

Name of Organisation	Barnett Waddingham LLP
Question 1: What are your views on the proposal to incorporate relevant sections of the Framework for TASs document within TAS 100? Further, what are your views on incorporating relevant sections of the Glossary document within TASs?	<ul style="list-style-type: none"> • We agree with the proposal - for ease of reference, it makes sense to have everything together. • The FRC will however need to ensure it has a process to ensure consistent drafting across all glossaries and guidance / standards.
Question 2: Does the draft FRC guidance provide clarity on the definition of technical actuarial work and geographic scope? If you don't think the guidance provides clarity, please explain why not and suggest how the position might be further clarified?	<ul style="list-style-type: none"> • Overall, we agree the guidance does provide clarity on the definition and geographic scope. • However, actuaries working in multi-disciplinary teams may not find it helpful or practical to comply with 2.13 and 2.14 – and in particular may find themselves subject to further regulatory burden. Partitioning advice between in-scope and not-in-scope work in order to facilitate a more accurate compliance statement is unlikely to be beneficial to the recipient in all cases. We suggest that proportionality and judgement can be used here to determine the extent to which any kind of breakdown is necessary. • In light of the apparent leaning towards pensions consultancy, we would also welcome example(s) relating to general insurance consulting, for example in pricing of individual commercial contracts. • Paragraph 3.10 of the guidance is helpful in providing additional clarity on the definition of 'intended user' – some of which ought to be incorporated into the definition itself.
Question 3: Does the draft guidance support you in complying with the TASs?	<ul style="list-style-type: none"> • In principle, yes.
Question 4: Our proposal places all the application statements in a separate section within the TAS. An alternative approach would be to place application statements relating to each principle immediately after the relevant principle. Which do you prefer?	<p>Immediately after each principle</p>
Question 5: What are your views on the proposed change to the compliance requirement?	<ul style="list-style-type: none"> • In general, we are not supportive of the proposed changes to the standard requiring that any departure from full compliance is clearly identified, justified and communicated. Explaining departure from full compliance to our clients will not support the clear communication principle, thereby potentially muddying the waters and detracting from the advice being given. The proposed TAS is now much longer than the current one and not all work will have to comply with every aspect of the TAS. This will distract the users rather than making advice clear for them. • We are also not supportive of making full

	<p>evidence of compliance available to the intended user (on request).</p> <ul style="list-style-type: none"> • Given that actuaries are expected to adhere to the Actuaries’ Code in any case, we believe that it is sufficient for the user to take that we have complied with TAS if we have put a compliance statement in the report. Nevertheless, FRC guidance could usefully shape firms’ internal procedures. • For example, particularly in terms of record-keeping and justifications for departure from full compliance, it is unclear what will be deemed as “sufficient” evidence to the intended user. Is check list sufficient or would we be required to evidence compliance with more detailed supporting documentation?
<p>Question 6: Does the proposed FRC guidance on how TAS 100 can be applied proportionately assist actuaries in their compliance with TAS 100?</p>	<ul style="list-style-type: none"> • We believe that this is a helpful guidance, however, it would be welcomed if the FRC could provide some further examples particularly in the field of general insurance consulting where this could potentially be applicable (see Q5). • More generally, as the reliability objective itself does not refer to proportionality requirements, it may be appropriate to give practitioners additional guidance.
<p>Question 7: What are your views on the revision in nomenclature of the ‘user’ to ‘intended user’?</p>	<ul style="list-style-type: none"> • We urge the FRC to consider whether the terminology is consistent with other guidance / standards applying to actuarial work – in particular APS X1. • The FRC needs to consider whether public interest matters could widen the scope of “user” beyond the existing intention – and therefore whether additional clarity / guidance might be needed.
<p>Question 8: Do you agree the new proposed Risk Identification Principle and associated Application statements?</p>	<ul style="list-style-type: none"> • See Question 5 and 18. We are not supportive of changing the current TAS in general. • We believe that risk identification of risks and the associate factors have always been factored into all technical actuarial work. Adding these in will depart from the principles-based approach. It would be more helpful that these are in separate guidance. • As drafted, the requirement to have regard to “all material risks which [practitioners] might reasonably be expected to know about” whether direct or indirect - and whether actually realised or potentially of relevance – is open to incredibly wide-ranging interpretation and so as to be impractical for practitioners to implement. • P1.2 and in particular P1.3 are too prescriptive. It is not always possible to consider the timeframe

	and will non-compliance of this be stated in the reports all the time?
Question 9: What are your views on the clarification included in the proposed changes to TAS 100 in respect of the exercise of judgement? Further, do you feel that guidance will be helpful?	<ul style="list-style-type: none"> • See Question 5 and 18. We are not supportive of changing the current TAS in general. • Guidance would be welcomed, however, it needs to be recognised that often assumptions or adjustments applied to data that require expert judgements will not always have immediately accessible data to back them up, or in any case to provide it or make it available to users would be disproportionate.
Question 10: What are your views on the proposed changes to the Data Principle and associated Application statements?	<ul style="list-style-type: none"> • See Question 5 and 18. We are not supportive of changing the current TAS in general. • As a consultancy, we already conduct proportionate checks on data and ensure that data we use is suitable, complete and accurate to the best of our practitioners' knowledge when performing actuarial work. We will always seek to understand that checks and controls our clients may have. However, our client's systems and processes are not necessarily within our remit to control. This may potentially make P3.1 difficult to comply with in full. • There are references to "potential future" bias or "potential future unintended" bias in the Data, Assumptions and Models section. Both of these seem speculative and appear to want to gold plate the actuarial standard which may not be practical to identify these in practice. • Many references to bias in data, models seem to be stemming from potential biases in data science models. To the end users, the data, and models should be fit for purpose, without material errors. Assumptions should be based on reliable information and taking in future trends and other factors into account. Limitations of models should be well documented and understood by the intended user. • Therefore, we find the revisions to consider present or future biases are not helpful to recipients nor likely to be clear to practitioners. We urge the FRC to consider that judgement in relation to materiality and proportionality can be exercised here.
Question 11: Do you agree with the proposed clarifications and additions relating to documenting and testing material assumptions?	<ul style="list-style-type: none"> • Agreed. These processes are largely already being followed by actuarial firms in any case. However, case is needed to allow for judgement to apply these clarifications on a proportionate basis.
Question 12: Do you agree with the proposed changes to the Modelling Principle and associated Application	See Q10

<p>statements? Further, do you agree that guidance would be helpful?</p>	
<p>Question 13: Do you agree with the proposed clarification of the Documentation Principle? Further, do you agree with the proposal to move all requirements relating to documentation to the Documentation Principle and associated Application Statements, where applicable?</p>	<ul style="list-style-type: none"> • See Question 5 and 18. We are not supportive of changing the current TAS in general.
<p>Question 14: Do you agree with the proposal to move all requirements relating to communication to the Communications Principle and associated Application Statements, where applicable?</p>	<ul style="list-style-type: none"> • See also Q4. • Para P7.5 could create contractual problems for certain corporate advisory situations (though clarification that such confirmation can be provided in follow-up to oral advice) should help here.
<p>Question 15: What are your views on the additional clarification provided in the Application Statements?</p>	<ul style="list-style-type: none"> • See Question 5 and 18. We are not supportive of changing the current TAS in general. • The additional clarifications are broadly helpful. However, we are not supportive of this being added to TAS itself and would recommend this as a guidance. • We question however whether A7.1(f) conflicts with the guidance at P2.3 and may impose additional requirements on practitioners, for example where there is a material gap between the effective date of calculation and provision of advice (as there is, for example, in providing an actuarial (funding) valuation report for DB pension schemes) which would ordinarily be picked up as an experience item at a subsequent valuation.
<p>Question 16: What are your views on the proposed changes to the requirements relating to assumptions set by the intended user or a third party?</p>	<ul style="list-style-type: none"> • We are not supportive of changing the current TAS in general. • We do not believe in some cases that it is appropriate for actuaries to provide a view to the assumptions set by the intended users or third party. This is sometimes outside of our expertise or outside the scope of our remit. We would prefer the onus should be on ensuring other people's input to assumption-setting does not fall within actuaries' compliance responsibilities. • There are likely to be many reason for a third party to request multiple runs of calculations on various sets of assumptions. The reasons for requesting these might never be disclosed or become clear, or may simply be for the purpose of scenario-testing or sensitivity calculations. Actuarial discretion should be allowed and practitioners should be free to state whether assumptions have been set by a third party, with proportionality/discretion applied in considering whether it is appropriate / necessary to comment

	<p>on the suitability of those assumptions in the context of any known purpose.</p>
<p>Question 17: What are your views on these proposed amendments to clarify the existing requirements?</p>	<ul style="list-style-type: none"> • Further clarity in applying P4.3 would be useful, particularly in the General Insurance consulting space. For example where we consider whether the set of assumptions (in aggregate) is reasonable, if applicable. • We would recommend any clarifications to be issued as guidance instead.
<p>Question 18: Do you agree with our impact assessment? Please give reasons for your response.</p>	<ul style="list-style-type: none"> • In general, we consider the existing TAS100 to be fit for purpose and an overhaul of this nature appears unnecessary at this time. The proposals seem disproportionate and unlikely to improve outcomes or understanding for users of actuarial advice. Instead, the costs of compliance will rise and the professions' reputation put at risk unnecessarily. • Furthermore, we question the timing of this review given the impending transfer of FRC's responsibilities for oversight of the actuarial profession to ARGA. • We agree that there will be additional one off costs in understanding, training and updating current processes. It should be noted that the impact for smaller firms could potentially be disproportionate. • On an on-going basis, we believe this will add additional regulatory burden to consultancies which it may not be appropriate to recover from our clients, in particular non-compliance will need to be stated with justifications. This could give competitive advantage to non-actuarial advisers. • Also giving rights to our clients to request for evidence of compliance is also not particularly practical in many circumstances.