

Zoomerang Survey Results

International Standards of Actuarial Practice - Permanent Structure

Response Status: Completes

Filter: No filter applied

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Note: All written responses are found after the summary of multiple choice responses.

Question 1. The Task Force on a Permanent Structure for International Actuarial Standards presented three options for the management structure of International Standards of Actuarial Practice (ISAPs) in its discussion paper. Please rank the three options based on your preference:

Count of respondents for each rank

	Rank 1	Rank 2	Rank 3
Option 1: Committee and Advisory Board	15	7	4
Option 2: Independent Board within the IAA Structure	12	16	0
Option 3: Independent Board outside the IAA Structure	3	2	20

Question 2. For your preferred option, are there any attributes that you would prefer to draw from one of the other options (for example, if your preferred option is Option 3 but you'd prefer a 10-member ASOB as suggested by Option 2 rather than the 8-member ASOB listed with Option 3)? Which ones?

22 Written Responses

Question 3. For your preferred option, are there any attributes you would change completely from those shown under the various options? What would you suggest?

19 Written Responses

Question 4. Each option suggests involvement from external stakeholders. Which external stakeholders should be involved?

Supervisors/Regulators (e.g., IAIS and IOPS)	29
Non-Actuarial Standards-Setters (e.g., IASB and IAASB)	21
Actuarial Standards-Setters	21
Supranational Organizations (e.g., IOSCO, ISSA)	11
Representatives from think-tank institutions	6
Representatives from industry groups	13
Representatives from consumer groups	10
Other, please specify	3

3 Written Responses

Question 5. For questions 5.(a) to 5(g), what level of involvement should external stakeholders have as part of the drafting body and the advisory board (Option 1) or oversight board (Options 2 and 3)?

5. (a) Supervisors/Regulators (e.g., IAIS and IOPS)

Oversight	16
due process	10
determination of priorities	9
Scope	13
Input	19
Drafting	6
Approval	4
none of the above	0

5. (b) Non-Actuarial Standards-Setters (e.g., IASB and IAASB)

Oversight	12
due process	8
determination of priorities	6
Scope	8
Input	17
drafting	2
approval	2
none of the above	3

5. (c) Actuarial Standards-Setters

oversight	8
due process	14
determination of priorities	13
scope	14
input	23
drafting	17
approval	7
none of the above	1

5. (d) Supranational Organizations (e.g., ISSA, IOSCO)

oversight	9
due process	7
determination of priorities	4
scope	8
input	13
drafting	4
approval	2
none of the above	6

5. (e) Representatives from think-tank organizations	
oversight	4
due process	2
determination of priorities	3
scope	5
input	7
drafting	3
approval	0
none of the above	16
5. (f) Representatives from consumer groups	
oversight	7
due process	7
determination of priorities	6
scope	8
input	8
drafting	2
approval	4
none of the above	12
5. (g) Others (as identified in Question 4)	
oversight	2
due process	1
determination of priorities	1
scope	1
input	2
drafting	0
approval	0
none of the above	13
Question 6. For question 5 above, please add comments if your responses vary by type of client, type of work, or practice area.	
10 Written Responses	
Question 7. What should the sources of funding be for the standards structure?	
Increased membership fees paid to the IAA by Full Member Associations	20
External funding sources	15
13 Written Responses	
Question 8. Is the 31 December 2013 timescale acceptable? Would this time scale cause any problems for your association?	
Yes	14
No	16
Total	30
15 Written Responses	

Question 9. Please use the space below to provide any other comments or observations:

12 Written Responses

16. Question 10. Please provide the name of the person completing the survey, association and email address for further clarifications

30 Respondents

Written Responses

Question 2. For your preferred option, are there any attributes that you would prefer to draw from one of the other options (for example, if your preferred option is Option 3 but you'd prefer a 10-member ASOB as suggested by Option 2 rather than the 8-member ASOB listed with Option 3)? Which ones?

	Respondent	Response
1	Actuarial Society of Malaysia	None
2	Het Actuariel Genootschap (Netherlands)	I am not too much concerned on the number of people involved, but I believe there is a need for independency. I.e. outside the committee structure. I believe the standards board should operate as independent as possible, so also not in the hierarchy to the EC
3	Den Danske Aktuarforening	No
4	Swiss Association of Actuaries	no
5	Canadian Institute of Actuaries	A larger ASOB group of 10 or 12 would be desirable under Option 3 to get a good spread across the various parts of the world and the different actuarial practices and allow room for a good cross-section of interested parties (IASB, IAIS, local actuarial and accounting standard-setters, local regulators, industry, ...).
6	Casualty Actuarial Society	<p>Our preferred option is the status quo. The IAA should not move to a more permanent structure until the interim structure has been tested. We believe that the interim structure has not yet been tested, and will not be tested until several standards have been developed and implemented under that interim structure (under the agreed-upon moderate convergence approach). That said, the only true test would be the handling of a controversial standard under that structure.</p> <p>We also recommend against bringing non-actuaries into the process other than as a source of input for any of the options. We are concerned with the breadth of review and input needed by the IAA from the full actuarial community (by geographic region, practice area and market) to avoid unintended consequences, and believe this problem would be far greater with regard to the non-actuarial community. We also question whether any single category of non-actuarial users of actuarial workproduct have a full-enough understanding of actuarial issues and the needs of other non-actuarial users so as to competently direct actuarial standards projects.</p> <p>We recommend against moving forward with any option that has a budgetary impact until after the budgetary impacts have been sufficiently explored and the associated funding agreed to. The Discussion Paper provided on this topic was deficient in this regard for the evaluation of at least Options 2 and 3, and possibly even option 1.</p>
7	Caribbean Actuarial Association	ideally for transparency the Independent Board outside the IAA is best but we don't think the the IAA has the resources to go for Option 3 straight away.
8	Conference of Consulting Actuaries	<p>Question 1 Comments: Option 1 above should read, "Committee and Advisory Board, with caveat on non-actuarial involvement. Options 2 and 3 are not applicable at this time.</p> <p>Question 2: Were "status quo" an option we would have ranked it 1st or 2nd. We believe we are not prepared to bring non actuaries into the oversight process and view this as an essentially irreversible step. We recommend that oversight remains with the EC for the next 2 to 3 years and need to understand the value of oversight by external non-actuaries before a complete move to #1 as contained in the Permanent Structure document. After our proposed 2014 structure has been in place for at least 2 to 3 years, we would be in a better position to assess the other options. At that time, we might consider non-actuarial involvement in some areas, but in a consultant role and not in due process oversight and determination.</p>

9	Financial Reporting Council	<p>The FRC considers that there might be a need to expand the number of members of ASOB beyond the eight members proposed in option 3. It suggests that ASOB should have 12 members, as proposed in option1, representing the various constituencies of interested parties perhaps supplemented by an independent chairperson</p> <p>There is need to have a balance of participation across geographies and user constituencies on the ASOB in order that it is seen to be fully representative of the public interest. It will also be necessary that its members, taken together, have the skills necessary to carry out the ASOB's remit effectively. On the other hand there is a risk that too large a number of members makes decision taking unwieldy. The FRC considers that a membership of 12, as suggested in option 1, is sufficient to provide the necessary representative balance and skills while not being so big as to make ASOB ineffective.</p>
10	Actuarial Society of South Africa	We believe the smaller ASOB (from Option 3) makes more sense than the larger one in Option 2.
11	Deutsche Aktuarvereinigung e. V. (DAV) (Germany)	None.
12	American Academy of Actuaries	The American Academy of Actuaries prefers the current process underway with the Interim Actuarial Standards Subcommittee for a thorough testing before moving to a new structure. Until IAA members have had the opportunity and ample time to evaluate the current structure, there should be no rush to change structure until we have some confidence that the next approach is, in fact, an improvement.
13	Institut des Actuaire (France)	We think that the repartition of actuaries / non actuaries is more adequate in Option 3 (2/6). From a general point of view, a good balance between actuaries and non actuaries should be ensured in ASAB / ASOB.
14	Croatian Actuarial Association	Standard approval authority should be for final version IAA Council Funding should include IAA plus outside stakeholders
15	Suomen Aktuaariyhdistys	--
16	Institute of Actuaries of India	The members on the Independent Board, say 10 should be constituted by nomination of 6 by IAA (Council can decided who to be nominated)and 4 should be invited from IAIS, IASB, BIS and OECD, one each.
17	Consejo Profesional en Ciencias Economicas CABA (Argentina)	As informed in table page 8 is OK.
18	Committee of Standards of Col.legi d'Actuaris de Catalunya (CSCAC)	<p>§ The way from Option 2 to 3 allows you to have experience at the IAA level before opening the door to other stakeholders.</p> <p>§ In the meantime GC could also get experience in its standard's project.</p> <p>§ Option 3 could bear from two constituents GC+IAA who establish the statutes and in case, open the door for other newcomers.</p>
19	Academia de Actuarias de Puerto Rico	No
20	Actuarial Society of Hong Kong	Option 2 with a mentorship of 2/6
21	Institute of Actuaries of Australia	The Institute would prefer that the ASOB be responsible for determining the due process, as provided for in Option 3.

22	Institute and Faculty of Actuaries	<p>2.1. The Institute and Faculty believes that Option 3, the independent board outside the IAA structure, is the appropriate approach to take in principle, in order to avoid the following criticisms which might be levelled at the IAA if they were to adopt Options 1 or 2:</p> <p>2.1.1. Completely self-regulatory regimes are viewed by the public with some suspicion as being “toothless tigers” which operate solely in the interests of the profession, which can decrease trust in the profession itself;</p> <p>2.1.2. There is a danger that compliance with standards by members of the profession is not undertaken properly or with adequate independent, monitoring;</p> <p>2.1.3. Standards which are not subject to a truly independent oversight regime may be perceived as weak, ineffectual, out-of-touch and being only produced to further the commercial interests of members of the profession;</p> <p>2.1.4. There may be a problem with enforcement of standards if there is no formal enforcement process in place; and/or</p> <p>2.1.5. The public fails to accept the standard setting regime because they have not been properly involved in the standard-setting process.</p> <p>2.2. The Institute and Faculty agrees with the analysis at paragraph 9.3.4.3 of the accompanying paper which demonstrates that Option 3 provides the best overall approach to take in terms of user confidence, the confidence of actuaries, provision of a high level of governance and accountability, timely standard setting procedures and good levels of engagement and implementation by full IAA member associations.</p> <p>2.3. However the Institute and Faculty recognises that there are many questions of both a practical and principled nature to be answered before such a body could be established. We allude to some of these later in our response. For this reason we could envisage the adoption of a phased approach to the ideal position, in which Option 2 served, for a set period of time, as a forerunner to Option 3. We do not regard Option 1 as having sufficient credibility to serve as a lasting solution for any substantial period.</p>
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Question 3. For your preferred option, are there any attributes you would change completely from those shown under the various options? What would you suggest?

	Respondent	Response
1	Actuarial Society of Malaysia	None
2	Den Danske Aktuarforening	No
3	Swiss Association of Actuaries	No
4	Canadian Institute of Actuaries	While nomination of ASOB members would initially be done through the IAA Nominating Committee, we believe that new members should eventually (after, say, 3 years) be selected by ASOB without the need to involve the IAA Nominating Committee to clearly demonstrate the ASOB independence. ASOB would however include the IAA Council in its consultations, especially regarding the determination of priorities and scope.
5	Casualty Actuarial Society	We do not see a need to include external parties as a part of the process, other than as a source of input. We also believe that the budgetary impact of any option should be more fully explored and disclosed before any option is chosen.
6	Caribbean Actuarial Association	No

7	Conference of Consulting Actuaries	As stated in our response to question 2, we have questions and concerns regarding the oversight by external stakeholders. We seek clarification on the inclusion of non-actuaries on the oversight board in the permanent structure. As we stated in question 2, we might consider non-actuarial involvement in some areas after the 2014 structure has been in place for at least two to three years but in a consultant role, not in due process oversight and determination.
8	Financial Reporting Council	<p>The FRC considers that the structure needs greater challenge from non-actuaries so as to prevent capture by a dominant individual or organisation, or being seen as a captive of the actuarial profession. The FRC suggests changing or supplementing option 3 as follows:</p> <ul style="list-style-type: none"> • ASOB and IBAS should be charged with meeting generally accepted principles of good governance. • The process of making appointments to both IBAS and ASOB should be transparent and independent of the IAA. • The ASOB chair and deputy chair should be nominated or approved by an external international organisation. We suggest that the IAA might invite the Financial Stability Board to perform this role. • The ASOB would approve all other ASOB and IBAS appointments, subject to review by a nominations committee, consisting of the ASOB chair, deputy chair and other independent members. • The IBAS chair should be an individual independent of the leadership of any professional body. • IBAS should have equal numbers of actuaries and non-actuaries – the FRC suggests 5 or 6 of each. • ASOB membership should be split approximately one third regulators, other supra-national bodies and academics, one third industry and consumer groups, and one third practitioners. • The ASOB should have the final say in approving all standards proposed by the IBAS, subject to being satisfied that all due processes have been complied with. <p>The FRC considers that due process should include giving additional weight to users' considered responses on proposed priorities and standards as compared to the weight attached to practitioner views.</p> <p>Rationale</p> <p>The FRC considers that standards-setters should follow a process that is demonstrably accountable, transparent, independent and focussed on producing standards that can stand the test of time.</p> <p>It is concerned that, while option 3 represents a significant improvement on the status quo, IBAS with its significant majority of practitioner Board Members will be perceived as lacking the necessary independence from the those for whom it is setting standards. The FRC recognizes that the members of IBAS are appointed by a Board (ASOB) containing a majority of representatives of external stakeholders but the FRC considers that the Task Force proposal that the ASOB members are appointed by the IAA is likely to reduce the perceived independence of ASOB.</p> <p>The FRC suggests that the IAA consider looking to a supra-national body to select the Chair and a Deputy Chair of the ASOB, both of whom should be independent of the actuarial profession. A possible candidate for this nominating role might be the Financial Stability Board.</p>

		<p>The Chair and Deputy Chair would then form the core of a Nominations Committee to recommend the appointment of the other members of the ASOB and the members of the IBAS. Appointment of members of both the ASOB and the IBAS would rest with the whole ASOB.</p> <p>The FRC considers that the practitioner members of IBAS should be subject to challenge over both the determining of priorities and the structure and content of standards. The FRC considers that having only two non-practitioners on IBAS, requiring IBAS only to consult ASOB on priorities and to follow due process does not provide adequately for this challenge.</p> <p>The FRC recognises that IBAS will require significant practitioner input to ensure standards are relevant to the practitioners who must apply them. We therefore agree that there is a significant role for practitioners on IBAS. We see the practiti</p>
9	Actuarial Society of South Africa	We would prefer IAABAS to consult ASOB on due process (i.e. in between Option 2 and Option 3), but leave final control over the process within IAABAS (as per Option 2).
10	Deutsche Aktuarvereinigung e. V. (DAV) (Germany)	None.
11	American Academy of Actuaries	Clarify whether the appointing authority has the power to dismiss members.
12	Suomen Aktuaariyhdistys	--
13	Institute of Actuaries of India	NO
14	Consejo Profesional en Ciencias Economicas CABA (Argentina)	No
15	Committee of Standards of Col.legi d'Actuaris de Catalunya (CSCAC)	<p>§ Not a change completely, but trying to give a bigger role as possible to actuaries who "at least on the paper" are who best really know their profession.</p> <p>§ Another issue is if market goals, money support, or simply try to sell actuarial standards as a reference for other professions, stakeholders, or other non actuarial standards [lfrs, (...)], and suggest to other players who should also join the project.</p>
16	Academia de Actuarias de Puerto Rico	Nothing

17	Institute of Actuaries of Australia	<p>REMUNERATION: The Institute considers that, in order to attract sufficiently experienced members to the IAABAS and ASOB, it would be necessary to remunerate them in addition to covering expenses. Whilst the level of remuneration need not approach that for IASB members, a fee per meeting or annual retainer should be paid to secure the right talent.</p> <p>DUE PROCESS: The Institute considers that the ASOB, not the IAA Council, should determine the due process to be followed in consultation with supervisors/regulators, non-actuarial standards setters and actuarial standards setters, as well as being responsible for overseeing compliance with that due process.</p>
18	Svenska Aktuarieforeningen	No Advisory Board
19	Institute and Faculty of Actuaries	<p>2.4. Given the global nature of the IAA's remit and the sheer volume of work which is likely to be required given its geographic range and the various important stakeholders which would need to be consulted in the standards setting and maintaining process, the Institute and Faculty believes that a 12 person Actuarial Standard's Oversight Board (ASOB) would be better able to cope with the workload which is likely to arise. Option 3's 8 member ASOB seems to be too small a group. However, any group of more than 12-14 in number becomes too unwieldy and might lead to sub-groups and committees being formed, with the decision-making process taking too long and being susceptible to being derailed. We should try and learn from the experiences that the International Accounting Standards Board has faced in being somewhat unwieldy, expensive and slow-moving due to its size, which can have adverse impacts on the standard setting process.</p> <p>2.5. Additionally, the Institute and Faculty's comments as regard the workload of the ASOB do not take into account any potential costs, workload and time which might be associated with enforcement. This is because the Institute and Faculty does not consider that the IAA should be responsible for enforcing the IAA standards. This would be a matter for the individual member associations which elect to adopt them.</p> <p>2.6. From a practical point of view, only one full-time staff member may not be able to provide enough secretarial and administrative support given the ASOB's potential workload, e.g. at least one month would be lost per year simply because that person is on annual leave.</p>

Question 4. Each option suggests involvement from external stakeholders. Which external stakeholders should be involved?

	Respondent	Response
1	Canadian Institute of Actuaries	labour groups though they might be considered part of consumer groups
2	Casualty Actuarial Society	We believe that the ISAP development should be open for input from all parties, although the only parties that should be reached out to explicitly for input (on the wording of the standard) should be Insurance Supervisors/Regulators, Actuarial Standard-Setters, Industry Groups, and the audiences for the particular actuarial workproduct that is the subject of a particular ISAP.
3	Conference of Consulting Actuaries	Our recommendation is for the oversight to remain with the EC for the time being; When the structure has been in place long enough to evaluate, external stakeholders can be involved as indicated above:

Question 6. For question 5 above, please add comments if your responses vary by type of client, type of work, or practice area.

	Respondent	Response
1	Canadian Institute of Actuaries	<p>Question 5 is a broad question as involvement could take many forms. For all the groups mentioned above, we expect that involvement in oversight and due process would be handled through participation within ASOB, as member of such groups would be invited to be ASOB members. Involvement in the determination of priorities, scope and input would be handled through a consultation process and involvement in the drafting would be done through participation into IBAS.</p> <p>Note that we have filled Question 5 (g) for Industry reps as no other question was specific to that group. Note also that we have grouped together consumer groups with labor under Question 4 and 5(f).</p>
2	Casualty Actuarial Society	<p>One of the U.S. insurance regulators pointed out recently that different users of actuarial workproducts have different needs, and that insurance regulators are just one of many users of actuarial workproducts. Therefore we believe that supervisors/regulators should provide input on workproducts where they are the intended audience, but that they should not be able to dictate or control model actuarial standards for all other classes of users. In general, we recommend obtaining input from users of actuarial workproducts when creating standards for such workproducts, but recommend against using input from one set of users to dictate requirements for all other sets of users.</p> <p>We recommend that the input from actuarial standard setters include input on IAA standard setting due process and the setting of priorities.</p>
3	Conference of Consulting Actuaries	<p>Question 5: At this time, our responses should be deemed for Option 1 only, and again after some interim period during which the EC continues to provide oversight.</p> <p>For Supranational Organizations, representatives from industry groups and representatives from consumer groups, we have indicated “unsure” in question 4. Some exposure and/or experience are required before deciding on how whether or not they should be included.</p>
4	Deutsche Aktuarvereinigung e. V. (DAV) (Germany)	No comments
5	American Academy of Actuaries	The Academy feels strongly that it is too soon to bring non-actuaries into the process. Additionally, think tanks and consumer groups often have political agendas that should not be introduced into the IAA standards writing process.
6	Suomen Aktuaariyhdistys	--
7	Institute of Actuaries of India	None
8	Committee of Standards of Col.legi d’Actuaris de Catalunya (CSCAC)	<p>§ The degree of involvement has to depend on the goal of the actuarial standard.</p> <p>§ For instance, if the standard is oriented to the actuarial role in Consumer Protection, it seems suitable a strong involvement of a representative from consumer groups.</p> <p>§ If actuarial standard is oriented to asses risks out of financial or insurance sector, it seems suitable an involvement of a representative of the specific industry or services provider.</p>
9	Academia de Actuarias de Puerto Rico	I believe our professionals have the intellectual capacity to do this.
10	Institute and Faculty of Actuaries	2.12. The Institute and Faculty has no comments to make in relation to this question.

Question 7. What should the sources of funding be for the standards structure?

	Respondent	Response
1	Het Actuarieel Genootschap (Netherlands)	I believe both funding sources should be available
2	Actuarial Society of Armenia	regulators, world bank, other funds
3	Swiss Association of Actuaries	G20 Financial Stability Board for external stakeholders
4	Canadian Institute of Actuaries	The project will most likely be accompanied by a IAA fee increase but it would be desirable to look at other funding alternatives. We recommend that the Task Force look at how the IASB and IOSCO and IAIS are funded, as potential examples to follow.
5	Caribbean Actuarial Association	the industry
6	Financial Reporting Council	<p>It is difficult to consider funding without more detail on the likely costs, but the IAA and its member associations are likely to have to provide a significant contribution. However, the ASOB and the IBAS should be proactive in seeking funding from a variety of sources compatible with ensuring that their independence is not undermined.</p> <p>The FRC's actuarial work is funded voluntarily by the users of actuarial work and the UK Actuarial Profession in the proportions: insurers 45%; large pension schemes 45%, UK Actuarial Profession 10%. This works in the UK because there is a culture of insurers and pensions funds paying for their own regulation and we have an infrastructure available to collect fees. Long established regulation also provides recognition for the role of actuaries in the governance of these entities.</p> <p>The FRC recognises that funding an international standards-setting structure is more complex because of the different methods employed in funding regulation in different countries which might create cultural impediments to external funding.</p> <p>The lack of any global infrastructure to collect fees from the many different entities that have an interest in high quality actuarial work might also be a significant problem; it is likely to be costly to develop and manage one.</p>
7	Institut des Actuaire (France)	<ul style="list-style-type: none"> - Public subsidies for country where there are full member associations - supranational organizations and may be industry groups
8	Croatian Actuarial Association	Organisations involved in the process
9	Institute of Actuaries of India	No external Funding
10	CONAC(MEXICO)	supranational organizations
11	Committee of Standards of Col.legi d'Actuaris de Catalunya (CSCAC)	<p>§ The membership pockets are stressed due to having to attend several actuarial organizations, so we think it is not suitable they bear it, at least, all the expenses and it suggests to explore how other close organizations have been funding (IASB, Insurance Grup, (...)).</p> <p>§ Other sources will depend on the demand of actuarial standards in the market, and could range from sold final standards, seminars around them, and sponsors if they have foreseen some benefit from actuarial standards.</p>
12	Academia de Actuarias de Puerto Rico	Donations for the Insurance Industry

13	Institute and Faculty of Actuaries	<p>2.13. The actuarial standard setting and oversight function in the UK is funded in two ways:</p> <p>2.13.1. by the members themselves via their membership subscriptions paid to the Institute and Faculty which supports the ethical standard setting function that we undertake; and</p> <p>2.13.2. via contributions by users of actuarial services and the Institute and Faculty itself to support the FRC and its technical ethical standard setting and oversight function.</p> <p>2.14. In the case of the Institute and Faculty's funding arrangement, this is an historical and long-standing arrangement mostly due to the financial services and professional funding arrangements in the UK. In the case of the FRC, this has been in place since 2005. While other actuarial institutions no doubt are mostly funded by their members, the Institute and Faculty is unsure to what extent funding is available from external sources such as governments, financial services regulators and/or users of actuarial services in other jurisdictions.</p> <p>2.15. This is a difficult question to answer given that there is very little information on the costs of the proposed ASOB/IBAS (or indeed, any of the other) arrangements. A fully independent ASOB/IBAS regime seems likely to be more expensive; therefore being clear and realistic from the outset about the resource requirements and funding arrangements for the proposed solution will be vital.</p> <p>2.16. Clearly, increasing the subscription fees of full IAA member organisations is one way of doing this but, equally, the actual amounts involved may prove prohibitive for all member organisations to afford. If only some organisations can afford to fund the process, might there also be a danger of a perception by the public/users of actuarial services that those funding organisations' views might be accorded more weight in the standard setting process because if the standards proved to be unpalatable to those organisations, they may choose to withdraw all funding?</p> <p>2.17. Perhaps a way forward to obtain funding might be to approach users of actuarial services (akin to the approach taken in the UK) to see if they would be willing to support this process as ultimately, an independent ASOB/IBAS regime is likely to be in their interests. Such users might include: organisations representing pension funds, insurers, investors and consumer groups.</p>
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Question 8. Is the 31 December 2013 timescale acceptable? Would this time scale cause any problems for your association?

	Respondent	Response
1	Actuarial Society of Armenia	This timescale is acceptable for us.
2	Institute of Actuaries of Japan	The new due process for ISAPs was adopted just in Jan. 2012 and no ISAP has made, although five ISAPs are under development. Because we need to consider the efficiency of current structure and due process, and the impact of ISAPs to FMAs and other stakeholders for some years, the 31 Dec. 2013 timescale seems to be too short.
3	Swiss Association of Actuaries	Final solution should be known before May 2013
4	Casualty Actuarial Society	We believe that the proposed timeframe will not allow any testing of the interim structure, and hence would require major decisions to be made before anything can be learned from the interim structure. We recommend against such haste and favor waiting until there is a chance to evaluate the current structure before moving to any other option.
5	Caribbean Actuarial Association	don't really know as the association activities depends on few volunteers

6	Conference of Consulting Actuaries	The December 31 2013 timescale is probably acceptable for implementing an adjusted option 1, where no outside advisors are included. We recommend moving forward with option 1 without outside non-actuarial involvement for a 2 to 3 year time frame, allowing for time to realistically evaluate the process. In the interim, non-actuarial involvement should be introduced as feasible and practical in order to test how they would be utilized and what value they might provide in a more permanent and clearly defined environment. Only after this 2 to 3 year time frame has been complete, should alternative structures be considered.
7	Financial Reporting Council	The FRC considers that the 31 December 2013 timescale is desirable and achievable, and causes it no problems. The only limiting factor should be the time needed to make appointments and agree the governance documentation.
8	Deutsche Aktuarvereinigung e. V. (DAV) (Germany)	Question 8 contains two separate questions so cannot be answered correctly: Yes to the first one, no to the second.
9	American Academy of Actuaries	The Academy strongly favors waiting until full member associations have a chance to evaluate the current structure before moving to any other option.
10	Institut des Actuaire (France)	Yes acceptable / Not any problem for our association
11	Croatian Actuarial Association	We suppose that this is timescale for new structure starting to operate
12	Committee of Standards of Col.legi d'Actuaris de Catalunya (CSCAC)	§ Depends on the degree of the involvement. § If we are "standard consumers" who import and implement standards locally, we do not foresee further problems. § If we have to produce anything, is to say join more strongly the project, time could be short to become organized.
13	Actuarial Society of Hong Kong	But depends on the funding costs arrangements
14	Institute of Actuaries of Australia	The Institute considers that, before proceeding to any permanent structure, it would be prudent to complete the work currently underway on the ISAPs with a view to testing the success (and take up) of such before committing valuable time and resources to the development of a permanent structure.
15	Institute and Faculty of Actuaries	2.18. The Institute and Faculty cannot see any particular problems with a 31 December 2013 timescale if the status quo is kept. However, if Option 3 is seen as the most appropriate one, then it will take some time for the requisite degree of clarity to be obtained about the scope, powers and funding of the new body, its relationship with national standard-setters and actuarial associations, and for the nominations/appointment process to be put in place and to be implemented. There may also be issues with the timescale depending on whether and how much funding is forthcoming to support the proposed standard-setting process. In short, there is a range of issues to be answered, touching on matters both practical and of principle, which, as we have noted earlier, may make sensible the adoption of a phased approach according to an agreed timetable.

Question 9. Please use the space below to provide any other comments or observations:

	Respondent	Response
1	Institute of Actuaries of Japan	It seems better that the permanent structure of ISAPs is considered after some ISAPs are developed and stakeholders recognize the influence of ISAPs.

2	Canadian Institute of Actuaries	While Option 3 would be preferred in the long run, Option 2 could be acceptable in the interim. Option 1 is not an acceptable option as it retains too much control within the profession itself, harming the notions of accountability to external stakeholders. We believe that Option 3, or at least Option 2, should be put in place by December 2013 and such time scale is not expected to cause any problem to our association. (Note that question 8 is not clear as to whether the answer was for the first or the second question)
3	Casualty Actuarial Society	<p>We have three concerned in addition to those mentioned above:</p> <ol style="list-style-type: none"> 1. First, we note that the first item of the proposed ISAP vision is that "ISAPs will be widely adopted". We see this as inconsistent with the "moderate convergence" approach that was approved by IAA council and inconsistent with practice in other areas, including IFRS. We note that research on the IFRS issue has found almost no country adopting IFRS as published, with endorsement (after possible modification) to be more the norm (despite public statements by the IASB to the contrary). As such, we believe that the ISAP vision should be that "ISAPs will be widely endorsed as a model for actuarial standards" making a material contribution to the substantial consistency in actuarial standards across the globe (with suitable adjustments for local cultures, markets, language, etc.). 2. Second, item 10 of the vision would have the IAA "respond rapidly" with a new ISAP after a need is determined. We see a significant danger from using the term "rapidly", as in many cases "rapidly" is used as a synonym for "hastily". We would prefer a focus more on quality than speed, and hence we prefer a "response without undue delay" to a "rapid response". 3. We believe that proposals of this magnitude for the IAA council should be governed in a manner consistent with issues before IAA committees, i.e, via an attempt to gain consensus and not simple majority rule. This need to gain consensus rather than a simple majority is even more important on issues that have a material impact on the IAA budget, given the current voting and funding structures of the IAA.
4	Conference of Consulting Actuaries	Before a permanent Advisory Board with outside stakeholders is created, we need to understand the value they would bring, what they would specifically do, how the structure would work and how it might be funded.

5	Financial Reporting Council	<p>The FRC is the UK's independent regulator responsible for promoting high quality corporate governance and reporting to foster investment. We promote high standards of corporate governance through the UK Corporate Governance Code. We set standards for corporate reporting and actuarial practice and monitor and enforce accounting and auditing standards. We oversee the regulatory activities of the professional accountancy and actuarial bodies and operate independent disciplinary arrangements for public interest cases involving accountants and actuaries.</p> <p>In particular, the FRC sets technical actuarial standards in the UK and oversees the setting of ethical and conduct standards by the UK Actuarial Profession. Our work is supported by an Actuarial Quality Framework.</p> <p>The authority of the FRC and its standards depends on its independence from those it regulates, which gives the FRC greater legitimacy in the eyes of users.</p> <p>As a member of the Standard-Setters Round Table we support efforts to develop an authoritative set of model actuarial standards which national standard-setters can consider adopting. We appreciate the work that the Task Force have done in developing this Discussion Paper and we welcome this opportunity to contribute to its work.</p> <p>We consider that an independent structure for preparing model international actuarial standards is an important step in ensuring that such standards contribute to the goal that users around the world can place a high degree of reliance on the actuarial information they use to make decisions.</p> <p>High quality international actuarial standards can also benefit practitioners operating across national borders by providing them with a consistent framework of standards with which they can comply.</p> <p>We consider that the legitimacy of international actuarial standards will be enhanced if the body setting those standards is:</p> <ul style="list-style-type: none"> • independent of the actuarial profession; and • accountable to users of the actuarial information produced in compliance with those standards. <p>Therefore, of the three options presented, we consider that the third option, an independent Board outside the IAA structure, is the best structure to ensure that international actuarial standards are seen as being set in the public interest.</p> <p>However, we would go further in enhancing the independence of the proposed structure by:</p> <ul style="list-style-type: none"> • making the appointments process to ASOB and IBAS independent of the IAA; • increasing the non-practitioner membership of IBAS; and • requiring ASOB to approve standards developed by IBAS. <p>We would be happy to discuss our comments with the Task Force if they would find that helpful.</p>
6	Deutsche Aktuarvereinigung e. V. (DAV) (Germany)	No further comments
7	American Academy of Actuaries	We are unable to answer Question 7 at this point. It is premature until further details of the proposal emerge. The Academy is concerned about the practicality of external funding sources.
8	Croatian Actuarial Association	Discussion paper is very good prepared. We think that it is important external involvement in the process to get more user confidence, but actuaries should have main role in deciding how to do actuarial job.
9	Institute of Actuaries of India	None in particular.

10	Committee of Standards of Col.legi d'Actuaris de Catalunya (CSCAC)	§ Would be useful if the survey was given with a short practical guide to interpret and fill it up.
11	Institute of Actuaries of Australia	Re responses to questions 5(a)-(c), the option of "determination of priorities" can be seen as ambiguous. The Institute wishes to clarify that its view is that those external bodies should have input to decisions regarding priorities (through consultation etc) rather than having the power to decide.
12	Institute and Faculty of Actuaries	<p>2.19. Finally, the implementation of the model standards will depend heavily on the standard-setting, compliance monitoring and enforcement arrangements in individual countries and the benefits of a fully independent IBAS may be diluted in the process. Careful thought will need to be given to this practical issue in the development of more detailed proposals.</p> <p>Please also see the complete consultation response from the Institute and Faculty for our more fulsome comments but ultimately our position is set out in the summary below:</p> <p>Executive Summary</p> <p>The Institute and Faculty favours Option 3. It is prepared to contemplate Option 2 as an intermediate, practical solution, pending the planned introduction of Option 3, on the understanding that the following points will be addressed:</p> <ol style="list-style-type: none"> 1. There should be agreement as to the purpose, scope and extent of standard setting in which the IAA intends to engage, including an agreed plan for the resourcing and funding of this activity, before embarking on the practicalities of new standard setting arrangements; 2. A survey of users of actuarial services should be undertaken to test their appetite for IAA standards and their attitudes to the funding and oversight arrangements which should underpin them; and 3. A clear timetable and route to Option 3 should be set down by the IAA, so that there is certainty for all IAA members and users as to the ultimate arrangements to be implemented. <p>The Institute and Faculty does not support Option 1 and we would be very concerned if that was the preferred outcome.</p> <p>On a practical note, it seems to the Institute and Faculty that the distinction between the Options boils down to whether a separate body should be involved in the standard setting process (Options 2 and 3), as opposed to a committee within the IAA (Option 1). As such, when considering the votes for each Option, the IAA may wish to consider combining the votes for Options 2 and 3, which favour a separate body, and weighing those up against Option 1, the internal IAA committee.</p>

LIST OF RESPONDENTS TO THE SURVEY

	Association	Name of the person completing the survey	E-mail address
1	Actuarial Society of Malaysia	Merissa Chong	secretary@actuaries.org.my
2	Het Actuarieel Genootschap (Netherlands)	Francis Ruygt	francis.ruygt@kpnmail.nl
3	ASPPA (U.S.)	Curtis E. Huntington	chunt@umich.edu
4	Den Danske Aktuarforening	Kristoffer A. Bork	krb@danicapension.dk
5	Actuarial Society of Armenia	Astghik Ananyan	armactuarial@gmail.com ; astxikananyan@gmail.com
6	Institute of Actuaries of Japan	Yosuke Nakano	general.secretary@actuaries.jp
7	Swiss Association of Actuaries	Gottfried Rey	Rey.SAV@bluewin.ch
8	Canadian Institute of Actuaries	Jim Christie	jchristie@sympatico.ca
9	Casualty Actuarial Society	Ralph Blanchard	rblancha@travelers.com
10	Caribbean Actuarial Association	cathy lyn	clyn@sympatico.ca
11	Conference of Consulting Actuaries	Barbara Lautzenheiser	lautzenheiser@aol.com
12	The Japanese Society of Certified Pension Actuaries	Masaharu Sasaki	sasaki@mizuho-pri.co.jp
13	Financial Reporting Council	John Instance	j.instance@frc.org.uk
14	Actuarial Society of South Africa	Wim Els	wels@oldmutual.com
15	Deutsche Aktuarvereinigung e. V. (DAV) (Germany)	Birgit Kaiser	international@aktuar.de
16	American Academy of Actuaries	Jessica Thomas	thomas@actuary.org
17	Institut des Actuaire (France)	Laurence Flandrin	laurence.flandrin@institutdesactuaire.com
18	Croatian Actuarial Association	Tatjana Racic Zlibar	tatjana.racic-zlibar@zg.t-com.hr
19	Suomen Aktuaariyhdistys	Barbara D'Ambrogio-Ola	barbara.dambrogio-ola@ilmarinen.fi
20	Egyptian Society of Actuaries	Mohamed F. Amer	eso@link.net
21	Institute of Actuaries of India	Liyaquat Khan	Actuary_Khan@sify.com
22	CONAC(MEXICO)	juan carlos padilla	jcpadillaa@yahoo.com.mx
23	Consejo Profesional en Ciencias Economicas CABA (Argentina)	Juan Carlos Alonso	jalonso5@consejo.org.ar
24	Committee of Standards of Col.legi d'Actuaris de Catalunya (CSCAC)	Committee of Standards of Col.legi d'Actuaris de Catalunya (CSCAC)	actuaris@actuaris.org
25	Academia de Actuarias de Puerto Rico	Mareb del Rosario	mareb.delRosario@cfse.gov.pr
26	Actuarial Society of Hong Kong	Roddy Anderson	anderson@dashing.com
27	Institute of Actuaries of Australia	Anne Peters	anne.peters@actuaries.asn.au
28	Svenska Aktuarieföreningen	Malcolm campbell	malcolm.campbell@telia.com
29	Latvian actuarial association	Inga Helmane	ihelmane@kpmg.com
30	Institute and Faculty of Actuaries	Ilona Turnbull	ilona.turnbull@actuaries.org.uk