

30 June 2013

Actuarial Standards Committee
International Actuarial Association

By email: SS.ISAP.comments@actuaries.org

Dear Sirs

**Submission on proposed finals of:
ISAP 1 General Actuarial Practice ("ISAP 1")
ISAP 2 Financial Analysis of Social Security Programs ("ISAP 2") and
Glossary of Defined Terms Used in International Standards of Actuarial Practice ("Glossary")**

The Institute of Actuaries of Australia ("Institute") is pleased to make this submission to the International Actuarial Association ("IAA") on the above documents:

1. we note that, in clause 1.6.2 of ISAP 1, there is a reference to expressions being defined in "section 2" of ISAP 1. This should be amended to refer to the Glossary; and
2. with regard to the definition of "Intended User", we note the response of the Committee to comments raised in relation to ISAP 2 that:

"... If the actuary intends that the report become public then this group [the group referred to by the commenter] is already included. If the actuary does not intend the report become public he should not owe a duty to this group."

Under Australian law, an actuary owes a duty of care to third parties in circumstances where he or she knows, or ought reasonably to know, that their advice will be passed onto, and relied upon by, a third party/parties; in other words, the actuary's intention is irrelevant. As the law would take precedence over any such standard in any event, we note this for the sake of completeness rather than further amendment.

The Institute confirms that the proposed final text of ISAP 2 (including the definitions in the Glossary unique to ISAP 2) deals appropriately with the comments received and that it supports both.

Please do not hesitate to contact me, at anne.peters@actuaries.asn.au, if you have any questions on this submission.

Yours sincerely



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