



Institute
and Faculty
of Actuaries

Member vote on proposed introduction of a revised Disciplinary Scheme

Frequently Asked Questions

October 2022

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1. Why does the IFoA have a Disciplinary Scheme?

The public places trust in IFoA members to hold high standards not just technically but also professionally and ethically. This emphasis on professional and ethical behaviour is a fundamental part of being a member of the IFoA.

When things go wrong, the IFoA has a Disciplinary Scheme to address conduct which falls short of the standards expected. This helps to maintain and protect the standards, professionalism, reputation and public perception of our members.

2. Why has the current Disciplinary and Capacity for Membership Schemes been reviewed?

The current [Disciplinary and Capacity for Membership Schemes](#) (the Current Scheme) was introduced in 2004. Although there have been several changes since that time, there has not been a wholesale review. The passage of time, our changing membership demographic and the changing regulatory landscape meant that a full review was due.

3. Who was involved in the review of the Disciplinary and Capacity for Membership Schemes?

A [Disciplinary Scheme Review Working Party](#) was established to carry out a full review of the Current Scheme. The Working Party considered the approach of other regulators, disciplinary best practice and feedback received from the Financial Reporting Council, users of the Current Scheme and the wider membership. The new Disciplinary Scheme was approved by the Disciplinary Committee in March 2022, the Regulatory Board in April 2022 and Council in June 2022.

4. What are the key changes proposed in the revised Disciplinary Scheme?

The key changes in the revised Disciplinary Scheme are set out in the rationale document accompanying the voting documentation. The flowcharts accompanying the voting documentation illustrate how the new processes work in practice.

The revised Disciplinary Scheme and the supporting documentation for the member vote can be found here: <https://actuaries.org.uk/about-us/governance-and-structure/bye-laws-and-rules/>

5. What are the key benefits of the revised Disciplinary Scheme?

The key benefits of the revised Disciplinary Scheme are:

- the revised Disciplinary Scheme is clearer and written in more straightforward language, allowing those involved in the process to better understand their obligations and the options available to them;
- the proposals introduce greater flexibility, to enable complaints to be dealt with more appropriately and proportionately, including a mechanism (Disciplinary Orders) which will allow straightforward cases to be resolved more efficiently;
- an initial filter process been introduced, ensuring that investigations will only be instigated where it is appropriate to do so;
- outcomes will be speedier, particularly for cases which are straightforward, reducing the stress on those involved in the process;
- the efficiencies introduced in the revised Disciplinary Scheme will allow the IFoA's disciplinary processes to be carried out more cost effectively and allow resources to be focussed on more serious cases;
- the new framework allows greater flexibility, enabling the IFoA's disciplinary processes to quickly adapt to changes in best practice and feedback from users.

6. Who does the revised Disciplinary Scheme apply to?

The revised Disciplinary Scheme applies to all members of the IFoA, other than Honorary Fellows and Affiliate members.

Byelaw 46 of the [IFoA's Constitution](#) provides that it is a condition of membership that all members agree to be bound by the Rules of the IFoA, including the disciplinary scheme.

7. What conduct can be considered under the revised Disciplinary Scheme?

There is no change to what conduct can be considered under the revised Disciplinary Scheme; [Rules 2.2 and 2.3 of the revised Disciplinary Scheme](#) are intended to clarify the current position rather than introduce any changes.

Misconduct is defined as follows under the revised Disciplinary Scheme (see [Rule 2.1](#)):

“Misconduct means any act or omission or series of acts or omissions by a Member, in their professional or non-professional life, which falls significantly short of the standards of behaviour, integrity, competence or professional judgment which other Members or the public might reasonably expect of a Member.”

Misconduct can include conduct in a member's professional and non-professional life; however non-professional conduct can only be considered to be Misconduct if it could reasonably be considered to reflect upon the profession. For example, a conviction which has occurred in a member's non-professional life may be considered to reflect upon the IFoA given the public nature of a conviction.

Misconduct can only include conduct which took place while the individual was a member of the IFoA, subject to the exceptions explained below. As with the Current Scheme, the IFoA can investigate a former member in relation to conduct which occurred while they were a member of the IFoA. This is to ensure that Respondents do not simply resign their membership in order to avoid a disciplinary investigation.

Any conduct committed by an individual after they resign their membership cannot be Misconduct and cannot be investigated under the revised Disciplinary Scheme. Once a

member resigns their membership of the IFoA they are no longer held to the standards of behaviour, integrity, competence and professional judgement referred to in the definition of Misconduct. The exception to this is where a Respondent, who is a former member, fails to cooperate with an investigation in to conduct which occurred while they were a member. As with the Current Scheme, if a Respondent fails to cooperate with an investigation, an additional allegation of Misconduct may be added. This exception is specifically provided for at Rule 5 of the revised Disciplinary Scheme.

The IFoA reserves the right to investigate conduct which occurred before an individual became a member of the IFoA if that conduct was not disclosed prior to being admitted. This is to ensure that any matters which are capable of amounting to Misconduct are disclosed at the point of admission. The admission process requires prospective members to disclose certain matters when they apply for membership. If an individual fails to tell the IFoA about a disclosable matter, for example a conviction, before they are admitted as a member, this can be considered under the Disciplinary Scheme.

8. Are disciplinary proceedings confidential?

The revised Disciplinary Scheme does not propose to change the current approach to confidentiality and publication of disciplinary proceedings.

As with the Current Scheme, disciplinary investigations remain confidential until there is an adverse finding against the Respondent. If an allegation is dismissed by an Adjudication Panel, the allegation will never be made public. Members and Respondents are therefore currently asked to keep all information they receive in relation to these proceedings confidential. The position is formalised in the revised Disciplinary Scheme, which requires Respondents and members to treat as confidential all information they receive that is not in the public domain. By protecting the confidentiality of information obtained during an investigation, Respondents and witnesses can feel confident that the information they provide to the IFoA will be handled appropriately, enabling cases to be investigated thoroughly and sensitively.

The protection of confidential information is balanced against the publication of public interest outcomes. Disciplinary Orders and accepted adverse Adjudication Panel determinations are normally published as it is in the public interest for members and the public to be aware of findings of Misconduct. Disciplinary Tribunal Panel, Appeal Tribunal Panel and Readmission proceedings are normally held in public and determinations are usually published. Capacity for Membership hearings are normally held in private as there is often sensitive health information discussed during these hearings, however the outcomes from the hearing may be published.

9. Why are there Regulations as well as a revised Disciplinary Scheme?

The revised Disciplinary Scheme forms part of the IFoA's constitution. The revised Disciplinary Scheme contains the enabling provisions about who makes decisions and what powers are available to them. The revised Disciplinary Scheme cannot be amended without approval by IFoA Council and a member vote.

The Disciplinary Scheme will be supported by more detailed Regulations which include the detailed operational processes and procedures. The Regulations can be amended by the Disciplinary Committee, allowing the operational processes to adapt more easily to changes in best practice and feedback from users. The Regulations will be subject to regular review by the Disciplinary Committee.

The [Disciplinary Committee](#) is made up of IFoA members and lay persons. It reports to the Regulatory Board and is subject to oversight by the UK Financial Reporting Council.

10. Will there be guidance and information notes to support the Disciplinary Scheme?

As with the Current Scheme, a suite of guidance documents and information notes will be published to support the revised Disciplinary Scheme and to assist users. All guidance documents will be subject to approval by the Disciplinary Committee.

11. The UK Government intends to make changes to the framework for actuarial regulation in the UK. Will this affect the revised Disciplinary Scheme?

The UK Government intends to strengthen the framework for actuarial regulation by establishing a new regulator, the Audit, Reporting and Governance Authority (ARGA), which will replace the Financial Reporting Council. It is currently expected that ARGA's statutory enforcement powers will augment and complement the IFoA's disciplinary processes. Further detail on the UK Government's plans is expected in 2023. Once the draft legislation is available, the IFoA will consider whether any further changes are required to its disciplinary framework. The UK Government's response to the consultation on strengthening the UK's audit, corporate reporting and corporate governance systems can be found here:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1079594/restoring-trust-in-audit-and-corporate-governance-govt-response.pdf

12. How does the IFoA ensure that its disciplinary processes operate independently?

Independent panels consider evidence and determine disciplinary cases relating to the conduct of a member of the IFoA. IFoA Boards and committees, including the IFoA Council, cannot influence this decision-making process.

The independence and integrity of this system is overseen by the IFoA's Disciplinary Committee, which reports to the IFoA's Regulatory Board, and is subject to oversight by the UK's Financial Reporting Council. These oversight bodies ensure that the operation of the process follows natural justice and principles of good regulation.

13. Who sits on disciplinary panels and how can I get involved?

Disciplinary panels are made up of volunteers who have been appointed to the disciplinary pools. The appointment and composition of panels is set out at Rule 20 of the revised Disciplinary Scheme and in the Appointments Regulations.

The [Regulatory Appointments Committee](#) is responsible for appointing volunteers to the disciplinary pools. The Regulatory Appointments Committee operates independently of IFoA Council and the IFoA Executive.

Under the revised Disciplinary Scheme, the Judicial Committees Secretary will select volunteers from the disciplinary pools to sit on panels. This is an administrative task which will allow panels to be scheduled quickly based on availability of pool members. The Judicial Committees Secretary is a neutral administrative service which supports the IFoA's independent decision-making panels, and the parties involved in disciplinary hearings and events. The Judicial Committees Secretary will carry out appropriate conflict checks when appointing panel members. The Disciplinary Investigation Team is not involved in the appointment of panels.

Disciplinary pools include members of the IFoA, as well as lay persons. All vacancies are advertised. Anyone interested in applying for a role should contact engagement.team@actuaries.org.uk

While the revised Disciplinary Scheme and Appointments Regulations set out how panels should be appointed, the governance arrangements for the Regulatory Appointments Committee and the Disciplinary Committee are not part of the Current Scheme or the revised Disciplinary Scheme and were not within the scope of the review of the Current Scheme.

14. If approved, when will the revised Disciplinary Scheme be effective from?

If approved, it is expected that the revised Disciplinary Scheme will be effective from early 2023.

15. If the revised Disciplinary Scheme is approved, what will happen to cases currently under investigation.

Disciplinary cases currently under investigation will continue under the Current Scheme. However a member subject to a complaint can consent to their allegation being investigated under the revised Disciplinary Scheme.

16. Who can vote on the revised Disciplinary Scheme?

In accordance with Bye-law 38 of the [IFoA's constitution](#), Associates, Fellows and Honorary Fellows of the IFoA are entitled to vote.

17. When is the closing date for the member vote?

Votes must be submitted by midday BST on Tuesday 25 October 2022 in order to count. The results of the vote will be announced on the IFoA website at midday BST on Thursday 27 October 2022.

18. Where can I get more information about the revised Disciplinary Scheme?

Details of the process by which the review was carried out and of the key changes we propose to introduce with the revised Scheme, and further details of the principles upon which the revised Disciplinary Scheme has been drafted, can be seen in the rationale document which accompanies the [voting documentation](#).

If you have any further questions on the revised Disciplinary Scheme, please contact: disciplinary.scheme@actuaries.org.uk

19. I'm having difficulties voting, who do I contact?

Please contact james.harrigan@actuaries.org.uk if you are having any difficulties voting or if you would like to know more about the vote itself.

20. Where can I get more information about the current Disciplinary and Capacity for Membership Schemes?

Further information about the Disciplinary and Capacity for Membership Schemes can be found here: <https://actuaries.org.uk/standards/independent-disciplinary-process>

Please contact disciplinary.enquiries@actuaries.org.uk for any disciplinary queries.

21. Where can I get more information about the IFoA's regulatory policy?

Further information about the IFoA's regulatory policy can be found here:
<https://actuaries.org.uk/standards/>

Please contact regulation@actuaries.org.uk for any disciplinary queries.

Please note that this document may be added to during the member vote.



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