



Mr Paul Seymour, FIA  
Chair  
Board for Actuarial Standards  
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31 January 2008

Dear Paul

### **Conceptual framework for standards**

The Disciplinary Board met on 25 January and considered the draft conceptual framework.

Inter alia you sought comments on the proposal that standards will be *principle-based*, rather than *rule-based*; and asked respondents to identify any advantages and/or disadvantages that they consider may flow from this approach.

The Disciplinary Board considered that some generic standards are useful, but remains to be fully convinced that, especially in relation to technical standards, the BAS will successfully resist inclusion of any specifics, depending on the nature of the work covered by the standard.

Wearing its enforcement hat, the Disciplinary Board hopes that the standards will be capable of being associated with the work, and accountability, of individuals rather than broad entities. As the BAS is well aware, professional discipline applies only to individual actuaries.

The Board welcomed the helpful analysis on section 6 of the draft. It looks forward to receiving the exposure draft, and hopes that it will include some actual examples of how the BAS expects principle-based regulation to work in relation to technical standards.

Yours sincerely

**John Hayes**

**Chairman, Disciplinary Board of the Actuarial Profession**

Please reply to London

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