

**PREAMBLE**

The Code of Professional Conduct of Actuaries is the set of principles and rules regarding ethics and professional conduct that every actuary on the Roll of Actuaries is required to observe.

On the basis of the general premise that the work of the actuary is carried out in the interests of and in service to society, the issues governed by this code of professional conduct are divided into four categories:

- Part I. **General Principles:** the basic rules governing the work of the actuary, with a particular emphasis on the principle of independence and on continuing professional development.
- Part II. **Professional Relationships:** the essential features of the actuary - client relationship are set out, with reference being made to protection of the client's interests while respecting the objective nature of the service provided, to the duty of confidentiality and to situations that are incompatible with the practice of the profession.

In the various phases of the client relationship (acceptance of instructions, carrying out instructions and ceasing to act) the actuary is under a duty to keep the client regularly and properly informed concerning the manner in which the work is to be carried out and with regard to ongoing developments so that, in line with modern day practice, the client is an informed participant in the service being provided.

Where relationships with fellow actuaries are concerned, on the basis of the principle of mutual support for others in the profession, the rules establish a duty to avoid conduct that may give rise to disputes, a duty to assist by taking over temporarily from fellow actuaries where necessary and, in the event that more than one actuary is working for the same client, a duty to work in the spirit of mutual cooperation and harmony.

The code establishes rules of conduct to be observed when dealing with the official bodies of the profession and with trainees, with the duties on the part of the actuary and the trainee precisely set out.

With regard to other working relationships, there is a particular focus on the requirement to work in the spirit of fellowship with the official bodies of the profession as well as on the rules that the actuary is to observe when dealing with the supervisory authorities. These are rules based on the esteemed values of dignity, transparency and honesty: principles that members of the profession are to observe at all times.

Finally, the principles governing relations with members of the other professions are set out. These are based on the principle of being ready and willing to cooperate and on the criteria of reciprocity, acknowledging each profession's particular area of expertise. Conduct that promotes professional development generally and assists in combating the unauthorized practice of the professions is considered a general requirement.

- Part III **Competition:** this is made subject to certain principles of proper conduct to be observed by actuaries, including in relation to the type of information that may be distributed and the advertising permitted.
- Part IV **Transitional Provisions:** these establish the date that the new code of professional conduct comes into force.

**PART 1 – GENERAL PRINCIPLES**

**INTRODUCTION**

The practice of the profession of actuary is one of knowledge and skill and is of service to the public.

The title of Actuary shall be given in full.

An actuary shall act in good faith and with propriety and honesty.

**Rule 1 – Nature of the rules of professional conduct**

1. This code is part of the bylaws of the Professional Society of Actuaries.

The professional conduct rules govern the professional and public life of the actuary.

An actuary who fails to observe the professional conduct rules shall be made subject to disciplinary proceedings.

**Rule 2 – Scope of application**

1. These professional conduct rules apply to all actuaries appearing on the Actuaries Roll in the practice of their profession, in relationships with clients, with colleagues and with third parties. The rules also apply to trainees.

**Rule 3 – Independence and objectivity**

1. In no circumstances may an actuary forgo his or her professional freedom, autonomy or independence.

**Rule 4 – Integrity**

1. The conduct of an actuary shall be in keeping with the dignity and the decorum of the profession at all times and not solely in connection with the practice of the profession.

2. An actuary shall refrain from any conduct that may lead the profession and the Society into disrepute.

3. An actuary shall properly fulfill obligations to third parties so as not to compromise their trust placed in the profession generally.

**Rule 5 – Confidentiality**

1. An actuary shall comply with the duty of professional confidentiality and shall exercise discretion as regards information coming to the actuary's knowledge in the practice of the profession.

**Rule 6 – Compliance**

1. An actuary is required to follow the professional guidelines issued by the Society as well as to observe the regulations laid down by the same (e.g. directives and recommendations, etc.).
2. An actuary is under a duty to cooperate with the Society in order that the Society's objectives are achieved. This includes where disciplinary proceedings are concerned.

**Rule 7 – Competition and service levels**

1. An actuary's professional work shall be carried out in compliance with competition law and ensuring that high service levels are maintained.
2. An actuary is under a duty to undergo continuing professional development and to keep abreast of relevant developments in accordance with the relevant bylaws.

**Rule 8 – Professional Indemnity Insurance**

1. An actuary shall be in a position to indemnify any losses caused in the exercise of the profession, including by means of adequate insurance cover.

**PART II – PROFESSIONAL RELATIONSHIPS**

**Section I – Relationships with fellow actuaries**

**Rule 9 – Cooperation with fellow actuaries**

1. In dealings with fellow actuaries an actuary shall demonstrate honesty, respect, propriety and consideration.
2. These provisions also apply to dealings with colleagues working together as a practice in partnership and between colleagues who terminate the agreement establishing the professional partnership existing between them.

**Rule 10 – Substitution of a fellow actuary**

1. An actuary required to take over from another actuary in carrying out instructions shall act with honesty and propriety.
2. An actuary who is substituted by another actuary shall afford that actuary full cooperation and shall endeavour to ensure that the handover does not prejudice the client in any way.

3. In the event of the death of a fellow actuary, an actuary required by the President of the Council of the Society of Actuaries to take over from the said actuary is under a duty to accept the appointment, save where shown to be prevented from doing so.
4. Where work is commenced by the deceased actuary and is continued by another actuary, payment of the related fees to the estate of the deceased and to the actuary taking over is, in the event of dispute, to be decided upon by the Council of the Society of Actuaries.
5. Where an actuary is suspended or otherwise temporarily prevented from carrying out their work, the fellow actuary called upon to take over shall take particular care to ensure that the work is not interrupted.

**Rule 11 – Acting for clients with diverging interests**

1. In no circumstances may the protection of the client’s lawful interests lead to an actuary acting with anything other than propriety and honesty.
2. In dealings with the fellow actuary acting for the other client, an actuary shall observe the general principles and rules of the spirit of fellowship, avoiding any reason for personal conflict to arise.
3. An actuary shall express neither a positive nor negative opinion of the work done by the fellow actuary and shall exercise the utmost restraint when differences of opinion arise over the technical methods used in carrying out the work.
4. In particular, an actuary shall not take advantage of any difficulties encountered by the fellow actuary acting for the other client, nor shall an actuary make use of confidential information or information provided to the actuary by the said client.

**Rule 12 – Correspondence between fellow actuaries**

1. An actuary shall not disclose written documents or confidential information received from a fellow actuary or from other professionals, even where the same has been received by chance.

**Section II – Client relationship**

**Part 13 – Acceptance of instructions**

1. An actuary shall inform the client promptly of the decision to accept instructions or otherwise.
2. An actuary shall endeavour to have the client’s instructions set out in writing in order to establish the extent and content of the same, and also to establish the scope of the actuary’s liabilities.

3. Where an actuary receives verbal instructions to act, it is in any event advisable for the actuary to confirm the same in writing with the client.
4. An actuary who accepts instructions shall warrant and have the appropriate level of skill and competence required and shall be suitably placed to accept the instructions as far as organisation of the actuary's work is concerned.

**Rule 14 – Carrying out instructions**

1. An actuary shall employ the levels of skill and care required by the regulations governing the actuary-client relationship at the relevant time and place.
2. An actuary shall set out to the client, in clear and simple terms, the essential elements of the work that the actuary has been instructed to carry out together with the possible risks connected thereto.
3. In addition, when carrying out the instructions, an actuary shall keep the client promptly informed of all important developments.
4. An actuary shall put the client's interests before the actuary's own. Application of this principle shall not, in any circumstances, affect the dignity and decorum on the part of the actuary; nor shall it affect the right of the actuary to payment.
5. Save where there is an urgent need to do so, an actuary shall not go beyond the limits of the instructions given. He or she shall, nevertheless, take the necessary steps with care and carry out all work appropriate to the objectives agreed with the client.
6. In carrying out the client's instructions, an actuary shall not pursue personal interests or acquire any professional or financial stake.

**Rule 15 – Ceasing to act**

1. An actuary shall withhold from continuing to carry out the client's instructions where circumstances or duties arise that may influence the actuary's freedom of judgment or influence the actuary's conduct.
2. An actuary shall not act where prevented from doing so properly as a result of requests made by the client or the conduct on the part of the client or for some other serious reason.
3. Where, as a result of subsequent changes to the instructions given or due to the level of difficulty of the work that an actuary has been instructed to carry out, the actuary is unable to carry out the client's instructions with the requisite level of skill and competence, he or she shall promptly inform the client and ask to be replaced or ask that another actuary works alongside him or her.
4. In the event that the actuary ceases to act, an actuary shall advise the client promptly, in particular where the instructions are subsequently to be carried out by another actuary.

5. An actuary is under a duty to observe strict compliance with Articles 2235 and 2237 of the Civil Code.

**Rule 16 – Professional remuneration**

1. Remuneration, which is to be agreed upon freely by the parties, shall be commensurate with the importance of the instructions given, with the technical expertise and extent of commitment required and with the liabilities arising for the actuary.
2. An actuary shall comply with the directions regarding professional fees as well as other regulations governing remuneration issued by the Society in order to provide a guarantee of service levels.

**Section III – Relationship with the official bodies of the profession**

**Rule 17 – Active electorate**

1. An actuary shall as a rule attend election meetings as well as other institutional meetings.
2. Each actuary on the Roll of Actuaries may canvass for candidates standing for election, distributing manifestos and information in relation to their work, which is not limited to their professional work. An actuary may also point out the differences between one candidate's manifesto and those of the other candidates.

**Rule 18 – Passive electorate**

1. An Actuary standing for an institutional position may inform his or her fellow actuaries of this, and may distribute manifestos and information concerning his or her work, this not being limited to their professional work, subject to the limits established by the rules of professional conduct.

**Rule 19 – Holding office**

1. An Actuary appointed to a position within an institution on the basis of the regulations of the profession:
  - shall operate in the spirit of service to the profession as a whole to maintain its profile, in the interests of the public in general and of those on the Roll, safeguarding the equal opportunities and ranking on the part of every member of the Roll;
  - shall support proposals to establish professional groups and associations to promote training, the specialization of those on the Roll and the improvement of the services provided by the profession;
  - shall support and encourage the members of the Roll to take an active part in the Society, with the aim also of ensuring turnover in the profession's governing bodies;
  - shall, in compliance with the regulations of the profession, encourage the development and diffusion of a sense of identity and of belonging to the profession.

**Rule 20 – Relationship with the governing bodies of the profession**

1. An actuary shall afford the profession's governing bodies consideration and respect and, to the extent possible, shall be ready and willing to actively assist the Society of Actuaries in carrying out its role.

**Rule 21 – Relationship with the profession's social security institute**

1. An actuary shall, to the extent possible, take part in the election of delegates at the profession's social security institute and shall promptly pay contributions due as required.

**Section IV – Relationships with employees and other colleagues**

**Rule 22 – Relationships with employees and other colleagues**

1. Relationships with employees and other colleagues shall be conducted with mutual respect and managed in such a way as to allow the actuary's work to be carried out in the best way possible.
2. An actuary shall, in particular, refrain from employing the services of those practicing the profession without being properly authorised to do so and shall not unfairly solicit those retained by others.

**Rule 23 – Remuneration of employees**

1. In relationships with employees, an actuary is required to comply with the provisions of collective contracts for professional practices in relation to remuneration as well as status.

**Rule 24 – Duty of confidentiality**

1. An actuary shall ensure that employees and other staff members are aware of and comply with the duty of professional confidentiality.

**Rule 25 – Third parties**

1. Where work is carried out in collaboration with third parties from practices in other professions, an actuary shall observe the principles of honesty and propriety.

**Section V – Relationships with trainees**

**Rule 26 – Duties on the part of the actuary**

1. An actuary is under a duty to promote the development of the profession and, in line with his or her working requirements, to accommodate those wishing to undertake their professional training, or alternatively to attempt to place them with fellow actuaries.
2. An actuary shall allow those undertaking their training with his or her the practice to learn about the ethics as well as the actuarial methods and techniques employed in that practice's particular areas of work.
3. The information provided by an actuary to those undertaking training at his or her practice shall be as clear as possible, in relation to tasks assigned, roles performed, remuneration and, in general, regarding all matters governing the training period and thereafter. It is recommended that the actuary-trainee relationship be established in writing.
4. An actuary shall provide the trainee with copy of the code of professional conduct at the start of the training period.
5. An actuary shall ensure that the trainee is aware of and complies with the duty of professional confidentiality.

**Rule 27 – Duties on the part of the trainee**

1. The trainee shall refrain from attempting to acquire clients by drawing clients away from the practice where he or she is undertaking training.

At the end of the training period the trainee shall not adopt the procedures used by the practice; nor shall the trainee, within one year, accept instructions from clients with whom he or she became acquainted at the practice during the said training period, save where the express consent of the proprietor of the practice has been given.

2. The trainee shall not use headed notepaper or business cards suggesting that the trainee works with the practice where the training is undertaken, save where the express consent of the proprietor has been given.
3. The trainee shall comply with the rules of professional conduct of actuaries in full.

**Rule 28 – Duration of training period and payment**

1. The position of trainee is to be considered as professional training and as such is, by its very nature, an unpaid position. An Actuary shall, however, make payments to the trainee in the form of grants or reimbursements of expenses in order to encourage and motivate the trainee to work diligently and with commitment.

2. Training for the purposes of sitting the state exam should not extend beyond the period usually necessary, nor should it extend beyond that provided by law.
3. Once the said training period has expired, the working relationship, which may then take on a different legal form, shall be regulated as the parties see fit to decide, as is the case with any working relationship with trainees who have already passed the state exam.

## **Section VI – Other relationships**

### **Rule 29 – Relationships with public authorities**

1. In relationships with the supervisory authorities and the Department of Public Administration, an Actuary shall pay respect to those in public office, and an actuary's conduct shall not bring the actuarial profession into disrepute.
2. An Actuary shall neither exploit, stress the existence of nor draw attention to any family relationship or relationship of any other type with the officers of aforementioned authorities and Department with the intention of assisting the actuary's work.

### **Rule 30 – Relationship with the press**

1. In dealings with the press and with other news media, and in particular when participating on a professional basis in high profile events, an actuary shall ensure that the duty of client confidentiality is observed, as well as observing the provisions of Rule 35.

### **Rule 31 – Relationships with other professions**

1. Where, in the exercise of the actuary's profession, an actuary has dealings with members of the other professions, he or she shall observe the principle of mutual respect and shall acknowledge and safeguard the respective professions' particular areas of expertise.

## **PART III – COMPETITION**

### **Rule 32 – Use of public appointments**

1. An Actuary shall not make use of public or political appointments in such a way that gives grounds to consider that, as a result of the said appointments, the actuary may secure a professional advantage personally or for others.

**Rule 33 – Unauthorized exercise of the profession**

1. An actuary is prohibited from encouraging the unauthorized exercise of the profession.

**Rule 34 – Prohibition on brokerage**

1. Brokerage that may influence an actuary's independence and the objectivity is prohibited.

**Rule 35 – Information and informative advertising**

1. Communication, using any means, to third parties of information concerning the work carried out by the actuary, areas of specialization, professional qualifications held, organizational framework of the practice and the fees charged is permitted.
2. The message communicated and the choice of means shall at all times be in moderation and in good taste.
3. The information shall be transparent, truthful and correct and shall not be ambiguous, misleading or defamatory.
4. Clients may not be mentioned by name without their consent.
5. The name of the practice may include the names of fellow actuaries who were members of the practice in the past, on condition that they or their estate give their express consent.
6. As well as personal individual logos, an actuary may use the stamp of the Society of Actuaries, in accordance with the regulations issued by the National Council of Actuaries.

**PART IV – TRANSITIONAL PROVISIONS**

**Rule 36 – Entry into force**

1. This code of professional conduct shall come into force on the ninetieth day following the date of the resolution by the National Council of Actuaries to adopt the same. The professional conduct rules previously approved shall be repealed with effect from the same date.

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