International Federation of Accountants (IFAC), which has provided administrative and secretariat support for the Task Force. It comprises representatives from private sector organizations of professions and industries which are subject to regulation, and operate within the broad financial sector.

As well as IFAC, membership of the Task Force includes:

- Institute of International Finance (IIF)
- International Accounting Standards Board (IASB)
- International Corporate Governance Network (ICGN)
- International Valuation Standards Council (IVSC)
- International Actuarial Association (IAA)
- International Insurance Society (IIS)
- CFA Institute (CFA I)
- INSOL International

The Officers accepted the invitation for the IAA to participate and, given the urgency of our response, formed a "Regulated Professions Task Force", reporting to the Executive Committee, to provide input and representation. The IAA Task Force is currently made up of:

Thomas Béhar (Member of Executive Committee)

Cecil Bykerk (President)

Tony Coleman (2009 Task Force on the Global Financial Crisis)

Sam Gutterman (Chair of Insurance Accounting Committee)

Gary Hibbard (Chair of Pensions and Employee Benefits Committee)

Dave Ingram (Chair of Enterprise and Financial Risk Committee)

Toshihiro Kawano (Chair of Insurance Regulation Committee)

Dave Pelletier (Chair of the Interim Actuarial Standards Subcommittee of the EC) Jean Louis Masse (Secretary General)

Paul Thornton (IAA Officer, Chair)

An Interim Report was sent to the G20 at the end of June, and copied to Council on July 1.

The PSTF agreed that, in order to be able to work without the glare of media publicity, it wished to keep the existence of the Task Force and its recommendations private for the time being. The Interim Report has been added to the IAA website, but we have not sought wider publicity.

A Final Report is being prepared in time for the November G20 meeting.

The Fast Track Procedure has been used to ensure that input on a draft of the Final Report would be received from Member Associations through the Committees involved, namely the Insurance Regulation, Insurance Accounting, Enterprise and Financial Risk, and Professionalism Committees, and, to the limited extent appropriate to the scope of the report, from the Pensions and Employee Benefits Committee. The Regulated Professions Task Force of the Executive Committee has formulated all the input received, together with its own comments, on behalf of the IAA.

Council was informed that the deadline for input and for any objections to the use of the fast track procedure, or to the release of the IAA input to the report, had to be registered with the Secretariat at the very latest by September 21, 2011. No objections were received.

The Report is being finalized by the PSTF for release by 30 September.

The Final Report includes more than a dozen recommendations including one concerning global convergence of standards, covering financial reporting, auditing, supervisory and actuarial standards.

We have provided input to the Interim and Final Reports in terms of our perception of “gaps in regulatory convergence” and steps that might be taken to closing the gaps.

The latest draft of the Recommendations at the time of writing are as attached.

21 September 2011

Paul Thornton

Chair of the Regulated Professions Task Force