



Society of Actuaries  
in Ireland

***Frequently Asked Questions:***  
***Actuarial Standards of Practice***

**April 2022**

## Introduction

The Society of Actuaries in Ireland (“Society”) has produced Actuarial Standards of Practice (ASPs), formerly known as Guidance Notes, since 1993 and there are currently (April 2022) 23 ASPs in force. This document sets out Frequently Asked Questions about ASPs and related issues. It is issued primarily to assist members of the Society. If you have a question in relation to ASPs which is not addressed, please contact the Society at [info@actuaries.ie](mailto:info@actuaries.ie) so that we may respond to you. We plan to update this document from time to time to include responses to questions that may be relevant to members generally.

### Disclaimer

This Frequently Asked Questions does not constitute legal advice, nor does it necessarily provide a defence to allegations of professional misconduct. While care has been taken to ensure that it is accurate at the date of publication, the Society will not accept any legal liability in relation to it.

It is each member’s personal responsibility to ensure that they stay up to date regarding professional responsibilities as they apply from time to time.

## 1. Scope of this document

### 1.1 Does this document cover the Society's standards only?

This document deals with Society standards, and the interaction of these with standards applicable to members of the Society who are also members of the Institute & Faculty of Actuaries (IFoA) (see section 3). The document also outlines how international and European model standards may become applicable to members of the Society (see section 4).

### 1.2 What about other rules and requirements relating to work undertaken by members?

There are statutory and regulatory requirements with which members of the Society must comply if they fulfil certain roles. For example, for members practising in the Republic of Ireland:

- Members who hold practising certificates which enable them to fulfil statutory positions of Scheme Actuary or PRSA Actuary must follow the requirements of the Pensions Act 1990 (as amended) and regulations made thereunder, and relevant provisions of statutory guidance issued by the Pensions Authority.
- Members who have been appointed as Head of Actuarial Function of a (re)insurance undertaking that is subject to Solvency II and supervised by the Central Bank of Ireland ("Central Bank") must comply with the requirements of the "[Domestic Actuarial Regime and Related Governance Requirements under Solvency II 2018](#)" and any related guidance issued by the Central Bank.
- Members who have been appointed as directors must comply with directors' duties under the Companies Act 2014.
- Members who act as trustees of pension schemes must comply with the requirements of the Pensions Act 1990 (as amended) and regulations made thereunder, and relevant provisions of statutory guidance issued by the Pensions Authority. Trustees are also expected to comply with codes of practice issued by the Pensions Authority.

The above is not an exhaustive list of the requirements with which members of the Society must comply.

The Society endeavours to ensure that ASPs issued by the Society do not conflict with statutory requirements or with regulatory requirements. If you think that there is a conflict, please let the Society know by emailing [info@actuaries.ie](mailto:info@actuaries.ie), so that we can decide whether the ASP needs to be amended or withdrawn.

## 2. ASPs issued by the Society of Actuaries in Ireland

### 2.1 What Society ASPs do I have to comply with?

There are currently two general ASPs that apply regardless of your practice area or the location of your work:

- [ASP PA-1](#), Continuing Professional Development (CPD), which applies to all Fellows and Associates, and to Student and Affiliate members who are in “Category R” or “Category G” (in the case of Affiliate members only) as defined in the ASP<sup>1</sup>; and
- [ASP PA-2](#), General Actuarial Practice, which applies to all members<sup>2</sup>.

There are other ASPs that might apply, depending on what work you are doing but regardless of the location of the work - currently:

- [ASP EXP-1](#), The Actuary as Expert Witness
- [ASP GI-1](#), General Insurance Business – Actuarial Reports
- [ASP INS-1](#), Actuarial Function Report under Solvency II

Finally, there are ASPs that are relevant to specific aspects of work relating to life (re)assurance, general (re)insurance, pensions and Personal Retirement Savings Account business regulated in the Republic of Ireland. Full details are available on the Society’s [website](#).

**We update our suite of ASPs from time to time. It is your responsibility to ensure that you keep yourself up to date regarding in-force ASPs. Reading our emails and monthly [eNews](#) bulletins will help you to do so, as will attending relevant [CPD events](#) such as practice forums. It is important to also be familiar with our [Code of Professional Conduct](#), which applies to all members and underpins the ASPs.**

### 2.2 How are ASPs developed and kept up to date?

The ASPs are kept under review by the relevant Practice Committees and by the Professional Affairs Committee, and ultimately by Council. Any proposal to introduce a new ASP, or to materially amend an existing one, would be subject to consultation with members.

An ASP will be deleted if it is no longer relevant, as might be the case if the statutory or regulatory framework under which it operates changes substantively. However, in some cases it may be necessary to retain an ASP in such circumstances if there are legacy issues.

### 2.3 Is it compulsory to comply with an ASP?

Yes, it is compulsory to comply with ASPs.

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<sup>1</sup> If you are also a member of another actuarial association, please see our [CPD Guide](#) for information on whether / to what extent the Society recognises the CPD Schemes of other actuarial associations.

<sup>2</sup> other than a small number who do not provide actuarial services as defined in the ASP

In particular, where an ASP states that you “must” do or not do specific things, you must fully comply with these requirements.

There are, however, some limited circumstances in which you might need to exercise judgement. In ASPs, the words “should” and “should normally” are used to indicate that members must comply with a particular requirement or prohibition, unless the circumstances are such that the requirement or prohibition is inappropriate or disproportionate and non-compliance is consistent with the standards of behaviour, integrity, competence and professional judgement which other members or the public might reasonably expect of a member. Note that:

- If, exercising your professional judgement, you form the view that such circumstances apply and it is appropriate not to comply with a provision even though the ASP indicates that you “should” or “should normally” comply, it would be prudent to keep a file note of why you did so.
- Paragraph 1.3 of ASP PA-2 requires that, in any recorded communication relating to actuarial services that are completed for the purposes of compliance with law, you must explain your reasons for any material deviation from compliance with any obligations which, under ASP PA-2, you “should” meet and which may reasonably be considered to be relevant to the actuarial services. In relation to any recorded communication or other communication relating to other actuarial services, you should make similar disclosure unless doing so would be disproportionate or otherwise inappropriate in the context of the particular assignment (and you might be required to do so under an ASP that applies to that work).

#### **2.4 What standards do I have to apply if I am working for a client or employer outside the Republic of Ireland?**

This question might be relevant to you if you are undertaking work in relation to entities that are based outside the Republic of Ireland (or that are part of a group of entities headquartered outside the Republic of Ireland).

You will need to consider which Society ASPs apply – see question 2.1. Bear in mind that you must always comply with the Society’s [Code of Professional Conduct](#) and, if you are providing actuarial services, with [ASP PA-2, General Actuarial Practice](#).

You might also be obliged to apply standards set by standard-setters in the other jurisdiction(s) concerned, e.g.

- If so required by law in the jurisdiction(s) concerned, or
- If you also hold membership of an actuarial association in the relevant jurisdiction(s), or
- If you are also a member of a body that requires you to have regard to “local” standards. For example, members of the Institute and Faculty of Actuaries (IFoA) must have regard to relevant provisions of the IFoA’s [APS X1: Applying Standards to Actuarial Work](#).

This list is not necessarily exhaustive.

## **2.5 Does the Society provide any other guidance to members?**

The Society may from time to time issue [Information and Assistance Notes](#) (IANs) to aid actuaries in their work. IANs are non-binding resource material. Actuaries are encouraged to study IANs and consider whether they may be relevant to their work, but will need to exercise judgement as to their suitability, relevance and sufficiency in the context of the particular entity or entities for which they act.

### **3. Additional considerations for members of the Institute and Faculty of Actuaries**

#### **3.1 Do I also have to apply UK standards?**

Members of the Institute and Faculty of Actuaries (IFoA) are also required to comply with [Actuarial Profession Standards](#) (APSs) issued by the IFoA. This applies to all members of the IFoA, including “dual” members who pay a reduced subscription to the IFoA.

However, some of the APSs relate primarily or exclusively to UK work. Also, where the subject matter of a Society ASP is substantively similar to part or all of an applicable APS, then (under [APS X1: Applying Standards to Actuarial Work](#)), for work which is outside UK Geographic Scope (as defined in APS X1), a member may, if appropriate, treat the Society ASP as being an alternative to the relevant APS (or part of the APS). APS X1 sets out factors that should be taken into account in making a judgement in this regard.

Members of the IFoA who are carrying out work within UK Geographic Scope<sup>3</sup> are also required to comply with [Technical Actuarial Standards \(TASs\)](#) issued by the Financial Reporting Council (FRC). Please refer to the FRC website for details.

#### **3.2 Isn't there an IFoA standard about applying standards?**

[APS X1: Applying Standards to Actuarial Work](#), issued by the IFoA, deals with the application of standards, including situations where work is outside UK Geographic Scope. In summary, members of the IFoA involved only in Irish work will be considered to have complied with the requirements of APS X1 if:

- They comply with the IFoA [Actuaries Code](#);
- Their work is carried out in a way that is substantially consistent with the version of the International Actuarial Association's model standard ISAP 1, General Actuarial Practice that came into effect on 23 April 2017. The Society considers ASP PA-2 to be substantially consistent with this version of ISAP 1;
- They apply any standards which are required by the Society in relation to that work; and
- They comply with relevant IFoA APSs. However, this does not apply to the extent that the work is carried out in compliance with a Recognised Standard (i.e. a standard set by an IAA Full Member Association, such as the Society, or other regulatory entity with equivalent authority to impose standards in relation to actuarial work<sup>4</sup>) which is substantively similar to part or all of the relevant APS and the member has chosen to treat that Recognised Standard as being an alternative to the relevant APS (or part of the APS).

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<sup>3</sup>See “Framework for FRC technical actuarial standards” on the FRC website for an explanation of “UK Geographic Scope”.

<sup>4</sup>This does not include the IAA or AAE – see “International and European actuarial standards” for information on the status of the model standards issued by these bodies.

The APS also states that, where necessary to avoid possible misunderstanding on the part of the users, members should set out in writing the standards that have and/or have not been applied to their actuarial work.

The above is only an outline – members should read [APS X1 and the Guide to APS X1](#) and satisfy themselves that they meet the requirements.

## **4. International and European model actuarial standards**

### **4.1 Who sets model international actuarial standards?**

The development of international and European model actuarial standards is a relatively recent phenomenon. The International Actuarial Association (IAA) issued its first standard, ISAP 1 – General Actuarial Practice in 2012 and the Actuarial Association of Europe (AAE) issued a similar standard, ESAP 1 – General Actuarial Practice, in 2014. Both Associations have issued further model standards since then (ISAPs, ESAPs) and others are in development.

### **4.2 Why have model international standards been developed?**

The model standards can be adopted (as written or with suitable adaptation for local circumstances) by the national actuarial associations that are members of the IAA or AAE, or indeed by other actuarial standard-setters (such as regulatory bodies). The IAA and AAE encourage their Full Member Associations to take steps in relation to the model standards, in terms of adopting, adapting or modifying them or declaring their existing standards as being substantially consistent, to the extent that the content of an ISAP or ESAP is appropriate for actuaries in their jurisdiction. By issuing model standards, the IAA and AAE aim to promote high quality and consistency in actuarial practice, which helps to serve the public interest by benefiting users of actuarial work and benefits actuarial associations and individual actuaries by enhancing the reputation and credibility of the actuarial profession.

### **4.3 Do these model standards apply directly to me?**

The model standards do not apply directly to individual actuaries, although an actuary may, if he or she wishes, state that a piece of work which he or she has undertaken complies with the relevant ISAP or ESAP, if that is the case.

It is for the member associations of the IAA and AAE, including the Society and the IFoA, to decide whether and if so, how, to adopt the model standards. For example, the Society has introduced ASP PA-2, General Actuarial Practice, which is similar but not identical to ISAP 1 and ESAP 1, and ASP INS-1, Actuarial Function Reports under Solvency II, which is based on ESAP 2, and has applied the requirements of the ASPs to members. The Society is likely to introduce ASPs which reflect the provisions of other relevant model standards over time.

## **5. Disciplinary Process**

### **5.1 What is the sanction for not following an ASP?**

Under the [Society's Disciplinary Scheme](#), a member who does not comply with the Code of Professional Conduct or does not follow the requirements of an ASP (and, where applicable, cannot reasonably defend a decision not to comply with a provision with which the member "should" or "should normally" comply), the member may be investigated and publicly sanctioned for professional misconduct. "Misconduct" is defined broadly in the Rules of the Scheme and includes failure to comply with the standards of behaviour, integrity, competence and professional judgement that might reasonably be expected of a member, in the course of carrying out professional duties or otherwise.

The disciplinary process will be invoked if the Society receives an allegation of misconduct or if, having regard to the interests of the public and the profession, the Society's Honorary Secretary considers it appropriate that a matter relating to a member's conduct should be investigated.

### **5.2 What if I am also a member of the IFoA?**

Under the [disciplinary procedures of the IFoA](#), a member of the IFoA may be investigated and may be publicly sanctioned if he/she is found guilty of misconduct. The IFoA Disciplinary Scheme defines misconduct as follows:

*"Misconduct means any conduct by a Member, whether committed in the United Kingdom or elsewhere, in the course of carrying out professional duties or otherwise, constituting failure by that Member to comply with the standards of behaviour, integrity, competence or professional judgement which other Members or the public might reasonably expect of a Member having regard to the Bye-laws of the Institute and Faculty of Actuaries and/or to any code, standards, advice, guidance, memorandum or statement on professional conduct, practice or duties which may be given and published by the Institute and Faculty of Actuaries and/or, for so long as there is a relevant Memorandum of Understanding in force, by the FRC (including by the former Board for Actuarial Standards) in terms thereof, and to all other relevant circumstances."*

### **5.3 What is the role of the Financial Reporting Council (FRC)?**

If matters raised under the IFoA disciplinary scheme appear to have a UK public interest dimension, the IFoA will refer them to the FRC for consideration under the disciplinary scheme of the FRC for the Actuarial Profession. For example, an actuary performing work relating to the Irish subsidiary of a listed UK insurance company or a UK-based pension scheme might be the subject of an investigation by the FRC. The FRC also has power to initiate proceedings and is not required to await a complaint against the actuary or a referral from the IFoA.

### **5.4. Does this mean I might be subject to disciplinary proceedings in both Ireland and the UK?**

For cases that fall to be considered under the disciplinary schemes of the Society and the IFoA (but not FRC cases), the Society and the IFoA will consider whether it is feasible for one body to carry out fact-finding in the first instance and will usually have regard to the following general approach:

	Who should normally investigate in the first instance?	
	SAI	IFoA
Actuary resident in the Republic of Ireland (“RoI”); work relates solely to entity located/regulated in RoI (“Irish work”)	√	
Resident in RoI, UK work		√
Not resident in RoI, Irish work	√	
Not resident in RoI, UK work		√
Resident in RoI, work outside RoI and UK	√	
Resident in UK, work outside RoI and UK		√
Resident outside RoI and UK, work outside RoI and UK	Decide on case by case basis.	
Regardless of residence: Irish work which has a significant impact on a UK entity	Decide on case by case basis.	
Regardless of residence: Work relates to a UK entity but has a significant impact on an Irish entity	Decide on case by case basis.	

Each case will be considered on its own merits and there may be circumstances in which the Society and/or the IFoA decide that an approach which is different to that shown in the table is more appropriate. Both bodies recognise the merits of following a streamlined approach with minimal duplication, but each body must also meet the requirements of its own disciplinary processes and reserves the right to conduct its own investigation in circumstances where it is not satisfied with the conduct of the investigation by the other body. The Society may provide assistance, as required, to the IFoA if the IFoA is conducting an investigation into the conduct of a member resident in the Republic of Ireland, and vice versa.

Where the FRC is investigating the conduct of a member of the Society, the Society will usually await the FRC’s decision before considering what action, if any, to take under the Society’s disciplinary process.

Regardless of who carries out fact-finding, both the Society and the IFoA (or FRC, where applicable) may apply disciplinary sanctions, if misconduct has occurred.

### **5.5 What happens if I am a member of another international actuarial association or professional body?**

It is beyond the scope of this document to comment more widely on disciplinary processes of other bodies.

**5.6 Do I need to inform the Society of adverse findings against me under court proceedings or another body’s disciplinary procedures?**

You have a duty under the [Society’s Disciplinary Scheme](#) to disclose promptly to the Society if you are convicted of a criminal offence, or have an adverse determination made against you by a regulatory body or another actuarial association, or you are disqualified from acting as a director of a company or trustee of a pension scheme, or you are the subject a judgement or determination under civil proceedings before a court of law (see Rule 1.13 of the Scheme).

**5.7 Might I also be subject to sanction by the relevant regulator or supervisory body?**

Yes, authorities such as the Central Bank of Ireland, the Pensions Authority and the Office of the Director of Corporate Enforcement have powers to investigate and if appropriate sanction actuaries who do not comply with regulatory requirements (whether in relation to actuarial or other work/roles performed). The Society may carry out a parallel investigation, or may act after the relevant authority’s investigation concludes. A member of the Society could be investigated and sanctioned under the Society’s Disciplinary Scheme, even if another authority decides not to impose a sanction. This may arise because the criteria considered by the Society and the relevant authority are different. For example, the authority might be concerned about whether the actuary has met specific statutory requirements, whereas the Society might be concerned about whether the actuary has acted in accordance with the Code of Professional Conduct and relevant ASPs.

**Further information and assistance**

If you would like more information about any matter mentioned in this document, or if you have any other questions about ASPs or other aspects of the Society’s professional regulation, please contact the Society at [info@actuaries.ie](mailto:info@actuaries.ie).

If you have concerns about a professional matter, you may wish to avail of the Society’s Member Support Panel, in which case the Society will introduce you to a senior actuary with whom the matter can be discussed.