HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Richard Moriarty
Chief Executive Officer
Financial Reporting Council
13th Floor,
1 Harbour Exchange Square
London
E14 9GE

17 October 2025

Dear Richard,

I write regarding the actuarial regulatory regime and the government's draft Audit Reform and Corporate Governance Bill.

The Treasury recognises that actuarial work is essential to vital parts of the UK economy, namely in the insurance and pensions sectors, and that its independent regulation remains necessary and important. However, after careful consideration, HM Treasury does not intend to proceed with reforms to move the regulation of the actuarial profession to a statutory basis at this time.

The Treasury instead remains committed to the current regulatory approach for the Financial Reporting Council (FRC) and for its successor body to continue to be the home of independent actuarial regulation, on a voluntary contractual basis. In particular, it is our intent that the FRC will continue to perform the following functions:

- Setting technical actuarial standards and guidance: The FRC will set technical actuarial standards that apply to all Institute and Faculty of Actuaries (IFoA) members and will determine and publish the scope of application. Ethical standards will continue to be set by the IFoA.
- Independent oversight of the IFoA: The FRC will oversee the IFoA's regulation of its members through supervision of IFoA as the UK's actuarial professional body.
- Providing an independent investigation and discipline regime for public interest disciplinary cases: Continuing the existing division of responsibilities between the FRC and IFoA, the FRC will provide an independent investigation and discipline scheme for matters of potential misconduct relating to members of the IFoA which raise, or appear to raise, important issues affecting the public interest.

High quality actuarial work, overseen by the FRC and any successor body, will continue to support a well-functioning insurance and pensions market and public trust in these sectors. I welcome the FRC's recognition of the importance of actuarial regulation in the recent update to your three-year strategy.

I understand that implementing the above arrangement may require the current Memorandum of Understanding between the FRC and the IFoA to be revised. I would be very grateful if the FRC, or its successor body, and the IFoA could work together to implement the above arrangement.

The Treasury intends to continue to work with the FRC, and any successor body, to keep the arrangements for actuarial regulation under review.

Yours sincerely,



Lucy Rigby KC MP
ECONOMIC SECRETARY TO THE TREASURY