

MUTUAL RECOGNITION AGREEMENT

BETWEEN: **THE CANADIAN INSTITUTE OF ACTUARIES**, a body politic and corporate, having its head office and principal place of business in Ottawa, Canada;

(hereinafter called the "**CIA**")

AND: **THE INSTITUTE OF ACTUARIES OF AUSTRALIA** is a company limited by guarantee which holds a licence under the Australian Corporations Law which allows it to exclude the word limited from its name having its head office and principal place of business in Sydney Australia

(hereinafter called the "**IAAust**")

THE PARTIES HEREBY AGREE AS FOLLOWS:

WHEREAS the CIA is the professional membership organization for all actuaries practicing in Canada and confers the designation "FCIA" on its Members, which is a designation required by statute in some situations to perform actuarial work;

WHEREAS the CIA currently has four categories of membership, namely "Members" (also referred to as "Fellows"), "Associates", "Affiliates" and "Correspondents";

WHEREAS the CIA traditionally requires individuals to successfully complete the examination requirements of the Society of Actuaries or the Casualty Actuarial Society in the United States of America, as part of the eligibility requirements for becoming a Fellow of the CIA;

WHEREAS the IAAust is the professional membership organization for all actuaries practicing in Australia and confers the designation "FIAA" on its Fellows, which is a designation required by statute in some situations to perform actuarial work;

WHEREAS the IAAust currently has four categories of membership, namely "Fellows", "Accredited Members" , "Associates" and "Affiliates";

WHEREAS the IAAust traditionally requires individuals to successfully complete the examination set by the IAAust, as part of the eligibility requirements for becoming a Fellow of the IAAust;

WHEREAS the parties wish to facilitate global trade in actuarial services by providing criteria for the recognition of appropriately qualified actuaries from other organizations;

WHEREAS the parties wish to recognize similar educational attainment, to avoid unnecessary barriers, and to enhance the global provision of education, research and professionalism;

WHEREAS each party considers the current education and examination system of the other party acceptable based on their rigour and high standards.

THEREFORE, THE PARTIES HAVE AGREED AS FOLLOWS:

A. THE CIA INSTITUTE OFFER TO FELLOWS OF THE IAAUST

1. The CIA will, on application, admit as a Member of the CIA, a Fellow of the IAAust, on the following conditions. The applicant must

1.1 have obtained a Fellowship qualification in the IAAust and be a Fellow in good standing with that organization. The applicant must have become a Fellow of the IAAust by having successfully completed the education and examination system of the IAAust. Derived qualifications (i.e. where the IAAust has granted Fellowship to the applicant on the basis of membership in a third actuarial organization) will not be accepted for the purpose of fulfilling the affiliation requirement for becoming a Member of the CIA;

1.2 attest that he or she wishes to pursue actively the profession of actuary in Canada or to advise on Canadian business;

1.3 successfully complete the courses and professional development requirements prescribed by the CIA from time to time;

1.4 demonstrate that he or she has completed a three-year period of full time practical actuarial work experience, including at least 18 months of specifically Canadian practical actuarial work experience within the three-year period immediately prior to the application for Member status;

1.5 disclose to the CIA any public disciplinary sanctions that have been imposed against the applicant by any actuarial organization of which he or she is a Fellow (or equivalent). The applicant must also give his or her permission to the CIA to contact the appropriate disciplinary body of the IAAust. Such record will be taken into consideration by the CIA in determining whether the applicant should become a Member of the CIA.

2. The applicants who satisfy conditions 1.1 and 1.2 above and who wish to apply for Fellowship of the CIA in due course must apply to be enrolled first as an Affiliate of the CIA while completing the requirements described under 1.3, 1.4 and 1.5 above. To enroll as an Affiliate of the CIA, the applicant must send his or her application to the CIA's

Committee on Eligibility, which will administer the process provided for in this Agreement.

3. Upon approval as a Member, the applicant is subject to the same rights, privileges and obligations as all other Members. Affiliates and Members of the CIA must comply with actuarial standards, and must comply with the rules of professional conduct of the CIA at all times and in particular when providing professional services in Canada.

4. Payment of subscriptions to the IAAust must be maintained at whatever rate the IAAust deems appropriate.

B. THE IAAUST OFFER TO MEMBERS OF THE CIA INSTITUTE

1. The IAAust will, on application, admit to Accredited Member status of the IAAust, a Fellow of the CIA, who wishes to pursue actively the profession of actuary in Australia, on the following conditions.

1.1 The applicant who has qualified as a Fellow of the CIA by examination from the Institute of Actuaries, Faculty of Actuaries, Society of Actuaries or Casualty Actuarial Society will be automatically recommended to Council of the IAAust for approval once they have met the following conditions:

a) has been a resident in Australia for at least 6 months and has gained suitable experience in local actuarial practice;

b) must have passed a recognized professionalism course within the previous 5 years or earlier at the discretion of the Committee, or any other course approved by the Committee.

2. Members of the CIA who become Accredited Members of the IAAust, may apply for Fellowship of the IAAust after 6 months of continuous residence and actuarial practice in Australia following becoming an Accredited Member. Those admitted to Fellowship status under this Agreement will have the same rights, duties and obligations as other Fellows of the IAAust.

3. Those admitted to Accredited Member status under this Agreement will have the same rights, duties and obligations as other Fellows of the IAAust, except where legislation or the IAAust's own rules dictate otherwise.

4. Payment of subscriptions to the CIA must be maintained at whatever rate the CIA deems appropriate.

5. The applicant must send his or her application to the IAAust which will administer the process provided for in this Agreement.

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C. OBLIGATIONS OF THE CIA AND THE IAAUST

1. The CIA and the IAAust will continue to maintain education standards that are substantially equivalent. The signing of this Mutual Recognition Agreement is in recognition that these actuarial organizations currently have substantially equivalent education standards. Mutual re-attestation of such substantial equivalence will take place when significant changes are made in any of these actuarial organizations' education or examination systems.
2. The CIA and the IAAust will enter into a mutual discipline agreement as soon as is reasonably practical after the signing of this agreement. A violation of the Code of Conduct of one actuarial organization will be considered a violation of the Code of Conduct of the other actuarial organizations. Material on a member's public discipline in one actuarial organization will be forwarded to the other organization for their review and possible action.
3. This Mutual Recognition Agreement will terminate if any of the actuarial organizations signing this Agreement concludes that the obligations in 1 or 2 of this section are no longer being met. Termination of this Mutual Recognition Agreement will not affect rights already granted to individual members under this Agreement.

Signed at London, this 12th day of May, 2004.

CANADIAN INSTITUTE OF ACTUARIES

Per: Mike Lombardi, FCIA, FSA, MAAA
President

Per: Brian A.P. FitzGerald, FCIA, FIA, ASA
President-Elect

Signed at London, this 12th day of May, 2004.

INSTITUTE OF ACTUARIES OF AUSTRALIA

Per: Andrew C. Gale, BSc, ASIA, ASA, FIAA
Senior Vice President