Dear Members/All,

Council in its meeting dated June 20, 2015 decided that every member practicing as actuaries should hold a valid Certificate of Practice (CoP) as per the Section 9 of the Act. It is important that anyone, who offers to perform or performs services involving the application of actuarial techniques related to any of the Actuarial Practice Standards or who provides any type of opinion or certificate under any of the APS, should hold a CoP. Section 9 of the Actuaries Act, 2006 (‘the Act’ for short) makes it mandatory for a member who desires to be entitled to practice to obtain a Certificate of Practice (CoP) from the Council of the Institute. CoP holders are required to spend more hours on continuing professional development and they need to have a minimum level of experience. However, the council in future would launch practice exams which would enable an experienced member to switch from one area of practice to another without demonstration of significant experience in that particular area. However, the current proposed framework requires a minimum level of experience in a particular area to get a CoP. Once the examination is introduced in future then the members would have a choice to undertake the exams to reduce the experience requirement.

The members holding CoP should be aware of all the provisions under Actuaries Act, 2006 (Act), rules and regulations issued under the Act, Actuarial Practice Standards, Guidance Notes and other guidance (for e.g. Professional Conduct Standard) issued by the Council. Council has issued the draft applicable CoP framework and guidance for comments from the members and public at large. The comments from members and public are welcome on the same which the council would go through before issuing the final version of the same. You may send your comments on the same either via email to gururaj@actuariesindia.org or via post to Mr. Gururaj Nayak at Institute of Actuaries of India, 302, Indian Globe Chambers, 142, Fort Street, Fort, Mumbai 400 001. Please ensure that your comments/suggestions reach the Institute before July 20, 2015.

However, while giving any suggestions/comments please ensure that they are in compliance with the Actuaries Act, 2006 and if possible, please attach any legal opinion obtained on the same.

It may be noted that the form asks for registration number of the firm. The Institute intends to register the firms under whose umbrella the CoP holders (not in the capacity of an employee) are practicing.

I hope the members would welcome this move of the Council to improve the quality of the service provided by the Profession. This is in line with the discussions in the Quality Review Board regarding improvement of the quality.

Yours Sincerely,

Rajesh Dalmia

President, Institute of Actuaries of India

On behalf of the Council

**Circular to All Fellow Members of the Institute of Actuaries of India**

**Subject : Certificate of Practice**

Section 9 of the Actuaries Act, 2006 (‘the Act’ for short) makes it mandatory for a member who desires to be entitled to practice to obtain a Certificate of Practice (CoP) from the Council of the Institute. Any member providing any opinion or signing any report which pertains to any of the Actuarial Practice Standards (APS) issued by the Institute must always hold a valid CoP. This certainly includes work done by Appointed Actuaries of Insurers / Re-Insurers in India and work done by Actuaries which requires certification under any of APS 4, APS 10 and APS 26. Any APS issued in the future will also require CoP and hence Fellow Members are advised to keep themselves aware of such developments and the relevant APS. It is to be noted that Section 9 of the Act states that:

1. No member of the Institute shall be entitled to practice unless he fulfils the qualifications as may be specified and obtains from the Council a certificate of practice.
2. A member who desires to be entitled to practice shall make an application in such form and pay such annual fee for certificate of practice as may be specified and such fee shall be payable on or before the first day of April in each year.
3. The certificate of practice obtained under sub-section (1) may be cancelled by the Council under such circumstances as may be specified.

This circular, including the enclosed application form and criteria, is issued by the Council, *inter alia,* under powers vested under Section 8(ii) of the proposed regulations “Institute Of Actuaries Of India (Entry Of Names In Register Of Members, Examination And Training Fees Payable, Manner Of Choosing Honorary Members, Admission Of Affiliate Members, Student Members And Issuance Of Certificate Of Practice) Regulations, 2015”.

This circular comes in effect from the date of its issuance. However, those actuaries currently practicing without a CoP would have to get the CoP within 90 days of the issuance of this circular. All applicants whose CoP is under process as at date of issuance of this circular would have to refile the application in the new form. All existing CoPs at the time of renewal would come under the new regime and the renewed CoP would be issued under this circular. Renewed CoP under this Circular would be valid till March 31, 2016 (for those renewed/issued before September 30, 2015) or till March 31, 2017 (for those renewed/issued after September 30, 2105).

Rajesh Dalmia

President

Institute of Actuaries of India

On behalf of the Council

**Criteria for applying for Certificate of Practice (CoP)**

1. The member (at the time of applying for CoP and also during the entire CoP validity period)
* Shall be a Fellow member of Institute of Actuaries of India and
* Shall comply with the Continuous Professional Development (CPD) requirements as specified in APS9
1. **Practice Areas:** The CoP can be applied for multiple areas of practice and the fees will be charged for each CoP separately. The same application can be used to apply for multiple CoP. The areas of practice are a) Life Insurance and Life Reinsurance;, b) Health Insurance;, c) General Insurance and General Reinsurance;, and d) Pension and Other Employee Benefits
2. **Experience Requirement:** The member must have appropriate work experience in the relevant CoP area as under:

|  |  |  |
| --- | --- | --- |
| **Application for** | **Minimum Total Experience** | **Minimum Post Qualification Experience** |
| Life Insurance and Life Reinsurance | Three (3) years during last Seven (7) years | 1 year |
| Health Insurance | For 2015-17 -One (1) year (any actuarial experience)From 2017-18 – One (1) year during last 5 yearsFrom 2018-19 – Two (2) years during last 5 yearsFrom 2019-20 – Three (3) years during last Seven (7) years  | 1 year (any actuarial experience till 2018-19) |
| General Insurance and General Reinsurance | For 2015-17 -One (1) year (any actuarial experience)From 2017-18 – One (1) year during last 5 yearsFrom 2018-19 – Two (2) years during last 5 yearsFrom 2019-20 – Three (3) years during last Seven (7) years  | 1 year (any actuarial experience till 2018-19) |
| Pension and Other Employee Benefits | For 2015-16 & 2016-17 – One (1) year (any actuarial experience)From 2017-18 – One (1) year during last 5 yearsFrom 2018-19 – Two (2) years during last 5 yearsFrom 2020-21 – Three (3) years during last Seven (7) years  | 1 year (any actuarial experience till 2018-19) |

 *‘Year’ in the above table refers to twelve completed months.*

1. **CoP Annual Fees:** The fee for the certificate is as follows:
* Renewal Applications : Rs.15,000 per Practice Area
* New Applications submitted on or before 30th Sep X : Rs.20,000 per Practice Area
* New Applications submitted after 30th Sep X : Rs.30,000 per Practice Area

The fees are payable along with the application and is non-refundable. However, eighty percent of the fees will be refunded if the application for CoP stands rejected.

1. **CoP Validity Period:** The CoP Validity Period is as follows:
* Renewal Applications : April X to March X+1
* New Applications on or before 30th Sep X : Issue Date to March X+1
* New Applications after 30th Sep X : Issue Date to March X+2
1. **CoP Renewal:** An application for renewal of CoP should be received at the Institute’s office at least 31 days before the expiry of the current CoP (i.e. by last day of Feb of the relevant year). If the application for renewal is not made within this stipulated period, the application then would be dealt with as if it were an application for the first time and fees applicable for issuance have to be paid. However, even such request for renewal should be made within six months of expiry of the validity of CoP. All applications beyond six months would be treated as fresh issuance of a new CoP and not a renewal of the old CoP.
2. The issuance of CoP shall not imply that all the criteria required of an actuary to be appointed as Appointed Actuary, in accordance with Appointed Actuary, Regulations, 2000 (as it stands at the relevant time) have been met or not and that such an actuary is fit and proper person to be appointed. Essentially these aspects are between the Insurer, IRDA and the actuary concerned.
3. A decision on CoP application will be made within thirty days of its receipt with all required material at the Institute’s office and that the answers to questions 7 to 11 are in the negative. The Institute has the right to ask for additional documents and/or has the right to ask the applicant to appear before a Competent Authority for offering any clarifications related to the application.
4. If the application for CoP is rejected, the applicant has a right to appeal against the decision within thirty days of such decision. Such an appeal should be addressed to the President and the Council shall take the final decision on the appeal.
5. CPD requirements as per revised APS 9 are waived off for CoP applications filed before April 1, 2016. CPD requirements for Life/Non-Life insurance will continue as per erstwhile rules till March 31, 2016.
6. This circular comes in effect from the date of its issuance. However, those actuaries currently practicing without a CoP would have to get the CoP within 90 days of the issuance of this circular. All applicants whose CoP is under process as at date of issuance of this circular would have to refile the application in the new form. All existing CoPs at the time of renewal would come under the new regime.

**Application Form – Certificate of Practice**

* This form should be sent in duplicate addressed to the Executive Director. All pages must necessarily be initialled by the Applicant.
* Please attach separate sheet/s duly signed if designated space is not sufficient.
* Applicants are expected to have read and familiarised with the relevant acts, regulations, Actuarial Practice Standards, Guidance Notes and Accounting Standards in the respective area.
* If the application on scrutiny is found to be Incomplete/defective in nature, the Committee may allow applicant to complete/rectify the defect. Incase, applicant fails to submit the complete form or rectify the defect within stipulated time the application form shall stand rejected.
1. Membership Number :
2. Full Name :
3. Type of Application

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Existing CoP Number :

Renewal / Issuance Date :

1. Areas of Practice (Select those which are applicable)

 

 

 
 

1. Application made in the capacity of (Any one of the following)

 

 

Name of the Company :

Address of the Company :



Name of the Firm :

Address of the Firm :

Registration Number :

1. Actuarial Work Record (last ten years)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Period** | **Name of Company / Firm** | **Place** | **Position Held** | **Work / Responsibilities** |
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1. Details of any disciplinary proceedings (including those pending as of now) and/or disciplinary action taken against you by IAI or any other professional body in India or elsewhere:
2. Have you been at any time dismissed from any office or employment or refused entry to any profession or occupation, actuarial or other? If so give details:
3. Have you at any time been convicted of any offence (other than minor violation of any road traffic Acts and Rules) by any court in India or elsewhere? If so give details:
4. Have you at any time been adjudged bankrupt or insolvent by a court in India or elsewhere? Have you at any time failed to satisfy any debt adjudged to be due and payable by you under order of any court in India or elsewhere? If so give details:
5. Have you been associated with any insurance company, pension fund, gratuity fund or any other body corporate which was wound up or involved in compromise arrangements with creditors, or ceased transacting business or found guilty of any fraud or misconduct, under order by any court in India or elsewhere? If so give details:
6. Provide details of CPD credits demonstrating compliance with APS9

**Declaration**

I hereby declare and certify that the statements and information given above are complete and correct to the best of my knowledge and belief. I have not concealed any material particulars or omitted to state the same herein above. In case any of these statements is/are found to be incorrect, I understand that I shall be liable to penalties under Professional Conduct Standards laid down by the Institute of Actuaries of India.

I declare and state that currently I am a Fellow Member of the Institute of Actuaries of India and that I am continuing member of the Actuarial body based on which Fellowship I was admitted as Fellow member of the Institute of Actuaries of India. I further understand that the Certificate of Practice for which this application is being made, if issued, shall automatically stand cancelled in case I cease to be a fellow member of the Institute of Actuaries of India or the other Actuarial body, as the case may be.

I have read and understood the Criteria for applying for Certificate of Practice (CoP) ), before making this application.

I declare and confirm that I have read and expect to meet the requirements of Professional Conduct Standards (PCS), Guidance Notes (GN) and Actuarial Practice Standards (APS). I further declare that I have read the relevant Acts, Regulations and Accounting Standards in respective areas where I am applying.

I confirm that I shall keep the Institute informed immediately if there is any change in my status with respect to 5, 7, 8, 9, 10 and 11 above.

**Applicant’s Signature**

**Place :**

**Date :**

**Guidance for Certificate of Practice (CoP) Holders**

This guidance to CoP holders is issued by the Council under section 19(2)(i) of the Actuaries Act, 2006. It is mandatory that all members holding CoP complies with the same from the immediate effect and any violation of the same would attract disciplinary action under Schedule Part 1 (15) and/or under Schedule Part III (4).

1. A CoP holder (in the capacity of an employee of a company) shall not sign any report or certificate related to any of the APS/GNs for any client of his employer. He shall deal with actuarial matters involving his employer rather than the actuarial matters involving his employer’s clients.
2. A CoP holder (not in the capacity of an employee of a company) shall not sign any reports related to any of the APS/GNs involving actuarial matters not originated from his client or from his registered firm’s client. In short, a CoP holder is not allowed to sign any report related to any of the APS/GNs for any organization who is not a direct client of the CoP holder or his firm. The contract for such services, invoicing for the same and issuance of the report shall be done by the Actuary or his registered firm as the case may be with the direct client.
3. A CoP holder shall not form a partnership with anyone who is not a CoP holder of Institute of Actuaries of India.
4. An employee of a company can hold a CoP as a sole practitioner or sole proprietor as long as he is not holding a CoP in capacity of an employee of a company and his employer permits him to do the same. He is bound by the guidance under paragraph 2 for the same.
5. A CoP holder (not in the capacity of an employee) can hold CoP as a sole practitioner/proprietor in one area and as a partner in another area. For this he may use two separate forms and should indicate the same at the time of submission. However, he should strictly practice in one area in the same capacity for which he is holding the CoP.
6. A CoP holder knowingly should not be associated in any form with a firm which is in violation of the Actuaries Act 2006 for example partnership of non-actuaries.

**Note:** Whatever has been stated herein above are for the general information of the Members applying for CoP, and shall not be construed to be exhaustive. Members, in their own interest, are requested to familiarise themselves with the provisions of the Act, Rules and Regulations, Guidance Notes, Professional Standards, circulars, etc., of the Institute.