



Board for Actuarial Standards

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Dear Stewart & Nick

GNs 44, 45, 46 and 47

I thought I might write to explain the Board's approach in making the necessary amendments following the FSA's recent changes in PS06/14.

We considered the pros and cons of a number of courses:

1. To make only those changes necessary to existing adopted guidance, to avoid the possibility that an actuary following the new FSA rules would fail to comply.
2. To take the opportunity to move at once in the direction we prefer for future standard setting: namely, that our standards should be limited to what is not contained elsewhere in law or in prudential rule books.
3. To adopt a hybrid solution, and to amend now, as in course 1, and consult over the next few months on course 2.

We have made no changes of substance to existing guidance. Without going into the detailed arguments, we concluded that we would use course 2. I would, however, welcome any high-level feedback from your members and others on our approach. My email address is below.

It is, of course, open to the Profession to assist their members by writing supporting explanations of how the various sections of the law and regulations fit together. Indeed, in the complex world of pensions, commercial organisations offer just such services.

May I take the opportunity of thanking you for the support the Profession has voluntarily given us. We met with members of the Life Board to discuss our approach and were grateful for the work done by the Life Supervision Committee, who submitted their proposals for changing the GNs for us to consider as option 1.

Would you please send a copy of this letter to your members when you alert them to the existence of these four new standards.

*Yours sincerely,
Paul*

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