

TPR's new code of practice: Comments from the Association of Consulting Actuaries (ACA)



ASSOCIATION OF CONSULTING ACTUARIES

PRESS RELEASE: IMMEDIATE

ACA critical of 'mission creep' in new code and timescales

26 May 2021 – In our [response](#) to the TPR consultation on the new code of practice the Association of Consulting Actuaries (ACA) is critical of 'mission creep' noting that the new code is an extensive new document, mixing existing requirements and a great deal of new material covering a very wide range of topics. It most certainly is not a simple consolidation of existing requirements and guidance.

Commenting on the new code, ACA Chair, Patrick Bloomfield said:

"The code does not have a clear indication of which requirements are new, which are simply 'consolidation' or which existing requirements have been removed. This approach has made it difficult to be sure we have identified all of the potentially significant changes incorporated into the draft code.

"A good example of a significant and potentially problematic new requirement that we did identify is that no more than a fifth of scheme investments are to be held in assets not traded on regulated markets (on page 65 of the consultation document) which we comment on in our response."

"The detailed list of items to include in an "Own Risk Assessment" look onerous and may raise serious governance concerns for smaller schemes that are above the 100 member threshold at which the requirement will fall away."

For consultations on future amendments to the code, the ACA strongly recommends that TPR highlight the specific changes being made to requirements. In addition, for a consultation document of this magnitude ACA recommends at least a three-month consultation period should be allowed.

Other points made by the ACA include:

- There are a number of new requirements relating to IT and Cyber security. ACA says it would expect these to be able to be met by third party providers and has asked the TPR to make it clearer that trustees can delegate these functions / rely on third party reports and do not need to carry out their own tests.

- For DC, the overall view is that the existing framework is working well, so ACA has said that the existing guides should be retained, as well as raising concerns about transition from Code of Practice 13. Concerns are also raised about where new requirements are onerous or duplicate disclosures that already need to be made elsewhere (this is particularly relevant to the Implementation Statement which appears to introduce new requirements.)

For further comment:

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About the Association of Consulting Actuaries (ACA)

Members of the ACA provide advice to thousands of pension schemes, including most of the country's largest schemes. Members of the Association are all qualified actuaries and all actuarial advice given is subject to the Actuaries' Code. Advice given to clients is independent and impartial. ACA members include the scheme actuaries to schemes covering the majority of members of private sector defined benefit pension schemes. The ACA is the representative body for UK consulting actuaries, whilst the Institute and Faculty of Actuaries is the professional body.

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