

Actuaries Act 2006

Chapter 2 - CHAPTER 2 : INSTITUTE OF ACTUARIES OF INDIA :

SECTION 3 : Incorporation of Institute : (1) With effect from such date as the Central Government may, by notification in the Official Gazette, appoint, all persons whose names are entered in the register of the Actuarial Society at the commencement of this Act and all persons who may thereafter have their names entered in the register to be maintained under this Act, so long as they continue to have their names borne on the register, are hereby constituted a body corporate by their name of the Institute of Actuaries of India and all such persons shall be known as members of the Institute. (2) The Institute shall have perpetual succession and a common seal and shall have power to acquire, hold and dispose of property, both movable and immovable, and shall by its name sue or be sued. (3) The head office of the Institute shall be situated at such place as may be decided by the Central Government.

SECTION 4 : Transfer of assets, liabilities, etc, of Actuarial Society : On the appointed day, (a) all the assets and liabilities of the Actuarial Society shall stand transferred to, and vested in, the Institute. Explanation. The assets of the Actuarial Society shall be deemed to include all rights and powers and all properties, whether movable or immovable, including, in particular, cash balances, deposits and all other interests and rights in, or arising out of, such properties as may be in the possession of the said Society and all books of account and other documents relating to the same; and liabilities shall be deemed to include all debts, liabilities and obligations of whatever kind; (b) without prejudice to the provisions of clause (a), all debts, obligations and liabilities incurred, all contracts entered into and all matters and things engaged to be done by, with or for the Actuarial Society immediately before that day, for or in connection with the purpose of the said Society, shall be deemed to have been incurred, entered into or engaged to be done by, with or for, the Institute; (c) all sums of money due to the Actuarial Society immediately before that day shall be deemed to be due to the Institute; and (d) all suits and other legal proceedings instituted or which could have been instituted by or against the Actuarial Society immediately before that day may be continued or may be instituted by or against the Institute.

SECTION 5: Objects of Institute: The objects of the Institute shall be- (a) to promote, uphold and develop the standards of professional education, training, knowledge, practice and conduct amongst Actuaries; (b) to promote the status of the Actuarial profession; (c) to regulate the practice by the members of the profession of Actuary; (d) to promote, in the public interest, knowledge and research in all matters relevant to Actuarial science and its application; and (e) to do all such other things as may be incidental or conducive to the above objects or any of them.

SECTION 6: Entry of names in register : (1) Any of the following persons shall be entitled to have his name entered in the register, namely: (a) any person who immediately before the appointed day was an associate or a fellow (including an honorary fellow) of the Actuarial Society; (b) any person who has passed the examination conducted by the Actuarial Society and has completed training either as specified by the said Society or as specified by the Council, except any such person who is not a permanent resident of India; (c) any person who has passed such examination and completed such training, as may be specified for membership of the Institute; (d) any person who has passed such other examination and completed such other training outside India as is specified as being equivalent to the examination and training specified under this Act for membership of the Institute: Provided that in the case of any person belonging to any of the classes mentioned in this sub-section who is not permanently residing in India, the Central Government or the Council may impose such further conditions as it may deem necessary or expedient in the public interest. (2) Every person mentioned in clause (a) of sub-section (1) may have his name entered in the register without the payment of any entrance fee. (3) Every person belonging to any of the classes mentioned in clauses (b), (c) and (d) of sub-section (1) shall have his name entered in the register on an application being made and granted in the specified manner and on payment of such fees, as may be specified. (4) The Council shall take such steps as may be necessary for the purpose of having the names of all persons belonging to the class mentioned in clause (a) of sub-section (1) entered in the register before the appointed day. (5) Notwithstanding anything contained in this section, the Council may confer on any person honorary fellow

membership, if the Council is of the opinion that such person has made a significant contribution to the profession of Actuary and thereupon the Council shall enter the name of such person in the register but such person shall not have any voting rights in any election or meetings of the Institute and shall not also be required to pay any fee to the Institute.

SECTION 7 : Associates and fellows : (1) The members of the Institute shall be divided into two classes designated respectively as associates and fellows. (2) Any person other than a person to whom the provisions of sub-section (3) apply, shall, on his name being entered in the register, be deemed to have become an associate and as long as his name remains so entered, shall be entitled to use the letters "AIAI" after his name to indicate that he is an associate. (3) Any person who was a fellow of the Actuarial Society and who is entitled to have his name entered in the register under clause (a) of sub-section (1) of (s.6) shall be entered in the register as a fellow. (4) Any person whose name is entered in the register as fellow shall, so long as his name remains so entered, be entitled to use the letters "FAI" after his name to indicate that he is a fellow.

SECTION 8 : Honorary affiliate and student members : (1) The Council may choose, in such manner as may be specified, any person of eminence in matters relating to and of interest to the profession of Actuary as an honorary member of the Institute provided that he is not practicing as an Actuary. (2) Any person, who is a fellow member, or is a holder of membership considered equivalent to the fellow membership of the Institute, of any other institution similar to the Institute, whether within or outside India, may be admitted as an affiliate member for such period, and on such terms and conditions as may be specified. (3) Any person who enrolls himself for examination of the Institute, and possesses such academic qualifications as may be specified, may be admitted as a student member of the Institute on such terms and conditions as may be specified. (4) An honorary member or an affiliate member or a student member shall have no right to vote on any matter or resolution in any meeting of the Institute.

SECTION 9 : Certificate of practice : (1) No member of the Institute shall be entitled to practice unless he fulfils the qualifications as may be specified and obtains from the Council a certificate of practice. (2) A member who desires to be entitled to practice shall make an application in such form and pay such annual fee for certificate of practice as may be specified and such fee shall be payable on or before the first day of April in each year. (3) The certificate of practice obtained under sub-section (1) may be cancelled by the Council under such circumstances as may be specified.

SECTION 10: Member to be known as Actuaries : Every member of the Institute in practice shall, and any other member may, use the designation of an Actuary and no member using such designation shall use any other description whether in addition thereto or in substitution therefor: Provided that nothing contained in this section shall be deemed to prohibit any such member from adding any other description or letters to his name, if entitled thereto, to indicate membership of such other Institute, whether in India or elsewhere, as may be recognised in this behalf by the Council, or any other qualification that he may possess, or to prohibit a firm, all the partners of which are members of the Institute and in practice, from being known by its firm name as Actuaries.

SECTION 11 : Disqualifications : Notwithstanding anything contained in (s.6) , a person shall not be entitled to have his name entered in, or borne on, the register if he- (a) has not attained the age of twenty-one years at the time of his application for the entry of his name in the register; or (b) is of unsound mind and stands so adjudged by a competent court; or (c) is an undischarged insolvent; or (d) being a discharged insolvent, has not obtained from the court a certificate stating that his insolvency was caused by misfortune and without any misconduct on his part; or (e) has been convicted by a competent court whether within or outside India, of an offence involving moral turpitude and punishable with imprisonment or of an offence, not of a technical nature, committed by him in his professional capacity unless in respect of the offence committed he has either been granted a pardon or, on an application made by him in this behalf, the Central Government has, by an order in writing, removed the disqualification; or (f) has been removed from the membership of the Institute on being found on inquiry to have been guilty of a professional or other misconduct: Provided that a person who has been removed from the membership for a specified period shall not be entitled to have his name entered in the Register until the expiry of such period.

SECTION 12 : Composition of Council of Institute : (1) There shall be a Council of the Institute for the management of the affairs of the Institute, and for discharging the functions assigned to it by or under this Act. (2) The Council shall be composed of the following persons, namely (a) a minimum of nine and not more than twelve persons from amongst fellow members to be elected by the fellow and the associate members of the Institute in such manner as may be prescribed: Provided that a fellow of the Institute, who has been found guilty of any professional or other misconduct and whose name is removed from the Register or has been awarded penalty of fine, shall not be eligible to contest election,- (i) in case of

misconduct falling under the Schedule of this Act [except Part IV(B)], for a period of three years; or (ii) in case of misconduct falling under Part IV(B) of the Schedule of this Act, for a period of six years, after the completion of the period of removal of name of the fellow from the Register or the payment of fine is made, as the case may be; and (b)(i) an officer not below the rank of Joint Secretary to the Government of India, to be nominated by the Central Government to represent the Ministry of Finance; (ii) one person from the Insurance Regulatory and Development Authority constituted under the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999) nominated by the Central Government; and (iii) not more than two persons having knowledge in the field of life insurance, general insurance, finance, economics, law, accountancy or any other discipline which in the opinion of the Central Government, would be useful to the Council, to be nominated in such manner as may be prescribed: Provided that till such time as the Council is constituted under this Act, the Executive Committee of the Actuarial Society shall discharge all the functions and shall have all the powers of the Council. (3) No person holding a post under the Central Government or a State Government, as the case may be, shall be eligible for election to the Council under clause (a) of sub-section (2). (4) One-third of the members of the Council referred to in clause (a) of sub-section (2) shall retire as soon as may be on the expiration of every second year by rotation but shall be eligible for re-election. (5) Any person nominated under clause (h) of sub-section (2) shall hold office for a period of six years from the date of his nomination unless he is removed earlier by the Central Government and shall be eligible for re-nomination: Provided that he shall be given an opportunity of being heard before such removal.

SECTION 13 : Annual general meetings : The Council shall every year hold an annual general meeting of the Institute to elect its members under clause (a) of sub-section (2) of (s.12) , or to discuss any matter which it deems fit, and not more than fifteen months shall elapse between the date of one annual general meeting of the Institute and that of the next: Provided that from the appointed day the Institute may hold its first annual general meeting within a period of not more than eighteen months and if such general meeting is held within that period, it shall not be necessary for the institute to hold any general meeting in that year: Provided further that the Central Government may, for sufficient reasons, extend the time within which any general meeting shall be held.

SECTION 14 : Annual general meetings: (1) Subject to the provisions of sub-section (2), a member of the Council elected under clause (a) of sub-section (2) of (s.12) shall be eligible for re-election but not for more than two consecutive terms. (2) A member of the Council, who is or has been elected, as the President under sub-section (1) of (s.17) , shall not be eligible for election or nomination as a member of the Council.

SECTION 15 : Settlement of disputes regarding election : In case of any dispute regarding any election under clause (a) of sub-section (2) of (s.12) , the aggrieved person, may make an application within thirty days from the date of the declaration of the result of the election to the Council which shall forward the same forthwith to the Central Government.

SECTION 16 : Establishment of Tribunal : (1) On receipt of any application under (s.15) , the Central Government shall, by