

Name of Organisation	XPS Pensions Group
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?	We consider it helpful to have one document containing all necessary TAS information and so support the incorporation of relevant information from the Framework and Glossary into TAS100.
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?	The draft guidance provides more clarity on these areas and therefore is a helpful addition. However, we do not believe there is sufficient weight given to materiality and proportionality in the revised TAS100 itself. As such, we strongly believe that the concept of materiality and proportionality in complying with the TAS should be reinstated.
Question 3: Does the draft guidance support you in complying with the TASs?	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?	Separate section
Question 5: What are your views on the proposed change to the compliance requirement?	We support the continued requirement to state compliance with TAS100 and allowing the statement to be worded in an appropriate way for the actuarial work involved. We disagree with the requirement to require any departure from full compliance to be fully identified, justified and communicated. This would significantly distract from the clarity of advice. We would support the disclosure to intended users of any material departure from the TAS along with justification for this approach. We strongly believe that non-material departures (for example on grounds of proportionality) should not be required to be communicated to the intended users as this would not aid the clarity of advice. The proposed requirement to have available evidence demonstrating compliance, held in a form suitable for the intended user, will add a significant burden and cost to the advice.
Question 6: Does the proposed FRC guidance on how TAS 100 can be applied	The guidance provides some assistance but also adds significant extra burden and cost through the requirement to document and justify all

<p>proportionately assist actuaries in their compliance with TAS 100?</p>	<p>decisions of proportionality.</p> <p>TAS100 alongside the proportionality guidance requires all risks and factors to be identified – both actual and potential ones, all of them to be classified with justification between material and non-material, and then state each material risk and the approach taken.</p> <p>For example, on risk identification, it suggests that all identified risks that are considered not material have to be documented along with a justification of why they are considered not material.</p> <p>We believe that the additional work required to comply (and hence cost) will be excessive and will lead to no material benefit to users. If anything, the additional disclosure requirement would, in our opinion, lead to advice that was less comprehensible and would therefore be at odds with the reliability objective.</p>
<p>Question 7: What are your views on the revision in nomenclature of the ‘user’ to ‘intended user’?</p>	<p>This provides welcome clarity and we strongly support this.</p>
<p>Question 8: Do you agree the new proposed Risk Identification Principle and associated Application statements?</p>	<p>We agree with the high level principle (allow for and disclose all material risks and factors) but are concerned about the practical implications of the requirements which will be onerous and disproportionate and so add additional cost to the user.</p> <p>The new requirements are written extremely widely to include all risks and factors “which may affect, or have the potential to affect” the work and which affect the work “either directly or indirectly”. The proportionality guidance adds to this wide definition of risk and factors: “if a risk is identified but is clearly not material ... then it is sufficient to note this (with justification)”. All this will create disproportionate documentation with, at best, no significant benefit to users.</p>
<p>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?</p>	<p>The proposed changes require all judgements – whether material or not – to have supporting material to allow the intended user and other parties to conclude that judgement is reasonable. In our view, this should only be required for material judgements for reasons of pragmatism. Otherwise there is a disproportionate documentation burden with</p>

	<p>associated costs for users and a disproportionate lack of value added.</p> <p>We agree with the clarification on material judgements concerning considering alternatives and sensitivity.</p>
Question 10: What are your views on the proposed changes to the Data Principle and associated Application statements?	We agree with the proposed changes.
Question 11: Do you agree with the proposed clarifications and additions relating to documenting and testing material assumptions?	We agree with the proposed changes.
Question 12: Do you agree with the proposed changes to the Modelling Principle and associated Application statements? Further, do you agree that guidance would be helpful?	We agree with the proposed changes. Additional guidance would be helpful.
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>We agree with the clarification and the proposed structure of the documentation requirements.</p> <p>We do not agree with the revised scope of documentation required, as covered in previous answers, and believe it will lead to significantly more documentation. Much of this will not be material and there will therefore be a disproportionate lack of benefit to users. The documentation will also have to be written in a form appropriate for the intended user.</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?	We agree with the proposed structure.
Question 15: What are your views on the additional clarification provided in the Application Statements?	We support the application statements and agree that they provide useful clarification on the principles.
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?	We support these changes as being in the interest of users.
Question 17: What are your views on these proposed amendments to clarify the existing requirements?	We agree with the key clarification amendments outlined in the consultation document.
Question 18: Do you agree with our impact assessment? Please give reasons for your response.	We do not agree with the impact assessment. We feel significantly more compliance documentation will be required for actuarial work, much concerning non-material aspects, which will result in increased costs to the users.