



The Institute of Actuaries of Japan

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Mr. Cecil Bykerk

President, the International Actuarial Association

Dear Cecil,

RE: ISAP1 General Actuarial Practice – Exposure Draft

I am pleased to submit the attached comments on the exposure draft of ISAP1.

The Institute of Actuaries of Japan (IAJ) would like to express our appreciation for the IAA effort to make model standards towards the global convergence of actuarial standards and go together with the movement. Also we are supportive of ISAP1 especially in respect to providing a model standard for smaller associations that do not have resources to develop their own standards from scratch. However we recognize that it is important to keep in mind that each member association needs to think about consistency with its regulations, laws, social systems, historical backgrounds and so on when considering its own actuarial standards.

I would appreciate it if you would take our comments into account in further discussion.

Best regards,

Junichi Noro

President

The Institute of Actuaries of Japan

## Comments

1. The due process for ISAPs is being revised and has not adopted by the Council. We believe that the exposure draft should have issued after the adoption of due process for each member association to consider the effect and impact of ISAPs though we could assume the due process proposed at the Council meeting in Zagreb would be adopted.

Thus we would like to reconfirm that ISAPs are model standards, so each member association could decide whether to develop or revise its own standards and how to modify ISAPs when developing or revising its own standards, basing on ISAPs and reflecting local issues, products, cultures, regulations and language.
2. ISAP1 is generic standard and other ISAPs for specific topics would be developed, so we consider that member associations should be permitted to reserve judgment on the action for ISAP1 until the whole structure of ISAPs would be revealed by development of some ISAPs for specific topics.
3. Though it is stated in Introduction<sup>1</sup> of the Exposure Draft that "an adopted standard (rather than this ISAP) is binding on those actuaries who are subject to such body's standards", we would like to reconfirm that each member association can determine the way in which the adopted standard based on ISAP applies to its individual members as stated in the due process.
4. On the whole, ISAP1 is supposed to be stated mainly for actuaries who perform professional services independently from principals. For example, the concepts of "Principal", "Sponsor" and "Responsible actuary" are not necessarily clear and do not fit in with "Employed actuaries" who belong to companies and provide professional services for the companies. Also the contents and specific disclosures of "Report" are thought to be different between "Employed actuaries" and others. Thus like the IAJ, member associations, many of whose members are "Employed actuaries", would need modification for the clauses related to these concepts to adopt the exposure draft. We consider that each member association should be permitted such modification.

In addition because ISAP1 is applicable to all professional work performed by all individual actuaries, it may be difficult for each member association to adopt all detailed guidance in the exposure draft due to the situation of each association such as the above example of "Employed actuaries". Therefore we consider that each member association should be permitted to modify the clauses that are thought to be difficult to apply to all professional work or all individual actuaries.