

The International Actuarial Association Adopts ISAP 3

Webcast introducing ISAP 3 to be held on 24 June 2015

The International Actuarial Association (IAA) adopted its third International Standard of Actuarial Practice (ISAP 3) on actuarial practice in relation to IAS 19 Employee Benefits, at its Council meeting held in Zurich, Switzerland on 11 April 2015.

The purpose of ISAP 3 is to provide guidance to actuaries when performing actuarial services in connection with IAS 19 Employee Benefits, which includes the measurement of short-term, post-employment, termination, or other long-term employee benefits and disclosures in a reporting entity's IFRS report. Although the reporting entity is responsible for all the information reported in its IFRS report, in practice, an actuary may provide advice on a range of issues arising from the reporting entity's application of IAS 19.

ISAP 3 is a model standard intended for adoption by actuarial standard-setting organizations, as appropriate. The IAA encourages actuarial standard-setting bodies to study this ISAP and to consider taking one of the following courses of action in their jurisdiction:

- Adopting this ISAP as a standard with only the modifications in the Drafting Notes;
- Customizing this ISAP by revising the text of the ISAP to the extent deemed appropriate by the standard-setting body while ensuring that the resulting standard or set of standards is substantially consistent with this ISAP;
- Endorsing this ISAP by declaring that this ISAP is appropriate for use in certain clearly defined circumstances;
- Modifying existing standards to obtain substantial consistency with this ISAP; or
- Confirming that existing standards are already substantially consistent with this ISAP.

This new model standard directly supports the IAA's strategic objective to promote the development and issuance of actuarial standards in the jurisdictions of all IAA Member Associations and is intended to:

- Facilitate convergence in standards of actuarial practice in connection with IAS 19 within and across jurisdictions;
- Increase reporting entities' and their auditors' confidence in actuaries' contributions to reporting of employee benefits in accordance with IAS 19;
- Increase public confidence in actuaries' services for IAS 19 purposes; and
- Demonstrate the IAA's commitment to support the work of the IASB in achieving high quality, transparent, and comparable, financial reporting internationally, as envisaged by the Memorandum of Understanding between the IAA and the IASB.

ISAP 3 was developed by the IAS 19 Task Force of the Actuarial Standards Committee (ASC) of the IAA in compliance with the IAA's due process for International Standards of Actuarial Practice. As the final standard was developed, the ASC took into consideration the numerous comments received on the exposure draft published in October 2013 as well as the final review consultation process in September 2014, resulting in several improvements. The ASC and the IAS 19 Task Force will be hosting a webcast on 24 June 2015 ([register here](#)) to introduce ISAP 3 and engage with the Member Associations. Additional details of this webcast will be made available in due course.

ISAP 3 and the updated glossary of defined terms are available on the [IAA website](#) under [publications/ISAPs](#). The [Director of Technical Activities](#) at the IAA Secretariat is available to answer any questions about ISAP 3 and provide additional information on it.

The International Actuarial Association is the worldwide association of professional actuarial associations, with a number of special-interest sections for individual actuaries. Founded in 1895, the IAA exists to encourage the development of a global actuarial profession that is acknowledged as technically competent and professionally reliable, ensuring that the public interest is served. The IAA has 67 Full Member Associations, representing 98 percent of qualified actuaries worldwide, and 28 Associate Member Associations.

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