

CAA Internal Regulations - CAAIR001v2
**Process for drafting and issuing Guidance
Notes and Standards of Practice**

Introduction

This document prepared by the Cyprus Association of Actuaries (CAA) intends to provide the information necessary to all members of the CAA interested in the process of drafting and issuing actuarial Guidance Notes and Standards of Practice that are ultimately approved and released to members.

Background

The CAA decided to facilitate the development and introduction of Actuarial Guidance Notes and Standards of Practice as well as educational materials to assist its members in their practice. The development of such Guidance Notes and Standards of Practice must be achieved through a process that is fully compliant with the process and guidelines described below.

Definitions

Exposure Draft

An Exposure Draft is a proposal which offers the text of the proposed Guidance Notes and Standards of Practice and is seeking comments from interested parties. It is the proposed version of a document issued for open discussion, including the submission of possible questions for clarification, prior to its release as a final document.

Guidance Notes and Standards of Practice

The official statement, which is modified as a result of constructive criticism of the Exposure Draft and which is issued after the Exposure Draft has been circulated for a defined period of time.

Explanation of the Exposure Draft Process

1. The need for drafting Guidance Notes and Standards of Practice is established following the request of a sub-committee and such request is escalated to the Executive Council for approval.
2. The request to the executive Council should be in writing and should provide a short description of the scope of the Guidance Notes and Standards of Practice and the need for it.

3. The Executive Council is required to review the request at its immediate next meeting and to decide whether:
 - a. To proceed with the development of the Guidance Notes and Standards of Practice
 - b. To terminate the process by informing in writing the sub-committee submitting the request
 - c. To postpone its decision for a future meeting in order to investigate or study further
4. Where the Executive Council decides that there is merit and reason to proceed, then the requesting Sub-Committee is requested to recommend members for a Guidance Notes and Standards of Practice Drafting Team that will be authorised to prepare the first draft in the standard format and structure of the CAA and following the standard Terms of reference for Guidance Notes and Standards of Practice Drafting Team of the CAA.
5. The CAA executive Council approves, possibly following the addition of one or more members, the structure of the Drafting Team and makes any necessary recommendations to the Drafting Team.
6. The Drafting Team meets regularly and comes up with an Exposure Draft that is sent to the executive Council for preliminary approval as far as content, layout and structure are concerned.
7. The Executive Council releases the Exposure Draft of the proposed Guidance Notes and Standards of Practice to the members of the CAA. Through the exposure draft process, the Executive Council is inviting members and other interested parties to comment on the details of the proposed provisions.
8. The Executive Council will collect comments on the proposed Guidance Notes and Standards of Practice until a specified date.
9. The Executive Council will review comments, evaluate potential revisions and approve a final implementation plan.
10. Following Council's approval, the final version of the Guidance Notes and Standards of Practice will be published and distributed to practitioners.

What should an Exposure Draft Include?

An Exposure Draft must include at the very least the following:

- a) The text of the proposed Guidance Notes and Standards of Practice
- b) The objective of the Guidance Notes and Standards of Practice
- c) The period of open discussion with clear indication of the deadline for questions and comments
- d) The proposed effective date of application of the finalized Guidance Notes and Standards of Practice
- e) Details on the method of transition from Draft to Final