

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio

Additional Estimates 14 – 15 February 2007

Question: **aet124 (ASIC)**

Topic: **Licensing of Actuaries**

Hansard Page: **E66**

Senator SHERRY asked:

There was one other issue I raised with APRA. They had taken action against an actuary, and the nature of the conversation was that I thought this was relatively unusual. In terms of the role of ASIC in licensing actuaries, could you explain to me at what point that is reached?

Mr Cooper—I must admit I do not have an immediate answer on that one. I am not aware of that having been recently discussed, so we would have to take that one on notice.

Senator SHERRY—Are actuaries required to be licensed?

Mr Cooper—I would not have thought as a matter of course, no.

Senator SHERRY—Would that depend on the particular role they have in the financial services sector?

Mr Cooper—It could, yes.

Senator SHERRY—Could you take that on notice? That particular action of APRA had prompted me to inquire as to the status of actuaries within the licensing regime.

Answer:

ASIC Class Order [CO 03/1096] *Actuaries* provides temporary relief to certain types of actuaries from the requirement to hold an AFS licence when undertaking the ordinary business of an actuary.

Specifically, the class order gives relief:

- for the provision of advice to wholesale clients, the Commonwealth, a State or Territory or an exempt body;
- where the advice is provided in the ordinary course of the provision of actuarial services.

The relief covers 'eligible actuaries', which is defined in the class order as:

- (a) an actuary within the meaning of section 10 of the Superannuation Industry (Supervision) Act 1993 (the SIS Act);
- (b) a person who holds an appointment as an actuary of a general insurer in accordance with section 39 of the *Insurance Act 1973*;
- (c) a person who holds an appointment as an actuary for the purposes of section 49E of the *Insurance Act 1973*;
- (d) a person who holds an appointment as an actuary of a life company in accordance with section 93 of the *Life Insurance Act 1995*.

The class order will expire on 30 June 2007.

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An actuary would be required to obtain an AFS licence if they provide a financial service outside the scope of [CO 03/1096], unless another legislative exemption applied to the relevant activity (eg s911A(2) of the *Corporations Act 2001*).