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## **Transformations TAS – comparison with revised TASs**

The following table compares the scope and requirements in the Transformations TAS with the scope, principles and provisions of TAS 200: Insurance, TAS 300: Pensions and where relevant TAS 100. In this analysis, we have only considered text which appears in boxes in the Transformations TAS. This table is intended to support the transition to the revised TASs. Practitioners should not solely rely on this document when complying with the revised TASs.

Current Transformations TAS text		Corresponding TAS 200/TAS 300/TAS 100 text	
C.1.2	This standard shall apply to all Reserved Work concerning pension transformations or insurance transformations	TAS 200 and TAS 300 apply only to specified work – other Reserved Work is in the scope of TAS 100	
C.1.5	This standard shall apply to actuarial work for the governing body of a pension scheme concerning the transfer of the benefits of some or all members of a pension scheme without the consents of those members.	TAS 300 scope	<p><b>Bulk transfers</b></p> <p>Technical actuarial work in connection with a bulk transfer of assets and liabilities to another pension scheme or an insurer</p>
C.1.6	This standard shall apply to actuarial work for the governing body of a pension scheme concerning the modification of the accrued benefits of some or all members of a pension scheme without the consents of those members.	TAS 300 scope	<p><b>Scheme modifications</b></p> <p>Technical actuarial work concerning any modifications, proposed or agreed, to a pension scheme which might affect members' accrued benefits or the security of their accrued benefits</p>
C.1.7	This standard shall apply to actuarial work for the governing body of a pension scheme in wind up that concerns the transfer of liabilities to an insurer without the consents of those members.	TAS 300 scope	<p><b>Bulk transfers</b></p> <p>Technical actuarial work in connection with a bulk transfer of assets and liabilities to another pension scheme or an insurer</p> <p><b>Debt calculations</b></p> <p>The calculation of a deficiency of assets in accordance with section 75(5) of the Pensions Act 1995</p>
C.1.11	This standard shall apply to actuarial work performed in an insurance transformation for, or as, an independent expert required by a Part VII transfer or Scheme of Arrangement.	TAS 200 scope	<p><b>Insurance Transformations</b></p> <p>Technical actuarial work to support</p> <ul style="list-style-type: none"> <li>• schemes of arrangement;</li> <li>• Part VII transfers;</li> <li>• supporting the role of policyholder advocate in an inherited estate reattribution;</li> <li>• changes to the principles in the Principles and Practices of Financial Management; and</li> <li>• reporting on policyholder benefit reductions under section 376 of the Financial Services and Markets Act 2000</li> </ul>
C.1.13	This standard shall apply to actuarial work performed in an insurance transformation for a policyholder advocate in an inherited estate reattribution.	TAS 200 scope	
C.1.14	This standard shall apply to actuarial information provided by the with-profits actuary relating to changes in the principles contained in the <i>Principles</i>	TAS 200 scope	

	<i>and Practices of Financial Management</i>		
C.1.15	This standard shall apply to actuarial reporting on policyholder benefit reductions under section 113 and section 376 of the <i>Financial Services and Markets Act 2000</i> .	TAS 200 scope	
D.1.3	Judgements concerning the application of this standard shall be exercised in a reasoned and justifiable manner.	TAS 100 Principle 1	Judgement shall be exercised in a reasoned and justifiable manner; material judgements shall be communicated to users so that they are able to make informed decisions understanding the matters relevant to the actuarial information.
D.2.1	The selection of assumptions shall place proper emphasis on how the transformation affects the interests of all relevant parties, except when the choice of assumptions is determined by legislation or other regulations.	TAS 200 Provision 16	Unless set by the user, a third party or by regulation, assumptions used in technical actuarial work, shall place proper emphasis on how the insurance transformation affects the interests of all relevant parties.
D.2.2	The extent to which account has been taken of the interests of different parties shall be documented.	TAS 200 Provision 16	The extent to which account has been taken of the interests of different parties shall be documented.
D.4.1	Aggregate reports for transformations shall include: a) descriptions of any groups of beneficiaries for whom the impact of the transformation has not been considered; and b) a statement of whether any assessment of change in the amount, value or security of the benefits of any group has been restricted to adverse impacts only.		Principle not directly carried forward to revised TASs although Provision 17 of TAS 200 states: Communications shall include sufficient actuarial information to enable users to understand how different classes of policyholders might be affected by an insurance transformation. The information provided shall include: [items (a) to (f)].... and Provision 18 of TAS 300 states: Communications shall include sufficient actuarial information to enable the governing body or other decision-making entity to understand how different classes of members might be affected by an incentive exercise, scheme modification or bulk transfer to another pension scheme or an insurer (with or without members' consents). The information provided shall include: [items (a) to (d)]....



D.4.10	<p>Aggregate reports shall describe the impact of the transformation on any groups of beneficiaries, within the scope of the actuarial work requested, who are affected by the transformation, by indicating:</p> <ul style="list-style-type: none"> <li>a) any material changes to the cash flows to beneficiaries resulting from the transformation;</li> <li>b) the extent of any potential reduction in the amount of the benefits;</li> <li>c) the potential for any change in the likelihood of receipt of payments;</li> <li>d) the circumstances in which the benefits of the groups would be adversely affected; and</li> <li>e) the quantifiable advantages which might be gained by any groups of beneficiaries.</li> </ul>		<p>making entity to understand how different classes of members might be affected by an incentive exercise, scheme modification or bulk transfer to another pension scheme or an insurer (with or without members' consents). The information provided shall include:</p> <ul style="list-style-type: none"> <li>a) the impact on different classes of members' benefits of adopting alternative assumptions;</li> <li>b) any changes in the material risks to the benefits of the different classes of members;</li> <li>c) any material changes to the cash flows to members resulting from the incentive exercise, scheme modification or bulk transfer; and</li> <li>d) the potential reduction in the value of the benefits of the different classes of members</li> </ul>
D.4.13	<p>Aggregate reports shall indicate the rationale of any party proposing that the transformation should proceed.</p>		<p>Not replicated in the revised TASs</p>
D.4.14	<p>Aggregate reports which include an opinion on whether, from an actuarial perspective, the transformation meets the criteria needed to proceed, shall:</p> <ul style="list-style-type: none"> <li>a) indicate the information on which the opinion is based;</li> <li>b) describe the rationale for the opinion; and</li> <li>c) state which of the principles of this standard have been applied in reaching that opinion.</li> </ul>		<p>Not replicated in the revised TASs</p>