



Institute
and Faculty
of Actuaries

Summary of Consultation Responses

Exposure Draft ED35: The Actuaries' Code

The Regulation Board

18 May 2018

Contents

1	Introduction	1
2	Explanatory note	2
3	The consultation process	3
4	Results of the Consultation	4
5	Summary of responses and Working Party feedback	5
6	Conclusions and final proposals	10
7	Next steps	14
Appendix 1	Final version of revised Code	15
Appendix 2	List of respondents to the consultation	19
Appendix 3	Responses to the Survey Monkey questionnaire	20
Appendix 4	Responses provided by email	126

1. Introduction

I am pleased to introduce this summary of the feedback received in response to the Institute and Faculty of Actuaries' (IFoA) consultation on proposed changes to the Actuaries' Code, issued by the Regulation Board in October last year.

The consultation followed a period of detailed research, analysis and informal consultation by the Actuaries' Code Review Working Party (the Working Party), which was set up by the Regulation Board to undertake the first substantive review of the Code since it came into force in 2009.

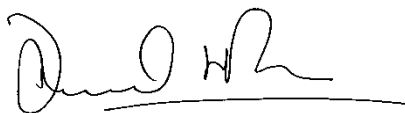
The consultation was sent to all Members of the IFoA. Other key IFoA stakeholders, including employers of actuaries, other regulators and those with an interest in the standards which the IFoA sets for its Members, were also invited to comment.

The consultation closed on 17 January 2018 and a substantial number of responses and comments were received.

The Working Party has now carried out its analysis of the responses and has presented its further recommendations to the Regulation Board. This feedback paper sets out the results of the consultation, including (1) a summary of the responses and (2) the conclusions reached in light of those responses. It also contains the final version of the revised Actuaries' Code, as approved by the Regulation Board. It is intended that the revised Code will come into force on 18 May 2019.

We are extremely grateful for the care and attention shown by all respondents in preparing their comments and I hope you will find this summary of the feedback received both useful and informative.

Finally, I would like to take this opportunity to thank the members of the Working Party (Adrian Eastwood, Alan Watson, Alison Carr, Malcolm Slee, Neil Wharmby and Wendy Walford) for their considerable hard work and dedication in helping to develop these proposals.

A handwritten signature in black ink, appearing to read 'Desmond Hudson', with a horizontal line underneath.

Desmond Hudson
Chair of Regulation Board

18 May 2018

2. Explanatory Note

The IFoA recently consulted upon proposals for changes to the Actuaries' Code (the Code). The proposals included the introduction of supporting guidance to accompany the Code. The consultation package can be found on the IFoA's website¹. This document explains the outcome of that consultation process and sets out the final changes that have been made to the Code.

Background to the proposals

In 2013 the IFoA carried out a 'light touch' review which resulted in some minor revisions to the original Code published in 2009. The changes resulting from the light touch review came into force on 1 October 2013. It was agreed at that stage that a further substantive review ought to be undertaken at a later date to ensure that the Code remained fit for purpose.

A substantive review was commenced by the Actuaries' Code Review Working Party (the Working Party) in 2016. The Working Party carried out an initial review and recommended to the Regulation Board a number of changes to the Code. The proposed changes were set out in the Consultation Paper published on 3 October 2017.

The proposals included:

- i. a change to the structure of the Code to make it clearer which provisions are principles and which provisions are amplifications providing specific elaboration of the types of behaviours expected of Members;
- ii. changes to some of the language of the Code to ensure that it is relevant to all Members, wherever they are based and regardless of their employer (for example, removing some of the references to UK legislation and changing references from 'clients' to 'users');
- iii. the introduction of the words 'must' and 'should' to clarify Members' obligations in relation to each of the provisions in the Code and ensure consistency with the approach agreed with regard to the IFoA's standards setting;
- iv. the separating out of the requirements on 'speaking up' into a stand-alone principle in order to emphasise their importance and improve clarity; and
- v. the removal of more prescriptive and process based wording to reflect that it is a principles-based Code of general application and the introduction of more detailed guidance (the Guidance) to accompany the Code and assist Members with compliance.

The questions posed in the Consultation Paper sought views on the above proposals, as well as alternative wording suggestions. Those responding to the consultation were also asked more generally for any comments or suggestions in relation to the revised Code or Guidance.

A summary of the key issues arising from the responses is set out in section 5 below.

¹ <https://www.actuaries.org.uk/upholding-standards/regulatory-communications-and-consultations/closed-consultations>

3. The Consultation Process

The consultation was published on 3 October 2017 and closed on 17 January 2018. Members and other interested parties were invited to comment on the proposals via an online Survey Monkey questionnaire (which was also available to download and submit via email or in hard copy), or by way of a written response to the IFoA.

Consultation meetings were held in London (on 30 October 2017) and in Edinburgh (on 7 November 2017). A number of additional regional society and other events also took place during the period of consultation, both in the UK and internationally. A video of the London consultation meeting can be viewed on the IFoA's website.²

² <https://www.actuaries.org.uk/upholding-standards/regulatory-communications-and-consultations/closed-consultations>

4. Results of the Consultation

In summary, a total of 103 responses were received: 89 were provided via the Survey Monkey questionnaire and a further 14 submissions were sent to the IFoA by email.

The names of those who responded to the consultation are included in Appendix 2. Those individuals/organisations that asked for their details to remain confidential are not included in the list.

The detailed responses to the consultation are set out in Appendix 3 (responses to the Survey Monkey questionnaire) and Appendix 4 (email responses). Where respondents asked for their feedback to be kept confidential, their comments have not been included in this document (although they have been considered by the Working Party). It should therefore be noted when reading Appendices 3 and 4 that they do not contain all of the comments provided in the consultation.

Feedback was also provided by attendees during the course of the consultation meetings held in London and Edinburgh, as well as via the various regional society and other events that took place during the period of consultation.

As the detailed comments show, there was a range of responses, with some respondents very supportive of the proposals, some supportive with caveats around the specific wording of the proposed Code and Guidance, and some with strong reservations about the proposed changes.

The feedback to the consultation demonstrates that there is overall support for the proposals. The findings show that:

- A majority of respondents (**75%**) agreed that the revised Code is an improvement on the current Code.
- A majority of respondents also considered that the revised Code enables Members to judge how to behave appropriately (**73%**).
- Respondents were generally supportive of the continuation of a principles-based approach, with **71%** indicating that they agreed that the proposal for a high-level, principles-based Code supplemented by detailed guidance is appropriate.
- A majority of respondents agreed with the proposal to introduce Guidance to accompany the Code (**69%**).

These statistics reflect the views of those that completed the Survey Monkey questionnaire and do not include the data from those that submitted separate responses by email. While the statistics are therefore not fully representative of all of the responses, the Working Party has considered the feedback in its entirety and is confident that the results are sufficiently representative of the responses to the consultation as a whole.

5. Summary of Responses and Working Party Feedback

A summary of the key issues arising from the responses to the consultation is set out below.

The Code

There were a number of positive comments about the revised Code. Some respondents said they considered it to be 'simpler' and 'more concise' than the existing Code and that the evolution to an even more principles-based Code was to be welcomed.

A handful of respondents said they felt the revised Code was no better or worse than the existing Code and there was therefore no need to change the status quo.

A range of views were expressed in relation to the appropriateness of a high-level principles based Code supplemented by detailed guidance. While the majority of respondents supported this approach, some said they would prefer to have a Code which did not rely on guidance to help with its interpretation and could be read and understood in isolation. A few respondents provided specific comments saying they felt there ought to be a specific reference to the Guidance within the Code itself.

A number of respondents said they considered the structure of the revised Code to be an improvement, with a few saying that the distinction between 'principles' and 'amplifications' was helpful. Others said they did not like the term 'amplifications' and would prefer 'examples' or similar to be used instead.

A number of respondents said they supported the introduction of the words 'must' and 'should', as these provided clarity as to what was required in relation to each principle and amplification. Some respondents said they felt these words were too 'legalistic', other that there were inconsistencies with their use, for example in relation to the 'Speaking Up' principle, which was drafted as a 'should' while some of its corresponding amplifications were a 'must'.

A majority of those responding to the consultation agreed that the revised Code was relevant and appropriate for Members working in non-traditional areas of practice. A number said they were in favour of the removal of any provisions that were too practice area specific and that they supported the attempts to ensure the Code applied equally to those working in non-traditional areas.

A majority of respondents also agreed that the revised Code was relevant and appropriate for Members working outside of the UK, with a number saying they supported the removal of the UK-specific references. There was some suggestion however, both from UK and non-UK respondents, that the Code might be more difficult to interpret in an international context and in situations where Members are working in parts of the world that might be politically and/or culturally different from the UK. Some suggested that more examples might be included in the Guidance to address this.

A majority of respondents agreed that the overall language of the revised Code was appropriate. Some respondents said they were concerned about the use of certain undefined terms within the Code, for example 'users' and 'work'. A few felt these ought to be defined in the Code or better explained in the Guidance. Some respondents said they felt that there was over-reliance on words such as 'reasonable' and 'appropriate'.

Working Party feedback

The Working Party discussed whether the Code itself ought to refer to the Guidance. It agreed that doing so would not be appropriate as the Guidance is non-mandatory and it is intended that the Code ought to be capable of being read in isolation; cross-referencing other sources would undermine that objective.

The Working Party discussed the feedback which suggested there were inconsistencies in the revised Code in relation to the use of the words 'must' and 'should'. It concluded that it was comfortable that the choice of wording continued to be appropriate to clarify Members' obligations in relation to each of the provisions in the revised Code and to provide consistency with the approach agreed with regard to the IFoA's standards setting.

In particular, it felt that using 'must' in relation to the headline Speaking Up principle would not allow Members the necessary flexibility in situations where speaking up might not be the right thing to do, and therefore it was appropriate to use 'should' instead, whilst maintaining 'must' for specific amplifications where appropriate.

In relation to the comments about the use of the word 'amplifications', the Working Party concluded that this remained the most appropriate way to describe the sub-paragraphs under the principles of the revised Code, as the word 'examples' might suggest that these were randomly selected examples of behaviours that would be required by the Code, rather than specific but non-exhaustive behaviours expected of Members.

The Working Party also agreed that it was comfortable with the use of the words 'reasonable' and 'appropriate', as these helped to capture the requirements of the revised Code in as concise a way as possible. Removing this wording would be impractical as it would require much lengthier explanations to be added to clarify the requirements, which would not be in keeping with the principles-based style of the Code.

The comments about the relevance and appropriateness of the revised Code for Members working outside of the UK were discussed by the Working Party at length. It concluded that while the revised Code was of general application and ought to be capable of being applied by all Members regardless of their practice area or location, more could be done to ensure that the Guidance was relevant and helpful for Members working outside of the UK. The IFoA is therefore working with volunteers based outside of the UK to help develop further examples for the Guidance that will have particular relevance in an international context.

The Working Party acknowledged that the introduction of the word 'user' was likely to bring with it certain challenges. It agreed however that this needed to be balanced against the criticism from some that the existing Code focusses too much on the UK and traditional areas of practice and the term 'clients'. In response to feedback that the words 'work' and 'user' ought to be defined within the revised Code, the Working Party agreed that it would not be desirable to include within the Code a list of definitions as it was intended that these words ought to be given their natural meaning and used broadly. Additional material has however been added to the Guidance indicating the different types of 'user' that might be relevant in the context of the revised Code.

Scope

A majority of respondents agreed that the Code's Scope sets out clearly when the revised Code applies, and that the Scope of the revised Code is appropriate.

There were some comments on the change from 'conduct in their work as actuaries' to 'conduct in an actuarial role'. A few respondents said they felt that 'actuarial role' was vague or ambiguous and that it ought to be defined within the Code. Some alternatives were put forward, including 'actuarial work' and 'work in a professional context'.

The majority of comments about the Scope of the Code related to the change to the wording in relation to Members' 'other conduct'. Some respondents said it was not clear what would be classed as 'other conduct' and that further examples ought to be included in the Guidance to help Members determine this. A few respondents said they felt the Scope of the Code was too wide and extended too far into Members' personal lives.

Working Party feedback

The Working Party was not persuaded by the feedback from some respondents that the scope of the Code ought to be restricted to Members' professional lives. It remained of the view that it was fundamental to being a professional that individuals are held to high standards of behaviour and that if a Member's conduct has potential implications for the actuarial profession as a whole, it should not matter that the conduct relates to an activity which has taken place outside a Member's actuarial working life. This is consistent with the approach of most other professions and the scope of the existing Code.

The Working Party noted that the comments about the scope of Code straying too far into Members' personal lives could apply equally to the existing Code and were not particular to the proposed changes.

The Working Party considered the various suggestions provided by respondents for alternatives to the phrase 'actuarial role'. It did not consider however that any of the suggestions put forward offered a workable alternative which appropriately captured the distinction between a Member's conduct in their 'actuarial role' and their 'other conduct'. The term 'actuarial role' has therefore been retained in the final version of the revised Code. However, more explanation and examples have been added to the Guidance.

The principles

Respondents were asked whether each of the principles under the revised Code was an improvement on those in the current Code. For each of the principles, a majority of respondents agreed that the changes were an improvement.

A number of detailed comments and suggestions were submitted in relation to the specific provisions of the revised Code, all of which were taken into account by the Working Party during the course of its deliberations.

Some respondents suggested that the removal of some of the more detailed provisions might make it more difficult for Members to understand their responsibilities under the revised Code, for example the requirement to agree the basis of remuneration. A few suggested this would be particularly problematic for junior or less experienced Members. A handful of respondents said

that while the reasoning behind the removal of certain provisions was understandable, the concern was that it might send the message that these requirements were no longer important.

A range of comments were provided in relation to the introduction of the requirement to disclose convictions in line with the Disciplinary and Capacity for Membership Schemes. Some respondents said this was an important addition to the Code as many Members were unaware of this duty to report. Others said they felt the explicit reference to specific sections of the Schemes was a departure from the style of the rest of the Code and ought to be either included in the Guidance or be drawn to Members' attention in alternative ways.

Some respondents said that the new amplification which referred to the IFoA's CPD requirements was also at odds with a principles-based Code.

A majority of respondents agreed with the inclusion of a stand-alone Speaking Up principle, with a few commenting that this was due to the importance of speaking up. Others said they felt a separate principle was not required and that the requirements should remain under the Compliance principle.

Working Party feedback

The Working Party considered each of the detailed comments and suggestions put forward by respondents before finalising the revised Code. Where the Working Party determined that it was not appropriate for a proposed change to be incorporated into the Code itself, it looked at whether the suggestion might instead be dealt with within the Guidance. As a result of this exercise, a number of changes have been made to both the revised Code (Appendix 1) and the proposed Guidance.

The Working Party spent a considerable amount of time discussing the feedback about the removal of the more process-based provisions in the existing Code. It agreed there was a balance to be struck between streamlining the Code to make it more principles-based and ensuring that it was capable of being read and understood in isolation.

The Working Party looked again at each of the provisions that had been removed from the Code to determine whether any ought to be re-introduced. The Working Party concluded that the removal of the more process-based provisions did not impact the fundamental requirements of the revised Code but would make it easier for Members to relate to the basic principles they were expected to comply with. It also decided that, on balance, it continued to be appropriate for the provisions that had been removed from the Code to be included in the Guidance as examples of how the requirements of the revised Code might be complied with in particular situations.

The Working Party does not believe that the removal of the more detailed provisions will make it more difficult for less experienced Members to understand their responsibilities under the revised Code. Where Members facing particular issues feel they require further support, they will be able to refer to the accompanying Guidance which provides more detailed information about complying with each of the principles.

The Working Party gave careful consideration to the feedback that the explicit reference to specific sections of the Disciplinary and Capacity for Membership Schemes in amplification 4.2 presented a departure from the more principles-based style contained in the rest of the Code. It acknowledged that while the style of 4.2 was different to the other amplifications,

replacing the reference to the specific sections of the Schemes with more general wording had significant potential to introduce uncertainty for Members about what exactly required to be disclosed. It decided therefore to retain the existing wording.

The Working Party also acknowledged that the requirements of amplification 2.2 (compliance with the IFoA's CPD requirements) were a departure from the principles-based style of the rest the Code. It concluded however that the need to ensure clarity in relation to what is expected of Members in terms of competence and ongoing development provided justification for referencing the IFoA's CPD requirements.

The Guidance

A significant number of consultation comments were directed at the proposed introduction of the accompanying Guidance. Overall, there was support for this proposal, with 69% of respondents indicating that they agreed that guidance should be introduced.

A number of respondents expressed concerns about the proposal, with the majority of comments focussing on the length of the Guidance and its status.

Some of the comments in relation to the proposed Guidance were as follows:

- There was no need for additional guidance as the Code ought to be capable of being read and understood in isolation.
- The Code ought to make reference to the Guidance.
- The Guidance appeared to impose additional obligations upon members over and above those set out in the Code (where the words 'must' and 'should' were used).
- The Guidance ought to include more information and examples relevant to those working in wider fields or outside of the UK.
- The Guidance was too long and that as a result members might choose not to read it.
- The Guidance ought to be presented in a way that was more user-friendly, with better signposting and formatting to make it easier to navigate.

A number of specific drafting suggestions were provided and these were considered by the Working Party.

Working Party feedback

The Working Party discussed whether there continued to be a good basis for introducing guidance to accompany the revised Code. It concluded that, on the basis of the consultation feedback, there was clear support for more general guidance to help Members apply the revised Code.

The Working Party considered the feedback from some respondents which questioned the status of the Guidance and whether the use of the words 'must' and 'should' had the effect of introducing new obligations upon Members over and above those set out in the Code. It concluded that it was comfortable that the status of the Guidance was clearly set out in its introduction, which explained that it was non-mandatory guidance which imposed no obligations upon Members over and above those set out in the Code or the IFoA's Actuarial Profession Standards. The Working Party noted that this was no different than the status of any other IFoA guidance.

The Working Party decided however that in light of the consultation feedback, the words 'must' and 'should' ought to be largely removed from the Guidance, to avoid any potential uncertainty about their meaning in the context of non-mandatory guidance. Exceptions have been made in a few sections of the Guidance where it is clear from the context of the information being provided that the use of the word 'should' does not introduce any obligations over and above those set out in the Code.

A number of detailed comments and drafting suggestions were provided in relation to the Guidance. When considering these, the Working Party was particularly mindful of balancing any requests for additional guidance with the feedback from some respondents that the Guidance was already too long and ought to be cut down. As a result, additions have only been made to the Guidance where the Working Party felt they were truly necessary and likely to be of particular help to Members.

The feedback about the length of the Guidance has also been addressed by removing the more detailed material on conflicts of interest. This will remain available as a stand-alone piece of guidance rather than including it in the core guidance on the Code.

The Working Party gave considerable thought to how the Guidance ought to be presented to ensure that it is as user-friendly and easy to navigate as possible. Its proposals in relation to the presentation of the Guidance are set out in section 6, below.

6. Conclusion and Final Proposals

The Working Party considered all of the comments and suggestions provided during the consultation process and finalised its proposals in light of that feedback. There were a significant number of detailed comments for the Working Party to work through, and a wide range of views expressed, some of which were in direct contradiction. In determining whether any changes ought to be made to the proposals, the Working Party considered not only the percentage of the respondents in favour of or opposed to the changes but also each of the suggestions for alternative wording or additional material for the Code and/or Guidance.

The Working Party concluded, in light of the feedback, that there is a firm basis on which to proceed with the majority of the proposed changes to the Code and the proposal to introduce accompanying Guidance.

It decided however that there were a number of changes that could be made to the proposed Code and Guidance to reflect some of the concerns and issues flagged up in the consultation responses, for example, changing the wording of certain provisions where the feedback suggested they were unclear or including further material on certain topics and key terms within the Guidance.

Where the Working Party was persuaded that respondents' suggestions were helpful and appropriate alternatives to the proposals put forward, those changes were adopted. Not all of the suggestions put forward have been adopted however, particularly where the Working Party considered that a suggestion undermined the objectives of the Code or did not present a practical or workable alternative to the existing proposals.

The changes that have been made do not alter the substantive requirements of the revised Code but are intended to make it clearer, more concise and relevant to all Members.

The Working Party's final proposals for the Code are set out below. The recommendations have been approved by the IFoA's Regulation Board.

The impact of the proposals on Members and employers of actuaries was specifically considered by the Working Party. Respondents were asked in the consultation whether they anticipated that there would be any practical or resource implications caused by the introduction of these proposals. The relatively small number of comments received in response to this specific question suggests that, in general, respondents were not overly concerned that the changes being made to the Code or the introduction of accompanying Guidance were likely to cause any significant practical or resourcing issues.

Summary of changes:

The Code

The final revised Code is included as Appendix 1 to this paper.

A summary of the further changes to the revised Code are set out below:

- **Amplification 2.2:**

The phrase '*in a manner appropriate for their role*' has been introduced to reflect that the amount and type of education and training required in order for Members to continue developing their knowledge and skill will vary depending on each Members' particular role and experience. Retired Members who are not carrying out actuarial work for example may have minimal training requirements.

- **Amplification 4.2:**

Amplification 4.2 has been updated to reflect the recent introduction of the IFoA's Disciplinary and Capacity for Membership Schemes and to ensure the references and updated numbering in the new Schemes is reflected in the Code.

- **Amplification 5.2:**

In relation to the requirement for Members to report matters to the IFoA, the term '*without delay*' has been changed to '*as soon as reasonably possible*' to better reflect that in certain circumstances there may be justification for delaying making a report to the IFoA.

A reference to the IFoA's Disciplinary and Capacity for Membership Schemes has also been introduced to make it clear that the term 'misconduct' relates to 'Misconduct' as defined for the purposes of those Schemes.

- **Amplification 6.4:**

The reference to 'adverse' impact has been removed and replaced with a requirement for Members to alert the user where the user has misunderstood or misinterpreted advice provided by the Member in a way which could have a 'material' impact.

The requirement has also been broadened to include 'information' provided by the Member (in addition to advice). This change has been made in response to feedback that limiting the amplification to 'advice' might narrow the scope of the requirement in a way that the Working Party did not intend.

Guidance

The feedback from the consultation demonstrates that there is a firm basis on which to proceed with the proposal to introduce accompanying Guidance.

The Working Party received a number of comments and detailed drafting suggestions in relation to the Guidance, which are summarised in section 5, above. The Working Party gave careful consideration to these comments and has made a number of changes to the Guidance in light of the feedback.

The changes can be summarised as follows:

- The more detailed conflicts of interest guidance has been removed in response to feedback that it ought to be kept separate from the core guidance on the Code.
- The words 'must' and 'should' have, where appropriate, been removed from the Guidance in response to feedback that they could be perceived as imposing additional obligations upon members over and above those set out in the Code.
- Additional material has been included in the Guidance to:
 - provide further examples of how the Code applies to Members' 'other conduct' outside of their actuarial professional lives;
 - provide examples of the different types of 'user' that might be relevant in the context of the revised Code;
 - reflect the recent introduction of the Disciplinary and Capacity for Membership Schemes;
 - discuss the requirement to show 'respect' for others;
 - demonstrate how the requirements under the Competence and Care principle might be interpreted by less experienced Members;
 - explain why the Speaking Up principle has been drafted as a 'should' rather than a 'must';
 - explain steps Members might take to understand a user's needs; and
 - other minor drafting and format changes to introduce further clarity for Members.
- Corrections have been made to a few typographical errors in the Guidance.

The Working Party gave considerable thought to the timing of the publication of the Guidance and in particular whether it was likely that any further changes might need to be made to it in advance of the revised Code coming into force.

It was particularly mindful that a number of publications within the IFoA's framework of standards and guidance draw heavily on the provisions of the Code. As a result of the changes being made to the Code, a full review of these publications will need to be carried out in advance of the revised Code coming into force.

The Working Party is keen to ensure that the final published Guidance takes into account any relevant changes that are made to the IFoA's standards and guidance as a result of this review, in particular any changes that might be made to the IFoA's guidance on Conflicts of Interest which is scheduled for a substantive review in the latter part of 2018.

It has determined that it is appropriate in the circumstances to await the IFoA's review of its full suite of standards and guidance before publishing the final version of the Guidance. That will allow any further adjustments to be made in light of that review and also allow full review of the Guidance on matters such as conflicts of interest (which was not reviewed as part of the Code review).

The Guidance will come into force on the same date as the revised Code (18 May 2019), however a final version of the Guidance will be published by early Spring 2019 to allow Members an opportunity to familiarise themselves with the material and ask any questions they may have in advance of it taking effect. The Guidance will also be published with a further feedback document explaining the changes that have been made following the IFoA's review of its standards and guidance.

The Working Party considered whether delaying the publication of the final version of the Guidance was likely to have any impact on the publication of the revised Code. It concluded that it would not be appropriate to delay the publication of the revised Code as (i) Members ought to be provided with as much time as possible to familiarise themselves with the revised Code and the changes that have been made and delaying its publication would hinder this, (ii) it was sensible for the revised Code to be published before the review of the IFoA's suite of standards and guidance is carried out, and (iii) in any case, as the revised Code is intended to be capable of being read and understood in isolation, there should be no reason to delay its publication.

During its deliberations, the Working Party also gave considerable thought to the format and presentation of the Guidance, in light of feedback from some respondents that what was being proposed was too long and as a result Members might choose not to read it.

The Working Party agreed that it is important the Guidance be presented in a way that is user-friendly and easy to navigate, to ensure it is read by as many Members as possible. In order to achieve this aim, the Guidance will be made available to Members primarily as a digital resource on the IFoA's website.

The IFoA is therefore developing a series of webpages to accompany the revised Code, which will provide Members with the option of accessing the Guidance as a single document, or as separate pieces of guidance which link to the individual principles within the Code. The Code webpages will also provide Members with access to other guidance or resource material produced by the IFoA from time to time which deal with particular topics of interest (for example, materials used for professional skills training which provide examples of particular scenarios which might relate to the application of specific provisions within the Code).

You can view the webpages for the revised Code on our [website](#). The pages, which are still under development, will be finalised to coincide with the revised Code coming into force.

7. Next Steps

Implementation of Code

A period of implementation will be allowed before the revised Code comes into force, to allow any necessary changes to be made to the standards, guidance and other documents published by the IFoA which draw heavily on the Code.

The revised Code, and its accompanying Guidance, will come into force on 18 May 2019.

Publication of Guidance

The final version of the Guidance will be published by early Spring 2019.

Training and education

A programme of events is being developed to take place over the coming months, which will take into account the need for communication, training and education in relation to the revised Code. Training and education activities will continue once the revised Code comes into force.

Details of these communication and training events are being advertised, and will continue to be advertised throughout the period of implementation via the IFoA's website and various newsletters.

You can also find out more by contacting a member of the [Regulation Team](#).



Institute
and Faculty
of Actuaries

Appendix 1, Final Version of
Revised Code

The Actuaries' Code

NOT YET IN FORCE

v.3.0
Published: 18 May 2018
Effective: 18 May 2019

INSTITUTE AND FACULTY OF ACTUARIES

THE ACTUARIES' CODE

Application	The Code applies to all Members of the Institute and Faculty of Actuaries in all locations.
Scope	<p>The Code applies at all times to all Members' conduct in relation to an actuarial role.</p> <p>The Code also applies to all Members' other conduct <i>if</i> that conduct could reasonably be considered to reflect upon the profession.</p>
Status and Purpose	<p>The Code aims to build and promote confidence in the work of actuaries and in the actuarial profession.</p> <p>The Code includes six principles (shown in italics) which Members must observe to support the profession in acting in the public interest.</p> <p>Those six principles are supported by amplifications (not in italics) that clarify specific requirements of the principles for some particular issues.</p> <p>The principles and amplifications, together, form the Code and Members must comply with both the principles and the amplifications.</p> <p>The Code uses the word "must" to mean a specific mandatory requirement. In contrast, the Code uses the word "should" to indicate that, while the presumption is that Members comply with the provision in question, it is recognised that there will be some circumstances in which Members are able to justify non-compliance.</p> <p>Nothing in the Code is intended to require Members to act in breach of legal requirements. Where relevant legal requirements conflict with the Code, Members must comply with those legal requirements.</p>

THE PRINCIPLES

Integrity

1. *Members must act honestly and with integrity.*
- 1.1 Members must show respect for others in the way they conduct themselves.
- 1.2 Members should respect confidentiality.

Competence and Care

2. *Members must carry out work competently and with care.*
- 2.1 Members must ensure they have an appropriate level of relevant knowledge and skill to carry out a piece of work.
- 2.2 Members must continue to develop their knowledge and skills in a manner appropriate for their role and comply with the Institute and Faculty of Actuaries' Continuing Professional Development (CPD) requirements.
- 2.3 Members must ensure their work is appropriate to the needs and, where applicable, instructions of user(s).
- 2.4 Members must consider whether input from other professionals or specialists is necessary to assure the relevance and quality of work and, where necessary, either seek it themselves or advise the user to do so, as appropriate.

Impartiality

3. *Members must ensure that their professional judgement is not compromised, and cannot reasonably be seen to be compromised, by bias, conflict of interest, or the undue influence of others.*
- 3.1 Members must take reasonable steps to ensure that they are aware of any relevant interests that might create a conflict.
- 3.2 Members must not act where there is an unreconciled conflict of interest.

Compliance

4. *Members must comply with all relevant legal, regulatory and professional requirements.*
- 4.1 Members must take reasonable steps to ensure they are not placed in a position where they are unable to comply.
- 4.2 Members must, as soon as reasonably possible, disclose to the Institute and Faculty of Actuaries any conviction, adverse finding, judgement or determination or disqualification of the type referred to in rules 4.8 to 4.11 of the Disciplinary and Capacity for Membership Schemes of the Institute and Faculty of Actuaries to which they are subject.

Speaking up

5. *Members should speak up if they believe, or have reasonable cause to believe, that a course of action is unethical or is unlawful.*
- 5.1 Members should challenge others on their non-compliance with relevant legal, regulatory and professional requirements.
- 5.2 Members must report to the Institute and Faculty of Actuaries, as soon as reasonably possible, any matter which appears to constitute Misconduct for the purposes of the Disciplinary and Capacity for Membership Schemes of the Institute and Faculty of Actuaries and/or a material breach of any relevant legal, regulatory or professional requirements by one of its Members.
- 5.3 In addition to complying with any legal requirements to report matters to relevant regulators or other authorities, Members should also report to those bodies any behaviour that they have reasonable cause to believe is unethical or unlawful, and carries significant risk of materially affecting outcomes.
- 5.4 Members must take reasonable steps to ensure users are aware of any substantial issues with a piece of work for which they are responsible or in which they have had significant involvement, if those issues might reasonably influence the decision-making or judgement of users.

Communication

6. *Members must communicate appropriately.*
- 6.1 Members must communicate in a timely manner, clearly, and in a way that takes into account the users.
- 6.2 Members must show clearly that they take responsibility for their work when communicating with users.
- 6.3 Members must take reasonable steps to ensure that any communication for which they are responsible or in which they have a significant involvement is accurate, not misleading, and contains an appropriate level of information.
- 6.4 Where Members identify that a user of their work has, or is reasonably likely to have, misunderstood or misinterpreted the information or advice provided by them in a way which could have a material impact, Members should draw the user's attention to this.

Appendix 2, List of Respondents to the Consultation³

Individual Respondents

Samuel Achord
Chris Barnard
John Brogan
Frank Buck
Simon Carne
Andrew Chamberlain
Philip Coomber
Roopesh Davda
Julian Ellacott
David Ford
Nick Foster
David Gordon
Zafar Halim

Jonathan Harvey
Paul Housego
Jan Iwanik
Samuel Jackman
Steve Jones
Timothy Lancaster
Nick Leale
Julian Leigh
Thomas D Levy
Trevor Llanwarne
Bruce Macdonald
Barry Mack
David Martin

Nicholas Nghidipaa
Richard Nobbs
Sean Ó Cathain
Mamata Pandey
Paul Rhodes
Keith Tomkins
Tony Jeffery
Anthony John Toole
Stanley Vyner
Neil Walton
Chris Wragg

Organisations which responded

Aon Hewitt
Association of Consulting Actuaries
Association of Professional Pension Trustees
Blake Morgan LLP
Deloitte
First Actuarial LLP
Government Actuary's Department
Hymans Robertson LLP
JLT Benefit Solutions Limited

Lane Clark & Peacock LLP
Mercer Ltd
Pension Protection Fund
Pensions Management Institute
The Law Debenture Pension Trust Corporation plc.
The Pensions Regulator
The Society of Pensions Professionals
Willis Towers Watson

Other

Actuaries Rock

³ Where respondents indicated that they wanted their name to remain confidential, their name has not been included in this Appendix.

Appendix 3, Responses to the Survey Monkey Questionnaire

The following is a breakdown of the responses provided using the Survey Monkey questionnaire. Where respondents requested that their feedback be kept confidential, their comments have not been included in this Appendix (although they have been considered by the Working Party).

Q1: Personal Information

Answer Choices	Percent	Response Count
Name	87	77
Position	75	67

Q2: Region

Answer Choices	Percent	Response Count
UK	76	68
Republic of Ireland	1	1
Rest of Europe	9	8
South Africa	1	1
Africa – other	0	0
South East Asia	0	0
Hong Kong	1	1
China	0	0
India	2	2
Asia – other	2	2
Canada	1	1
USA	1	1
South or Central America	0	0
Oceania - other	1	1
<i>Answered Questions</i>	100	89
<i>Skipped Questions</i>	0	0

Q3: Are you a Member of the IFoA?

Answer Choices	Percent	Response Count
Yes	92	82
No	8	7
<i>Answered Question</i>	100	89
<i>Skipped Questions</i>	0	0

Q4: If yes, which category of membership do you hold?

Answer Choices	Percent	Response Count
Affiliate	0	0
Associate	2	2
Certified Actuarial Analyst	0	0
Fellow	74	66
Honorary Fellow	0	0
Retired	0	0
Student	11	10
Student Actuarial Analyst	0	0
<i>Answered Question</i>	86	78
<i>Skipped Question</i>	11	12

Q5: If you are an actuary, what is your main practice area? (Answer one option only)

Answer Choices	Percent	Response Count
Life Assurance	27	24
General Insurance	20	18
Pensions	27	24
Finance and Investment	3	3
Enterprise Risk Management	2	2
Health and Care	0	0
Resource and Environment	0	0
Other (please specify)	7	6
<i>Answered Question</i>	88	78
<i>Skipped Question</i>	12	11

Other (please specify)

- Joint response from Pensions, General Insurance and Life Assurance
- Financial Technology (virtual currencies)
- Professional Independent Pension Trustee
- M&A/ Investment for LP

Q6: Do you want your name to remain confidential?

Answer Choices	Percent	Response Count
Yes	51	45
No	49	44
Answered Question	100	89
Skipped Question	0	0

Q7: Do you want your comments to remain confidential?

Answer Choices	Percent	Response Count
Yes	36	32
No	64	57
Answered Question	100	89
Skipped Question	0	0

Q8: About your organisation (if applicable)

Answer Choices	Percent	Response Count
Name	74	66

Q9: Type of organisation (Answer one option only)

Answer Choices	Percent	Response Count
Actuarial consultancy	27	32
Insurance company or reinsurer	20	28
Bank or Building Society	27	0
Investment Firm	3	2
Public body or Regulator	2	6
Educational Establishment	0	1
Not applicable	0	0
Other	7	11
<i>Answered Question</i>	90	80
<i>Skipped Question</i>	10	9

Q10: How many IFoA Members (if any) does your organisation employ?

Answer Choices	Percent	Response Count
None	9	8
2 – 10	17	15
11 – 50	11	10
51 – 100	9	8
100 +	27	24
Sole Practitioner	3	3
Don't know	6	5
Not applicable	0	0
<i>Answered Question</i>	82	73
<i>Skipped Question</i>	18	16

Q11: Do you want the name of your organisation to remain confidential?

Answer Choices	Percent	Response Count
Yes	62	49
No	38	30
Not applicable	11	10
<i>Answered Question</i>	100	89
<i>Skipped Question</i>	0	0

Q12: Do these comments represent your own personal views or your organisation's views?

Answer Choices	Percent	Response Count
Personal views	81	72
Organisation's view	16	14
Both	3	3
<i>Answered Question</i>	100	89
<i>Skipped Question</i>	0	0

Q13: Overall, do you agree that the revised Code is an improvement on the current Code?

Answer Choices	Percent	Response Count
Yes	75	60
No	25	20
<i>Answered Question</i>		80
<i>Skipped Question</i>		9

Y/N Comments

- Yes It is succinct, improved clarity and of broad application.
- Yes Yes, we would agree that the Code itself is an improvement apart from a few areas highlighted elsewhere in the response.
- Yes We note that we were broadly content with the approach and content of the current version of the Code. Notwithstanding the particular observations that follow we think that the revised Code is an admirable attempt to condense some basic principles into a short, clear and digestible form.
- Yes Some of the principles are now made clearer (and are augmented both by amplifications in the Code and by the Guide), and it is also made clearer which principles are absolutely mandatory and which might be departed from in some circumstances. However it seems that the Code needs to be read in conjunction with the Guide, so that it is no longer a standalone document, and we do not agree with this approach. There are some areas where it is necessary to refer to the Guide to understand what a principle or amplification in the Code means (for example the Code does not define 'actuarial role' and a Member is expected to read the Guide in order to determine whether they are carrying out an actuarial role) – this should not be the case for a standalone Code.

- Yes More concise & the structure of a code + amplifications is good. However I have various concerns noted below.
- Yes The Code is much clearer.
- Yes The Actuaries' Code is a cornerstone that underpins the profession's work. It is important to review the Code from time to time to ensure that it remains fit for purpose in our evolving profession. We agree that the new Code is an improvement on the current Code, and welcome the simplifications made to the language and Principles. The Guide to the Code is a welcome new addition which will provide valuable additional support to Members.
- Yes The changes to the code provide greater clarity to members. The exception is section 5 and 6 where we believe some wording changes should be made for clarification. Detail is provided later in the response.
- Yes The structure of the Code is clearer, and it is useful to have 'Speaking Up' as a principle of its own. Some members of our firm had a profound reservation about the proposed Code requiring Members to show 'respect' outside of a professional context. Showing 'respect', depending on how this term is interpreted, might represent too much of an incursion into Members' private lives. We discuss this in our response to question 23.
- Yes We welcome the simplification of the Code itself. However, the Guide would be more useful in hard copy if it was shorter and it might be possible to edit it, to achieve this.
- Yes The cleaner, shorter Code is an improvement overall.
- No We are not sure that the changes improve the Code. It is not clear that the Code was in need of improvement or that any of the proposed changes are being made to correct current or potential failings in the Code. We are generally supportive of any simplification in the Code itself (though we have concerns that some of the clauses removed may have unintended consequences). Our primary concern is that the proposal is to move from a short and accessible Code to one which now requires Members to read over 40 pages including the Guide. In short, it is no longer accessible. Whilst there is an intention that the Guide does not form part of the Code, the reality is that Members will be judged relative to the Guide. As noted above, we have concerns over the removal of some clauses on the grounds that they are an amplification of the headline principle. The removal of these, though, can have the effect that readers believe that the removed clause has somehow led to a relaxation in that specific area.
- No We don't see it as being 'worse' than the current Code – just not discernibly better. (This is also the case for many subsequent questions where we have similarly put 'no'.) Although the Code has been shortened, we are not convinced that it is actually more 'principles-based'. Some of the wording is very prescriptive and seems more legalistic than currently – we would say it comes across more as a collection of high-level rules.
- Yes The wording in some areas has improved and it is a little less focused on the traditional actuarial consulting and company financial reporting environment.
- Yes We believe that the move to a principles-based code avoids an overly prescriptive approach.

- No We believe that providing greater clarity through the distinction between principles and amplifications is a significant improvement. The removal of the more prescriptive elements of the old Code is also more consistent with the concept of a principles-based Code.
- No It is not necessarily worse than the existing code but, whilst there have been a number of improvements, there have been a similar number of new problems introduced.
- Yes It is shorter, less complex and more to the point.
- Yes We note that we were broadly content with the approach and content of the current version of the Code. Notwithstanding the particular observations that follow we think that the revised Code is an admirable attempt to condense some basic principles into a short, clear and digestible form.
- Yes I like the use of must and should on principle.
- Yes It is much clearer.
- Yes I think the addition of the speaking up principle is an important positive development.
- Yes Clarifies many areas with the more straightforward use of language.
- Yes The improvement in the clarity of the wording.
- Yes More elaborate.
- No Not sure that the changes are necessary for UK members. May be worth it for overseas members.
- Yes The shorter length of the amplifications compared to some of the paragraphs in the previous code make the document more accessible.
- Yes Making it principle-based and relevant for universal application are definite improvements.
- No I think the current Code is clear.
- No It lacks proportionality and is not self-contained.
- Yes It is in clearer English, shorter and principles based.
- No The code applies only to Actuaries and not the people that work at the IFoA.
- Yes The revisions keep the Code up to date and reflect changes in the market in which actuaries operate.
- Yes Shorter and slightly clearer.
- Yes Wording and organisation are somewhat clearer. (This is a marginal yes/no decision. The improvements just win over the disadvantages.)
- Yes Clearer.

- No Sadly I think the new Code has some significant issues with it, and although I support the general thrust, it has confused specific with general, and has failed to think through some important points which the current Code covers.
- No First, let's point out that people loose respect for laws which change too frequently. This Actuaries' Code is the third change to professional standards in the last few years.
- No The Code is only slightly different from the exiting code. However the proposed Guide is nonsense. It cannot require a 48 page document to explain 2 sides of A4 paper.
- No I don't see particular benefit in the new code, although I don't have a strong objection to it.
- Yes Clearer - due to simplified wording, the introduction of a specific Principle on Specific Up and The Guide.
- Yes It is succinct, improved clarity and of broad application.
- Yes It is succinct and of general application.
- Yes Its improved clarity and succinctness.
- No The attempt at simplification is to be encouraged, but the wording now leaves some of the requirements unreasonably broad. "Members must communicate appropriately" means members must communicate appropriately at all times in relation to an actuarial role, or at all times that could reasonably be considered to reflect on the profession. This standard is absolutely impossible to uphold. The president of the Institute would contravene it daily (inadvertently, of course). "Members should speak up if they believe, or have reasonable cause to believe, that a course of action is unethical or is unlawful." "A course of action" can be almost anything. Why should the standard for actuaries be broader than for lawyers, doctors, accountants? This would require me to speak up if I thought an action by a doctor might be unethical, even if the medical profession disagreed with me. Section 5.1 would require me to challenge a policeman, if I thought he was being unprofessional. When did this become a requirement for an actuary?
- Yes Clearer.
- Yes Clearer, simpler.
- Yes Simpler.

Q14: Overall, do you agree that the revised Code enables Members to judge how to behave appropriately?

Answer Choices	Percent	Response Count
Yes	73	58
No	27	22
<i>Answered Question</i>		80
<i>Skipped Question</i>		9

Y/N Comments

- Yes Yes, subject to certain clarifications that can be addressed via revised guidance or clearer definitions.
- No Other than in the whistle-blowing and speaking up areas we were not aware that the current version of the Code presented difficulties in this respect. There has to be a danger that the proposed shortened version of the Code is insufficient on its own.
- Yes Members can refer to the Guide if the Code itself does not give the full information, and the Code now clarifies the expectations for Members in their wider lives. However as noted above this does entail reference to the detailed Guide and the status of the Guide is not clear.
- No I am concerned that (1) the new code appears to create an obligation to other than the intended users; (2) the new code does not address adequately situations where the actuary is hired as an advocate; (3) the new code may require speaking up when there has been a resolution of the issue; (4) the new code may require speaking up when doing so would harm an innocent third party.
- No Many areas are helpful, but I am unclear on 1.1, 2.1 & 3 (see responses below).
- Yes Yes we believe that the principles-based approach clearly outlines the behaviours expected by Members, in the interest of ensuring that appropriate standards are met and promoting confidence in the work undertaken by Members. As mentioned above, the Guide will provide valuable support to Members to allow them to understand and apply the principles effectively and consistently.
- Yes Overall the changes help to clarify member's responsibilities and how to conduct themselves.
- Yes But (if the Guide is removed) only if the Code is expanded slightly to make its requirements sufficiently clear as a standalone document. For example, to briefly define "work" and "actuarial role".
- Yes In the most part we agree that the Code, in conjunction with the Guide, will enable actuaries to decide how to behave appropriately. The six principles in the Code are a

sensible way of categorising the various aspects of professional conduct, and indeed there is much overlap between these principles and the PPF's own behavioural values.

- Yes Although this is already broadly the case with the current version.
- Yes Overall, yes. We do have some concern that the speaking up principle, together with the application of the code to 'other conduct', could leave Members open to the accusation, with hindsight, of failure to speak up about matters that were reasonably beyond the ambit of a professional code of practice.
- Yes Yes, but so does the current Code. However, the removal of some clauses may muddy the waters. For instance, the current requirement in 1.3 serves as a useful reminder for Members to take care in promoting their businesses and may help actuaries with leverage in such discussions with their marketing departments. Without this requirement being clearly stated, this leverage will be lost.
- No Members of the Profession can generally be expected to be able to make appropriate judgements regarding behaviour without needing more than a brief, succinct Code (with few prescriptive provisions).
- No It hasn't instantaneously increased the average moral standards of the individuals constituting the Profession but has granted additional powers to the Actuarial Thought Police to have jurisdiction over matters not directly linked to membership of the profession.
- Yes The combination of a Code and a Guide provides clear guidance for members.
- Yes There is now more scope for members to exercise professional judgement.
- No The code and its supporting documentation appear to be primarily to give a framework for disciplining actuaries after the fact rather than giving guidance beforehand. Some of the language is overly broad and open to interpretation (e.g. users, must vs should etc) and other sections appear to require perfect foresight to be met e.g. in 2.3 the needs of the user are not always known or predictable before the work has been completed.
- Yes It is clear and complete.
- No Other than in the whistle-blowing and speaking up areas we were not aware that the current version of the Code presented difficulties in this respect. There has to be a danger that the proposed shortened version of the Code is insufficient on its own.
- No I think that the reduction in length has gone too far and thus some clarity has been lost.
- Yes However I have a significant reservation.
- Yes The code sets out the appropriate principles and, without being prescriptive, leaves it to the members to think about how to apply them in their daily work
- No No. The Code only says Members should behave "appropriately" (4 times) but not how. The Guide is of some assistance here, but perhaps "appropriate" and "reasonable" should be defined in the preamble (at least in a high level principles-based way).

- Yes Broadly speaking, yes, although there will still be difficult situations where fine judgments need to be made.
- Yes Actuarial code guide.
- No Scope is too wide.
- Yes More clarity through selective use of `must' and `should'.
- No Whilst it appears that it enables Members to judge how to behave, I question a 52 page proposal guide. This appears overkill on something that is principles based.
- Yes If, by "appropriately", the rules are clear, then yes. But it will create all sorts of unnecessarily dilemmas.
- Yes It would be helpful to consider whether a preamble, such as in the Architects Code, would be helpful.
- No If members of the IFoA staff do not have a code there is no need to have one for Actuaries either.
- No With the exception of whistleblowing why would confidentiality be optional? More importantly why is whistleblowing optional?
- Yes But I would have answered "yes" to the same question about the old code. Personally, I do not really believe that professional people should need a code to let them know how to behave, but there are a small number of rules that might be otherwise.
- Yes As it did before.
- No Specific areas lead to a confusion as to the correct conduct by relying on the Guide - which I disagree with in principle - the Code must be capable of interpretation without the Guide.
- No The "speaking up" principle is not clear.
- No Principle 4 of the Code means that everything in the Guide becomes mandatory. The guide has been written in a way that is contrary to TAS 100, it obscures points by containing too much.
- Yes See above.
- No It is impossible to comply with this code. There is no real limitation to my professional life, or the limitation is too vague to be practical "members must communicate appropriately". Water cooler chats are now governed by the IFoA?
- Yes More explicit.

Q15: Overall, do you consider that the revised Code is relevant and appropriate for Members working in non-traditional areas of practice?

Answer Choices	Percent	Response Count
Yes	61	46
No	13	10
Don't know	26	20
<i>Answered Question</i>		76
<i>Skipped Question</i>		13

Y/N Comments

- Yes The Code now encompasses those wider areas and makes clear that members carrying out 'work in an actuarial role' in those areas are subject to the Code. However it would have been helpful for the Guide to include examples of this.
- Yes Yes. As noted by the IFOA, Members are working in increasingly diverse sectors. The proposed Code provides a set of principles that are relevant to the challenges faced by the modern practising Actuary and other Members. We believe that the principles can be applied consistently by all Members, regardless of the sector that they work in.
- Yes Broadly the principles should translate to member's working in non-traditional sectors.
- Yes The code is written in sufficiently general terms to apply to actuaries in any discipline. Indeed, it could equally apply to other professions such as accountancy or law but for the reference to the CPD requirements, the Disciplinary Scheme and the duty to report misconduct to the IFoA.
- Don't know It seems so (for example, we have confirmed that it is relevant and appropriate to work we carry out to support individual financial education), but this question is best answered by those specific Members.
- Yes Yes, as does the current Code.
- Yes The proposed revised Code seems to meet its objective to be more immediately applicable/relevant to Members across a wide range of circumstances, and in this particular respect may be seen as an improvement on the current Code (notwithstanding our response to Q13).
- Yes It is now a little less focused on the traditional actuarial consulting and company financial reporting environment.

Yes	Actuaries work in far more practice areas than has been the case in the past. The new Code is sufficiently flexible to accommodate this.
No	A less prescriptive approach is more flexible and so accommodates actuarial work outside traditional practice areas.
No	In non-traditional areas, actuaries are often competing with non-professionals who are not as strictly bound. This is seen by users as a competitive advantage for non-actuaries. The current code does not have sufficient allowance for judgment and proportionality that would allow actuaries to take the benefits of a professional code whilst still being competitive. Additionally, the code still reads like it was written for consultants and does not deal as well with people who work for the company they are advising.
Yes	It is principles based, which is appropriate for conduct in all areas. Rules based may introduce boundaries here.
Don't know	I have no experience in these areas.
No	I think that we make it harder for members to enter areas where others are not bound the same way.
Yes	See 14 above. I am not employed as an actuary but the principles set out in the code are every bit as applicable to the job that I have.
Don't know	From my perspective, i.e. a traditional area of practise, I am not in a position to provide a firm view on this point.
Don't know	Not fully informed
Yes	I feel, being principle-based, the revised Code will be relevant irrespective of practice areas.
No	I don't think that the revised code is appropriate to any member, irrespective of where they work. The changes in paragraph 2.2 are unhelpful.
Don't know	I do not feel qualified to comment
Yes	The principles seem suitably generic.
Yes	(Again, I would have answered "yes" to this question about the old code.) It is about behaviour, not about how to do specific work.
Yes	As it was before.
Yes	This is not an area of concern.
Yes	The Code is relevant. The Guide is useless.
Yes	See above.

Yes It's common sense really and could apply to any professional

Q16: Overall, do you agree that the revised Code is relevant and appropriate for Members working outside of the UK?

Answer Choices	Percent	Response Count
Yes	67	52
No	14	11
Don't know	19	15
<i>Answered Question</i>		78
<i>Skipped Question</i>		11

Y/N Comments

- Yes It provides high level requirements which are of general application.
- Yes Broadly, but, as mentioned in our covering letter, it seems unclear to us how Members should determine what would constitute 'unethical conduct' when working in some geographies. In particular, where this is covered in the guidance, it appears to us to suggest that local norms could be appropriate criteria to use. While we do not claim that the UK is an ethical paragon (and there are differences in UK law e.g. between England and Wales and Northern Ireland, that could create difficulties for Members), in many respects it has a more tolerant culture than some other countries where Members of the Institute and Faculty of Actuaries live and work. The guidance should make clear what this might mean for speaking out and for cases brought before the Disciplinary Panel.
- Don't know In passing we note the difficulties in setting an ethical standard, that is inevitably influenced strongly by UK professional, business and societal ethics, and intending that it should apply equally in other countries which can operate very differently to the UK. This is particularly relevant when considering the application of the Code to "other conduct".
- Don't know This response is written by IFoA members working in the UK.
- No See above.
- Yes Yes, although as JLT has only student Members working outside of the UK we have little experience as to what the impact may be.
- Yes Members are now working in increasingly diverse geographical locations. In our view the removal of the UK-specific comments makes the Code fit for purpose for Members practising in all locations around the world.

Yes	Principles are generic and apply equally for work conducted outside of the UK regulatory environment. However there could be added complexity for members and/or users outside of UK and outside of traditional roles to ensure that advice is adequately understood under section 6, Communication.
Yes	However, in an international context it can be challenging to interpret. For example, in many countries it is absolutely normal business practice, well known to the authorities, that "facilitating payments" are made to intermediaries. Whether these are perceived as (unethical) "bribes" or simply (commercial) "commissions" is an age old question. Whilst this is an issue with the current Code, we are disappointed that there is no attempt to deal with it in the new one. We acknowledge that it is not an easy issue to deal with, but as the profession continues its international expansion into different cultures it is increasingly going to be an issue worthy of further thought and a positioning statement may be helpful.
Don't know	As for Q15, the change seems appropriate for overseas Members, but this question is best answered by them.
Yes	We do not feel the current Code is unclear in this regard but the expansion of the Application section is helpful.
Yes	As for response to Q15.
No	Local regulations and customs will always have greater influence than the IFoA outside of the UK.
Yes	At the meeting on 30 October, examples were cited of situations where members might fall foul of laws overseas for acts which are not illegal in the UK. It is important that the Code demonstrates sufficient flexibility to ensure that actuaries meet the standards required of professionals in the UK whilst respecting different cultural and legal norms.
Yes	As was noted at the briefing on 30 October, Members may well be working in parts of the world with a political and legal culture significantly different from that of the UK. The new Code does not compel Members to conform to legal pressures which in the UK might be seen to compromise their professional integrity.
Yes	Notwithstanding my other points, I see nothing that is UK specific here or likely to place an increased burden on non-UK Members.
Yes	Again, principles based is appropriate to cover all geographies.
Don't know	In passing we note the difficulties in setting an ethical standard, that is inevitably influenced strongly by UK professional, business and societal ethics, and intending that it should apply equally in other countries which can operate very differently to the UK. This is particularly relevant when considering the application of the Code to "other conduct". We also note in passing that all the examples given in the Guide are UK-based.
Yes	Because it is principles based, it should be applicable anywhere.

No	The references to IFOA should be augmented with allowance for local actuarial bodies to meet the same function - where they exist.
Yes	I am employed outside the UK. See the answer to 15 above.
Don't know	I don't think I am qualified to answer this, but will be very interested in the feedback.
Yes	I believe so, as the global scope of the revised Code is made clear.
Yes	Revised code although principal based is more informative i.e. ' Must and should'.
Yes	Earlier also, it was. But after removal of UK references, it is clear now that non-UK Members to comply to the provisions.
No	I don't think that the revised code is appropriate to any member, irrespective of where they work.
Yes	Because it is easier to understand, so even if the Member is not fluent in English it should be understood.
No	Outside the UK, Actuarial standards are different and cannot be controlled or monitored. Other societies have different practices and less onerous requirements and the UK requirements are considered over the top.
Yes	Why would the code differ in different regions?
Don't know	Valid points were made at the consultation meeting about this: there may be conflict in some countries between obeying rules and laws and behaving in a professional manner.
Yes	Deals with general issues.
Yes	It is a general principles Code so geography is not relevant.
No	I think that local customs, including those about ethical standards should be respected by actuaries working outside of the UK.
Don't know	The guide appears too UK centric.
Yes	Due to the explicit statement in the Application section of The Code that it applies to "Members of the Institute and Faculty of Actuaries in all locations".
Yes	It provides high level requirements which are of general application.
Yes	It provides high level requirements which are of general application.
No	It is not appropriate either inside or outside the UK. Section 5.1 - if I lived in China, I should challenge the Communist Party if they do something illegal?
Yes	There will also be local codes to comply with so any differences may cause a problem.

Q17: Do you agree that the proposal for a high-level, principle based Code supplemented by detailed guidance is appropriate?

Answer Choices	Percent	Response Count
Yes	71	55
No	29	23
<i>Answered Question</i>		78
<i>Skipped Question</i>		11

Y/N Comments

- No We much prefer the approach of having one all-encompassing and short document as we do with the current Code, rather than the proposed approach of an even shorter Code but accompanied by a very lengthy Guide, to which reference has to be made in order to appreciate what the Code is expecting of Members. The Code must be self- contained in order to maximise members’ engagement with and understanding of it.
- No This structure is consistent with other guidance to which IFoA members are accustomed, and it would enable the Guide to be amended more readily as required without the extended consultation that would be required if the text of the Guide had been included within the Code itself. However we are very concerned about the length of the Guide, which (when taken with the Code – which is not much shorter than the present version) means that Members need to refer to a considerable amount of material in order to understand the requirements even in relation to one particular principle. We are also concerned about the status of the Guide - we note that the guidance in the Guide is not intended to be mandatory, so there needs to be clarity on how a member will be viewed if they depart from the guidance and how they are expected to justify such departure.
- Yes I have a concern that the Guide is so lengthy that it will not be read carefully, and that it will be considered as exhaustive rather than illustrative.
- Yes Just like a report with an executive summary – sometimes you need the detail, some readers will just want the executive summary.
- Yes This is the part we find most difficulty with. We applaud a principles based Code, which follows the approach on other matters such as TASs. However we need to consider how a Member would be judged if he were felt to be acting outwith the Code. Given the existence of the Guide we can foresee the situation that the Member would be judged as to whether he complied with the Guide, especially as no doubt the legal profession becomes involved. As a result are we effectively in practice adopting the Guide as the Code. Our view is that it is not sufficient to merely state that the Guide is non-mandatory guidance for Members. We would suggest that it is relegated to “additional reading material” with accompanying videos at some point as part of CPD.
- Yes Yes. We believe that there is some room for interpretation of some areas of the current Code, particularly where Members are required to exercise judgement. For example two

Members in a similar situation might, in their judgement, interpret the requirements to speak up differently. The Guide is appropriate as it provides a significant level of further information and detail. This will assist Members in understanding the Code and help them apply it consistently.

Yes Please explain the reason for your answer: Yes we agree with the approach that the code should be a high level principles based document that should then be supplemented with further guidance to help members fully interpret the code. However, we feel that the guidance given is too detailed in some areas and could be condensed further.

No We agree with the high level principles-based code, welcome the review and agree that it is an improvement. However, we do not agree that the Code should require a detailed Guide to accompany it. The implication that the profession requires this level of guidance to interpret the Code undermines the idea that the Code is principles-based. In addition, the status of the Guide for disciplinary cases is ambiguous: we consider it highly probable that, if introduced, the Guide would implicitly become an extension to the Code, which again undermines the idea of its being principles based.

Yes The quoted purpose of the code is to promote the confidence in the work of actuaries and in the actuarial profession. In which case, having a succinct summary of our professional ethics to show to clients and the public is a good idea. We welcome the idea of guidance although we believe the proposed Guide would benefit from being much shorter.

Yes Please see our answer to Question 13.

Yes In an ideal world, we might conclude that additional guidance is unnecessary - in the real world, appropriate additional guidance is needed by many Members from time to time, and can also be very useful for those in professional and technical support roles within employers.

No As above, the proposal to move from the three pages in the current Code to over 40 pages under the proposed structure does not appear to help with clarity and accessibility. More pertinently, the perceived need of a 40 page guidance document suggests that the Working Party feel that the Code is inadequate in itself which must be seen as a weakness in its drafting. We are unaware of any perceived need for a guide to the current Code; it is clear and unambiguous.

Yes But subject to the following (and we consider that the proposal as currently framed does not achieve these things):

- The Code should be entirely principles-based
- The Guide should be guidance and not incorporate any very strong steers that are tantamount to mandatory (or near-mandatory) requirements
- Specific rules and processes that are mandatory should be set out in practice standards (i.e. one or more 'intermediate' documents that expand formally on the Code and sit above the 'guidance')

Yes A principles-based system is better than a rules-based system over the long-term as it can react to changing circumstances.

- Yes As we have noted, a principles-based approach avoids the risk of being too prescriptive.
- Yes We agree strongly that a principles-based Code is preferable. However, we are concerned that the Guide is rather too long.
- No I agree strongly with a high level principles based code. However, I feel that the included guidance document undermines this objective and gives us the worst of both worlds.
- No We much prefer the approach of having one all-encompassing and short document as we do with the current Code, rather than the proposed approach of an even shorter Code but accompanied by a very lengthy Guide, to which reference has to be made in order to appreciate what the Code is expecting of Members. The Code must be self-contained in order to maximise members' engagement with and understanding of it.
- Yes But think it has gone too far and in some cases is not consistent.
- Yes A shorter code is easier to understand.
- Yes This structure facilitates the application of the Code to members who are not employed as actuaries, as in my case.
- Yes Subject to the caveats stated below.
- Yes I believe that the simplicity and brevity of the Code are key strengths, enabling Members to become very familiar with its content and thereby adhere to it.
- Yes More informative.
- No High level code is good. Don't think we need supplementary guidance.
- No The guidance is far too detailed and unapproachable. One cannot reasonably be expected to say they understand the code fully, without having read the guidance and therefore this feels like an unnecessary extension. Perhaps an FAQ style document to refer to in case one is considering whether taking action is appropriate would be better.
- Yes That would make the Code clear and concise. For explanation on any provision, a Member can always refer to the detailed Guide.
- Yes Yes, providing the detailed guidance is not too long/prescriptive. As professionals we can use our judgement and should have responsibility for exercising this judgement.
- No It creates legal uncertainty regarding the status of the guidance. We should be able to rely on the Code in isolation.
- Yes Most professions are moving away from detailed lists of do's and don'ts, to avoid an over technical approach. The Supreme Court agrees with its recent case on dishonesty, *Ivey v Genting Casinos*.
- Yes Provided that the guidance is not legally enforceable a principles based approach is appropriate.

- No It is just confusing to complicate the code further.
- No The Code should be self-sufficient in its own right. The detailed guidance is helpful in giving examples but should not be an intrinsic part of the Code, which is a danger in the way it is currently presented.
- No I think the code as a high-level principles-based document is good. However, I think that the guidance is unnecessary and undesirable. It turns what was a fairly straightforward document into a large rulebook. It may have been possible to move some things from the code into the guidance to shorten the code; if they are really necessary then move them back and put up with the code being a little longer.
- Yes Easier to comply with.
- No Guide should not supplement, as they should never introduce requirements. A Guide should only be helpful and complementary not a supplement.
- No No, this makes the whole code too long. If you cannot say it on two pages, no one will read it.
- No The structure turns the Code from 2 pages to 46 pages, particularly if lawyers were to become involved.
- Yes I think a high level principle based code is easier to implement in practice rather than detailed requirements which are too long or lack nuance.
- Yes But high level does not mean so high level there are no exceptions. And high level should include a limitation to people's professional lives. This is disgraceful over-reach by the profession.
- Yes Although guidance should be as detailed as possible, and regularly updated, to ensure members can understand how it the principles may work in practice.

Q18: Do you agree that the proposed structure (use of high-level principles supplemented by 'amplifications') is the most appropriate for the Code?

Answer Choices	Percent	Response Count
Yes	86	67
No	14	11
<i>Answered Question</i>		78
<i>Skipped Question</i>		11

Y/N Comments

Yes	But we note that we already have something broadly like this in the current edition of the Code.
Yes	The structure enables the principles to be succinctly described, and it is clearer what the overall principle is and what the detail of the principle is.
Yes	Yes, and following on from our answer to 17 we believe this is sufficient without the Guide.
Yes	Yes, we agree as the proposed structure is both simple and effective.
Yes	The amplifications provide greater clarity of the intention behind the principles set out in the code.
Yes	We believe that it improves clarity to have a short description of each principle followed by amplifications.
Yes	Please see our answer to Question 13.
Yes	On balance, this seems a sensible approach.
No	The introduction of the amplifications is part of the simplification of the Code. However, the amplifications “clarify specific requirements of the principles for some particular issues”. It is not made sufficiently clear in the Code that the principles go further than the amplifications that support them. Further, the removal of some existing clauses is likely to convey the message that the removed clauses have ceased to be specific requirements of the principle.
Yes	Subject to adjusting the content of certain amplifications so as to remove specific rules and process points (see Q17 above).
No	It wasn't immediately obvious how the principles and amplifications are intended to interact.
Yes	We believe this provides clear guidance for members whilst avoiding the rigidity of a rules-based approach.
Yes	Again, we agree that a more flexible approach has been achieved through the combination of principles and amplifications and that this will allow actuaries to show more professional judgment.
No	I don't think is inappropriate but it has not been justified as 'most appropriate'. The current wording on the amplifications is overly prescriptive, The use of should or similar would be more appropriate here and if the amplifications were slightly expanded (the current ones are open to a bit too much interpretation) it would be a very useful structure. Some of the text removed from the old code are reasonable simplification but others now gloss over important points e.g. in 6.3 sufficient vs appropriate.

- Yes But we note that we already have something broadly like this in the current edition of the Code.
- Yes However there must not be creep. The amplifications must never become binding.
- Yes As 17 above.
- Yes It is often good in a discussion about professional conduct to be able to return to an overall short statement of what you are trying to comply with professionally - I think this structure helps such discussions.
- Yes I think this is far better than a Code which aims to cover all eventualities in the primary document - which then becomes impenetrable and is less likely to be read at all.
- Yes More informative.
- Yes I believe so. Principles will provide the form and amplifications the body and content.
- No It creates legal uncertainty regarding the status of the guidance. We should be able to rely on the Code in isolation.
- Yes As above.
- Yes However, the amplifications should remain high-level as well - some of them are very specific and are rules not principles (see below).
- Yes Not sure that "amplifications" is quite the right word, but the basic structure is sound.
- Yes Less need for changes in future.
- Yes IT is a bit clearer in practice I suspect.
- No As above.
- Yes The Code is clear. The Guide destroys all the good work that was put into the Code.

Q19: Do you agree that the use of the words 'must' and 'should' are appropriate and proportionate to each of the provisions to which they relate?

Answer Choices	Percent	Response Count
Yes	65	51
No	35	27
<i>Answered Question</i>		78
<i>Skipped Question</i>		11

Y/N Comments

- Yes We have some concerns as to whether there is sufficient distinction between 'must' and 'should' - the Code states that where 'should' is used the presumption is still Members will comply with the provision. The implication is that non-compliance will be the exception, but we can envisage situations where the presumption could be that there will be non-compliance and there should be more clarity or additional examples around the circumstances where Members don't have to comply. In addition, the Status and Purpose section states that "The principles and amplifications, together form the Code and Members must comply with both the principles and amplifications", however some of the principles and amplifications state that they should be followed which seems inconsistent.
- No By which we mean not always. We comment below where we think that the other word should have been used.
- Yes The use of the terms "must" and "should" has been accepted within other Actuarial Standards and found to be useful in that context. Use of the two terms makes it clearer which are mandatory provisions in the Code and which provisions are such that members can depart but need to have appropriate reason for doing so.
- No Generally they are appropriate, but I have concerns over 2.1 and 3 (see below).
- Yes As a principle.
- Yes Yes. We believe this is a helpful distinction that clarifies the expectations of the Code. In addition the use of the word "should" is helpful to cover those situations where a Member would normally be expected to follow a particular course of action, but where there may be exceptions to the rule. We note that the word "should" is used several times in the accompanying non- mandatory Guide. We feel it would be beneficial to draw Members' attention to the existence of the Guide in a prominent place, such as the opening section of the Code, to ensure that all Members are made aware of the Guide and its use of the word "should".
- No Overall we agree that the use of must and should help to clarify member responsibilities. We have some comments on sections 5 and 6 which are covered under those specific questions.
- No Whilst their use is appropriate in most instances, this is not always the case. Please see further comment under the specific questions where we consider the usage to be inappropriate.
- Yes We agree with the words used. In particular, we do not see a problem in having a 'should' in the Speaking Up principle followed by a 'must' in some of the amplifications (as discussed in paragraph 2.39 of the consultation paper).

- Yes The reasoning for their use, as set out in the consultation paper, is sound, and it is clearly appropriate for such instructions to be worded consistently with other actuarial guidance, technical and professional.
- Yes The use of 'must' and 'should' give more clarity on what is required in relation to each principle and the corresponding amplifications. There appear to be some inconsistencies that need to be addressed e.g. the speaking up principle is a 'should' but several of the corresponding amplifications are a 'must'. Care will need to be taken as to how readers will interpret the distinction. For instance, the use of 'should' in 1.2 is to allow for circumstances where legal requirements override. But, the use of 'should' will imply that there are other circumstances as well; Members are likely to apply a materiality test when they consider what is meant by 'should' rather than see it as a relaxation in extremely limited circumstances.
- No The tight definition of these two verbs (and their inter-relationship) contributes significantly to our perception that the proposed revised Code is overly-legalistic for a Code of principles. The default verb in the Code is clearly 'must', with 'should' appearing to be used as a minor concession only where an absolutely prescriptive 'must' could create a conflict with another prescriptive obligation. This magnifies the impression of a Code of 'high-level rules' rather than genuine 'principles'. We therefore do not think that these two verbs are an improvement on the current 'will'. We appreciate that retaining 'will' throughout the Code could cause issues where obligations conflict and the proposed Code uses 'should'. We would therefore like the IFoA to retain the key overarching statement in the 'status and purpose' of the existing Code – "principles which Members are expected to observe" – in preference to the proposed "principles... which Members must observe". The appropriate handling of situations where obligations do appear to conflict is a good area for discussion in the accompanying Guide.
- Yes Greater emphasis is added to code.
- Yes They are entirely appropriate within the context of a principles-based Code.
- Yes The use of 'must' and 'should' in the new Code provide greater clarity the expectations of Members. We are satisfied that this is an appropriate development.
- No I agree with the principles using must. However, the amplifications overuse must and it would be better to use should in these cases. The amplifications are intended to give examples and any example can find a reasonable counterpart - it is to be expected that in particular circumstances, a Member could be in complete alignment with the overall principles whilst violating multiple amplifications (though tis would obviously require significant justification). For Speaking Up, the overall principle is should whilst some of the amplifications are must. This makes absolutely no sense and should be adjusted. The definition of should is overly prescriptive and reference to reasonable judgment or similar terms should be made.
- Yes Very clear as to their use.
- No By which we mean not always. We comment below where we think that the other word should have been used.

- No Not sure what the question is asking. I like the principle of must and should, not sure they have been used in the right places.
- No I think this needs a bit more work. "Must" implies no other option; "should" suggests that it depends on the circumstances. There are some anomalies in this respect.
- Yes By which I mean that they are clearly defined and used in the right places.
- No I have some concerns about Principle 3 and the use of "must" in relation to "bias". The guidance defines "bias" widely and appears potentially to include the full range of human bias documented in books like "Thinking Fast and Slow". The standard in the case becomes impossible for any professional to comply with as research clearly shows even the best professionals are fallible.
- Yes These words are more meaningful than "will", and I cannot see any instances where I disagree with the choice of words.
- Yes Still relies more on individual judgement.
- No In particular the Speaking Up section mixes a "should" in the principle, with "must" in the amplifications.
- No Mostly agree, but not very much relating to Section 5.2. Companies might be having their internal whistleblowing policies and an employee actuary has to proceed as per that before reporting to the IFoA.
- No Not in all cases. For example paragraph 5.2.
- Yes Clarity. Must - no exception - obligatory. Should - have to have a good reason not to.
- Yes Although some designations should be different.
- Yes The "must"s seem to be generally appropriate. I do wonder about the word "must" when used in connection with communication. This is often very difficult, especially if those who receive advice do not want to hear unwelcome news.
- No "Should" suggests something is optional, but it is actually being used for things that are mandatory but have exceptions. It would be better to state the exceptions (perhaps in general terms), rather than leaving it vague.
- No I have not been able to check this - could be, could be not.
- No It can be dangerous that being too strong in language may mean very specific exemptions are excluded where not intended.
- No Given the principles-based nature of The Code, the use of the word "should" is not appropriate. It is not prescriptive to use the word "must" in relation to principles and it should be used throughout The Code to avoid ambiguity.
- No I note that the Status and Purpose section imply all six principles are 'must' whilst Speaking Up is actually 'should'.

- No I note that the Status and Purpose implies all six Principles are 'must', whilst Speaking Up is actually 'should'.
- No Generally this is appropriate. However, I note that the Status and Purpose indicates that six principles 'must' whereas the code indicates this is a 'should' for Speaking Up.
- Yes The use of must and should is fine. The problem is with the rest of the document.

Q20: Do you consider that the overall language of the revised Code is appropriate?

Answer Choices	Percent	Response Count
Yes	82	64
No	18	14
<i>Answered Question</i>		78
<i>Skipped Question</i>		11

Y/N Comments

- Yes However, we have a concern with the term “users”. This appears quite frequently in the Code, but is neither defined in the Code nor adequately explained in the Guide. In fact, paragraph 4.25 of the Guide implies that the term could be exceptionally wide. We think it essential that the term is defined in the Code and our suggestion is that it should be no more than those for whom the Member produced the actuarial work. If “users” remains subject to its currently proposed very wide interpretation we fear that Members could be accused of not complying with the Code when there is little doubt that they have been compliant in relation to their client and those who they reasonably thought could refer to their work at the time they produced it.
- Yes The language is made more relevant to Members generally, reflecting the work they may do or the geographical areas in which they work. However there may be some expressions that have different meanings or interpretations in the UK or in other areas of the world, and the IFoA needs to be conscious of this when reviewing the wording.
- Yes Yes the Code is written clearly and in plain language. We would expect that the majority of Members will find it easy to understand.
- Yes We found nothing ambiguous.
- Yes Overall, yes, subject to specific comments below.
- No The language is generally clear, straightforward and should be easily understood. However, the proposed Code has introduced new terms which are not defined. Some of these new terms are used in other standards such as the TASs. It is unclear if the

Code intends for the terms to be interpreted in the same way as in other Standards or differently. Examples include 'work' and 'user'.

- No With the exception of the must/should point covered in Q19, the answer here would be "Yes"
- Yes With the exception of the section on Scope: it's too ambiguous as to what constitutes conduct outside of the actuarial role that may reflect on the profession. Is membership of a particular political party to be considered as poor reflection on the profession? Is membership of a particular religious group to be considered as a poor reflection on the profession? The Actuarial Thought Police now granted themselves jurisdiction over matters that do not relate to one's ability to perform one's function as an actuary.
- Yes The language is consistent with a Code which describes required outcomes but does not seek to prescribe how these outcomes should be achieved.
- Yes We note that particular care has been given to the language used in the Code and agree that it is entirely appropriate.
- No In addition to the points above, there are a number of issues with the language used - particularly definitions. The term 'user' is used frequently and without definition. As such it could easily be argued to apply to those other than the intended recipient / user and as such the Member has no reasonable way of knowing who might use it and what their needs might be. Further, some of the language seems to imply that the actuary has perfect foresight and can anticipate what might happen in the future. This is a particular issue for Competence and Care.
- Yes However, we have a concern with the term "users". This appears quite frequently in the Code, but is neither defined in the Code nor adequately explained in the Guide. In fact, paragraph 4.25 of the Guide implies that the term could be exceptionally wide. We think it essential that the term is defined in the Code and our suggestion is that it should be no more than those for whom the Member produced the actuarial work. If "users" remains subject to its currently proposed very wide interpretation we fear that Members could be accused of not complying with the Code when there is little doubt that they have been compliant in relation to their client and those who they reasonably thought could refer to their work at the time they produced it.
- No Please see details of response.
- Yes It is generally readable and relevant.
- Yes I mean that the language is very clear (except for the over-use of "reasonable" and "appropriate").
- Yes Simple and to the point.
- No There is a focus in this version of the code on "Users" as well as on "work" in the competence and care section. I feel that this narrows the scope of the code, where for instance actuaries are carrying out volunteering or speaking for the IFoA or their employer, would this still be considered "work" if it is unpaid? How can a user always be identified in these scenarios? What if a "user" is the employer? Obviously this is

clarified in the guide, but at a high level I want to understand this before delving into an optional explanatory document.

- No I feel the text under `Speaking up` principle should undergo a round of editing.
- No It is disproportionate.
- Yes As above.
- Yes It is clear and not too technical.
- Yes That was my impression.
- Yes It is simple plain language that is easy to understand in English. However non UK counties will need it translated into their local language and it is not possible for me to comment as to whether that language will be satisfactory.
- No The profession has no right to insert itself into the private lives, or the non-professional lives of its members on the pretext that it "may reflect on the profession".

Q21: Do you agree that the Code's scope section sets out clearly when the revised Code applies?

Answer Choices	Percent	Response Count
Yes	77	60
No	23	18
<i>Answered Question</i>		78
<i>Skipped Question</i>		11

Y/N Comments

- No No - we think it would be clearer if: - the second point referred explicitly to the actuarial profession i.e. "The Code also applies to all Members' other conduct if that conduct could reasonably be considered to reflect on the actuarial profession" - the reference to "legal requirements" was amended to clarify that it could include contractual as well as statutory legal requirements.
- Yes One exception is that it would be useful to make clear that "other conduct" includes that undertaken in a private, non-business, situation otherwise this vital point may be lost. We also consider that adverse "other conduct" by a Member, completely outside business, can reflect adversely upon the profession. Inappropriate use of social media is a clear example of this as identification of the individual as a Member is only a quick web-search away. When exploring "other conduct" we suggest that the examples set out in paragraph 2.8 of the Guide do not go far enough. It would also be very useful if some examples are given of situations where the "other conduct" would not apply. We

suggest the following for consideration: § You notice that your local supermarket has mispriced some food – does it offend the integrity principle if you take advantage of the situation? § You become aware that two individuals of the same sex are in a relationship which is illegal in the country in which they are residing – are you required to “speak up” through challenging their behaviour? What is in, and out, of scope when it comes to “other conduct” could be usefully explored in material made available as part of Professional Skills Training. It also seems to us that there are certain principles within the Code that apply to any conduct outside the actuarial sphere such as integrity, but others may only make sense in a business context. We expand on this as we respond to each principle in turn.

- No The intention of the wording is clear that it applies to conduct in all areas (both work and private) but we are unsure why there is an italic 'if' in the phrase 'The Code also applies to all Members' other conduct if that conduct could reasonably be considered to reflect upon the profession.' This is the only such use of italics other than within the main principles and there is no explanation of how italics are used in such a circumstance.
- Yes I have some concern about its applicability for pro bono work, particularly for friends or charities, but have nothing better to suggest.
- No The first part of the scope – conduct in an actuarial role – is entirely appropriate. However, I am concerned that the second – “other conduct if that conduct could reasonably be considered to reflect on the profession” – is too nebulous and wide-ranging. It is entirely reasonable to consider criminal convictions and civil judgements as these demonstrate that an individual has failed to meet well-defined standards of behaviour imposed by society, to a defined standard of proof. However, if we are attempting to impose a higher standard on an individual's personal life, a criterion of “could it reasonably be considered to reflect upon the profession” is so imprecise that I have little idea what this higher standard actually is (reasonable in whose eyes?), and what might constitute “offences”. Having an affair? Visible political protests (where, almost by definition, some people will hold strongly opposing views)? Alcohol addiction? Gambling addiction? It is clear that, as written, if someone “outs” you as an actuary when talking about actions in your personal life (as no doubt a tabloid would if they thought the story was juicy enough – see the “tabloid test” reference in the amplifications), then you are subject to the code for those actions. I have no issue applying the code to someone's personal life where they have chosen to identify themselves as an actuary as part of their actions
- Yes Yes, although we feel it would be beneficial to refer Members to the Guidance, where further clarification of the term “actuarial role” and the phrase “to reflect upon the profession” is provided.
- Yes Yes it clarifies that it is relevant to all members in all locations.
- Yes However, this does rely on the Guide, and if the Guide were removed (or its status downgraded) it might be preferable for "actuarial role" to be defined in the Code.
- No It is clear that the Code will apply in all circumstances where the Members' conduct might reflect upon the profession, both in a professional and private context. We have

answered No here purely because we do not think it is clear when the Code does and doesn't apply – in particular in relation to conduct that may reflect upon the profession.

- Yes It probably does it as well as it can do, although the application "to other conduct if that conduct could reasonably be considered to reflect upon the profession" is open-ended and very much subject to the judgement of readers. It might lead to vexatious complaints, or just over-reporting by Members seeking to protect themselves against potential accusations about failure to speak up about conduct of others. If this were to occur, this may best be dealt with via additional guidance.
- Yes The Code more clearly sets out the separation between conduct in relation to a Member's actuarial role, however defined, and a Member's other conduct if that could reasonably be considered to reflect on the profession. The Guide is helpful here. Whilst the wording around conduct reasonably being considered to reflect upon the profession, it is not clear if this is the test that is applied in disciplinary cases. If the disciplinary process works off an assumption that 'other conduct' will reflect upon the profession, there may be a disconnect between the Code and the disciplinary process.
- No Please see answer to Q20 regarding the Actuarial Thought Police granting themselves additional powers and jurisdiction over matters not related to one's ability to perform ones role as an Actuary.
- Yes In combination with the Guide, the Code is clear about the extent to which the Code covers a member's professional and personal activities.
- Yes The revised wording reflects the different categories of membership and addresses specifically actuarial work.
- Yes The overall framing of the code appears reasonable.
- Yes One exception is that it would be useful to make clear that "other conduct" includes that undertaken in a private, non-business, situation otherwise this vital point may be lost. We also consider that adverse "other conduct" by a Member, completely outside business, can reflect adversely upon the profession. Inappropriate use of social media is a clear example of this as identification of the individual as a Member is only a quick web-search away. When exploring "other conduct" we suggest that the examples set out in paragraph 2.8 of the Guide do not go far enough. It would also be very useful if some examples are given of situations where the "other conduct" would not apply. We suggest the following for consideration: § You notice that your local supermarket has mispriced some food – does it offend the integrity principle if you take advantage of the situation? § You become aware that two individuals of the same sex are in a relationship which is illegal in the country in which they are residing – are you required to "speak up" through challenging their behaviour? What is in, and out, of scope when it comes to "other conduct" could be usefully explored in material made available as part of Professional Skills Training. It also seems to us that there are certain principles within the Code that apply to any conduct outside the actuarial sphere such as integrity, but others may only make sense in a business context. We expand on this as we respond to each principle in turn.

- No Not sure whether it would apply to me if I was appointed as Commercial Manager of a General insurer for example since a non-actuary could equally do that role?
- Yes Application seems clear.
- No Scope – as drafted is too wide, especially the phrase all “other conduct if that conduct could reasonably be considered to reflect upon the profession”.
- Yes Yes, however should the code apply to "other conduct" in the case where it may ADVERSELY reflect on the profession?
- Yes Revised text adds to the clarity, I believe.
- No It is unclear what it means when it says that "the code applies to all members' other conduct if that conduct could reasonably be considered to reflect upon the profession", but it appears to be unacceptably wide.
- No The second sentence is a bit vague. This is inevitable given the huge number of grey areas that exist and it may well not be possible to clear here, and it is certainly not possible to list all possible circumstances. It is probably as good as can be hoped for.
- No "Actuarial role" is a little vague. Most actuaries perform non-actuarial tasks as part of their job - does the code automatically apply to their conduct in relation to those tasks? I think it should apply automatically either "when doing actuarial work" or "in a professional context (whether paid or unpaid)" depending on whether the intention is for it to be interpreted narrowly or broadly.
- Yes The 36 words in the Code are clear. Why does the Guide need a further page to say the same thing?

Q22: Do you agree that the scope of the Code is appropriate?

Answer Choices	Percent	Response Count
Yes	77	60
No	23	18
<i>Answered Question</i>		78
<i>Skipped Question</i>		11

Y/N Comments

- Yes Yes subject to the comments above.
- Yes This is subject to our concerns about “other conduct”. There is also a disconnect between the fourth paragraph of the Status and Purpose and the actual Code. The

former says that “Members must comply with both the principles and the amplifications”, but not all of either the principles or amplifications contain a “must”.

- Yes We agree with the scope. As a firm we were of the opinion that the present Code applied to members' personal lives as well as their professional lives, so we do not see the Scope wording in the new Code as an extension – merely a clarification. However, we agree that this clarity is necessary in order to show members of the profession as acting with integrity in all areas of their lives. However where other members did not take this view of the present Code, we expect that there will be pushback over the fact that the Code is now more clearly applicable to members' personal lives as well as professional.
- No See answer above.
- Yes Yes, as we would expect such a scope to be a pre-requisite of any profession.
- Yes Yes. We believe that the scope is appropriate, and that it should include certain conduct in Members' non-professional lives.
- Yes Distinction is made that other conduct is only considered where it is believed that it could reflect upon the profession.
- Yes With the exception of its application to social media. Please see our response under this section for further detail. Also, we would suggest the following change: Nothing in the Code (is intended to) shall require Members to act in breach of legal requirements. Where relevant legal requirements conflict with the Code, Members must comply with those legal requirements.
- Yes It seems entirely reasonable that any behaviour that reflects upon the profession should come within the ambit of the Code.
- Yes On balance, yes, but please note our response to Q21.
- Yes No additional comments.
- No Removing "in their professional lives" from 1.1 widens the scope of the code inappropriately. It means an argument between friends or in a domestic setting could put a member in breach of the code. If a member has an affair, that would put them in breach of the code. I am sure that is not the intention of the amendment but it is the effect. I would suggest either changing the "Must" to a "Should" in relation to 1.1 or caveat it along the lines of adding "in their professional, commercial and philanthropic lives".
- No Most definitely not!!!! Please see prior comment for Q20 regarding the Actuarial Thought Police granting themselves additional powers and jurisdiction over matters not related to ones ability to perform ones role as an Actuary.
- Yes The Code correctly identifies the extent to which non-professional activity affects the reputation of the actuarial profession.

- Yes As with the previous answer, it is appropriate for the Code to recognise different membership categories.
- No The code extends overly far into Members personal lives. Whilst it is reasonable to expect members to act in accordance with the code, it should be made clear that in other circumstances a reduced form of the code should apply. A number of the areas appear extremely punitive if applied to Members personal lives directly. It might make more sense to state that the code applies in these cases but will be weakened in some way. It should be made clear that the code holds in all jurisdictions and even if no further requirements regulation is appropriate (e.g. this should hold even if the TASs do not but phrased in a less UK specific way).
- Yes It should cover all members in work and outside work. This is an improvement.
- Yes This is subject to our concerns about “other conduct”. There is also a disconnect between the fourth paragraph of the Status and Purpose and the actual Code. The former says that “Members must comply with both the principles and the amplifications”, but not all of either the principles or amplifications contain a “must”.
- No Not sure, see above
- No The revised code has much to commend it. By making it more succinct and clear the working party have made the code much easier to understand. However they have (possibly unintentionally) widened the scope of the code in a way that I believe is not appropriate. The existing code states “Members will speak up to their clients or to their employers, or both, if they believe, or have reasonable cause to believe, that a course of action is unlawful, unethical or improper.” In the above sentence the words “clients” and “employers” carry a firm context that this observation relates to an actuary’s work. Their deletion leaves a statement that could refer to almost anything. If I see a bunch of lads about to throw a bicycle in the Regents Canal, then I do not think my obligations to the world are any different because I am an actuary. I do not think that the IFOA thinks this either. Similarly the new 5.1 appears to have very wide scope. I believe that actuaries have obligations conferred by their understanding of actuarial matters. If I believe that some other actuary’s valuation basis is incorrect materially then I have an obligation to challenge. However I do not think that my obligations in their ordinary conduct (for example drunk driving) are different just because we are members of the same profession. Nor do I believe that this is what is intended by this clause. I suggest that these matters are made clearer.
- Yes The scope seems reasonable under the circumstances.
- No I think the scope of the Code is essentially unchanged. This was a missed opportunity to introduce or extend principles concerning actuaries' work with increasingly capable machines
- Yes I have some concerns about the application into non-professional areas and into private life unrelated to professional activity. The concern may be more about the way the disciplinary scheme is working and the extent to which offences like drink driving lead to public censure in the Actuary magazine.

- Yes The extent to which the Code should apply to Members outside of their actuarial roles is a very difficult aspect to define, and I think the proposed Scope does a good job at doing so.
- Yes See 21 above
- No Scope – as drafted is too wide, especially the phrase all “other conduct if that conduct could reasonably be considered to reflect upon the profession”.
- No The scope appears to be unacceptably wide.
- Yes Although I answered "yes", I do think that the IFoA tends to be too broad when considering non-work situations. I do not think that these have much bearing on the profession. There are exceptions: bad behaviour in almost anything that involves financial trust, such as being treasurer of an organisation, or any involvement in financial crime or fraud, could reflect on the profession. However, I do not believe that wider things could do so. Some sense of proportion is needed here. Consider solicitors, a much bigger profession than ours. What brings the profession into disrepute is bad things they do as solicitors: stealing client money or persisting with claims they know are bogus, for example, not with private lives.
- No I do not like the "speak up" principle. It is not appropriate in its current form.
- Yes see above
- No Far too broad. Either by accident or by design, the effect of this code, from the language, is that every communication by an actuary, on virtually any subject, is policed by the IFoA. The actuary has "speak up" about any "course of action" by any person. Section 5.1 compels an actuary to police the ethics of other professions. I refer to the "Proposed Guide" - Paragraph 7.11 makes clear that the code does apply to an actuary's private life. Paragraph 7.12 makes clear that what is considered "unethical conduct" depends on cultural and geographical circumstances. Do you really want to step into this minefield? Does the Institute want to police what Indonesian culture, or Saudi Arabian culture considers to be private unethical behaviour that reflects on the profession?

Q23: Overall, do you agree that the revised Integrity principle and amplifications are an improvement?

Answer Choices	Percent	Response Count
Yes	71	55
No	29	23
Answered Question		78
Skipped Question		11

Y/N Comments

- Yes Qualified yes. The current Code provides some useful context to the considerations which are not included in the revised Code. For example, situations can arise where there will be a conflict between confidentiality and honesty or integrity, for instance advance knowledge of an internal restructuring or redundancies that cannot be disclosed to colleagues. Such a situation could leave a Member in a position where if asked a direct question the Code requires that they 'must' be honest and not being could lead to disciplinary action; and yet their employer requires them to keep information confidential and revealing it would lead to issues with their employer as well as with the Code.
- Yes Generally we say yes, as we support the extension, in paragraph 1.1, of the respect principle to conduct outside the Member's professional life. We are also of the view that the integrity principle should apply to all conduct, whether in a business or non-business context and whether or not it "could reasonably be considered to reflect upon the profession". However, the body of the Code does not make it clear how paragraphs 1.2 and 5.3 interact. Although it is covered in the Guide, we think the Code should stand alone, and make it clear that paragraph 5.3 trumps paragraph 1.2. So, paragraph 1.2 ought to revert to the approach taken in the current Code and say that "Members must respect confidentiality unless..."
- Yes The principle now encompasses the specific requirement for IFoA members to be honest, open and truthful in promoting their business services (so there is no need for the specific reference that is in the present Code).
- No We feel some of the old wording should be retained, the suggested wording being as follows 1.1 0 Members must act honestly and with integrity. 1.2 Members must show respect for others in the way they conduct themselves as a Member. 1.3 Members must respect confidentiality unless disclosure is required by law, or is permitted by law and justified as being in the public interest 1.4 Members must be honest, open and truthful in promoting their services as a Member.
- Yes We note that the important current principle 1.3 has been moved to the Guide, as it follows inherently from the Integrity principle. The revised wording of amplification 1.1, including the deletion of the words "in their professional lives" will encourage Members to give more thought to their conduct in their personal lives, where this might reflect upon the profession as a whole. Some Members might consider the extended scope of this principle to be intrusive. Overall we feel that the right balance has been struck in principle 1, to ensure Members are seen to be acting in ways that will promote confidence in the profession.
- Yes However, we believe that previous item 1.3 should be included in the guide as it is particularly important to act with integrity when promoting new business services.
- Yes However, whilst accepting that the existing requirement 1.3 is inherent to the principle of integrity, we are concerned that 'perception' issues may arise from removing it. We would therefore prefer it to be retained as an 'amplification'.

- No In paragraph 1.1, some of our actuaries were uneasy about actuaries being required to 'show respect for people' in their private lives. If this amplification stands, the Guide should set out more clearly what 'show respect' means. At the very minimum, the Code should not impinge upon Members' rights to express their religious and political views in private. And nor should others' moral or political views impinge upon Members' private behaviour. It may also be worth making a distinction between showing respect for people and showing respect for their ideas, and paragraph 3.4 of the guidance perhaps muddies the waters here. Might it be changed to say "avoiding the temptation to ridicule (others' ideas) others and giving people a fair hearing"?
- Yes Yes - the shorter content says all that needs to be said.
- Yes They are succinct and easy to read. The addition of 'must' and 'should' adds clarity to the requirements though see comments above about the use of 'should' in 1.2. We feel that the removal of the current 1.3 may signal that this requirement is no longer important.
- No Overall, neither better nor worse.
- No See answer to 22
- No Please see comments for Q20-22 regarding the expansion of jurisdiction to areas outside of "Professional lives".
- Yes There is more flexibility in the revised Code.
- Yes The replacement of 'will' by 'must' and 'should' provides improved clarity.
- Yes I don't see the point of removing the old 1.3 but otherwise this is a simplification and an improvement.
- Yes It is more complete now.
- Yes Generally we say yes, as we support the extension, in paragraph 1.1, of the respect principle to conduct outside the Member's professional life. We are also of the view that the integrity principle should apply to all conduct, whether in a business or non-business context and whether or not it "could reasonably be considered to reflect upon the profession". However, the body of the Code does not make it clear how paragraphs 1.2 and 5.3 interact. Although it is covered in the Guide, we think the Code should stand alone, and make it clear that paragraph 5.3 trumps paragraph 1.2. So, paragraph 1.2 ought to revert to the approach taken in the current Code and say that "Members must respect confidentiality unless..."
- Yes Use of must etc.
- No The unintentional widening is a weakness otherwise this is to the good
- Yes The revised version seems more realistic

- No There are no amplifications. Something currently in the Guide on the IFoA's definition of integrity would be useful here, or at least some indication that there was one in the Guide
- Yes Confidentiality is adequately covered in the Actuaries' Code Guide.
- No No particular comments, revisions ok but perhaps not necessary
- Yes Clear and compact
- No I don't agree with the removal of paragraph 1.3, and don't regard this as self-evident.
- Yes Yes, but it should say, in my view, that not every mistake or breach involves a lack of integrity. That indicates that someone has a character flaw that means that he is not someone who can be relied upon to do the right thing
- Yes Good, straightforward language. I cannot make up my mind whether or not deleting the old section 1.3 is an improvement or not.
- No See my earlier comments on "should".
- No The loss of clarity as to the reasons confidentiality can be breeched is a retrograde step
- No I think they change little
- No there is basically no real change
- No I don't have an issue particularly however don't see it as particularly improved

Q24: Do you think that Members' obligations under the Integrity principle are clearly set out in the revised Code?

Answer Choices	Percent	Response Count
Yes	75	56
No	25	19
<i>Answered Question</i>		75
<i>Skipped Question</i>		14

Y/N Comments

- No The principle is set out at a very high level and we expect that Members will need to refer to the guidance to fully understand their obligations. This seems to go against the aim of simplifying and shortening the Code.

- Yes They are set out clearly, but the danger with having very short sentences is that the necessary nuances are lost (and are unlikely to be found via the Guide given its length). Integrity is a very important principle (perhaps that it is why it is the first in the Code) and so we believe that the wording would benefit from some expansion, perhaps particularly in relation to confidentiality, which the Guide accepts is a difficult area.
- Yes The requirement to show respect for others is proposed to apply to both members' professional lives and conduct outside their actuarial role if it might impact upon the profession, it is useful to have this clearly explained. The 'should' requirement for confidentiality acknowledges that there may be situations where confidentiality must be overridden. However we note that 'respect' can mean different things in different cultures, and conduct which is acceptable in one culture can be quite unacceptable in another.
- No I have no issue with 1 in respect of actuarial roles. However, in respect of members' other conduct, sometimes it is impossible to both show respect to someone (1.1) and still act honestly and with integrity (1). Extreme examples are often good boundary tests, so how would the code expect one to react in 1930's Germany? I see that the amplifications make it dangerous to publicly ridicule anyone's views & "I did not speak out – because I am an actuary" hardly seems a creditable motto for the profession. And sadly it's not just long-dead historical figures who have abhorrent views. I'm really not trying to be difficult (or offensive) with the example above, but I am seriously concerned that the code as written limits members' rights to free speech.
- No No, because of the clarifications sought in 23.
- Yes Yes we believe the obligations are clear, once Members have read the Guidance regarding the scope (see question 21 above). We believe that it would be helpful to include examples of conduct that is not in scope in section 2.8 of the Guide.
- Yes The use of must and should along with amplification further clarifies the expectation of members from the profession.
- No In 1.1, we are concerned that "respect" can mean different things in different cultures, and the scope therefore becomes potentially very wide; Members might therefore inadvertently fall foul of this requirement. This suggests a 'should' rather than a 'must' requirement.
- Yes The Code itself is not ambiguous but, as noted, it raises questions that we think the Guide could usefully help to answer.
- Yes See our response to Q23.
- Yes No additional comments.
- No No - the word "respect" is too vague
- No I think clause 1.3 regarding being "truthful in promoting their business services" is useful and should be retained.

Yes	The revised Code explains with clarity the ethical standards expected of members. This is particularly true of the need to balance the requirements of professional confidentiality with the duty to 'whistle blow' when required.
Yes	There are occasions where professional standards of integrity might conflict with, for example, commercial considerations and the revised Code addresses such potential conflicts effectively
Yes	This is a very broad principle so keeping it simple is a good idea. I don't think more examples would help as it should be interpreted widely (though less in individuals' personal lives where it is overly broad).
Yes	They are set out clearly, but the danger with having very short sentences is that the necessary nuances are lost (and are unlikely to be found via the Guide given its length). Integrity is a very important principle (perhaps that it is why it is the first in the Code) and so we believe that the wording would benefit from some expansion, perhaps particularly in relation to confidentiality, which the Guide accepts is a difficult area.
No	Please see above
Yes	The obligations set out seem clear enough.
No	For reasons stated above
Yes	In the Actuaries' Code Guide
No	No particular comments, revisions ok but perhaps not necessary
Yes	But see above
No	I do find it a bit odd that the two amplifications are not what I regard as part of honesty and integrity. They may be appropriate things to require I think that section 3.3 of the proposed guidance, suitably reworded, could become an amplification, possibly replacing the current 1.1.
No	See Q23

Q25: Overall, do you agree that the revised Competence and Care principle and its amplifications are an improvement?

Answer Choices	Percent	Response Count
Yes	73	56
No	27	21
<i>Answered Question</i>		77
<i>Skipped Question</i>		12

Y/N Comments

- Yes Largely agree, although we think that adding the requirement to comply with the CPD scheme is inconsistent with a principles based code. Also, it might be helpful to make it clear that working under supervision or with a mentor can help with compliance.
- Yes Paragraph 2.1 is equivalent only to the current paragraph 2.2(a) with the important (b) and (c) being relegated to section 4 of the Guide (albeit not explicitly mentioned there). We suggest that paragraph 2.1 is recast so that there is some reference to working in a team or acting under supervision. We suggest that the principle set out in paragraph 2 should be constrained to “professional work”. We don’t see why the competence and care principle and amplifications should apply to work that may be undertaken in a non-professional capacity – e.g. through being a local councillor, school governor, or member of a campaigning group. A caveat would be where that work is directly parallel to the Member’s “day job” – e.g. if a Member who is a local councillor was giving a view on the adequacy of the funding of the Local Government Pension Scheme.
- Yes We agree that it is appropriate to remove the provisions which describe issues of process or procedure and instead place into the accompanying Guide. However this is subject to proper discussion of the status of the accompanying Guide.
- Yes See above re pro bono work. Much of the worst work I’ve seen is in this category – e.g., a pension actuary, as the most knowledgeable about risk, is asked by a church how much liability insurance to carry, or a friend asks for a pension value to help settle a divorce.
- No The revised principle and its amplifications are an improvement for qualified actuaries. However, I’m not sure whether it permits new members to carry out on-the-job training. I may be very happy to give a new student a task where they have zero experience, expecting them to do their best by applying common sense with maybe some reference to training material. I don’t expect the new student to get everything right – this isn’t their fault, we’ve all been there, they are still learning – so I know I’ll have to review the work thoroughly and, as long as I do my job properly, I will be code-compliant. However, under the revised code, I don’t see how the student can be code-compliant – they just don’t have the appropriate knowledge / skill for it to be likely that they’ll get the work right. And they may not know what

knowledge they're missing to judge whether or not the training they've received from me is adequate to help them to an appropriate skill level. Do we need to define "actuarial work" in a way that excludes the work the student is doing? If the important issue is that the piece of work supplied to the end user is code-compliant, then I'd view it as my responsibility that the combination of the student's work and my review / refinements produce a code-compliant piece of work.

- No The removal of the old 2.1 (the requirement to consider who the advice is being provided to) we believe to be a fundamental part of the Code and there does not appear to have been a clear enough justification for its removal.
- Yes Yes we believe that the simplifications made are helpful, with process-based requirements being moved to the Guide. We welcome amplification 2.4, which will be helpful to many users.
- Yes The parts removed are now covered by the guidance and make the code more principles based.
- No In relation to the removal of the old 2.1 (the requirement to consider who the advice is being provided to), we consider this to be a fundamental part of the current Code without a clear enough justification being given for its removal.
- Yes We feel the previous paragraphs 2.5 and 2.6 did not sit well under 'Competence and Care'.
- Yes We agree that it was appropriate to remove or move the various process content included here.
- No This is a section where there is not a compelling case for change and it is not clear the proposed wording is an improvement. The addition of new rules such as 2.2 and undefined terms (see below) do not appear to be helpful. It is particularly unhelpful to remove the current 2.2b and 2.2c which give a specific steer as to how less experienced Members can expand their knowledge and experience. The revised wording states clearly in our view that unless a Member has the relevant knowledge and skill they are barred from carrying out a piece of work whether working under supervision or not. This seems a backward step and potentially hinders development of Members and more generally of the profession into new areas. It is not clear what is exactly meant by 'work' and 'user'. Are these intended to be the same terms as defined in the APSs and TASs? This needs clarified in the Guide.
- No See response to Q26
- Yes The reputation of the actuarial profession is heavily dependent on members observing appropriate standards in their work.
- Yes The revised Competence and Care principle is shorter and more succinct.
- No Removing at least some acknowledgement for junior members acting under supervision is a step backwards. The wording seems to imply that Members know the future, some reflection around reasonable foresight would be appropriate. This seems to preclude working in innovative areas where if no one has done something

before, who know s if they'll be competent. Some softening of 2.1 would be appropriate to indicate that this does not preclude new ideas.

- Yes However, paragraph 2.1 is equivalent only to the current paragraph 2.2(a) with the important (b) and (c) being relegated to section 4 of the Guide (albeit not explicitly mentioned there). We suggest that paragraph 2.1 is recast so that there is some reference to working in a team or acting under supervision. We suggest that the principle set out in paragraph 2 should be constrained to “professional work”. We don’t see why the competence and care principle and amplifications should apply to work that may be undertaken in a non-professional capacity – for example through being a local councillor, school governor, or member of a campaigning group. A caveat would be where that work is directly parallel to the Member’s “day job” – for example, if a Member who is a local councillor was giving a view on the adequacy of the funding of the Local Government Pension Scheme.
- No Struggle with this one. 2.1 is the problem. If this is a must then 2.4 cannot apply because I would have failed 2.1. Feel that 2.1 either should be a should or should say 'in conjunction with others'. This would also mean that students could take on some work to develop themselves!
- Yes The idea that competence is a moving target requiring CPD is a valuable improvement.
- No The requirement for a member to clearly identify who his/her client is appears to have been removed entirely. This may these days be thought obvious in traditional areas of work, but I don't think it necessarily is in non-traditional areas
- Yes A lot of unnecessary verbiage has been cut out.
- Yes Most 'should' have been replaced by 'must'.
- No Competence and Care – I prefer the previous paragraphs 2.2 a, b and c to the current proposed text. This previous text made it clear that it was reasonable for a member (e.g. student) to work under the supervision of another member.
- Yes The old section was very unwieldy and this revision is much more succinct
- Yes Quite clear and concise
- No I think the removal of 2.2(c) specifically allowing members to act under supervision weakens the code.
- No I don't agree with the edits to section 2.2.
- Yes It has been shortened and is clear.
- No I think the wording about working with another actuary that has the necessary competence was helpful - you often can't being competent without experience. I think the wording about considering the interests of people other than the user was helpful.

- No They fail to address junior members performing work they are not fully competent in, knowing it is to be revised by a more senior member who accepts responsibility - and covering this elsewhere is less clear and will lead to confusion and even the Code falling into some disrepute
- No I think they change little.
- No I don't see a particular improvement but don't have an objection either
- Yes In relation to the CPD Scheme the Guidance wording should be reviewed. There is very short reference to the CPD scheme setting a minimum level of compliance. More emphasis should be given to the need for professional development to be sufficient to enable ongoing delivery of competence.
- No In relation to the CPD scheme the Guidance wording should be reviewed. There is a very short reference to the CPD scheme Setting a Minimum Level of compliance. More emphasis should be given to the Need for professional development to be sufficient to enable ongoing delivery of competence.
- No Generally yes, but I worry about the removal of the option to comply by acting under supervision of another member. How is a new graduate, new to the profession, supposed to reasonably judge whether they have the appropriate knowledge and skill to carry out a piece of work? I'd suggest that could extend upwards to more experienced students working on unusual / complex tasks too. It is unreasonable to expect them to have a full understanding of the work as a whole (which they would need, to be able to make a full judgement), when they may only be involved in one part. The rest of the section is fine.

Q26: Do you think that Members' obligations under the revised Competence and Care principle are clearly set out in the revised Code?

Answer Choices	Percent	Response Count
Yes	68	50
No	32	23
<i>Answered Question</i>		73
<i>Skipped Question</i>		16

Y/N Comments

- Yes Broadly, however:
We think that 2.1 would be clearer if it stated that 'Members must ensure they have the appropriate knowledge....' rather than the 'appropriate level of relevant

knowledge'. We would also note that experience should also be a consideration when carrying out work.

The term 'user' introduced in 2.3 should be defined in the Code.

- No According to the consultation document, the existing amplification relating to a member's obligation to 'keep their competence up to date' is expanded into three clear aspects: i) to 'ensure they have an appropriate level of relevant knowledge and skill to carry out a piece of work'; ii) to 'continue to develop their knowledge and skills'; and iii) to 'comply with the IFoA's Continuing Professional Development Scheme. We don't believe that the text makes this clear. As an additional point, the specific requirement to continue to develop knowledge and skills goes beyond the CPD Scheme (which quite properly does not apply to retired Members). Therefore clarity is needed on what 'continued development of knowledge' entails for retired Members.
- No See above.
- No We suggest a revision to 2.1 to reflect that it is only the Member responsible for the work who needs to have the necessary knowledge and skills. Members must ensure they have an appropriate level of relevant knowledge and skill to carry out a piece of work for which they are taking professional responsibility.
- Yes Yes we believe the obligations are clearly set out. In 2.3 we would question whether a Member can always be aware of the needs of the user, for example if the Member is a junior member of a team. An alternative approach would be to require Members to make reasonable efforts to understand the user's needs.
- No We consider that there is one amplification where additional wording needs to be added to ensure that the scope of Members' obligations is not wider than is intended. Suggested wording is provided below: 2.3 Members must ensure advice is appropriate to the Member's understanding of the user's needs. We note that this is not a new constraint under the revised Code but, as this is a full review of the document, we would like consideration of whether the current wording places an obligation that is potentially outside the realms of the Member's capability.
- Yes 2.2 states that Member must develop their knowledge, whereas we think the CPD requirements simply require a member to reach the desired level of knowledge and then maintain it. Might it be better simply to say Members must comply with the CPD requirements?
- Yes See our answer to Q25.
- No It is not obvious from the wording of this principle whether 'Members are also expected to act with competence and care when carrying out non-actuarial roles, where their conduct could reasonably be considered to reflect on the profession' (4.18 of the Guide). Again, the definition of 'work' needs to be clarified.
- No More clarity is desirable over the meaning of the word 'user' in para 2.3 – we do not think it should be taken to be the same as the defined term in the TASS. Is it intended to be similar to (or wider than) the 'intended user' and/or 'principal' referred to in ISAP 1?

- No There is no explicit mention of consideration to the wider body of stakeholders that may be impacted by the Actuary's work.
- Yes It is important that members understand circumstances when they should seek additional support or advice from a third party.
- Yes Again, the replacement of 'will' by 'must' and 'should' provide greater clarity.
- No See above
- No See above
- Yes The obligations seem clear enough.
- No For reasons stated above
- Yes Where necessary to seek professional advice.
- No Competence and Care – I prefer the previous paragraphs 2.2 a, b and c to the current proposed text. This previous text made it clear that it was reasonable for a member (e.g. student) to work under the supervision of another member.
- No I have concerns about 2.1 in the new code, in particular the removal of 2.2 b and c from the old code, which effectively allowed a more inexperienced actuary (or student) to gain experience by doing work for which the final product is the professional responsibility of a supervisor. Thinking about how the code applies to actuarial students, it is no longer explicitly clear if students are permitted to "learn on the job" by helping to carry out work, under the supervision of a competent actuary, who then signs off the work. This was completely clear in the old code, however I feel the removal of these, especially under a "must" amplification is unclear.
- No See Q25

Q27: Do you agree that it is useful to have an explicit reference to the IFoA's CPD scheme in the Code?

Answer Choices	Percent	Response Count
Yes	64	48
No	36	27
<i>Answered Question</i>		75
<i>Skipped Question</i>		14

Y/N Comments

- Yes We agree that there should be an explicit reference somewhere within the Code to the IFoA's CPD scheme, but the approach taken in paragraph 2.2 – i.e. that of a Rule – seems to go against the intended approach of the revised Code. It is also not an obvious amplification of the competence and care principle. It may be better to set out this and other Rules in a completely new section of the Code. Turning to the wording used in paragraph 2.2, whilst we agree that Members must comply with the CPD requirements, it is not clear whether paragraph 2.2 is compelling such compliance as there is a missing “must” before “comply”. The first part of paragraph 2.2 is applicable to all Members, including those who are retired, which does not seem correct. We are also not convinced that all practising Members “must continue to develop their knowledge and skills”. Would it not be better to say that they “must ensure that their knowledge and skills remain up to date”?
- Yes It makes clear that CPD is fundamental to the profession.
- Yes Yes we think this will be helpful in promoting confidence in the profession's work, given the continuously evolving areas that Members work in. It will also be useful for new or prospective Members, to ensure that they are aware of the obligations.
- No While we understand the thinking behind the explicit reference, the CPD scheme is well established and is something that members are aware of and used to. There is monitoring of compliance with the scheme with regular reminders. Therefore we do not think that explicit reference here is required.
- Yes However there are quite a few repeats of the IFoA CPD Scheme in the Guide which seem to be unnecessary. We further note that there is a specific requirement to continue to develop, and not just comply with the CPD Scheme. As the Code applies to retired Members, for whom the CPD Scheme does not require further development, this might be interpreted as expanding the requirement on these Members, albeit probably unintentionally. It is our opinion that reference to the CPD Scheme should be sufficient without additional clarification in the Code/Guide which risks unintended inconsistency creeping in.
- No It is unlikely to benefit Members to have the reference here, as the CPD requirements are well enough publicised elsewhere within the profession. There is of course the argument that if the Code is seen as the public expression of our professional ethics, then it does no harm to emphasise that we have a formal CPD scheme. On balance, however, we do not think it merits inclusion, and the Code would be crisper without.
- Yes Notwithstanding the feedback mentioned in 2.24iii of the consultation paper, the underlying requirement to comply specifically with IFoA CPD requirements is addressed by Principle 4. An explicit reference to CPD requirements could be included in the Guide instead. Also, referring to CPD explicitly might mean that the updated Code would need to be amended should either terminology change, or a separate scheme be introduced to support the 'outcomes' focussed learning arrangements being piloted for QAS employers.

- No It is a principles-based Code and therefore does not need explicit reference to the IFoA's CPD scheme. The development of the appropriate level of relevant knowledge and skills should be left to the Guide. Thought needs to be given as to how this reference will work in the context of Firms running their own CPD program. If reference to CPD is kept in the Code, there is no need have 'CPD' in brackets.
- No A highly-specific rule like this feels out of place in an ostensibly principles-based standard. It also raises a question about what other 'specific rules of the profession' are not articulated in the Code. If the IFoA wishes to highlight this requirement, perhaps there should be more training / publicity on these issues.
- Yes It adds further pressure to comply with CPD requirements, especially for those outside of traditional actuarial roles.
- Yes Members should be explicitly reminded of the need to continue professional education in order to maintain standards.
- Yes CPD plays a central role in maintaining appropriate professional standards. An explicit reference is entirely appropriate.
- No The CPD scheme is how the profession has decided to implement maintaining competence. CPD is not the principle but the implementation which may reasonably change without impacting the logic behind the code.
- Yes Specific link to the CPD scheme improves efficiency.
- Yes We agree that there should be an explicit reference somewhere within the Code to the IFoA's CPD scheme, but the approach taken in paragraph 2.2 – i.e. that of a Rule – seems to go against the intended approach of the revised Code. It is also not an obvious amplification of the competence and care principle. It may be better to set out this and other Rules in a completely new section of the Code. Turning to the wording used in paragraph 2.2, whilst we agree that Members must comply with the CPD requirements, it is not clear whether paragraph 2.2 is compelling such compliance as there is a missing "must" before "comply". The first part of paragraph 2.2 is applicable to all Members, including those who are retired, which does not seem correct. We are also not convinced that all practising Members "must continue to develop their knowledge and skills". Would it not be better to say that they "must ensure that their knowledge and skills remain up to date"?
- Yes See answer to 25 above.
- Yes I think this gives CPD requirements equal status to other responsibilities to clients, which is appropriate. Should the PPD scheme also be incorporated?
- No I believe it is important to have the general requirement to develop skills and undertake CPD in general; I do however find the specific reference to the IFoA CPD scheme is overly specific and thereby jars with the rest of the wording. I'd suggest replacing "the Institute and Faculty of Actuaries" with "relevant".
- No This is not necessary as is covered fully else where

- No Better to substitute as 'CPD requirements of the Profession' (as some of the members might be complying to their local actuarial bodies recognised by the IFoA)
- No I don't think it adds anything
- Yes So that members are pointed in the direction of checking
- No This is clearly a rule not a principle and stands out as such, particularly as the Code is being promoted as a principles-based document. In any case, such a reference seems unnecessary as it is already a requirement on a member to comply with the CPD scheme, and members shouldn't need to read the Code or the guidance to be aware of this. Members who do not comply with the CPD scheme will be subject to misconduct directly as a result of that, rather than not upholding the Code
- No I have answered "no" but am really not sure. One can list any or all of the rules that must be followed and it is not clear why this has been singled out. We have the all-encompassing rule in section 4. Overall I think I would omit the specific reference.
- No It is implied by the compliance section. There are any number of specific things we have to comply with - it isn't appropriate to mention them all in a principles-based document.
- No CPD Schemes are a rather bureaucratic non-principles thing. Failure to fill in forms for example might attract a sanction but to say it is a failure to meet the Code is overkill
- No It makes no real difference
- No Arguably yes, but see my comments on emphasising that the CPD scheme indicates the minimum level required. I think the CPD requirements should fall here rather than as part of Compliance.
- No Arguably yes, but see my comments on emphasising that the CPD scheme indicates the Minimum Level required. In addition I would consider that the CPD requirement relates more to the Competence and Care principle than to Compliance
- Yes Emphasises importance and implications of non-compliance
- No As an overseas member it is already complicated enough to comply with multiple CPD requirements

Q28: Overall, do you agree that the revised Impartiality principle and its amplifications are an improvement?

Answer Choices	Percent	Response Count
Yes	75	57
No	25	19
<i>Answered Question</i>		76
<i>Skipped Question</i>		13

Y/N Comments

- Yes Generally yes, although see comments below.
- Yes We note that this principle applies only to “professional judgement” and so is unlikely to be invoked in a Member’s “other conduct”.
- Yes The principle now covers not just actual compromise, but perception of compromise, and we believe it is useful to make this clear. We note that some of the text has been removed with the intention of incorporating into the Guide: at present the requirement for members to consider consulting with a previous adviser features in both the Code and the guidance on conflicts of interest, it needs to be made clear that placing only in the impartiality part of the Guide (as we assume this will be) does not lessen the importance of the requirement.
- No Actuaries are retained as advocates from time to time – for example, in corporate transactions, collective bargaining, or litigation. In these situations, the actuary must be free to help the client without the obligation to be impartial. Example 1. Negotiations are proceeding with respect to an unprecedented change in a pension plan’s early retirement provision. The union’s actuary must be able to argue that the usage will be light. The actuary for the company should be free to take the opposite position. The final provision will have the benefit description but no costs attached. Only time will tell where, hopefully within the reasonable range, the actual cost lies. Example 2. The actuary for one side discovers that the actuary for the other side has made an error in favour of the first actuary’s client. There should be no obligation to disclose that discovery.
- No I still have the fundamental problem that many pieces of work can be reasonably seen to be compromised by a conflict of interest, e.g.
- As an Actuarial Function Holder / Chief Actuary, I use my judgement to propose a lighter reserving basis, or maintain existing reserving bases when a little adverse experience has been seen. This has the consequence of increased (or maintained) company profit and thus increased (or maintained) personal bonuses.
- As a life company employee, I use my judgement to propose a lower equity backing ratio in the company’s with-profits fund. This has the consequence of reduced likelihood of shareholder burn-through. There is undoubtedly a conflict of interest – my

bonus will increase or be at a lower risk of reducing. And even if I may be personally content that I have reconciled this conflict of interest, it seems impossible for this recommendation to be free from any perception of bias (a requirement of amplification 5.3); after all, I've made a recommendation and the direct result is that my bonus increases. There is usually a range of reasonable recommendations, and in that situation it will be impossible to produce indisputable rationale as to why my recommended basis X is superior to a slightly less personally advantageous but still reasonable basis Y. While it may be possible to reconcile the conflict of interest, I doubt it is always possible to remove any perception of a conflict of interest.

- Yes We welcome the simplifications made to the amplifications. This principle is now covered in detail in the accompanying Guide.
- Yes The parts removed are now covered by the guidance and make the code more principles based.
- Yes We consider it to be more succinct.
- Yes The proposed text is shorter. It is appropriate to move 3.2 and 3.6 to the guidance.
- No We assume that, in respect of unreconciled conflicts of interest, the intention is to focus on unreconciled conflicts on the part of the actuary. We consider that the existing principle 3.2 is clear in this respect. The proposed new wording could be taken to constrain the actuary's ability to assist where there is, for example, a conflict of interest on a pension fund trustee board.
- Yes With separate guidance in place for conflicts, much of the existing content is redundant, so the clearer shorter principle is appropriate.
- No Again, it is not clear that the current wording needed improving. We feel that the changes themselves are a weakening of the current wording. The use of the word 'seen' in 3 may not be helpful as it is linked to one specific sense. 'Perceived' may be a better word to use. Bearing mind the Guide is not a part of the Code, we believe that the removal of 3.2 will be unhelpful as it simply reminds Members of the areas that they must consider with regard to conflicts. The removal of 3.6 is particularly worrying. This is a key public interest protection; it is designed to mitigate the potential problem of shopping around for the answer a client wants. It does not appear to be proposed that this be replaced in any form. Reference to bias in the principle is not new and it would be helpful to have more explanation in the Guide of what is meant by this. Historically, 'bias' has been seen as a conscious process and one linked to unfairness. With the growing awareness of unconscious bias, this use of this word may no longer be advisable. In particular, the profession accepts that through the use of judgement it is reasonable that different actuaries will reach different conclusions when presented with the same information. The process of using judgement is one where personal preferences, formed through one's own unique experiences, plays an important part. These personal preferences are a form of bias. We should also be aware that group think is a form of bias and one which is reinforced by regulation. We wonder whether a different term should be explored.
- No See response to Q29

- No No, the phrase "and cannot reasonably be seen to be compromised" is too vague and open to interpretation. I work as an investment advisor consultancy which also offer solutions for the fiduciary management of assets. We have clear and rigorous structure in place to manage the conflict and it is managed effectively. However, despite these controls, an outside observer (perhaps working for one of my employer's competitors) could say I or my colleagues are compromised. We would be seen to be compromised and therefore in breach of the code.
- Yes It is now more principle-based and less rule-based.
- Yes Impartiality is an important principle. There have been concerns about the impartiality of those working within the investment consultancy sector, and the revised code is a timely improvement.
- Yes As with the changes to the Integrity principle, the revised Impartiality principle benefits from being shorter. Again, 'must' and 'should' provide greater clarity with regard to what is expected of members.
- No The aggrieved party in any situation may reasonably see someone's work as biased. the important test is would someone independent see it? The overall principle comes very close to asking the Member to prove a negative. How can one ensure that one is not biased? Endeavour rather than ensure or take reasonable steps to ensure are much better here. The prior code made reference to how a conflict could be reconciled but the new version only says that there should be no unreconciled conflicts with no explanation of how one could be reconciled. Otherwise the overall simplification is an improvement.
- Yes The inclusion of perception is important.
- Yes We note that this principle applies only to "professional judgement" and so is unlikely to be invoked in a Member's "other conduct".
- Yes Think this is clearer
- No In my opinion the existing principle is good enough.
- Yes I think unnecessary detail has been removed, making the principles clearer
- No I have some concerns about Principle 3 and the use of "must" in relation to "bias". The guidance defines "bias" widely and appears potentially to include the full range of human bias documented in books like "Thinking Fast and Slow". The standard in the case becomes impossible for any professional to comply with as research clearly shows even the best professionals are fallible.
- Yes More explicit.
- No Changes ok, but perhaps not necessary
- Yes A shorter version without losing any of the content envisaged originally

- No I think it the existing code is already clear
- No The wording on "cannot reasonably be seen to compromised by bias" is disproportionate.
- Yes Clarity and conciseness.
- Yes Except I would reinstate some wording about disclosing conflicts to clients
- Yes Wording is shorter!
- No I think they change little
- No I don't have a preference either way
- Yes More succinct (e.g. deletion of sections 3.2 and 3.6)

Q29: Do you think that Members' obligations under the revised Impartiality principle are clearly set out in the revised Code?

Answer Choices	Percent	Response Count
Yes	82	58
No	18	13
<i>Answered Question</i>		71
<i>Skipped Question</i>		18

Y/N Comments

- No In 3.1 it is not immediately clear what is meant by 'relevant interests'. Also, we presume that 'any' relevant interests refers to those in respect of the Member rather than 'any' in general that might apply to other parties. In which case this should be clarified, as it doesn't seem reasonable for Members to have the responsibility to reconcile conflicts of all parties. Also it is not clear from this section of the Code what is meant by "reconciling" a conflict. It would be more helpful if it explained that some conflicts cannot be entirely removed and can only be considered "reconciled" by disclosing them (for example, having obligations to an employer while giving advice to a client of the employer).
- Yes However, we are not sure, on reading the Code alone, what "unreconciled" means in paragraph 3.2: we believe that a clearer word or words is needed. We appreciate that there is an explanation in paragraph 5.57 of the Guide, but again urge that the Code must be stand-alone. It is also not clear whether there is any proportionality in determining whether a conflict of interest has to result in a member not acting.

- Yes When read in conjunction with the Guide (which will incorporate an updated conflicts guide), the requirements are clear.
- No See above.
- Yes Yes we believe the obligations are clear. As noted above, there is a substantial amount of further information regarding this principle in the Guide to assist Members.
- Yes However, we suggest that more guidance be provided on Conflicts of Interest principles 3.1 and 3.2. In particular, under 3.1 we consider that additional guidance is required to clarify how this Principle should be approached by a junior Member.
- No We found nothing ambiguous. We do, however, think it worth recognising that people are not conscious of all their biases, and the amplifications could reflect this in some way – perhaps saying that Members should take all steps to identify bias, similar to the reference to conflicts of interest in 3.1.
- No Please see our answer to Question 28.
- Yes They are as principles, the need for additional guidance in this complex and sensitive area remains, however.
- Yes No additional comments.
- No Given that the proposed principle to head up section 3 extends beyond professional judgement actually being compromised to such judgement reasonably being ‘seen to be compromised’, it would seem consistent for the new para 3.1 (articulating the need for the Member to be aware of potential conflicts) similarly to incorporate an additional reference to ‘interests that might reasonably appear to create a conflict’. The implementation of a written plan for the management of any identified (reconcilable) conflict, as required by the current para 3.4, is something we would expect to remain as ‘standard practice’. If this is indeed the case, it is one of the provisions which we would envisage including in the APS or other ‘intermediate’ document suggested in our response to Q17 – we would not want to see such a ‘general expectation’ (or ‘near-mandatory requirement’) incorporated only within a ‘Guide’. The omission of the current para 3.4 also leaves the word ‘unreconciled’ (in what is now para 3.2) without the context that it had previously, which we think reduces clarity.
- No See answer to 28.
- Yes For reasons set out in the previous answer, it is now important that members are able to balance commercial duties to an employer with ethical duties to clients. Extensive coverage of Conflicts of Interest in the revised Code and Guide are helpful here.
- Yes There has of late been a suggestion that investment consultants have been too keen to recommend products or services offered by their own firm without considering a proper tendering process. This represents a clear conflict of interest, the revised Impartiality principle addresses this effectively.
- No See above, in particular the lack of reference about how to reconcile a conflict.

- Yes However, we are not sure, on reading the Code alone, what “unreconciled” means in paragraph 3.2: we believe that a clearer word or words is needed. We appreciate that there is an explanation in paragraph 5.57 of the Guide, but again urge that the Code must be stand-alone. It is also not clear whether there is any proportionality in determining whether a conflict of interest has to result in a member not acting.
- Yes The obligations seem clear enough.
- Yes Especially with amplifications.
- Yes Impartiality – I like the continuing inclusion of the reference to bias. I think it is important to alert members to this.
- Yes It is clear, but disproportionate.
- No Since all the amplifications are about conflicts of interest, it might be thought that "bias" refers only to conflicts of interest. If this is intended then perhaps the section should be renamed "conflicts of interest".

Q30: Overall, do you agree that the revised Compliance principle and its amplifications are an improvement?

Answer Choices	Percent	Response Count
Yes	70	53
No	30	23
<i>Answered Question</i>		76
<i>Skipped Question</i>		18

Y/N Comments

- Yes Largely, although note response to question 32 below.
- No Whilst we appreciate why some of the messages contained within the current paragraphs have been moved to the Guide, there is a clear risk that they become lost given the length of that Guide. We suggest that the compliance principle should be restricted to where the Member is undertaking “professional work”, else all kinds of issues, completely outside of work, could come into scope. For example, will the Member have broken the Code if he or she breaks the speed limit, or is that a non-relevant legal requirement?
- Yes The new wording is more succinct (although clearly the shortened principle is partly due to the moving of the speaking up material). The amplification 4.1 appears to be rather clumsily worded – 'unable to comply' should probably be followed by 'with the relevant requirements' or 'with this principle'.

No	Not sure
Yes	Yes we agree that the revised shorter wording is an improvement. In particular we welcome the clarification of the disclosure requirements in 4.2, as there may be Members who have not read the Disciplinary Scheme and may therefore be unaware its requirements. In 4.2 line 3 we would suggest moving the reference to the specific paragraphs "1.11 to 1.14" to the Guide.
Yes	See 32.
Yes	Overall, yes, although the explicit references to sections of the Disciplinary Scheme do seem to depart from the style of the rest of the Code. See our further comments on Q32.
No	This is a section where there is not a compelling case for change and it is not clear the proposed wording is an improvement, though we are supportive of moving some of the wording to a Speaking Up section.
No	With the 'breaking off' of the part of this section which is now referred to as 'speaking up', there remains little left in this section. Apart from the highly-specific rule that's been introduced into para 4.2 (see response to Q32 below), there is only one minor rider (para 4.1) to the headline principle (and that is not without its problems, as mentioned under Q31 below).
Yes	Less UK focused.
Yes	Again, the adoption of a principles based approach is to be preferred.
Yes	Again, the shift to a principles-based approach avoids the rigidity of a prescriptive code
No	The explicit reference to the Disciplinary Scheme is a problem. All rules should follow from the code and the code should not make reference to explicit implementations of those rules. Also any changes to the disciplinary scheme will require the code to be updated.
No	Whilst we appreciate why some of the messages contained within the current paragraphs have been moved to the Guide, there is a clear risk that they become lost given the length of that Guide. We suggest that the compliance principle should be restricted to where the Member is undertaking "professional work", else all kinds of issues, completely outside of work, could come into scope. For example, will the Member have broken the Code if he or she breaks the speed limit, or is that a non-relevant legal requirement?
Yes	Short and to the point!
No	In my opinion the existing principle is good enough.
Yes	Unnecessary detail has been removed, making the principles clearer

- Yes More Explicit
- No Changes ok, but perhaps not necessary
- No You have removed challenging non-compliance by others and replaced it by going immediately to the Institute and Faculty without delay. This is disproportionate.
- Yes Simpler and clearer, and covers integrity better, and spells out the requirement to report convictions
- No I am unsure about section 4.2. (See below) Otherwise happy.
- No Specific reference to the rules about disclosing convictions is inappropriate in a principles-based code.
- No I think they change little.
- No I don't see they are better or worse

Q31: Do you think that Members' obligations under the Compliance principle are clearly set out in the revised Code?

Answer Choices	Percent	Response Count
Yes	90	61
No	10	7
<i>Answered Question</i>		68
<i>Skipped Question</i>		21

Y/N Comments

- Yes Amplification 4.1 could be clearer if it stated for instance that Members 'take reasonable steps to ensure they can comply' or 'take reasonable steps to ensure they are not prevented from complying'.
- Yes However, paragraph 2.16 of the Guide makes a really important point that you can't enter into a contract that exempts you from following the Code. This should be explicit in part 4 of the Code (and maybe also in the status and purpose section as well when referring to "legal requirements").
- No If it is felt appropriate to reinforce the requirement for members to disclose to the IFoA any event described in the Disciplinary Scheme of the IFoA, then we believe that this should be more directly quoted in the Code (in line with the treatment of the CPD requirement).

No	Not sure
Yes	Yes we believe this Principle is clearly stated.
Yes	We found nothing ambiguous.
Yes	See our answer to Q30.
Yes	The wording is solely about the Member's compliance rather than non-compliance by others.
No	This is a good example of a situation where we think the approach in the current Code – use of the word 'will' in conjunction with the 'status and purpose' statement "principles which members are expected to observe..." – works better than the proposed 'must comply' approach, because it seems to us to give more flexibility to Members to use appropriate judgement where two 'mandatory' requirements conflict (or occasionally where a public interest consideration is paramount). The possibility that Members will occasionally end up in situations where they cannot comply is effectively acknowledged by para 4.1, but in this context the use of the word 'ensure' seems inappropriate – perhaps something like '...reasonable steps to avoid being placed...' would be better?
Yes	It is important that members have a proper understanding of the regulatory environment in which they operate.
Yes	This is defined in a clear and unambiguous manner
Yes	Obligations are easy to follow provided that the actuary knows the relevant regulations. An improvement would be to require all actuaries to also take reasonable steps to stay informed of the relevant regulation etc.
Yes	However, paragraph 2.16 of the Guide makes a really important point that you can't enter into a contract that exempts you from following the Code. This should be explicit in part 4 of the Code (and maybe also in the status and purpose section as well when referring to "legal requirements").
Yes	The obligations seem clear enough.
Yes	By making it obligatory
No	Changes ok, but perhaps not necessary
Yes	It is a very straightforward statement.

Q32: Do you agree that it is helpful and appropriate to include as an amplification the existing requirement for Members to disclose to the IFoA any conviction, adverse finding, judgement or disqualification described in the Disciplinary Scheme of the IFoA?

Answer Choices	Percent	Response Count
Yes	76	54
No	23	17
<i>Answered Question</i>		71
<i>Skipped Question</i>		18

Y/N Comments

- Yes We do not agree that the requirement to disclose convictions etc. to the IFoA should be included here. It does not seem to sit with the principles based approach of the rest of the Code and is a repeat of a requirement in the Disciplinary Scheme. We would suggest that it could be moved to the Guide or, if it is felt that this requirement is not currently visible enough, alternative ways are considered of drawing this to member's attention.
- No This Rule sits uneasily in what is meant to be principles-based guidance. As with the Rule relating to the IFoA's CPD scheme it may be better to set it out in a completely new section of the Code. It would also be useful to paraphrase what rules 1.11 to 1.14 of the Disciplinary Scheme say. We think it would be more helpful if paragraph 4.2 became an amplification that gave some hint as to what was meant by "relevant" legal, regulatory and professional requirements. We note in passing that the meaning of "relevant" is not explored in Part 6 of the Guide.
- Yes The new amplification is useful to make clear the actuary's obligations should such a conviction occur. The requirement is already set out in the Disciplinary Scheme but covering in the Code makes it easier for an actuary to see and obey. However as noted above, the Code (or the Guide) should be more detailed in its description of what events fall under the requirement to disclose to the IFoA.
- Yes Too many people are unaware of the details of the disciplinary scheme (for example, given the size of our membership, I see a very small number of disciplinary rulings relating to disclosures of criminal / civil convictions; I don't know whether to be proud that our members are law-abiding to a truly exceptional extent, or concerned that there is under-reporting (or perhaps most reporting results in no reported disciplinary action, which may be fine)) and this will increase awareness, which I think is very valuable. Hopefully this will lead to more people reading the disciplinary committee rulings, which really do bring professional obligations to life.
- Yes Yes as some Members may not be aware of this requirement – see question 30 above.

- No • While reminding Members of the Disciplinary Scheme is useful, we feel that there is no need to make reference to specific rules in the Disciplinary Scheme – potentially too much detail for principles based code
- Yes We agree with the reasoning, set out in the consultation, that members might otherwise only ever read the Disciplinary Scheme when they are subject to disciplinary action. However, we would remove the reference to the particular paragraphs of the Disciplinary Scheme because (i) this level of detail goes against the succinct style of the Code, and (ii) this would future-proof the Code against changes to the Disciplinary Scheme.
- Yes Although we suggest "future proofing" the content by removing the specific reference to rules 1.11 to 1.14 of the Disciplinary Scheme.
- Yes We agree that it is helpful to add a reference to the Disciplinary Scheme (perhaps without listing the sections), but feel that corresponding content should be added to the guidance to explain what is covered by sections 1.11 to 1.14, which is long and apparently written by and for those already familiar with the operation of UK law. Alternatively, further wording might be included in the Code itself to list briefly the various reportable events listed in 1.11 to 1.14 of the Disciplinary Scheme.
- Yes It is not appropriate to include this level of detail in a high-level, principles-based Code. However, given its importance, an amplification on the Disciplinary Scheme may still be appropriate.
- No A highly-specific rule like this feels out of place in an ostensibly principles-based standard, and if the IFoA wishes to highlight the point it should instead consider more training / publicity.
- Yes Confident members should have nothing to hide.
- Yes This is consistent with the requirements of other professional bodies.
- Yes It is worth noting that different legal systems across the world may result in a member being convicted in one country for something which would not constitute a criminal offence in the UK.
- No As above, the explicit reference to the Disciplinary scheme is a mistake. I don't see the need for this at all as it should be covered by complying with the relevant actuarial regulation but I don't strongly object if it is felt important to include the principle.
- Yes Improves efficiency.
- No This Rule sits uneasily in what is meant to be principles-based guidance. As with the Rule relating to the IFoA's CPD scheme it may be better to set it out in a completely new section of the Code. It would also be useful to paraphrase what rules 1.11 to 1.14 of the Disciplinary Scheme say. We think it would be more helpful if paragraph 4.2 became an amplification that gave some hint as to what was meant by "relevant" legal, regulatory and professional requirements. We note in passing that the meaning of "relevant" is not explored in Part 6 of the Guide.

- Yes Openness is the best policy
- No I dislike having a reference to another code in the code
- Yes All of these items are appropriate required disclosures.
- Yes I agree that this requirement might otherwise not be obvious to actuaries not applying for practising certificates
- No I think it is helpful to make this clear here but the need to cross reference to specific text in the disciplinary scheme is unhelpful and the clarity and helpfulness of the wording on 1.11 - 1.14 is not good. I have concerns about the extent to which in practice matters which would appear to be private matters with little direct relationship to the profession lead to public censure by the profession.
- No I think the wording could be improved by replacing the wording after the existing "of the type referred to in rules..." with "to which they are subject, of a type which could trigger disciplinary action under the Disciplinary Scheme." The reference to the precise rules within the Disciplinary Scheme should be included as a footnote or in the guidance document - in the main text it is too specific and is at risk of being superseded too quickly.
- Yes Amplification gives more details
- Yes Yes, but not so reference specific sections of the disciplinary code. From a practical perspective at least, if the disciplinary scheme is renumbered, the code would be out of date.
- Yes It's a helpful reminder about the disciplinary scheme, even if this is disproportionate.
- Yes Absolutely. It is unfortunate when people break a mandatory obligation by reason of not knowing of it.
- No Do IFoA staff have to disclose such details when they join the IFoA?
- No As with the reference to the CPD scheme, this is more of a rule than a principle. Again, members who do not disclose such an issue will be subject to misconduct directly as a result of that, rather than because of not upholding the Code.
- Yes Although I answer "yes" I think that this may be a bit too detailed. It is now the longest entry in the code (competing with 5.3). It goes into a level of detail that does not appear anywhere else in the code and goes well beyond amplifying a principle. In addition, if the Disciplinary Scheme changes then the code will need to be amended, which is unnecessary. This could be reworded as "Members must disclose to the Institute and Faculty of Actuaries any conviction or other finding of the type referred to in its Disciplinary Scheme". After all, under principle 4 members should all be familiar with the Disciplinary Scheme, otherwise they cannot comply with it.
- No Inappropriate in a principles-based code.

- No It is OK to refer to the Disciplinary Scheme but not to the specific points in it. They will probably change quicker than we imagine so better not to have to update the Code immediately after.
- No I feel this would better sit as part of the Integrity principle.
- Yes People are not always aware of what needs to be reported

Q33: Do you consider that the inclusion of a stand alone Speaking Up principle in the revised Code is an improvement?

Answer Choices	Percent	Response Count
Yes	83	62
No	17	13
<i>Answered Question</i>		75
<i>Skipped Question</i>		14

Y/N Comments

- Yes However, we suggest that the speaking up principle should be limited to situations that the Member comes across in their professional life and is workplace-based, else all kinds of difficulties could transpire. We expand upon this below. We also note that the Speaking Up principle and amplifications are quite lengthy when compared to the other sections of the Code.
- Yes In the context of the new layout of the Code we agree that Speaking up fits better as a standalone item.
- No Not sure. I am concerned that speaking up carries the risk of harming innocent third parties. I also think that it is appropriate to dispense with the obligation to speak up if the parties have reached a resolution satisfactory to all those affected.
- Yes Speaking Up is quite different to Compliance and its importance warrants a separate section.
- Yes Yes we believe this is an improvement as it is an important issue that Members frequently require support with.
- Yes We believe it to be a useful addition that does not sit naturally under the other principles.
- Yes Yes - this has clearly become a sufficiently important issue to warrant a separate principle.

Yes	Speaking up is a complicated topic that needs covered in a separate principle rather than under a general compliance principle.
No	... although, as with many other questions where we have responded 'no', this change is not in itself necessarily a diminishment (if we set aside the disadvantage mentioned under Q30 regarding where it leaves the new section 4).
Yes	As has been noted in our commentary on the Integrity principle, there may be circumstances in which a duty of client confidentiality may be in conflict with a duty to report unethical behaviour. A dedicated section within the Code dealing with such problems is particularly helpful.
Yes	'Whistle blowing' is a potentially problematic area. It is right that members seek to balance commercial obligations to clients with professional, legal and moral obligations.
No	This should be contained within compliance as it is a regulation that actuaries must comply with already. A separate heading is not required or useful.
Yes	One of the most contentious areas. Reflects its importance.
Yes	However, we suggest that the speaking up principle should be limited to situations that the Member comes across in their professional life and is workplace-based, else all kinds of difficulties could transpire. We expand upon this below. We also note that the Speaking Up principle and amplifications are quite lengthy when compared to the other sections of the Code.
Yes	Feel we are not good enough at doing this and hopefully this will encourage more people to speak up
Yes	This is an important responsibility which should be included.
Yes	Substantially clarifies this requirement
Yes	I think it is arguable that the requirements within this section could all fit validly under other, existing sections, but I see value in having an explicit heading for this, to focus Members' minds on this important point.
Yes	More freedom
Yes	Speaking up – it is reasonable to make this a standalone principle. The new proposed text is overly onerous, though. In particular, I don't think it is reasonable in the draft 5.2 to require a member to refer an issue to the IFoA at all. And "without delay" is onerous and not practical. I think it should be reasonable for a member in a firm to escalate an issue through line management and/or the firm's whistle blowing processes, with no reference by the member to the IFoA at all. It would then be for more senior management to consider whether or not to refer the issue to the IFoA. There is no proportionality in how the proposed wording is currently set.

Yes	Yes, but, the drafting in the section leads to much longer sentences and stands out from the rest of the code.
Yes	It emphasises the significance and the need
No	Speaking up is a compliance matter so I think the current code deals with this satisfactorily
No	Paragraphs 5.2 and 5.3 are disproportionate.
Yes	Calling it what it is helps enormously. This is the biggest challenge to the actuary who works for big business.
Yes	Note - not covered in the questions below, but 5.2 may cause confusion if members would rather take reasonable internal steps to confirm their suspicions before notifying the IFoA - at the moment it reads like the IFoA should be informed immediately rather than as soon as is reasonably practical having taken relevant verification steps.
No	What is the point of speaking up if you're just ignored by the people that ask you to speak up?
Yes	It is separate from the other principles.
No	This principle compels you to report others if you have reasons to believe that an action is "unethical or unlawful". We can live with "unlawful" (although what is lawful may be often not obvious). But why "unethical"? What if I have reasons to believe that my CRO cheats on his boyfriend (no doubt an unethical action). Do I really need to "speak up"? The authors explicitly extend the requirement to "unethical" behaviour in people's private lives, see extended Guidance, par. 7.11. While one can debate which private vice is material, I find this 1984 principle unacceptable. Member's private lives should be protected from Staple Inn's administrators.
Yes	It is clearer.
Yes	This is probably an area that needs more prominence
Yes	Separating out the requirements on 'speaking up' into a stand alone principle emphasises their importance, introduces clarity, which may encourage challenge of non-compliance by others in situations where it is required.
No	No definition of "speaking up"

Q34: Do you think that Members' obligations under the Speaking Up principle are clearly set out in the revised Code?

Answer Choices	Percent	Response Count
Yes	63	44
No	37	26
<i>Answered Question</i>		70
<i>Skipped Question</i>		19

Y/N Comments

No

We have some concerns with the widening of the requirement to speak up as this could potentially require Members to report behaviour they consider 'unethical' to regulators even if the information is subject to confidentiality under client contracts. While the Code states both that "Members should respect confidentiality" and the scope is clear that "nothing in the Code is intended to require Members to act in breach of legal requirements"; the accompanying guide says that: 2.16 Members should note that the reference to 'legal requirements' in the 'Status and Purpose' section of the Code is intended to cover requirements imposed by legislation, regulation or the common law. It does not extend to contractual provisions agreed with a user or provisions imposed by a Member's employer, which seek to prevent the Member from complying with the Code or other legal or regulatory requirements. It is not possible to contract out of complying with the Code and Members should bear this in mind when entering into contracts that have provisions relating to confidentiality. Also, while it is generally reasonably straightforward to establish whether behaviour is illegal (and we would agree that this should be reported, subject to the comment above about being clear how international inconsistencies will be dealt with), 'unethical' is a far more subjective term. Members could have different views as to whether behaviour is unethical and what is considered "unethical" will depend on local cultures or individual belief systems. We also consider that, in paragraph 5.3 where reporting to a regulator is covered, it should be made clearer that the matters to report are those of relevance to the regulator. We note that the speaking up principle is a "should", presumably to allow for exceptions that could be created as a result, but it would be helpful if examples could be provided in the Guide. In particular, the amplification includes as a "must" the requirement to report breaches of the law. In some countries, actions that are legal in England and Wales are illegal. As an organisation established in the UK but with Members in other countries, the Institute and Faculty of Actuaries must be clear whose law will prevail and how the Disciplinary Panel will act in relation to any differences. In a number of the amplifications in this section it is not immediately clear what is meant by "relevant" – for example in 5.1 '...non-compliance with relevant legal, regulatory and professional developments'. The intention is presumably that they should be relevant in the context of an actuarial role, but because of the wider scope of the Code around bringing the profession into disrepute that's not obvious here. In 5.2 we consider that 'without delay' should be altered to 'without unreasonable delay', for instance the Guide suggests that

in some cases Members may want to seek further advice from others before speaking up.

- Yes
- However, we question the very wide scope of the principle set out in paragraph 5. As written it would seem to require a Member to speak up in any situation where they are of the view that a course of action is unethical or unlawful, even if the Member is only aware of that situation through being a general member of the public. To give an absurd example to illustrate the point, are Members required to speak up against the Catalanian declaration of independence on the grounds that it is apparently unlawful under Spanish law? Turning to paragraph 5.1, it is not clear from the Code whether “others” refers just to other Members or much wider. Paragraph 7.19 of the Guide suggests that it is a wide definition, but is limited to a business context. We think that the Code needs to make clear the extent of the term “others” without reliance on the Guide. We have two scenarios to assist with your thinking: § To take a topical example, if in the course of being a local councillor the Member becomes aware of unethical behaviour by a fellow councillor in relation to a much younger person of the opposite sex, does the “challenge” principle come into play? § If a Member becomes aware that, completely outside the workplace, a member of the public is breaking the law through drug-taking, do they need to challenge their behaviour, or is such a situation not “relevant”? Would it become relevant if that member of the public happened to be a Member? We have a concern with the potentially wide application of paragraph 5.2. If a Member becomes aware of another Member breaking the law in an area completely outside the world of work, does he or she have a duty to report that Member to the Institute and Faculty of Actuaries, or is such law-breaking not “relevant”? Also, paragraph 5.2 is not an amplification of the “speaking up” principle, but is a stand-alone rule. Perhaps this should also be hived off into a separate Rules section? In paragraph 5.2 we also have a concern that “appears” is too wide a criterion for reporting misconduct etc. We suggest that “reasonable cause to believe” wording is a better description of the necessary criterion.
- No
- The duty to report matters to relevant regulators or other authorities is a 'should' rather than 'must'. The consultation notes that this is to ensure a proportionate approach to reporting, although we believe that this should be made clearer within the Code. We agree that the requirement for Members to 'take reasonable steps to ensure users are aware of any substantial issues with a piece of work for which they are responsible ...' is sensible, although the Guide suggests that this requirement goes beyond concerns (discovered after the work has been issued) that may come to light before the user makes decisions based on that work. Although this is a comment more on the Guide than the Code, we feel that paragraph 7.28 of the Guide (which can make a Member guilty of Misconduct if he/she fails to take action on becoming aware of certain kinds of conduct by a person with whom they are connected) needs amplification in its reference to 'connected'. The disciplinary scheme refers to this only as connected in the business sense, but we think this clarification should be repeated in paragraph 7.28.
- Yes
- Yes, although the use of others in 5.1 could be amplified. For example Members should challenge others (including clients and their professional advisers) on their non-compliance with relevant, legal, regulatory and professional requirements. Second we believe the ordering should be amended to the following order of current paragraphs 5.2, 5.3, 5.1 and 5.4

No

We welcome the introduction of Speaking Up as a stand-alone principle, and note that it is necessary to read the Guide in relation to speaking up in order to appreciate and understand fully this section of the Code. Principle 5 Whilst we welcome the proposal to speak up to anyone where appropriate, the proposal to remove from the Code the explicit references to speak up to clients and employers feels like it has diminished the importance of this action to a degree. We note that it is necessary for the Member to read the Guide in order to receive guidance on speaking up to an employer or client. We note the views discussed in paragraph 2.32. on page 8 of the Consultation Paper. In our view it was felt that circumstances could potentially arise where an action could best be described as improper, but not necessarily unlawful or unethical. For that reason we feel that the deletion of the reference to “improper” behaviours in the Code may not be in the public interest and should be reviewed. We note however that the majority of improper behaviours are likely to be either unlawful, unethical or caught by the Competence and Care Principle, as mentioned in 2.32. Amplification 5.1 With regard to Members’ duty to challenge non-compliance of others under amplification 5.1, we feel that it would be helpful to provide some additional guidance to clarify the extent to which a Member should take steps to familiarise themselves with a third party’s relevant legal, regulatory and professional requirements. An example would be where an employer or client is not an actuary, in which case its compliance requirements may not be known to a Member. Amplification 5.2 In our view the wording of 5.2 does not feel entirely consistent with paragraph 2.35 on page 8 of the Consultation Paper. The latter notes that Members should be allowed to determine the most appropriate channel of reporting. We feel that 5.2 of the Code could be misinterpreted by some users to mean that misconduct by a Member will only be reported to the IFOA. Any provisions to discuss this first with the Member or other parties are discussed in the Guide but not in the proposed Code. We also feel that it would be useful to include a definition of “misconduct” within the Guide, with regard to its specific reference in amplification 5.2. Does misconduct need to be material for it to be reported? We feel that this is not entirely clear from section 5.2 of the proposed Code. Amplification 5.3 When read literally, 5.3 appears to say that where there is a legal requirement to whistleblow eg to the FCA, Members should also report to that same body material behaviour that they believe is unethical or unlawful. Section 7.30 of guidance explains however that 5.3 means that Members should report material unethical and unlawful behaviour to relevant regulators and authorities (for example the police) even when there is no legal requirement to do so. It feels therefore that 5.3 would benefit from a slight rewording to clarify this point, for example using the wording in section 7.30 of the Guidance. On balance we feel that further examples in the Guide of who to contact at which stage, or perhaps a flowchart identifying appropriate actions that a Member can take when considering speaking up, would be beneficial. Amplification 5.4 With regard to the new amplification 5.4, we feel that there is a risk that some Members may misinterpret the meaning of “substantial issues” when reading the Code, for example as a requirement to raise material assumptions, accuracy of data etc. Section 7.35 onwards in the Guide explains that a “substantial issue” is one that has been uncovered and may have material consequences for the user if it is not resolved. Examples include the disclosure of errors, manipulation of models and concealment of information from a user. This meaning may not be obvious to all on reading the Code as a stand-alone document.

- No
- We think that 5 should make it clear that the Speaking Up principle covers non-compliance with relevant regulatory and professional requirements as well as legal requirements.
 - We would suggest adding further wording to 5.1 as follows;
 - 5.1 Members should challenge others as identified material non-compliance with relevant legal, regulatory and professional requirements.
 - In 5.2, “must” should be replaced by “should” to deal with issues such as money laundering,
 - In 5.3, we agree with the wording “and carries significant risk of materially affecting outcomes” at the end of this sentence.
 - We don’t think that 5.4 belongs under the Speaking Up principle and feel that this would be more appropriate under the Communication principle.
 - The guide states under 7.50 that ‘details of the alleged misconduct must be submitted in writing to the IFoA’. We think that this is a requirement rather than guidance and should therefore be incorporated into the Speaking Up principle.
- No
- In 5.1, it would be helpful in our view to include in the text that “others” is not limited to actuaries. This is explained in 7.19 of the Guide. For example: “Members should challenge others (including clients, employers or other professionals) in their work with them and where they are aware of, (on) their non-compliance with relevant, legal, regulatory and professional requirements”.
- No
- We approve of the materiality clause which grants Members some judgment as to what to report. However, we think that “significantly affect outcomes” could be tightened to refer only to financial outcomes arising from Members’ advice. Reporting other instances of unlawful behaviour should fall outside the ambit of the IFoA and its Members. We think this section should also make clear that it relates to professional ethics only. Although we think it implicit from the context, it would do no harm to explicitly exclude other types of ethics, as people often have different moral codes and different perceptions of what is unethical in a private sphere. A literal reading of the Code would require Members to report any material breach they became aware of, even if someone else had already reported it – so perhaps the word “unreported” could be inserted into the wording. Finally, this section is wordier than the other principles, which goes against the conciseness of the document as a whole.
- No
- We have some concern about the use of "relevant" in 5.1. The phrasing is the same as principle 4 (legal, regulatory and professional requirements), but the inclusion of "others" in 5.1 (rather than, say, 'other Members') seems to extend the speaking up principle to cover any illegal or unprofessional behaviour by everyone a Member encounters in either their professional or personal lives. For example, colleagues have reported lengthy and ultimately unproductive discussions at Professional Skills Training events about whether Members need to challenge clients or even family members about the use of handheld mobile devices whilst driving. In this case, the argument is made, it is a "legal" requirement that is being breached by the other person, that is being made "relevant" just because it is observed by a Member (who could be guilty of professional misconduct were they not to challenge the behaviour). It seems entirely reasonable to expect Members to challenge other professionals, who we come into contact with

through work, about legal and ethical matters. It is quite another matter, however, to suggest that Members need to act like police community support officers in and out of work. We assume that the latter is not the intention of those drafting the revised Code, and would not support such a broad application of the requirement to speak up. Also, 5.2 refers to misconduct, without defining what this means, and without the application of any test of relevance or materiality. If it is the definition of misconduct included in the Disciplinary Scheme, that should be made explicit in some way.

- No What constitutes unethical conduct is a bit vague in the Guide and it seems inconsistent to appear to accept that the definition of unethical conduct can vary by culture and geography. In particular, we have specific concerns about linking morals (which are personal to us as individuals) to professional ethics. Different people have different morals which is fine so long as our public behaviour and professional work is in line with the ethics as set out by the profession. On the face of it, 5.2 requires the need for immediate reporting to the IFoA of any matter 'which appears to constitute misconduct' by a Member whether or not there has been a material breach. It is not clear if this is intentional.
- No We do not think that everyone would agree that the word 'improper' adds nothing to 'unlawful' and 'unethical'. For example, a Member might consider that his/her user is rushing a decision or negligently failing to consider certain matters sufficiently, with this being the result of poor competence rather than any unlawful or unethical action. In the new para 5.2, we do not think 'without delay' is an improvement on 'promptly', especially in light of the fact that 7.25 of the Guide indicates that some 'delay' can be appropriate. See also response to Q36 below regarding the new para 5.4.
- Yes The Code and Guide provide clear guidance.
- Yes 5.1 -5.4 help identify the conflicting loyalties described in our previous answer.
- No This is a generally poorly worded and overly verbose section of the code. If it must be retained, it should be slimmed down more in line with the other sections. The use of should in the principle followed by must in the amplifications is confusing. The current wording doesn't seem to distinguish hearsay well. If I heard that a competitor had lied to a client of mine, I seem to be obliged to report them. This seems unprofessional on my end.
- Yes However, we question the very wide scope of the principle set out in paragraph 5. As written it would seem to require a Member to speak up in any situation where they are of the view that a course of action is unethical or unlawful, even if the Member is only aware of that situation through being a general member of the public. To give an absurd example to illustrate the point, are Members required to speak up against the Catalanian declaration of independence on the grounds that it is apparently unlawful under Spanish law? Turning to paragraph 5.1, it is not clear from the Code whether "others" refers just to other Members or much wider. Paragraph 7.19 of the Guide suggests that it is a wide definition, but is limited to a business context. We think that the Code needs to make clear the extent of the term "others" without reliance on the Guide. We have two scenarios to assist with your thinking: § To take a topical example, if in the course of being a local councillor the Member becomes aware of unethical behaviour by a fellow councillor in relation to a much younger person of the opposite sex, does the "challenge"

principle come into play? § If a Member becomes aware that, completely outside the workplace, a member of the public is breaking the law through drug-taking, do they need to challenge their behaviour, or is such a situation not “relevant”? Would it become relevant if that member of the public happened to be a Member? We have a concern with the potentially wide application of paragraph 5.2. If a Member becomes aware of another Member breaking the law in an area completely outside the world of work, does he or she have a duty to report that Member to the Institute and Faculty of Actuaries, or is such law-breaking not “relevant”? Also, paragraph 5.2 is not an amplification of the “speaking up” principle, but is a stand-alone rule. Perhaps this should also be hived off into a separate Rules section? In paragraph 5.2 we also have a concern that “appears” is too wide a criterion for reporting misconduct etc. We suggest that “reasonable cause to believe” wording is a better description of the necessary criterion.

- Yes Think so but don't like 5.4
- Yes But as stated above I dislike the extension of responsibility
- No The materiality provision is important and could be more explicit.
- Yes Yes, although does still require familiarity with what constitutes misconduct which is not explicitly set out in Guide either - reference to Disciplinary Scheme is still required
- Yes Clearly set out
- No Speaking up – it is reasonable to make this a standalone principle. The new proposed text is overly onerous, though. In particular, I don't think it is reasonable in the draft 5.2 to require a member to refer an issue to the IFoA at all. And “without delay” is onerous and not practical. I think it should be reasonable for a member in a firm to escalate an issue through line management and/or the firm's whistle blowing processes, with no reference by the member to the IFoA at all. It would then be for more senior management to consider whether or not to refer the issue to the IFoA. There is no proportionality in how the proposed wording is currently set.
- No Must/should mixed up in the principle and amplification. As raised in the consultation meeting in London, it seems difficult when e.g. a UK based actuary must understand the legal jurisdiction of an international actuary in order to judge whether is action is "unlawful". Perhaps this is covered under reasonable cause to believe.
- No Relating to reporting to the IFoA under Sec 5.2, there might be some delay if the Member is required to comply to the Employer's internal policy before any sort of external reporting.
- No The high-level principle would be better expressed as a "must...unless the issue has already be reported or they are legally prevented from speaking up" rather than a "should". The use of "should" suggests some level of discretion in whether to speak up, which is unhelpful. The justification in the consultation for using "should" suggests that it is really a "must" unless someone else has already done so or the are legal issues in doing so.
- No Speaking up should be a Must, not a should

- Yes It is reasonably clear. This section involves a number of grey areas and it cannot be hoped to get them any clearer. If I have a criticism it is that there is too much of an accent on reporting things to regulators or the Institute and nothing about internal reporting in the first instance. (One could interpret "other authorities" as including internal ones, but it is a bit of a stretch.
- Yes I would add an obligation not to impede another member from speaking up if they feel the need to do so.
- No Because of the exposure points in Q35 answer below
- Yes maybe, but it's not a good thing in this case
- No Define it
- No Yes in general, but the one that concerns me slightly is 5.1. I would be concerned that my knowledge and understanding of compliance requirements for others working in other disciplines or fields may be low, making this difficult to comply with. Arguably, in order to ensure compliance with this principle, I'd have to ask a lot of questions of others if I had the slightest doubt or question over requirements. That said, I do agree that there should be something along these lines, and so it may be that the guidance will make it clearer as to what is and isn't expected here.

Q35: Do you agree with the proposed materiality test in relation to the duty to report matters to relevant regulators or other authorities?

Answer Choices	Percent	Response Count
Yes	84	58
No	16	11
<i>Answered Question</i>		69
<i>Skipped Question</i>		20

Y/N Comments

- Yes We consider the introduction of this to be an improvement on the current edition of the Code.
- Yes We agree that there should be a materiality test. However as noted above we believe that the wording should be made clearer.
- Yes We acknowledge that allowing Members to apply judgement may lead to a lack of consistency between individual Members. It may also potentially lead to some Members not reporting issues that the IFOA would ultimately deem to be material (for example after investigation by the IFOA and further information coming to light at that

stage). This approach increases the risk of bad outcomes for users in some cases, which is important to note. Nonetheless we agree that it is proportionate and appropriate to allow Members to use their judgement in order to determine what material is. We feel that the Code may benefit from further clarification of when the materiality test applies – the Code’s reader may for example be wondering whether the materiality test applies only to matters to be reported to the IFOA, rather than employers or clients.

Yes As stated under 34, we also think that 5.1 should have also have a materiality test applied to it as 5.2.

Yes However, the use of “appears” in amplification 5.2 doesn’t make allowance for any stepping back or for establishing the facts about misconduct (although we note that para. 7.21 of the Guide explains the considerations around a material breach). We would recommend an extension to the term ‘appears’ to make it clear to whom it appears, for example ‘appears to the Member’. 5.3 This amplification is confusing and cannot be understood without reference to the Guide: “In addition to complying with any legal requirements to report matters to relevant regulators or other authorities, members should also report to those bodies any behaviour that they have reasonable cause to believe is unethical or unlawful, and carries significant risk of materially affecting outcomes.” Paragraph 7.3 of the Guide helps to clarify the meaning. Perhaps the wording in the Code should be split into two points: “(In addition to) Members should comply(ing) with any legal requirements to report unlawful or non-compliant regulatory activity (matters) to relevant regulators or other authorities. In addition, Members should (also) report to whichever relevant regulators or authorities any behaviour that they have reasonable cause to believe is unethical (or unlawful) {removed because if unlawful it will be captured above} and carries significant risk of materially affecting outcomes. ”

Yes See 34 above. We also think there are certain behaviours that are unprofessional but which are better dealt with – in the first instance, at least – by a Member’s firm. Allegations of bullying, for example.

Yes A materiality test is need to avoid the system becoming over-whelmed by Members reporting issues to protect themselves against accusations, made with hindsight, of the form "if you had spoken up then, this could all have been avoided".

Yes The materiality test outlined in the Guide seems sensible and proportionate.

Yes It is important that members have a clear understanding of when circumstances arise that would require them to speak up.

Yes We agree that it is an appropriate measure

Yes A materiality test is a good thing but doesn't appear in the code as is. There is only a brief mention of materiality when saying what to report but some things appear to be excluded and the explanation of what is material is relegated to the guide. An overall definition of materiality should be included at the start and reference made to it in other sections.

- Yes We consider the introduction of this to be an improvement on the current edition of the Code.
- Yes Must be careful not to overdo speaking up
- Yes In my opinion the success of a speaking up principle depends on the materiality of the issue involved.
- Yes The wording in 5.3, specifically the combination of "significant" and "materially", does not provide much clarity on the appropriate trigger for action, but I can understand that this is inherently difficult to define, and I have no better proposal to offer!
- Yes Other members of Institute are better informed
- No The wording is not clear to have any judgement around whether a reasonable breach has occurred, yet this amplification is "must". Perhaps "which appears to constitute EITHER misconduct or a material breach..." to be clear the "appear" applies to both misconduct and the member's interpretation of the materiality.
- Yes There will be those who say it wasn't, when it was, but there has to be a proportionality filter else everyone will report everything.
- Yes The law is not concerned with trifles.
- Yes If the regulators/authorities want something to be reported in all instances, they should make it a requirement.
- No It fails to recognise the threat to an individual which may exist unless there is a relevant exemption. In some circumstances there will be no defence to charges of breach of confidentiality. The existence of an exemption or protection is a necessary qualification and I think the IFoA may expose itself to challenge and even lawsuits otherwise. I strongly urge keeping the qualification.
- No The wording of the principle here around 'significant risk of materially affecting outcomes' is not very clear. It's not really clear why this is there at all. Does it imply there is no need to report unlawful behaviour in some cases? Is this intended? The guidance does not seem to make this clear- especially as under 7.31 of the guidance it seems to imply this material effect must be applied to the 'user'. (In addition, is there any significance in use of the word 'user' here rather than 'user or users' elsewhere?

Q36: Do you agree with the proposed amplification requiring Members to take reasonable steps to ensure users are aware of any substantial issues with a piece of work?

Answer Choices	Percent	Response Count
Yes	80	56
No	20	14
<i>Answered Question</i>		70
<i>Skipped Question</i>		19

Y/N Comments

- No Paragraph 5.4 appears to be new and we are concerned with the phrase “or in which they have a significant involvement”. If an internal expert group produces starter documents and issues internal guidelines, such as on scheme funding, then it cannot mean that the actuaries on that group should check how their materials are being used for each client in which they would otherwise have no involvement. It is also not clear to us what “substantial issues” means in paragraph 5.4. Again, one has to go to the Guide to (even broadly) understand what this means. We question whether paragraph 5.4 is in the right place – it does not seem to be an amplification of the speaking up principle set out in paragraph 5. It seems to us that it would sit better under the Communications section (maybe by slightly changing the text of paragraph 6.3 and/ or 6.4).
- Yes We do agree with the amplification although the Guide sets out a multi-step approach to the action that should be taken in order to comply, and the FAQ to which it links does not really address this particular issue.
- Yes Yes, but needs to be expanded to covers instances where they become aware of historic issues undertaken by others which have come to light. We suggest adding: Equally Members must take reasonable steps to ensure users are made aware of any substantial issues, with a piece of work undertaken by others, where those issues might reasonably have influenced the decision making or judgement of those users.
- Yes We would suggest that consideration is given to moving this amplification to the section regarding Communication. As mentioned above, in amplification 5.4 we feel that the Code would benefit from an example of a substantial issue. We note that this term is defined in the Guide. On the second and third lines of 5.4 we would suggest changing the words “for which they are responsible or in which they have had significant involvement” to “where the Member is either responsible for that work or has had a significant involvement in it”.
- Yes However, it may not be the member who was involved in the piece of work who becomes aware of an issue. For example, an error might not be uncovered for, say, 5 years. The team responsible for the original work might no longer have any involvement to enable them to become aware of the issue with the responsibility for addressing it falling on current staff. Depending on the issue and its impact, it could be members who are

- unconnected with the original work who need to alert users. The wording should therefore be expanded to cover this eventuality.
- Yes We think this could just as easily sit under the Communications principle, but do not have strong feelings.
- Yes As long as the words reasonable and substantial are retained.
- No It is not necessary to include this amplification as it is covered by the competence and care and communication principles of the Code as well as the TASs and relevant APSs.
- Yes The sentiment as articulated in detail in the draft Guide is one that is worth including explicitly in the Code, although we have reservations regarding the current drafting (which was shown to be unclear in a discussion at the London consultation meeting). Would it be possible to come up with an alternative 4-line paragraph for the Code which much better summarised what is indicated by 7.34-7.41 of the Guide?
- Yes Members need to have a clear understanding of whether or not it would be appropriate to speak up.
- Yes It is right for members to ensure that their actions do not compromise the integrity of other professionals.
- No Whilst not unreasonable by itself, this is not the right place for it. The speaking up component would be to the regulator or similar if you believe that the user is misusing your work. This would do better in communication.
- No Paragraph 5.4 appears to be new and we are concerned with the phrase "or in which they have a significant involvement". If an internal expert group produces starter documents and issues internal guidelines, such as on scheme funding, then it cannot mean that the actuaries on that group should check how their materials are being used for each client in which they would otherwise have no involvement. It is also not clear to us what "substantial issues" means in paragraph 5.4. Again, one has to go to the Guide to (even broadly) understand what this means. We question whether paragraph 5.4 is in the right place – it does not seem to be an amplification of the speaking up principle set out in paragraph 5. It seems to us that it would sit better under the Communications section (maybe by slightly changing the text of paragraph 6.3 and/ or 6.4).
- No It seems to me this situation should not arise if the other principles are followed. I am not allowed to be unethical so how can I be responsible for something that is unethical?
- Yes It seems an obvious professional requirement.
- Yes I agree strongly with the intent of the amplification, but would query two points: - Is "substantial" the appropriate hurdle? I think it could be too high. Perhaps "material" instead?- Is the term "issues" too vague? Would "shortcomings" be better?
- Yes This is certainly part of the Actuary's responsibility

- No If a member contributed to a document that is drafted by someone else, this appears to require the contributor to authorise a final draft of the work, as that does not sound in itself to be an unreasonable action. In the commercial reality, this seems unlikely to always be appropriate as there always has to be a level of trust that a colleague has not (un)intentionally edits your work to change its meaning.
- No I am not sure this sufficiently helpful. There is first the identification of the issue, then a decision as to whether or not it is substantial and the advice in the context of the decision-making chain. It is certainly good practice to take steps to ensure users are aware but I question the mandatory requirement which could be used unfairly to discipline members. I would prefer the requirement to be "should" rather than "must".
- Yes They are the professionals. They should be under the obligation to make sure their clients understand
- No This seems to require all members to act as policemen over the whole of any work that they are involved in. This seems excessive. Normally in a large project responsibility will be taken by a single person or small group of people. While it is appropriate to expect others to speak up if they see something improper it is not reasonable to expect everyone to act as an integrity investigator in every project they are involved in.
- No I fail to find it understandable, and suspect it belongs more in communication than here, where it might make more sense.
- No The guidance here seems inconsistent between 7.34 and 7.35. In the principle as shown in 7.34 the test is whether decision making or judgement might be affected. 7.35 talks instead of 'material adverse consequences'. Surely it is possible to have the latter where the former does not apply.

Q37: Do you consider that the revised Communication principle is an improvement?

Answer Choices	Percent	Response Count
Yes	73	55
No	27	20
<i>Answered Question</i>		75
<i>Skipped Question</i>		14

Y/N Comments

- No In particular, the principle "Members must communicate appropriately" is vague. You have to look to paragraph 8.3 of the Guide to gain an understanding of what "appropriate" might mean. We strongly urge you to use a different adverb, perhaps "well". We are also of the view that the Communication principle should not extend to "other conduct".

Yes	The simplification of this principle is welcome and the fact that the more detailed provisions are moved to the Guide will allow flexibility. We agree that the requirement for members to communicate 'appropriately' rather than 'effectively' reflects the fact that it is not always possible for a member to ensure that communication is effective where the outcome is out of their control, and this is reinforced by the amplifications. The communication principle (and amplification 6.4) is partly linked to the amplification 5.4 in the speaking up principle.
No	Not sure.
Yes	The revised principle is a slightly easier read than the previous version. However it does include essentially the same content
Yes	We believe that the proposed principle promotes better outcomes for users by prompting Members to consider whether their communication is open to misinterpretation, and if so, ensuring that users are aware of any adverse impact.
Yes	The use of must and should along with amplification further clarifies the expectation of members from the profession.
Yes	The revised principle is a slightly easier read than the previous version. However, it includes essentially the same content.
No	We do not think it is either an improvement or a worsening.
Yes	The content removed is covered by other standards (e.g. TAS 100) and the material added to the amplifications seems important.
Yes	The detail has been removed, the principle and amplifications are shorter and it should be easier to understand.
Yes	If the current word 'effectively' is thought to be potentially problematic because the 'effect' of communication is not always within the Member's control, 'appropriately' may be preferable.
No	Too ambiguous and a matter of personal judgement as to what is "appropriate" with respect to communication
Yes	Once again, we believe that the adoption of a principles-based approach represents a superior alternative to a rules-based code.
Yes	Once again, the adoption of principles-based approach avoids being too prescriptive.
Yes	An overall simplification of the existing code. Some of the word choice is poor and potentially overly broad. Assuming a degree of foresight that may not always be possible/reasonable.
No	In particular, the principle "Members must communicate appropriately" is vague. You have to look to paragraph 8.3 of the Guide to gain an understanding of what "appropriate" might mean. We strongly urge you to use a different adverb, perhaps

“well”. We are also of the view that the Communication principle should not extend to “other conduct”.

- | | |
|-----|---|
| Yes | Concise |
| Yes | Clearer |
| No | In my opinion the existing principle is good enough. |
| No | Although the language is much more straightforward, the responsibility for ensuring communication is effective, accurate and not misleading has been fudged. In my view, if a Member is responsible for a piece of work, individually or jointly, he/she cannot avoid responsibility for its overall clarity, accuracy or effectiveness. If he/she is not, he/she should remove their names from the piece of work. |
| No | Changes ok, but perhaps not necessary |
| Yes | Subject to comments about the clarity of "users" previously noted |
| Yes | The use of word `appropriately' is very effective. Inclusion of `timely' communication is a good improvement and very relevant for impending risk identified by the actuary. |
| No | It was already clear |
| Yes | Clearer and more succinct. But see my comments above. |
| No | I think it is too wide, as it seems to require all communications to include too many things - even to the extent of every e-mail! |
| No | No material change |
| No | I don't have a view either way |
| Yes | Much, much more succinct. |
| No | It is ridiculous. In trying to include social media, you include every whisper anyone ever makes. |

Q38: Do you think that Members' obligations under the Communication principle are clearly set out in the revised Code?

Answer Choices	Percent	Response Count
Yes	72	49
No	28	19
Answered Question		68
Skipped Question		21

Y/N Comments

- No We would suggest that the wording of 6.1 would be clearer if it read 'Members must communicate in a timely manner, clearly and in a way that takes the user into account'
- No The breadth of the principle is not clear but there is clarity with the amplifications. There needs to be some reworking of the principle in order that its scope becomes clear and the amplifications can be seen to follow on from the principle.
- No We think it should be made clear that the Communication Principle only applies to "work" and not beyond that (given that the general scope of the Code already applies to conduct that could reasonably be considered to reflect upon the actuarial profession so that for example improper use of Social Media would be covered by the Integrity Principle).
- Yes Yes. We feel it would be helpful to include an example of an "adverse impact" in 6.4, in order to aid Members' understanding of this term in this context.
- No We believe that 5.4 should be moved to Section 6, after 6.3. The current 6.4 could be clarified to bring it more in line with the remainder of the code. The corresponding guidance could cover the difference between users misinterpreting advice and users ignoring or acting against advice. Our suggestion would be: 6.4 Where members identify that a user of the their work has misunderstood or misinterpreted their advice, in a way that carries significant risk of materially affecting the outcomes, Members should draw attention to any material impact.
- Yes As above, they are easily understood. However, we strongly believe that this Principle and all of its amplifications should only apply to "work". Any improper use of, for example, social media outside of a work context, would seem to be caught by other aspects of the Code (e.g. Integrity, Compliance and Speaking Up would seem to catch all the examples of inappropriate behaviour given in the Social Media section of the Guide). Allowing the scope of this particular Principle to be expanded to include areas outside of "work" will bring unintended impositions on Members that aren't necessary to ensure that Members present themselves professionally and correctly, which is the point of the Code.

Yes	We found nothing ambiguous.
Yes	Yes, although it would be helpful to include a definition of the terms "users" (here, and in principles 2 and 5), which whilst becoming more commonly used and understood by Members, has a specific meaning in other actuarial standards.
Yes	No additional comments.
No	If the current word 'effectively' is thought to be potentially problematic because the 'effect' of communication is not always within the Member's control, 'appropriately' may be preferable.
No	Too ambiguous and a matter of personal judgement as to what is "appropriate" with respect to communication
Yes	It is important that clients understand fully the advice provided to them.
Yes	It is clear that members are required to take responsibility for effective communication about their work
Yes	The overall wording is mostly clear and reasonable. However, I would note that 6.1 ends abruptly and would make more sense if continued (e.g. instead of the user. the user's needs or similar).
No	The breadth of the principle is not clear but there is clarity with the amplifications. There needs to be some reworking of the principle in order that its scope becomes clear and the amplifications can be seen to follow on from the principle.
Yes	Think this is really clear and makes us responsible
Yes	The obligations seem clear enough.
No	See answer above. Also, there is no help in the Guide on 6.3 or 6.4. "Timely" is not clarified
Yes	I am not sure that 6.1 is necessary. Does it say anything that 6.3 does not? I would move 6.3 to 6.1 and remove 6.1.
No	I do not think the literal meaning is intended
No	There should be a reference to documentation. All work should be documented in a way that it can be understood (and reviewed) by another suitably experienced actuary. Verbal communications should be documented.

Q39: Do you agree with the proposed amplification requiring Members to notify users of any adverse impact where they feel that the user has misunderstood or misinterpreted their advice?

Answer Choices	Percent	Response Count
Yes	78	54
No	22	15
<i>Answered Question</i>		69
<i>Skipped Question</i>		20

Y/N Comments

- Yes Yes, where a Member becomes aware that their advice may have been misunderstood they should take steps to clarify it.
- No We think that this new paragraph 6.4 is unclear, far too onerous to comply with and could act against the interests of the actuary's client. We give two examples: § Suppose an actuary calculates a cash equivalent transfer value at the request of a pension scheme member, and the member decides to take a transfer value, but the actuary suspects that it is unlikely to be in their interests. Does this paragraph oblige the actuary to approach the member and warn him of the adverse impact if he proceeds? That cannot be intended. § Suppose an actuarial report produced on the funding of a pension scheme is passed to the prospective purchaser of the employer, and the prospective purchaser is intending to proceed despite the actuary thinking that pensions should be a deal breaker due to the huge deficit. Does this paragraph oblige the actuary to approach the (non-client) prospective purchaser against the actuary's own client's commercial interests, to warn him of the adverse impact if he proceeds? Does paragraph 6.4 negate the non-reliance letter that the actuary would have required him to sign before receiving the actuary's advice?
- Yes We agree with the requirement, although there may be circumstances where the impact may not be adverse but still require communication to the user. In addition this partly echoes Amplification 5.4 of the Speaking Up Principle.
- Yes But I don't think the actuary should have a duty to police the use or misuse of an actuarial work product by the intended users.
- No No, this is very negatively drawn. We would prefer there to be a responsibility for Members to test the users' understanding where they are able to and correct any misunderstandings. Suggested wording is as follows 6.4 Members should take reasonable steps to test users' understanding of the work presented and must seek to correct any misunderstandings and or misinterpretations at the earliest opportunity.

- Yes Yes, this ties in with the principle of integrity, in the interest of promoting good outcomes for users. We agree that the use of the words “Where Members identify...” (that an issue may have been misunderstood) is appropriate in this context.
- No Please see answer to Q38.
- Yes However we would prefer the wording to be consistent with that contained within TAS100.
- Yes We feel this follows on from 6.3, and encourages Members to be accountable for their advice beyond the point of delivery.
- Yes Yes, but we suggest there should be a materiality test added to this amplification - that the misunderstanding carries significant risk of materially affecting outcomes. We note there is no guidance currently on this amplification - perhaps there should be to address the intention behind this addition to the Code. Also, should the word 'advice' here be replaced by work. We are aware that in relation to other actuarial standards, Members have sought to claim that they are not providing 'advice', just 'information', and that somehow exempts the work from compliance. Actuarial information is also prone to being misunderstood, so should be covered by this requirement.
- No It is not appropriate to include this level of detail in a high-level, principles-based Code. This level of detail should be left to the Guide which already makes reference to the TASs. There appears to be an overlap in the proposed 5.4. If the drafters do not intend there to be an overlap, then this is not clear in the drafting. This amplification also overlaps with provision 5.7 in TAS 100 although the latter deals with component communications.
- Yes Is it deliberate that the verb used here is 'should'? If the IFoA decides to stick with the proposed 'must/should' distinction, this would seem to be inconsistent with the general approach that 'should' is only used instead of 'must' where there are specific identifiable circumstances in which compliance with a provision would be in conflict with another obligation.
- Yes In the specific example of pensions, there has been extensive regulatory concern that many trustee boards fail to understand the advice given to them or do not feel confident to challenge their advisers. The revised Code clarifies members' obligations with regard to explaining their work as clearly as possible.
- Yes It is important for members to be proactive in these circumstances
- Yes This is a reasonable requirement and ties into the speaking up. I would reword as the adverse impact is not the issue but rather that the overall misinterpretation whether adverse or not.
- No We think that this new paragraph 6.4 is unclear, far too onerous to comply with and could act against the interests of the actuary's client. We give two examples: § Suppose an actuary calculates a cash equivalent transfer value at the request of a pension scheme member, and the member decides to take a transfer value, but the actuary suspects that it is unlikely to be in their interests. Does this paragraph oblige the actuary to approach

the member and warn him of the adverse impact if he proceeds? That cannot be intended. § Suppose an actuarial report produced on the funding of a pension scheme is passed to the prospective purchaser of the employer, and the prospective purchaser is intending to proceed despite the actuary thinking that pensions should be a deal breaker due to the huge deficit. Does this paragraph oblige the actuary to approach the (non-client) prospective purchaser against the actuary's own client's commercial interests, to warn him of the adverse impact if he proceeds? Does paragraph 6.4 negate the non-reliance letter that the actuary would have required him to sign before receiving the actuary's advice?

- Yes Really crucial since our advice is easily misinterpreted
- Yes It seems an obvious professional requirement.
- Yes I think this is a sensible addition.
- No It is possible that the "user" might be much better placed to assess the adverse impact, and it is the drawing of attention that is sufficient
- Yes This amplification is useful, though in practice it may be difficult to assess exactly the potential areas of misinterpretation basing users' level of understanding. Examples may be given in the guide.
- Yes If users are going to make decisions that the actuary thinks that they have the wrong end of the stick they should say so.
- Yes Note that this point 6.4 is a bit vague, should consider whether to clarify
- Yes Although it seems reasonable, it is awkwardly worded. I suggest "If users to be likely to misunderstand or misinterpret actuarial advice then Members who become aware of it should inform the users." This still isn't brilliant and I am sure someone could do better.
- No The appropriate action to take when someone has misunderstood your advice is to clarify the advice.
- No Unnecessary if the original advice was given with the correct advice regarding the audience and use for which it was intended together with any limitations (due to data or otherwise). We cannot nor should we be expected to police other professions. However, for business reasons, it would often make sense to notify users of any adverse impact if it is feel that the user has misunderstood or misinterpreted advice.

Q40: Do you have any other comments or suggestions in relation to the revised Code?

Answer Choices	Percent	Response Count
Yes	37	26
No	63	45
<i>Answered Question</i>		71
<i>Skipped Question</i>		18

Y/N Comments

- Yes In paragraph 6.1 we think that “must” should be replaced by “should”, as otherwise a huge number of actuaries would breach the Code, and there are sometimes quite valid reasons why it is not possible to communicate in a timely manner.
- Yes We do have some concerns that the Code itself is not much shorter than the present version but there is a considerable amount of guidance that may need to be referred to when users need to understand the requirements – however we note that the Guide is intended to be viewed in small sections so a member will need only to refer to a particular section if unsure on how to interpret a certain principle of the Code.
- Yes As discussed earlier, we feel it would be helpful to remind Members on the first page of the Code that there is an accompanying Guide that provides further examples and detail.
- Yes The word ‘user’ is undefined. It might be helpful to explain whether the definition is the same as that in the technical actuarial standards, or whether users could include people who the Member did not expect to use their work.
- Yes We are surprised to see no reference to group think in either the Code or Guide. A test of professionalism may include the ability to defy group think; we fear that the wording in the Code and Guide may help support and protect group think.
- Yes As already indicated under Q26 in relation to ‘user’, some words or expressions used in the Code would benefit from being clearly defined or otherwise clarified – e.g. ‘misconduct’ (if only by cross-reference to the Disciplinary Scheme), ‘unreconciled’ (see Q29) and perhaps also ‘unethical’ (see Q34).
- Yes Here are my thoughts: 1) With regard to the 2nd para in the 'Scope' box on page 1 (behaviours reflecting negatively on the profession) I felt, as I read it, that expressing this issue in this way here rather under played the importance of actuaries' 'professional behaviours' outside of the workplace setting. The importance of 'professional behaviours' and members not doing anything that may bring the professional into disrepute has significantly more prominence in other Codes that I have read and work in conjunction with. I think this maybe deserves to be its own 'Principle'. 2) In a similar vein to the thought above I would give 'Confidentiality' its own heading within the 'Principles'. I think that issue potentially sits outside of 'integrity and honesty'. 3) The Code does not currently refer to any requirement on members to co-operate with IFOA. By this I am

referring to situations where someone is accused of misconduct or may possess information that is relevant to an investigation, or other similar situations. Something along these lines can be very helpful where I see it in the Codes of other regulators. 4) This is a minor point but 'cautions' are not mentioned at 4.2. Cautions can sometimes be accepted for criminal behaviour that would be relevant to someone's membership. There is also no specific reference to findings made by another regulator in this section or indeed to the implications of bankruptcy. 5) The Code does not refer to responsibilities in relation to the good management of a member's actuarial practice or the need to be clear with clients as to the scope of work and the fees involved. I do though appreciate that this is a tricky area given that many actuaries work within business and not as stand-alone actuarial practices. My lack of in-depth knowledge of the profession thus far is perhaps revealed by the point just mentioned! 6) Finally, some regulators are now including reference to 'Diversity' in their codes and a requirement on members to act in a way to positively support diversity in the profession. This is a fairly new development with regard to inclusion in Codes but I mention it as another potentially relevant factor.

Yes The overall code does not read like it was considered adversarially. I would strongly recommend that it is read by a lawyer or similar with expertise in contracting, employment laws etc. As it stands the wording is potentially overly broad and ambiguous and is likely to be interpreted more strictly by a tribunal than intended by the Members and authors of this document. A number of important words are used here without definition which leaves them open to interpretation (which helps no one). A more detailed glossary would greatly aid this document.

Yes In paragraph 6.1 we think that "must" should be replaced by "should", as otherwise a huge number of actuaries would breach the Code, and there are sometimes quite valid reasons why it is not possible to communicate in a timely manner.

Yes Repeat of earlier comment. The revised code has much to commend it. By making it more succinct and clear the working party have made the code much easier to understand. However they have (possibly unintentionally) widened the scope of the code in a way that I believe is not appropriate. The existing code states "Members will speak up to their clients or to their employers, or both, if they believe, or have reasonable cause to believe, that a course of action is unlawful, unethical or improper." In the above sentence the words "clients" and "employers" carry a firm context that this observation relates to an actuary's work. Their deletion leaves a statement that could refer to almost anything. If I see a bunch of lads about to throw a bicycle in the Regents Canal, then I do not think my obligations to the world are any different because I am an actuary. I do not think that the IFOA thinks this either. Similarly the new 5.1 appears to have very wide scope. I believe that actuaries have obligations conferred by their understanding of actuarial matters. If I believe that some other actuary's valuation basis is incorrect materially then I have an obligation to challenge. However I do not think that my obligations in their ordinary conduct (for example drunk driving) are different just because we are members of the same profession. Nor do I believe that this is what is intended by this clause. I suggest that these matters are made clearer.

Yes The Code uses the words "appropriate" or "appropriately" 4 times and the words "reasonable" or "reasonably" 9 times. This suggests a shared view of the meaning of these words which I would question exists

No	Not at the moment
Yes	Guide – it is not clear what status the guide has. I think it should be reasonable to read (and think about) the Actuaries’ Code without having to read any other material. The guide should be “relegated” to be illustrative material that a member does not have to read.
Yes	I would have preferred a light touch review with fewer changes that would have been easier to communicate with the membership.
Yes	Integrity needs better definition in my view. There is one thing missing in my view. There should be an obligation on an actuary to apply his professional expertise in giving advice, and he or she should be obliged to challenge conventional wisdom, and where he or she feels that it is inapt then to say so. Computers can do clever maths, but not judgment. The classic case is the persistence of the 7% discount rate long past its use by date, because everyone else did.
Yes	It was suggested at the consultation meeting that the code is general and could apply to many other professions. I have thought about that and agree, but I am far from sure that it is a weakness. The nature of ethical behaviour does not differ much across professions.
Yes	Please make sure reading the Guide is only helpful and the Code does not depend upon it for the correct interpretation - this may not apply in proceedings
Yes	Speaking of clarity, The Code should avoid “and/or” where it places real burdens on real people. I do not understand “and/or”. Please decide what you want to say and then say it clearly.
Yes	The Guide should be removed. It adds nothing. If the profession thinks that people need to understand conflicts of interest (pages 12-30) then that should be a separate document not a part of the Code. Similarly Speaking up, pages 31-41.
Yes	I think section 2.2c should be reinstated. Learning from more senior members is an important aspect of becoming sufficiently knowledgeable and should not be discouraged. In practice it is hard for a more junior member to judge their knowledge level if they are not sufficiently experienced (a catch 22 scenario) and the practicalities of expecting junior staff to refuse work for this reason are a problem. Instead the wording could be expanded to ensure responsibility is taken by a suitable senior/experienced member where necessary
Yes	I am partially regulated and meet my CPD requirements supervised by the SoA. Should this concept be mentioned in section 2.2 or is that covered in the CPD requirements?
Yes	Regulatory over-reach

Q41: Do you agree with the proposal to introduce a Guide to accompany the Code?

Answer Choices	Percent	Response Count
Yes	69	52
No	31	23
<i>Answered Question</i>		75
<i>Skipped Question</i>		14

Y/N Comments

Yes Qualified yes. While additional guidance can be helpful in supporting the Code, we feel the Code should be clear enough on its own for Members to be able to understand its key principles without having to refer to the Guide or other documents. Otherwise there is a risk that Members may misunderstand or misinterpret some aspects of the Code, but not then refer to the Guide for clarification. As it stands the Guide is long, which mainly results from including the existing conflicts and whistleblowing guidance in the one document. We understand that the expectation is that it will be accessed online and so Members can look at the part that is relevant to their situation. However, to make the guidance more accessible, it might be helpful to split it into two elements: 'core guidance' which sits under each of the principles and would be useful for Members to read and be aware of before they find themselves in situations; and more comprehensive guidance to help Members who want further guidance on a particular situation. It could be more helpful for further guidance to be based around case studies, rather than providing further amplification of the core guidance and the Code. Consideration should also be given to ensuring that the 'core guidance' is more succinct and consistent. In addition, the standing of a revised Guide needs to be clearer, otherwise it may simply become an extension of the Code. The Guide states that it is non-mandatory and that 'while this Guide may be referred to and considered in the course of disciplinary proceedings it will not necessarily prove a defence to allegations of misconduct'. However the Institute and Faculty need to be clearer whether not following the Guide will work against Members in disciplinary proceedings. If this were the case, then this would seem to move away from the stated principles based approach of the Code. One approach could be to present the Guide as examples of good practice but state that the principles of the Code could be met in other ways.

No We think that the Code should stand by itself. If there is to be Guide it needs to be short. The proposed Guide is far too long and needs some serious editing if it is to be read, digested and remembered by Members. This should separate real "guidance" from "education". If the current proposal remains, under which there is a very short Code that cannot stand by itself accompanied by a lengthy Guide that is unlikely to be read, we expect that compliance with the Actuaries' Code will worsen rather than improve. In many places the Guide simply restates the Code without adding anything to the meaning. In others it is far too long winded and repetitive. We also have a

concern that there are many instances where “should” is employed, which could be interpreted in the same way as a “should” in the Code.

- Yes We agree that a Guide is sensible to draw together the various items of guidance that have been issued and which relate to principles in the Code, and to provide further detail on the principles that are now condensed in the new code. However, as noted above, the principles that actuaries must abide by have moved from a 2-3 page document to many pages of detail (albeit incorporating some existing guidance), and it is not at all clear how compliance or non-compliance with the Guide will be viewed in a disciplinary context. We also note that there are some instances of using the word 'must' in the Guide (other than direct quoting from the Code) which seem to be inconsistent within a Guide that is meant to be non-mandatory.
- Yes Mixed views. I'm concerned that the Guide is too lengthy, thus discouraging readership. And I'm concerned that, notwithstanding the disclaimers, it takes on the role of absolute exclusive guidance.
- Yes This Code underpins all that actuaries do and the Guide serves to ensure that Members are able to understand, appreciate and follow the Code. It is very helpful to have all of the appropriate documents in a single Guide.
- No We are strongly of the view that the proposed Guide is a backwards step. Its introduction moves the Code away from being principles based. It is overly long to read and interpret, which realistically precludes its use as an everyday guide on how Members should conduct themselves. The material contained within it is more appropriately the beginning of a collated FAQ document that members can dip in and out of but which should not form part of their Code of Conduct guidance. The Code should be sufficiently clear as a standalone document so that Members are able to judge how to behave appropriately without reference to any other document.
- Yes By itself, the Code is too abstract to enable the reader to envisage the various ways that it might apply to his or her role.
- Yes On balance, yes - see our answer to Q17
- No A well-constructed Code will stand on its own two feet and not require a guide. The perceived need for a guide indicates that the Code has not sufficiently set out its principles clearly enough. When first published, the Code stood on its own two feet and was welcomed for it. By looking to amplify the Code through a guide, we are turning what was a three page document into one that is now over 40 pages long in effect. However, if it is felt necessary to issue a guide, it would be helpful to get more clarity on the standing of the Guide in relation to the Disciplinary Scheme. In the context of a disciplinary hearing, how would non-compliance with the Code be viewed as a result of an action apparently supported by the Guide? Experience tells us that the Guide will be referenced as a source of what constitutes best practice by the profession when it prosecutes a case. This needs to be clearly stated. The Guide as it stands is too long and it needs to be more user-friendly in practice with better signposting and formatting to make navigation as easy as possible. Our comments below are made on the assumption that the profession will find it necessary to publish some form of guide.

- No At least, not in the manner currently proposed. The 'real' status of the Guide is very unclear – although it is stated to be non-mandatory it appears that some of its provisions (in particular, those which cover process details that have been dropped from the Code itself, most notably from Principle 2) are in practice expected to be followed as a matter of course. The verb 'should' appears fairly frequently in the Guide – bearing in mind the definition of this word in the Code itself, this suggests a de facto near-compulsion rather than a helpful steer or guidance, and there is even at least one place (7.50) where the verb 'must' is used to articulate a more prescriptive requirement than actually provided for in the Code (5.2). Apart from the obvious objection that mandatory (or near-mandatory) requirements are now split between two documents, there is the further problem that these near-mandatory requirements in the Guide are surrounded by other material which is much more clearly 'genuine guidance', and they are therefore not always easy to identify. Our view is that a 'Guide' should be entirely 'genuinely guidance' material. If the IFoA wishes to articulate anything stronger than that, then such 'firm expectations' (or 'virtual requirements') need to be in the Code itself or a separate APS (see response to Q17).
- Yes As long it is clearly stated that it is a "guide" and not a "hidden rulebook".
- Yes Although a long document, the Guide is particularly helpful in explaining what is required of members.
- Yes The Guide is important as provides context to the Code
- No The code should be self-contained and a good principles based code does not need that much guidance or it ceases to be principles based. No matter how strongly you caveat the guidance, it will be treated by tribunals as binding which is not the intent. That said, the caveating that this is guidance only should be strengthened at the very least. Something along the lines of "this guidance is purely to help Members to understand the code and neither lack of compliance nor lack of consideration of the guidance contained here should be construed as violating the code".
- No We think that the Code should stand by itself. If there is to be Guide it needs to be short. The proposed Guide is far too long and needs some serious editing if it is to be read, digested and remembered by Members. This should separate real "guidance" from "education". If the current proposal remains, under which there is a very short Code that cannot stand by itself accompanied by a lengthy Guide that is unlikely to be read, we expect that compliance with the Actuaries' Code will worsen rather than improve. In many places the Guide simply restates the Code without adding anything to the meaning. In others it is far too long winded and repetitive. We also have a concern that there are many instances where "should" is employed, which could be interpreted in the same way as a "should" in the Code.
- Yes Helpful to give examples
- Yes But must be clear that it has no force
- Yes It allows the Code to stand alone in establishing principles where this is enough for the relevant member's situation.

- Yes I think a Guide of some description is necessary, if only to bridge the gap between the Code and other regulations, but I agree with those who say it should not be an IFoA document, as this implies a regulatory authority which the introduction to the Guide makes clear it does not seek. Secondly the Scope of the Code is essentially unchanged (and indeed none of the changes increase the requirements on members as far as I can see). Was this not an opportunity to introduce or extend the principles which actuaries should adopt in working with increasingly capable machines?
- Yes Provides further explanation
- No Guide – it is not clear what status the guide has. I think it should be reasonable to read (and think about) the Actuaries' Code without having to read any other material. The guide should be “relegated” to be illustrative material that a member does not have to read.
- No Too long in its current form
- Yes It helps the Code to be compact without impacting explanation for which the Guide may be referred to.
- No It is too long for something that is principles based
- Yes The guide explains: it is a real help.
- No How complicated do you want to make this? It is likely that 50 pc of Actuaries will not read the code and most members are abroad and have completely different working practices and rules to deal with
- No Having nearly 50 pages of guidance to explain 2 pages of the Code suggests that the Code is not capable of being used as a stand-alone document, which it should be. Whilst much of the content of the guidance is helpful in covering examples of how members should comply with the Code in example situations, it comes across as a formal document that members need to read to comply with the Code, and also as a sort of checklist, which defeats the objective of having a principles-based Code. The guidance would be better presented as a combination of (i) a list of scenarios in which members may find themselves with examples of how to deal with such situations, and (ii) a collection of guidance on specific issues (e.g. conflicts) where this is thought to be necessary, rather than a detailed discourse on how to comply with a specific element of the Code. Ideally this would be an online resource for members where individual elements can be updated as and when necessary without having to re-issue the whole guidance document (e.g. a review of the IFoA's wider material on conflicts may result in some updates being required to material covered in guidance relevant to the Code - it should be possible to update all material without specifically mentioning the Code.)
- No One document is too much!
- No Discussed above. It turns what is a clear and succinct statement of principles into a large and unwieldy rulebook. Much of the book seems to repeat what is in the guidance on conflicts of interest, a subject that concerns the Institute well out of

proportion to any difficulties that it has presented in my working life, which I do not think has been unusual. It can be left in that place to be consulted by members who need to. Other stuff properly belongs elsewhere or adds little to the clear, well-stated prose of the Code.

- No It is overly long. A well written, principles based code shouldn't require this level of explanation.
- Yes Guides can be helpful
- No TLTR
- No It is not necessary. You do not need 44 pages to explain 2 pages! It will become a lawyers charter to attack the profession.

Q42: Overall, do you consider that the Guide is relevant and helpful for Members working in non-traditional areas of practice?

Answer Choices	Percent	Response Count
Yes	46	32
No	16	11
Don't know	38	26
<i>Answered Question</i>		69
<i>Skipped Question</i>		20

Y/N Comments

- Yes Yes, subject to the comments in 41.
- No The Guide does not give any examples relating to work in wider fields. So despite stating that the Code has been designed to be more relevant to such work, the detail does not back up this claim.
- Yes Yes. As noted by the IFOA, Members are working in increasingly diverse sectors. The proposed Guide is relevant to the challenges faced by the modern practising Actuary and other Members. We believe the guidance can be applied consistently by all Members, regardless of the sector that they work in. We welcome the use of the term "user" of actuarial work, which covers those situations where the Member's client is for example his or her employer. We feel that it would be helpful to include a definition of the word "user" in the guidance.
- Yes It is generically written.

- Don't know We work in a very much traditional area of practice, and whilst the proposed Code appears helpful and non-practice-specific, it is the views of those working in wider fields that is important here.
- Yes As a principles-based Code it should still be relevant for Members working in non-traditional areas. It would be worth considering if the Guide could include examples relevant to non-traditional areas of practice e.g. conflicts of interest.
- Don't know It is more appropriate for Members working in these areas to comment on this question.
- Yes Actuaries now work is now far more varied than in the past. The revised Code is sufficiently flexible to accommodate a range of professional disciplines.
- Yes Actuarial work is now very wide-ranging in scope, and the Guide reflects this development.
- Don't know I don't think it is helpful for anyone but it is no worse for members in non-traditional areas.
- Don't know No experience
- Don't know This applies in my case; I believe the Code is sufficient, but possibly there are some situations where the Guide might be useful.
- Yes Yes, but it is still focused on Life, Pensions and General Insurance, including a very long (22 out of 48 pages, including appendices!) section on conflicts of interest, which I think belongs in a separate document, almost entirely devoted to "traditional" areas where one might have thought you had sorted all these questions out long ago - more discussion of the less clear aspects of Principles 1, 4 and 6 in particular would have been more helpful in my view. I also think the documents are almost entirely concerned with actuarial advice, when there is an increasingly significant body of work carried out by actuaries in non-traditional areas, e.g. public understanding, financial education, etc. which does not fit this model.
- Don't know I find it no more or less helpful to non-/traditional areas of work
- Don't know Though principle based Code can be applicable irrespective of practice areas, whether guidance provided in the Guide will be helpful or not will depend on the exact area of practice.
- Yes I don't work in the area, but I think it would if I did.
- No I do not think it is helpful for anyone.
- No Too long
- Yes However, guide is quite long.

Q43: Overall, do you consider that the Guide is relevant and helpful for Members working outside of the UK?

Answer Choices	Percent	Response Count
Yes	48	33
No	9	6
Don't know	43	30
<i>Answered Question</i>		69
<i>Skipped Question</i>		20

Y/N Comments

- Yes Yes, subject to the comments in 41.
- Don't know This response was written by UK actuaries.
- Yes Members are now working in increasingly diverse geographical locations. In our view the removal of the UK-specific comments makes the Guide fit for purpose for Members practising in all locations around the world
- Yes If the Narrative examples are to remain after review, it would be worth considering using more international examples, rather than those only from British Fiction.
- Yes As above.
- Yes Again, as the Code is principles-based it should still be relevant and appropriate for Members working outside the UK.
- Yes However, it is not as 'relevant and helpful' as it could be, because the majority of the expansions/guidance in the Guide appear – understandably – to have been drafted from a UK perspective. We do though accept that in practice it would be difficult for the IFoA centrally to change this, and perhaps the onus needs to be on Members working overseas to get together and draft their own 'relevant and helpful' guidance (or training material) to support the Code.
- Yes Some jurisdictions are in the early stages of evolving their culture so the guide can give some good thought material.
- Yes As we have noted earlier, cultural and legal norms in other parts of the world may differ from those of the UK. The revised Code acknowledges this effectively.
- Yes It is important for members to recognise that legal demands made of them in other countries may differ from those in the UK.
- Don't know I don't think it is helpful for anyone but it is no worse for members outside the UK

Yes Examples are generally helpful

Don't know As 42 above.

Don't know Unable to comment, but very interested in feedback on this

Yes Guidance is extremely helpful.

Don't know I find it no more or less helpful to non-/UK based actuaries

Yes Further discussions and explanations will of course improve the understanding.

Yes Integrity and rules are the same wherever you are.

No See above.

No It is not necessary.

Yes I use both the guide and similar guidance from the SoA in training young actuaries

Q44: Do you have any suggestions for any additional topics that should be included in the Guide?

Answer Choices	Percent	Response Count
Yes - Please explain in the comments box below	13	9
No	87	59
Answered Question		68
Skipped Question		21

Y/N Comments

No The Guide needs to echo the principles in the Code, so although there is other guidance issued by the profession, it would not always be directly corresponding to the Code. It may be helpful to include reference or links to the risk alerts, as part of the Competence and Care section, so that Members are steered to keep updated of developments that may affect their advice. We would not suggest incorporating the CPD guide into the Competence and Care section of the Guide, but it would be helpful to include a link to the current scheme or the CPD page.

Yes See comments on the Code itself.

Yes We have made some comments in earlier answers. We also think that some case studies could help bring the Guide to life.

- Yes A plain-English explanation of what is covered by 1.11 to 1.14 of the Disciplinary Scheme, with examples. This could perhaps be drafted with the needs of new members of the Profession in mind. An explanation and perhaps examples of what is intended to be covered by amplification 6.4 (drawing a user's attention to their misunderstandings or misinterpretation of actuarial information).
- Yes See above
- No It is already too long. Areas should be taken out not added particularly the conflict of interest and whistleblowing guidance. These should be kept to their own guidance.
- Yes I know we are only just starting to have discussions about our relationship as a profession with increasingly capable machines, but think that "black box" dangers should not be relegated to TASs but also appear in the Guide. Certainly more pressing than the section on social media in my view
- Yes Disciplinary Scheme rules 1.11 to 1.14 may be reproduced as an appendix. (Ref 4.2 of the Code) Peer Review APS may also be given under an appendix.
- No It is not necessary.
- Yes Documentation as discussed above

Q45: Do you think it would be helpful to have any further guidance (in addition to the guide) and/ or training opportunities in relation to the Code?

Answer Choices	Percent	Response Count
Yes - Please explain below, what guidance/training should be provided	45	30
No	55	36
<i>Answered Question</i>		66
<i>Skipped Question</i>		23

Y/N Comments

- Yes More guidance on what "reasonable steps" and "material" incidents or breaches are.
- Yes It would be useful to continue to include aspects in the professionalism video series. Case studies that focus on a particular situation seem more useful for the Guide where the expectation is that this will often be used to support considerations on a particular aspect of the Code.
- Yes We have mentioned some guidance / training opportunities (of a professional skills nature) on such matters as the scope of "other conduct".

- Yes Apart from the sessions that have already been held on the Code consultation, we believe that once the Code is agreed (and before the revision takes effect, or very shortly after) there should be IFoA sessions setting out the changes in the Code, the detail of the Guide and examples to illustrate how the Code would apply in practice. The professional skills training videos provided by the profession could be expanded to incorporate discussion of the new requirements of the Code or referring to the new Code rather than the existing Code.
- Yes See earlier comments on scope / new student competence / perceived conflicts of interest.
- Yes Given the increased length of the proposed Code and Guide, materials such as training sessions, workshops, online training material, online Q&As and presentation slides would be helpful in allowing employers to facilitate the education of Members that it employs in a consistently and efficient manner. This would also reduce the regulatory risk that some members may fail to read the new material.
- Yes We would welcome Professional Skills CPD based upon the revised Code.
- Yes As previously mentioned, we would find case studies helpful.
- Yes The committee that develops Professional Skills Training will no doubt be considering this anyway, but material that specifically addresses the changes to the Code, and new or updated supporting guidance would be useful for 2019. For example, the traditional multiple-choice questions might usefully address old vs new code requirements. Video case studies might specifically address areas where the code has changed or new guidance is in place.
- No Is the question suggesting a guide to the Guide? Case studies and solutions would be useful.
- Yes We have already suggested (in response to Q43) that there could be significant value in additional guidance/training material that is geared to specific geographical or other 'different' work situations, for example in-house pensions actuaries or actuaries working as trustees / non-exec directors. As a general comment, we think that any further guidance material is much better branded as (or closer to) 'training material'. We would furthermore suggest that at least some of the material currently envisaged for inclusion in the 'Guide' might also sit better under such a heading, because of the risk that any material in a formal 'Guide' sitting right alongside the Code can too easily acquire near-mandatory status.
- Yes Guidance and training should always be available to enable members to keep up to date.
- Yes Sessions have already been held on the Code consultation, but once the Code is agreed (and before the revision takes effect, or very shortly after) there should be IFoA sessions setting out the changes in the Code, the detail of the Guide and examples to illustrate how the Code would apply in practice. The professional skills training videos provided by the profession could be expanded to incorporate discussion of the new requirements of the Code or referring to the new Code rather than the existing Code.

- Yes I support webinars.
- Yes We have mentioned some guidance / training opportunities (of a professional skills nature) on such matters as the scope of “other conduct”.
- Yes In view of comments above, Professional Skills Training for Experienced Members in non-traditional areas of practice is now needed more than ever. This year's ATRC will be running the first ever such session for actuaries in education
- Yes Probably wouldn't do any harm to have a CPD event highlighting the new parts as well as covering conflicts of interest especially for non-pensions actuaries
- Yes Training in the form of PST videos illustrating some situations where the Code is applied in practice would be helpful. Similar videos in the past have been useful.
- Yes Face-to-face sessions in London, Edinburgh and webinars.
- No If the code requires training to understand, then it has failed in its purpose.
- Yes Areas like Conflicts of Interest, Speaking up, 6.4 in Communication principle, 1.1 and 1.2 in Integrity, etc may be covered through additional training / webinar / case studies, etc.
- Yes Webinars perhaps - which I imagine will be coming
- No We can get training via the professionalism requirements of the CPD
- No RICS had paperwork by the boxful, and it just confuses everyone.
- Yes Case studies of applying the Code in practice in difficult situations could be useful training.
- Yes There is currently not enough professional skills training, especially with regard to the Code, and APS's; more opportunity is always good. Professional skills are the bedrock for complying with technical requirements.
- Yes Some of the content of the guidance would better be presented as training, rather than formal guidance.
- Yes No guidance document, please. But training sessions, perhaps at regional societies and groups such as LMAG, would be a good idea. Neil Hilary used to do these well. Existing professionalism training provided by the IFoA covers this.
- Yes Awareness training is always important
- Yes It may be useful in non-English speaking countries where UK centric attitudes may not be relevant to the local culture.
- Yes CPD events at the IFoA
- Yes Video training.

Yes Webinars & videos similar to the professional skills training discussing issues / case studies would be helpful.

Q46: Do you have any other comments or suggestions in relation to the Guide?

Answer Choices	Percent	Response Count
Yes - Please explain below, what guidance/training should be provided	40	27
No	60	40
<i>Answered Question</i>		67
<i>Skipped Question</i>		22

Y/N Comments

Yes The consultation was clear that it was not seeking views on the 'conflict of interest' part of the Guide (which includes a direct copy of the present guide for actuaries), and that this would be consulted on separately once the rest of the Guide is agreed (but before the Code and Guide are released). However this is likely to either delay publication of the Guide or mean that the Guide is issued without a fully agreed section on conflicts. The speaking up area of the Guide also includes some text directly taken from the current whistleblowing guide for actuaries. If the conflicts guide is to be revised following consultation, then the whistleblowing material also needs to be reviewed so that it uses consistent language and level of detail, and can then be fully absorbed into the Guide in the same way that the conflicts guidance will be treated. The fact that these two sections include material already exposed to the professional (albeit now due for review) means that the Guide itself is unbalanced in its supporting detail for the other principles. If the Guide is to be retained in broadly the same format as the draft, we believe that the longer guidance should be noted as further detail to amplify more general text in the Guide. (This concern may not be so relevant if the Guide is presented as a series of links so that users can refer just to the relevant section.)

As we stated in our response to question 17 we have a fundamental concern with the role of the Guide. As guidance on a principles based code, even though non-mandatory we do have concerns that in deciding whether a Member is challenged on complying with the Code, the analysis will ultimately move from a principles based analysis to a rules based (tick box) analysis of compliance with the guidance, lacking any other easy reference. Accordingly we strongly suggest that the Guide becomes part of the education / CPD piece rather than in its current role. Arguably this still leaves the possibility that challenges will then be based against "education", but at least distance has been placed. Because of our fundamental concerns we have not commented on the detail of its wording and leave that to others.

Yes We feel that the Guide is very helpful. Our suggestions regarding the Guide are set out above, in our responses to the previous questions. As mentioned above, we feel it would

be helpful to provide a few examples in the Guide of conduct in Members' non-professional lives that would not impact on the profession and is not therefore in scope of the Code. In Section 7.19, regarding Members' duty to challenge non-compliance of others, as mentioned in our reply to question 34 we feel that it would be helpful to provide some additional guidance to clarify the extent to which a Member should take steps to familiarise themselves with a third party's relevant legal, regulatory and professional requirements.

Yes We think the guide should be shorter with the larger more detailed sections kept in separate documents or appendices. In particular this applies to some of the guidance on Conflicts of Interest and Speaking Up to make the guidance on these areas more proportional in length to the guidance for the other principles. • We think it would be helpful to provide a definition of 'User' at the start of the guide (instead of the guidance in para 4.25). In particular, is this expected to have the same meaning as in the TASs? • Under Competence and Care, for principle 2.1 the guidance makes it clear juniors can comply by working as a team with someone more experienced to compensate for the fact that detail has been removed from the code. However, we think more guidance would be helpful in the area of wider fields and completely new ground. Some detail on what is expected here would be helpful as, by definition, there isn't someone else with more experience. • Under Competence and Care we feel that para 4.18 would be better placed under 'The general duty to act with competence and care'. • Under Speaking Up, additional guidance regarding what is expected regarding other conduct would be helpful. Perhaps some examples of what is not in scope would help members to understand what is expected.

Yes As mentioned above, we believe that the Guide should be positioned as a FAQ type document that Members can access if they are looking to obtain further guidance, and which can be expanded and added to as questions get asked and thinking evolves. It should be made clear that Members subject to disciplinary proceedings will not be assessed against compliance with the Guide. We would add that there are specific aspects of the proposed Guide that we disagree with and that we have not commented upon because of our overall opposition to the inclusion of the Guide as currently proposed.

Yes We encourage the working party to think of ways to shorten the Guide. The section on Speaking Up, in particular, is longer than we think necessary. We recognise, however, the difficulty in doing this, and congratulate the party on having made the Code itself so concise and readable. An alternative structure for the Guide might be to leave out sections 1 and 2 and focus purely on the principles. This would have the advantage of consistent numbering between the Code and the Guide which might make navigation simpler. Regarding each principle, it might be better to have an introduction followed by examples. Some within our firm felt it was not clear the extent to which Members should follow the guide nor what would happen if a Member did not follow it. Paragraph 1.10 says that the Guide is non mandatory and imposes no obligation and 1.12 says "it will not necessarily provide a defence to allegations of misconduct" if a Member has followed it. But could non-compliance with the Guide be used to support allegations of misconduct? Paragraph 2.8 could go further in explaining the extent to which conduct might reflect on the actuarial profession. Would it extend to private conversations amongst friends about economic or financial matters, for example? Section 3 might alternatively be structured by starting with paragraph 3.12 (i.e. the need to take legal

advice) and then giving examples. Paragraph 4.25 is about recognising that others may use a Member's work and having due care to them. We believe this is challenging, as their interests may not be aligned to the Member's client. Also, this may incur additional costs to the client. Perhaps this section could be revised to focus more upon having a clear scope of the work, understanding who could rely on it and ensuring limitations of the work are documented. Finally, three observations about the Speaking up section: Speaking Up, This section considers extreme situations where ethical or unlawful behaviour is observed. However, we think it should also cover Members' obligations to speak up within their own organisations in less extreme cases. An example would be a newly qualified actuary who has written a report for a more experienced colleague. If that latter colleague proceeds to re-write the report in a way the less experienced Member considers to be misleading, there is still an obligation to "speak up" to the more senior Member. The Guide could include reference to this. There is a statement in 7.12 that behaviour that might be considered unethical in one culture or geographical area may not be considered so in another. We find this surprising, as we might think that professional ethics transcends geographical and cultural barriers. The Guide should expand on this. We also think it worth including some commentary on the duty of the Member to consider not only the user, but also the public interest, when deciding whether to speak up. For example, if the user is taking an action that is detrimental to pension members or policyholders.

- Yes Given the proposal for the Guide to be interactive, might there be an FAQ facility that can share questions and responses quickly, rather than waiting for annual updates and only after umpteen levels of IFoA review and approval before publication? It is already made clear that the Guide neither adds further obligations, nor can be relied upon as a defence in a disciplinary scenario. The same status would presumably apply to any interactive discussion option.
- No No comments.
- Yes We have compiled a list of detailed comments on individual paragraphs of the Guide, which we are submitting in a separate note (rather than over-filling this box!).
- Yes We are aware that other commentators have suggested that the Guide is perhaps too long
- Yes If you must include it, slim it down significantly. Include the background at the start within the front matter to the code itself.
- Yes § We note the boiler plate wording that is paragraph 1.10 but wonder whether the way that parts of the Guide are written introduces obligations. § Paragraph 1.12 says the Guide does not necessarily provide a defence for Members (even though paragraph 7.9 implies that it does). But will it be used as a stick to beat Members with? It would be useful to be more explicit on this point – to what extent is this just introducing a more detailed and prescriptive Code through the back door? § The point about not being able to contract out of the Code is made in paragraph 2.16. We think it should also be made in section 6. Perhaps it also needs to be mentioned in section 4 of the Code? § Paragraphs 4.21 to 4.24 refer to the costs of the work actuaries are engaged to perform and the basis of their remuneration. While we agree that these are important considerations in a commercial context and in order to retain good relationships with

users, we are less convinced that they are all relevant in the context of an ethical code of conduct. § In paragraph 4.27 we would prefer wording that simply says you should not accept instructions that ignore/are in breach of regulatory requirements, rather than getting there via the (in our view erroneous) assumption that regulatory requirements and users' needs are always aligned. § Paragraphs 5.1 to 5.11 are interesting. Clients often ask us to argue (or help them to argue) for a particular viewpoint or assumption, rather than providing a balanced viewpoint. The extent to which this is (or isn't) appropriate isn't covered at all. Instead we have some rather woolly material on group think. We observe that sometimes an idea is generally accepted because it is the best idea, and encouraging people to adopt different views simply for the sake of variety can actually be damaging. All that needs to be said is contained in paragraph 5.11, perhaps with an acknowledgement that, in a particular situation, acting in a similar way to other reasonable professionals can provide an actuary with a legal defence. § The Conflicts of Interest material from paragraphs 5.12 to 5.106 and Appendices B, C and D is far too detailed and is not really Guide material linked to the Code. It should appear in a separate document. We were surprised that Appendix B did not contain a section for actuaries working in the Investment field. § The Speaking up material in section 7 and Appendix A is also far too detailed and suffers from the same weakness as the Conflicts of Interest materials. Much of it should also appear in a separate document. That which remains should be concerned purely with assisting readers of the Code. § In paragraph 7.9 we are told that section 7 sets out "the IFoA's view of good practice". It is not clear what status such good practice has. It is also not clear to us why the phrase: "It is not intended to be the only standard of good practice for Members and their employers to follow" has been included, or what it is seeking to achieve. § In paragraph 7.21 mention is made that a relevant factor in considering whether a breach is material, and therefore should be reported, is whether it was disclosed at the earliest opportunity. We find this confusing. Disclosure by who, to whom? Surely if a breach has already been disclosed to the IFoA then there is no need for the actuary to report it? § We are not convinced that the style of paragraph 7.49 (setting out issues for consideration in a question format) is helpful and we note that this is not in keeping with the style of the rest of the Guide. § Paragraphs 8.7-8.12 contain some very basic material on using social media. The tone of this might be more suitable for children in their early teens than for members of a respected profession, and we are concerned that it could present the profession as being old-fashioned and out of touch. Moreover, it is not linked to anything in section 6 of the Code. This suggests that there is a missing amplification in the Code – perhaps something along the lines of "Members should be careful in their use of social media".

- Yes Too long, although am conscious a lot is repeated from elsewhere. Take that out and provide a link?
- Yes already done elsewhere
- Yes Overall a very considered piece of work which has caused me to think more deeply about some elements of my professional practice
- Yes The guidance is too long at over 50 pages. The text in relation to some principles is appropriate but for others it is too much and may be better separating out into additional guides with the most significant points retained in this core guide to the code.

- Yes It would be very helpful if there can be an online version of the Code where relevant sections of the Guide are directly hyperlinked to the relevant section of the Code, for quick and easy reference. As a 50+ page document it is unlikely to be read in totality. The more usable it is, the more it will be used.
- Yes Guide – it is not clear what status the guide has. I think it should be reasonable to read (and think about) the Actuaries’ Code without having to read any other material. The guide should be “relegated” to be illustrative material that a member does not have to read.
- Yes The size should be reduced. The materials on ‘Conflicts of Interest’ and ‘Whistleblowing’ may be given as appendices to decrease the size of the basic text.
- Yes Shorten it
- No It seems clearly written.
- Yes It is too long, and in some places it tries to add to the Code in my reading, and sometimes to narrow the Code - not good.
- Yes It should be deleted.
- Yes Please see my comments in relation to the Code which also link to the relevant sections in the guide

Q47: Do you anticipate that there would be any practical or resource implications caused by the introduction of these proposals? If yes, what sort of implications do you anticipate?

Answer Choices	Percent	Response Count
Yes	24	16
No	76	51
<i>Answered Question</i>		67
<i>Skipped Question</i>		22

Y/N Comments

- Yes Members will need to take time to study the proposed Code and Guide, which are much longer than the current Code.
- Yes Assuming that section 5 and 6 are reworded, the changes should be of clarification rather than extra work.
- Yes Internal training on the introduction of the new Code and the accompanying Guide. This is not a negligible cost.

- No ...other than the need for all Members to read through all the material, in most cases to come to the conclusion that little of significance has changed.
- No The adoption of a more principles-based Code is a marked improvement
- Yes Someone who has acted in good faith will be wrongly sanctioned to act as an example. Actuaries will be less employable in certain areas and individuals may cause their membership to lapse because of it.
- No Not in my case.
- Yes There may potentially be more whistle-blowing cases now that the responsibilities in this area have been more clearly stated, with the associated costs of investigating these
- Yes As guidance becomes longer and more detailed/"prescriptive", we are effectively moving away from principles based regulation.
- No I am not really able to judge
- Yes So far all IFoA actions have been ignored by my employer and I am left to my own devices with no idea on which rules to follow.
- Yes Nothing from the code. Ensuring and documenting that one has complied with the guidance will be a severe pain. It is said to be non-binding, but anything that can be presented as rules such as this can be used against Members if there are complaints.
- Yes Too much need to keep reading the Guide
- Yes People (those who care) will have to spend hours studying this proposal, just like I just have.
- Yes The Guide will become mandatory word by word guidance, needing legal and compliance advice at all stages.
- Yes Minor business interruptions caused by the necessity for Members to familiarise themselves with the new Code and the introduction of training.

Q48: Do you have any other comments or suggestions in relation to the proposals?

Answer Choices	Percent	Response Count
Yes	25	17
No	75	52
<i>Answered Question</i>		69
<i>Skipped Question</i>		20

Y/N Comments

No	Finally we thank you for the opportunity to comment on your proposals. We do hope you find our responses helpful in framing the final requirements. We would be pleased to discuss our thoughts with you and, of course, are more than happy to provide clarification on any of the points above.
Yes	Please see additional information - insufficient space for their comments
Yes	Only to congratulate and thank the Working Party and all others involved at the IFoA for what we regard as an excellent piece of work overall, notwithstanding our comments and suggestions made in this response.
No	No comments.
Yes	It would be extremely helpful (and beneficial to the public interest in Members having a clear understanding of the Code and its intended application) if the IFoA could highlight what it regards as the key changes (or new requirements/expectations), if any, and indicate what (if anything) it is expecting to be done differently under the revised Code.
Yes	See above
Yes	The membership of the drafting committee and how they were selected should be made more widely available, I was unable to find this on the IFOA website. The document still reads better for consultants than in house and I do wonder if this reflects the composition of the committee.
Yes	This feedback form is much too long and one should be allowed to skip questions, its format questions its validity
Yes	I disagree with the point 2.10 of the Guide that there is no specific obligation imposed upon Members to consider the public interest impact of their work. I think all professionals need to take responsibility for this, using the same professional judgement, required throughout the Code, and that the need for this will only increase
Yes	Please have a long lead in time (at least six months) before final wording of revised Code goes live - to allow members to read it and understand the changes
Yes	Though the Guide is non-mandatory, Members should be encouraged to go through the Code and the Guide at least once a year under the CPD activity, very important for new qualifiers.
Yes	Rethink along the lines of a light touch review
Yes	Don't implement them
Yes	Just to repeat that the preamble stating that not every rule breach will be misconduct, but that as it is principles based, even if something is not specifically covered it may still be misconduct.
Yes	48 questions is excessive for this consultation.

- Yes I thought that the consultation meeting was well run.
- Yes I am against it
- Yes The Guide should be deleted immediately.
- Yes You have the right and obligation to regulate my professional life. Keep out of my private life. Do not make me the policeman for other professions



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The Actuaries' Code Consultation
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15 January 2018

Dear Sirs

PROPOSED CHANGES TO THE ACTUARIES' CODE

I am writing in response to your October 2017 consultation, proposing changes to the Actuaries' Code. We welcome the opportunity to comment on these proposals and to submit our views.

Overall comments

As the key pillar of the profession's ethical standards, it is important that the Actuaries' Code is subject to regular review. The Working Party's remit rightly sets out that, as a profession, we must monitor whether our code of conduct remains fit for purpose in a changing environment. As such, we welcome this review and most of the proposed amendments.

We support the continuing shift towards shorter, clearer, principles-based regulation and we agree with the IFoA's evolutionary approach to updating the Code. Work to benchmark the Code against other professions and to tighten up the use of language ("must" and "should") are both helpful developments.

Our main point of concern, discussed below, regards the clarity of the Guide which is proposed to sit alongside the Code. In addition, we have outlined a number of other suggestions in an appendix to this letter. We are generally supportive of the proposed changes and these suggestions are offered to help you refine the proposals further. In most cases, we do not have significant concerns if our suggestions are not taken on board.

The Guide's position alongside the Code

The proposed changes make an already concise Code even more succinct - making the Code quicker and easier to both read and understand for users and other stakeholders. Whilst we support this brevity, we do have concerns about the volume and status of issued material once the Code is taken together with the supporting Guide. In particular:

- The Working Party's intention for the Guide to be non-mandatory is clearly stated, but it would be helpful to have greater clarity from the IFoA over how it expects members to make practical use of this information.

- If the IFoA is to follow this approach it seems critical that a high bar is set for the Guide's content and that there is a coherent balance between the Guide and the IFoA's other non-mandatory guidance. We feel further work is needed on the draft Guide to achieve this, but the fundamental approach is sound.

We have set out some specific suggestions on these points at the end of the appendix.

Conclusion

I trust that this contribution, and the suggestions in the appendix, are helpful as the IFoA complete this important review. Please let me know if you would like to discuss any of these comments further.

We look forward to seeing the revised Code in due course.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Martin Clarke', written in a cursive style.

Martin Clarke
Government Actuary

Appendix: Additional suggestions

- 1.1 **Scope:** We understand that the Working Party did not intend to extend the scope of the Code in respect of conduct outside work but the wording used is now slightly stronger. Whereas previously the Code may be “taken into consideration” in certain circumstances, the new wording states that the Code “applies” in such circumstances. To say that the Code “applies” does seem to be an extension of scope. Whilst we suspect you intend application of the Code (in a personal context) to be interpreted pragmatically, this is not stated. We suggest you consider this further as some of the provisions may not read-across to Members’ conduct outside work as intended. It may be that communicating the rationale for the change more clearly to Members is all that’s needed.¹
- 1.2 **Status and purpose:** Could the 2nd, 3rd and 4th paragraphs be deleted given that Members must comply with both the principles and amplifications and much of this explanation is repeated in the Guide?
- 1.3 **Integrity:** Whilst we recognise why “Members should respect confidentiality”, this sounds weaker than we would expect, relative to the other provisions containing ‘must’ statements. It may be worth sacrificing brevity in paragraph 1.2 to retain the existing, caveated, wording (converted to a ‘must’ statement). This is an example of a more general comment that any text which is critical to interpretation of the Code should be elevated to the Code. If the Guide is truly only an aid to interpretation, then the Code must be capable of standing alone.
- 1.4 **Impartiality:** We would prefer to emphasise the importance of documenting and sharing with the client how potential conflicts of interest are (or are not) reconciled, as well as retaining the need to consider approaching previous role-holders for information. If these are to be deleted from the Code then they should be highlighted prominently once the conflicts of interest section of the Guide is reviewed.
- 1.5 **Compliance:** Whilst we support the explicit reference to the Disciplinary Scheme in 4.2, including paragraph numbers seems to be a level of detail too far and will limit the extent to which the Code is futureproof.
- 1.6 **Speaking up:** Paragraph 5.2 could refer explicitly to the Disciplinary Scheme as this is where misconduct is defined. It would also be helpful if the Guide could give greater clarity over which of its provisions on speaking up are already expected under the Disciplinary Scheme and which constitute additional requirements.
- 1.7 **Communication (1):** We did not find the drafting of paragraph 6.4 particularly clear and felt that the majority of issues raised under this provision are already likely to be raised (for UK work) under paragraph 5.7 of TAS 100. It is possible to remove any of this duplication?
- 1.8 **Communication (2):** Should there be an amplification specifically concerning Members’ communication in non-work settings? We assume the main principle is intentionally drafted broadly but we wonder if the required approaches differ markedly between work-related and personal communication (evidenced by the decision to include a section in the Guide on social media). Explicitly referencing this issue in the Code would help users’ understanding of what ‘communication’ means in these different contexts.

¹ You may also wish to reflect on the wording in 2.3 in the Guide stating that the Code “would apply to an unemployed Member.”

1.9 **The Guide's position alongside the Code:** Please refer to the main body of this letter for our lead comments. Other suggestions include:

- In places the Guide seems fundamental to understanding the Code whereas at times it repeats existing non-mandatory guidance which places no further obligations on members. Better signposting would be helpful – perhaps better highlighting the intended purpose behind including certain content.
- Further, because parts of the Guide offer supporting information which goes beyond the Code (for example comments on APS P1), Members may be confused as to where the boundaries lie between the Guide and other non-mandatory guidance.
- If compliance (or non-compliance) with the Guide could be referred to in disciplinary inquiries then effectively all Members will, in future, need to comply with both the Code and the Guide. This would increase the overall amount of compliance material significantly compared to the current position and seems confusing, given the description of the Guide as non-mandatory.
- The Working Party has clearly worked hard to produce a concise Code. We feel the Guide could be improved by further editing and the same focus on imparting the key messages clearly and concisely.

3337711 **The Actuaries' Code Consultation**
The Institute and Faculty of Actuaries

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8 January 2018

Dear Sir / Madam

The Actuaries' Code: Proposals for changes to the Actuaries' Code

I am writing on behalf of Lane Clark & Peacock LLP in response to the consultation on the proposals for changes to the Actuaries' Code, issued on 3 October 2017.

Lane Clark & Peacock LLP ("LCP") is a specialist consulting firm with over 600 personnel in the UK and Europe, including 110 partners, 167 qualified actuaries and 97 part-qualified actuaries in the UK. We have offices in London, Winchester and Ireland.

The provision of actuarial, investment and pensions administration advice, benefits, and directly related services, is our core business. About 90% of our work is advising trustees and employers on all aspects of their pension arrangements, including investment strategy. The remaining 10% relates to insurance consulting and business analytics. The firm is regulated by the Institute and Faculty of Actuaries in respect of a range of investment business activities.

Our detailed responses to the consultation questions are attached as Appendix 1 in relation to the Actuaries' Code and Appendix 2 in relation to the proposed Guide. In summary, we ask for the following:

- **A short, succinct, self-contained Code:** We appreciate the effort that has gone into this substantive revision, and welcome the concept of a shortened Code. We consider it is absolutely crucial that the Code stands on its own, without the need

3337711

Page 2 of 14

for Members to refer to additional guidance to understand the principles that it sets out. We have therefore highlighted in our response several areas where we consider the drafting of the Code should be revised.

- **Any Guide must be 10 pages maximum:** The Guide is far too long. In parts it does not assist the Member in interpreting the Code – in particular much of sections 5 and 7 (and associated appendices) should appear in separate publications. We expect that, if you publish the Guide in its current form, there will be a **reduction** in understanding of the Actuaries' Code because the Guide will not be read. We strongly urge that a stripped down Guide is produced whose purpose is to enable the Member to appreciate the principles and amplifications of the Code when taken as a whole, without getting lost in unnecessary detail in relation to aspects of the Code. In essence this separates real guidance from background and educational material.
- **“Other conduct” is relevant for only some principles:** We question the extent to which “other conduct” should be caught by the Code. What lies behind this is a concern that the Code may place greater obligations on Members in how they conduct their private lives than is placed on other comparable professionals. We suggest that Members should be judged no more severely than other comparable professionals and, in some circumstances, no more severely than the public at large. As an example, we do not think the speaking up principle is relevant in much of Members' private lives.
- **Code amplifications must build on the principle:** We have a concern with some of the newly introduced amplifications in the Code, along with their lack of connection to the principle.

We are happy for our comments, which represent the collective view of a number of partners within LCP, to be attributed to LCP. We hope that our response is helpful and if you have any questions, or would like to discuss anything further then please contact me.

Yours faithfully

+ Prepared as an attachment to an email
at 10:17 on 8 January 2018

David Everett FIA FPMI

Partner

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Sent by e-mail to: code@actuaries.org.uk

Our answers, in relation to the substantive questions posed by the consultation document, are as follows:

13. Overall, do you agree that the revised Code is an improvement on the current Code?

Yes.

We note that we were broadly content with the approach and content of the current version of the Code. Notwithstanding the particular observations that follow we think that the revised Code is an admirable attempt to condense some basic principles into a short, clear and digestible form.

14. Overall, do you agree that the revised Code enables Members to judge how to behave appropriately?

No.

Other than in the whistle-blowing and speaking up areas we were not aware that the current version of the Code presented difficulties in this respect. There has to be a danger that the proposed shortened version of the Code is insufficient on its own.

15. Overall, do you consider that the revised Code is relevant and appropriate for Members working in non-traditional areas of practice?

Don't know.

16. Overall, do you agree that the revised Code is relevant and appropriate for Members working outside of the UK?

Don't know.

In passing we note the difficulties in setting an ethical standard, that is inevitably influenced strongly by UK professional, business and societal ethics, and intending that it should apply equally in other countries which can operate very differently to the UK. This is particularly relevant when considering the application of the Code to "other conduct".

We also note in passing that all the examples given in the Guide are UK-based.

Structure and language of the Code

17. Do you agree that the proposal for a high-level, principles based Code supplemented by detailed guidance is appropriate?

No.

3337711

Page 4 of 14

We much prefer the approach of having one all-encompassing and short document as we do with the current Code, rather than the proposed approach of an even shorter Code but accompanied by a very lengthy Guide, to which reference has to be made in order to appreciate what the Code is expecting of Members. The Code must be self-contained in order to maximise members' engagement with and understanding of it.

Appendix 1 (cont)

18. Do you agree that the proposed structure (use of high-level principles supplemented by 'amplifications') is the most appropriate for the Code?

Yes.

But we note that we already have something broadly like this in the current edition of the Code.

19. Do you agree that the use of the words 'must' and 'should' are appropriate and proportionate to each of the provisions to which they relate?

No.

By which we mean not always. We comment below where we think that the other word should have been used.

20. Do you consider that the overall language of the Code is appropriate?

Yes.

However, we have a concern with the term "users". This appears quite frequently in the Code, but is neither defined in the Code nor adequately explained in the Guide. In fact, paragraph 4.25 of the Guide implies that the term could be exceptionally wide. We think it essential that the term is defined in the Code and our suggestion is that it should be no more than those for whom the Member produced the actuarial work. If "users" remains subject to its currently proposed very wide interpretation we fear that Members could be accused of not complying with the Code when there is little doubt that they have been compliant in relation to their client and those who they reasonably thought could refer to their work at the time they produced it.

Scope

21. Do you agree that the Code's scope section sets out clearly when the revised Code applies?

Yes.

One exception is that it would be useful to make clear that "other conduct" includes that undertaken in a private, non-business, situation otherwise this vital point may be lost.

3337711

Page 5 of 14

We also consider that adverse “other conduct” by a Member, completely outside business, can reflect adversely upon the profession. Inappropriate use of social media is a clear example of this as identification of the individual as a Member is only a quick web-search away.

Appendix 1 (cont)

When exploring “other conduct” we suggest that the examples set out in paragraph 2.8 of the Guide do not go far enough. It would also be very useful if some examples are given of situations where the “other conduct” would **not** apply. We suggest the following for consideration:

- You notice that your local supermarket has mispriced some food – does it offend the integrity principle if you take advantage of the situation?
- You become aware that two individuals of the same sex are in a relationship which is illegal in the country in which they are residing – are you required to “speak up” through challenging their behaviour?

What is in, and out, of scope when it comes to “other conduct” could be usefully explored in material made available as part of Professional Skills Training.

It also seems to us that there are certain principles within the Code that apply to any conduct outside the actuarial sphere such as integrity, but others may only make sense in a business context. We expand on this as we respond to each principle in turn.

22. Do you agree that the scope of the Code is appropriate?

Yes.

This is subject to our concerns about “other conduct”.

There is also a disconnect between the fourth paragraph of the Status and Purpose and the actual Code. The former says that “Members must comply with both the principles and the amplifications”, but not all of either the principles or amplifications contain a “must”.

Integrity

23. Overall, do you agree that the revised Integrity principle and amplifications are an improvement?

Yes.

Generally we say yes, as we support the extension, in paragraph 1.1, of the respect principle to conduct outside the Member’s professional life. We are also of the view that the integrity principle should apply to all conduct, whether in a business or non-business context and whether or not it “could reasonably be considered to reflect upon the profession”.

3337711

Page 6 of 14

However, the body of the Code does not make it clear how paragraphs 1.2 and 5.3 interact. Although it is covered in the Guide, we think the Code should stand alone, and make it clear that paragraph 5.3 trumps paragraph 1.2. So, paragraph 1.2 ought to revert to the approach taken in the current Code and say that “Members **must** respect confidentiality unless...”

Appendix 1 (cont)

24. Do you think that Members’ obligations under the Integrity principle are clearly set out in the revised Code?

Yes.

They are set out clearly, but the danger with having very short sentences is that the necessary nuances are lost (and are unlikely to be found via the Guide given its length). Integrity is a very important principle (perhaps that it is why it is the first in the Code) and so we believe that the wording would benefit from some expansion, perhaps particularly in relation to confidentiality, which the Guide accepts is a difficult area.

Competence and Care

25. Overall, do you agree that the revised Competence and Care principle and its amplifications are an improvement?

Yes.

However, paragraph 2.1 is equivalent only to the current paragraph 2.2(a) with the important (b) and (c) being relegated to section 4 of the Guide (albeit not explicitly mentioned there). We suggest that paragraph 2.1 is recast so that there is some reference to working in a team or acting under supervision.

We suggest that the principle set out in paragraph 2 should be constrained to “professional work”. We don’t see why the competence and care principle and amplifications should apply to work that may be undertaken in a non-professional capacity – for example through being a local councillor, school governor, or member of a campaigning group. A caveat would be where that work is directly parallel to the Member’s “day job” – for example, if a Member who is a local councillor was giving a view on the adequacy of the funding of the Local Government Pension Scheme.

26. Do you think that Members’ obligations under the revised Competence and Care principle are clearly set out in the revised Code?

Yes.

27. Do you agree that it is useful to have an explicit reference to the IFoA’s CPD scheme in the Code?

Yes.

3337711

Page 7 of 14

We agree that there should be an explicit reference somewhere within the Code to the IFoA's CPD scheme, but the approach taken in paragraph 2.2 – ie that of a Rule – seems to go against the intended approach of the revised Code. It is also not an obvious amplification of the competence and care principle. It may be better to set out this and other Rules in a completely new section of the Code.

Appendix 1 (cont)

Turning to the wording used in paragraph 2.2, whilst we agree that Members must comply with the CPD requirements, it is not clear whether paragraph 2.2 is compelling such compliance as there is a missing “must” before “comply”.

The first part of paragraph 2.2 is applicable to all Members, including those who are retired, which does not seem correct. We are also not convinced that all practising Members “must continue to develop their knowledge and skills”. Would it not be better to say that they “must ensure that their knowledge and skills remain up to date”?

Impartiality

28. Overall, do you agree that the revised Impartiality principle and its amplifications are an improvement?

Yes.

We note that this principle applies only to “professional judgement” and so is unlikely to be invoked in a Member’s “other conduct”.

29. Do you think that Members’ obligations under the revised Impartiality principle are clearly set out in the revised Code?

Yes.

However, we are not sure, on reading the Code alone, what “unreconciled” means in paragraph 3.2: we believe that a clearer word or words is needed. We appreciate that there is an explanation in paragraph 5.57 of the Guide, but again urge that the Code must be stand-alone.

It is also not clear whether there is any proportionality in determining whether a conflict of interest has to result in a member not acting.

Compliance

30. Overall, do you agree that the revised Compliance principle and its amplifications are an improvement?

No.

3337711

Whilst we appreciate why some of the messages contained within the current paragraphs have been moved to the Guide, there is a clear risk that they become lost given the length of that Guide.

Appendix 1 (cont)

Page 8 of 14

We suggest that the compliance principle should be restricted to where the Member is undertaking “professional work”, else all kinds of issues, completely outside of work, could come into scope. For example, will the Member have broken the Code if he or she breaks the speed limit, or is that a non-relevant legal requirement?

31. Do you think that Members’ obligations under the Compliance principle are clearly set out in the revised Code?

Yes.

However, paragraph 2.16 of the Guide makes a really important point that you can’t enter into a contract that exempts you from following the Code. This should be explicit in part 4 of the Code (and maybe also in the status and purpose section as well when referring to “legal requirements”).

32. Do you agree that it is helpful and appropriate to include as an amplification the existing requirement for Members to disclose to the IFoA any conviction, adverse finding, judgement or disqualification described in the Disciplinary Scheme of the IFoA?

No.

This Rule sits uneasily in what is meant to be principles-based guidance. As with the Rule relating to the IFoA’s CPD scheme it may be better to set it out in a completely new section of the Code. It would also be useful to paraphrase what rules 1.11 to 1.14 of the Disciplinary Scheme say.

We think it would be more helpful if paragraph 4.2 became an amplification that gave some hint as to what was meant by “relevant” legal, regulatory and professional requirements. We note in passing that the meaning of “relevant” is not explored in Part 6 of the Guide.

Speaking Up

33. Do you consider that the inclusion of a stand alone Speaking Up principle is an improvement?

Yes.

However, we suggest that the speaking up principle should be limited to situations that the Member comes across in their professional life and is workplace-based, else all kinds of difficulties could transpire. We expand upon this below.

3337711

We also note that the Speaking Up principle and amplifications are quite lengthy when compared to the other sections of the Code.

Appendix 1 (cont)

Page 9 of 14

34. Do you think that Members' obligations under the Speaking Up principle are clearly set out in the revised Code?

Yes.

However, we question the very wide scope of the principle set out in paragraph 5. As written it would seem to require a Member to speak up in any situation where they are of the view that a course of action is unethical or unlawful, even if the Member is only aware of that situation through being a general member of the public. To give an absurd example to illustrate the point, are Members required to speak up against the Catalanian declaration of independence on the grounds that it is apparently unlawful under Spanish law?

Turning to paragraph 5.1, it is not clear from the Code whether "others" refers just to other Members or much wider. Paragraph 7.19 of the Guide suggests that it is a wide definition, but is limited to a business context. We think that the Code needs to make clear the extent of the term "others" without reliance on the Guide. We have two scenarios to assist with your thinking:

- To take a topical example, if in the course of being a local councillor the Member becomes aware of unethical behaviour by a fellow councillor in relation to a much younger person of the opposite sex, does the "challenge" principle come into play?
- If a Member becomes aware that, completely outside the workplace, a member of the public is breaking the law through drug-taking, do they need to challenge their behaviour, or is such a situation not "relevant"? Would it become relevant if that member of the public happened to be a Member?

We have a concern with the potentially wide application of paragraph 5.2. If a Member becomes aware of another Member breaking the law in an area completely outside the world of work, does he or she have a duty to report that Member to the Institute and Faculty of Actuaries, or is such law-breaking not "relevant"?

Also, paragraph 5.2 is not an amplification of the "speaking up" principle, but is a stand-alone rule. Perhaps this should also be hived off into a separate Rules section?

In paragraph 5.2 we also have a concern that "appears" is too wide a criterion for reporting misconduct etc. We suggest that "reasonable cause to believe" wording is a better description of the necessary criterion.

35. Do you agree with the proposed materiality test in relation to the duty to report matters to relevant regulators or other authorities?

Yes.

3337711

We consider the introduction of this to be an improvement on the current edition of the Code.

Appendix 1 (cont)

Page 10 of 14

36. Do you agree with the proposed amplification requiring Members to take reasonable steps to ensure users are aware of any substantial issues with a piece of work?

No.

Paragraph 5.4 appears to be new and we are concerned with the phrase “or in which they have a significant involvement”. If an internal expert group produces starter documents and issues internal guidelines, such as on scheme funding, then it cannot mean that the actuaries on that group should check how their materials are being used for each client in which they would otherwise have no involvement.

It is also not clear to us what “substantial issues” means in paragraph 5.4. Again, one has to go to the Guide to (even broadly) understand what this means.

We question whether paragraph 5.4 is in the right place – it does not seem to be an amplification of the speaking up principle set out in paragraph 5. It seems to us that it would sit better under the Communications section (maybe by slightly changing the text of paragraph 6.3 and/ or 6.4).

Communication

37. Do you consider that the revised Communication principle is an improvement?

No.

In particular, the principle “Members must communicate appropriately” is vague. You have to look to paragraph 8.3 of the Guide to gain an understanding of what “appropriate” might mean. We strongly urge you to use a different adverb, perhaps “well”.

We are also of the view that the Communication principle should not extend to “other conduct”.

38. Do you think that Members’ obligations under the Communication principle are clearly set out in the revised Code?

No.

The breadth of the principle is not clear but there is clarity with the amplifications. There needs to be some reworking of the principle in order that its scope becomes clear and the amplifications can be seen to follow on from the principle.

3337711

39. Do you agree with the proposed amplification requiring Members to notify users of any adverse impact where they feel that the user has misunderstood or misinterpreted their advice?

Appendix 1 (cont)

Page 11 of 14

No.

We think that this new paragraph 6.4 is unclear, far too onerous to comply with and could act against the interests of the actuary's client. We give two examples:

- Suppose an actuary calculates a cash equivalent transfer value at the request of a pension scheme member, and the member decides to take a transfer value, but the actuary suspects that it is unlikely to be in their interests. Does this paragraph oblige the actuary to approach the member and warn him of the adverse impact if he proceeds? That cannot be intended.
- Suppose an actuarial report produced on the funding of a pension scheme is passed to the prospective purchaser of the employer, and the prospective purchaser is intending to proceed despite the actuary thinking that pensions should be a deal breaker due to the huge deficit. Does this paragraph oblige the actuary to approach the (non-client) prospective purchaser against the actuary's own client's commercial interests, to warn him of the adverse impact if he proceeds? Does paragraph 6.4 negate the non-reliance letter that the actuary would have required him to sign before receiving the actuary's advice?

40. Do you have any other comments or suggestions in relation to the revised Code?

Yes.

In paragraph 6.1 we think that "must" should be replaced by "should", as otherwise a huge number of actuaries would breach the Code, and there are sometimes quite valid reasons why it is not possible to communicate in a timely manner.

41. Do you agree with the proposal to introduce a Guide to accompany the Code?

No.

We think that the Code should stand by itself.

If there is to be Guide it needs to be short. The proposed Guide is far too long and needs some serious editing if it is to be read, digested and remembered by Members. This should separate real "guidance" from "education".

If the current proposal remains, under which there is a very short Code that cannot stand by itself accompanied by a lengthy Guide that is unlikely to be read, we expect that compliance with the Actuaries' Code will worsen rather than improve.

In many places the Guide simply restates the Code without adding anything to the meaning. In others it is far too long winded and repetitive. We also have a concern that there are many instances where "should" is employed, which could be interpreted in the same way as a "should" in the Code.

42. Overall, do you consider that the Guide is relevant and helpful for Members working in non-traditional areas of practice?

No.

43. Overall, do you consider that the Guide is relevant and helpful for Members working outside of the UK?

No.

44. Do you have any suggestions for any additional topics that should be included in the Guide?

No.

45. Do you think it would be helpful to have any further guidance (in addition to the Guide) and/or training opportunities in relation to the Code?

Yes.

We have mentioned some guidance / training opportunities (of a professional skills nature) on such matters as the scope of "other conduct".

46. Do you have any other comments or suggestions in relation to the Guide?

Yes.

- We note the boiler plate wording that is paragraph 1.10 but wonder whether the way that parts of the Guide are written introduces obligations.
- Paragraph 1.12 says the Guide does not necessarily provide a defence for Members (even though paragraph 7.9 implies that it does). But will it be used as a stick to beat Members with? It would be useful to be more explicit on this point – to what extent is this just introducing a more detailed and prescriptive Code through the back door?
- The point about not being able to contract out of the Code is made in paragraph 2.16. We think it should also be made in section 6. Perhaps it also needs to be mentioned in section 4 of the Code?
- Paragraphs 4.21 to 4.24 refer to the costs of the work actuaries are engaged to perform and the basis of their remuneration. While we agree that these are important considerations in a commercial context and in order to retain good relationships with users, we are less convinced that they are all relevant in the context of an ethical code of conduct.
- In paragraph 4.27 we would prefer wording that simply says you should not accept instructions that ignore/are in breach of regulatory requirements, rather than getting there via the (in our view erroneous) assumption that regulatory requirements and users' needs are always aligned.
- Paragraphs 5.1 to 5.11 are interesting. Clients often ask us to argue (or help them to argue) for a particular viewpoint or assumption, rather than providing a balanced viewpoint. The extent to which this is (or isn't) appropriate isn't covered at all. Instead we have some rather woolly material on group think. We observe that sometimes an idea is generally accepted because it is the best idea, and encouraging people to adopt different views simply for the sake of variety can actually be damaging. All that needs to be said is contained in paragraph 5.11, perhaps with an acknowledgement that, in a particular situation, acting in a similar way to other reasonable professionals can provide an actuary with a legal defence.
- The Conflicts of Interest material from paragraphs 5.12 to 5.106 and Appendices B, C and D is far too detailed and is not really Guide material linked to the Code. It should appear in a separate document. We were surprised that Appendix B did not contain a section for actuaries working in the Investment field.
- The Speaking up material in section 7 and Appendix A is also far too detailed and suffers from the same weakness as the Conflicts of Interest materials. Much of it

3337711

should also appear in a separate document. That which remains should be concerned purely with assisting readers of the Code.

Appendix 2 (cont)

Page 14 of 14

- In paragraph 7.9 we are told that section 7 sets out “the IFoA’s view of good practice”. It is not clear what status such good practice has. It is also not clear to us why the phrase: “It is not intended to be the only standard of good practice for Members and their employers to follow” has been included, or what it is seeking to achieve.
- In paragraph 7.21 mention is made that a relevant factor in considering whether a breach is material, and therefore should be reported, is whether it was disclosed at the earliest opportunity. We find this confusing. Disclosure by who, to whom? Surely if a breach has already been disclosed to the IFoA then there is no need for the actuary to report it?
- We are not convinced that the style of paragraph 7.49 (setting out issues for consideration in a question format) is helpful and we note that this is not in keeping with the style of the rest of the Guide.
- Paragraphs 8.7-8.12 contain some very basic material on using social media. The tone of this might be more suitable for children in their early teens than for members of a respected profession, and we are concerned that it could present the profession as being old-fashioned and out of touch. Moreover, it is not linked to anything in section 6 of the Code. This suggests that there is a missing amplification in the Code – perhaps something along the lines of “Members should be careful in their use of social media”.

RESPONSE TO THE CODE CONSULTATION

Simon Carne

Introduction

My remarks do not easily fit within the structure of the questionnaire, so I am submitting them in this note. I set out below my responses to the first 12 questions, so that you have information about me.

- 1 Simon Carne, sole practitioner
- 2 UK
- 3 Member of the IFoA
- 4 Fellow
- 5 Other, specialising in regulation
- 6 My name need not be kept confidential
- 7 My comments need not be kept confidential
- 8 Simon Carne – Consulting
- 9 Other, non-actuarial consultancy
- 10 One FIA (me)
- 11 My organisation's name need not be kept confidential
- 12 These comments reflect my own views and my organisation's views.

The Code – overall

Overall, I think the revised Code is an improvement. The language is more direct, straightforward and to the point than the current version. I support the IFoA in continuing with a Code which is principles based.

Integrity

I think paragraph 1.1 of the Integrity principle needs to include some form of qualification around “respect” – something along the lines of “must show respect appropriate to the situation”.

Although the requirement for respect is included in the current Code, without the qualification I am proposing, I think the qualification will be essential in future in view of the proposal to extend the requirement to non-professional areas of a Member's life.

The reason for my suggestion is that there will be occasions when (some) Members encounter crooks, reprobates and worse. There is no need to create a situation in which those individuals can make trouble for the Member by registering a complaint that the Member has not shown unqualified respect.

The Guide exacerbates the problem. It suggests that “[showing 'respect for others' includes not deceiving or manipulating others](#)”. Whilst this is a good doctrine for most interactions with others, there will be occasions when a Member encounters, for example, a suspected fraudster and needs to use manipulation or deceit to expose the wrongdoing.

All of the above can be addressed by a simple qualification to indicate that the level of respect needs to be “appropriate”, rather than (as currently implied) absolute.

Compliance

The requirement in paragraph 4.2 to disclose to the IFoA “[any conviction, adverse finding, judgement or disqualification of the type referred to in rules 1.11 to 1.14 of the Disciplinary Scheme](#)” seems to go farther than intended. This is because paragraphs 1.13 and 1.14 of the Disciplinary Scheme do not identify matters which amount to misconduct. Those paragraphs simply deal with the manner in which certain findings of fact can be deemed to be proved for the purposes of a tribunal hearing. So, for example:

- a conviction under paragraph 1.13(a) would include Road Traffic Act convictions and, in some countries, parking offences.

- a judgment under 1.13(e) would include any civil dispute, including divorce or a contractual dispute – even if the Member won; and
- an adverse finding by a regulatory body under paragraph 1.14 would appear to include a complaint against a regulated entity which one lost.

More generally, I think it is unwise for one IFoA regulation to refer to specific paragraphs in another IFoA document. If the second document is amended – even only to the extent of the paragraph numbers changing – the first document will need to be amended also, with all the procedures that involves. May I suggest that the matter would be better addressed with an amendment along the following lines:

4.2 Members must, as soon as reasonably possible, disclose to the Institute and Faculty of Actuaries any conviction, adverse finding, judgement or disqualification ~~of the type referred to in rules 1.11 to 1.14 of the Disciplinary Scheme of the Institute and Faculty of Actuaries to which they are subject~~ and which appears to constitute misconduct [or “and which the Member ought reasonably to realise may constitute misconduct”].

The Guide would then be an ideal vehicle in which to explain what types of conviction, judgment etc might constitute misconduct, by quoting from the relevant passages of the Disciplinary Scheme.

The Guide

The idea of a guide is a good one, but there is a danger that the authors make the mistake of writing a guide that adds additional provisions, rather than merely giving the authors' views on how to interpret and apply the existing provisions. As set out below, I believe the current draft of the guide makes that mistake many times over. Moreover, even where this type of mistake is avoided during the first edition of the guide, there is a real risk that, as events unfold and new circumstances arise, the authors of the guide inadvertently draft “guidance” which is actually a change in the provisions. For that reason, I suggest below how the guide might be re-structured in a manner which prevents the authors falling into this trap.

- In the current draft of the Guide, the word “should” is used almost 50 times in expressions such as “Members should”, “a Member should” and “you should”. We know from the Code that the word “should” conveys a “presumption is that Members [will] comply with the provision in question”. So the effect of the Guide is – unintentionally, I am sure – to add some 50 additional presumptions over and above the five presumptions in the Code itself.

In light of this, it is difficult to take seriously the assertion that the Guide is “non-mandatory”. At the very least, it is mandatory to read the Guide in order to know what behaviour is presumed from Members.

The solution to this problem is for the Guide’s authors to re-write it using expressions such as “we suggest that this provisions can be met by” or “we suggest that Members should”, rather than “Members should”.

- To limit the chances that, in future versions of the Guide, other linguistic traps are fallen into, which have the effect of adding new rules, I suggest that the authors' names should also be disclosed – not so that they can be blamed or criticised, but so that it is clear for all to see that the Guide represents the opinions of individuals (or the consensus view of a named working party) and not the official view of the IFoA.

Guide paragraph 3.4

Guide paragraph 3.4 says that “showing ‘respect for others’ includes not deceiving or manipulating others”. This is an odd way to explain “respect”, given that paragraph 3.1 has already addressed the requirement for acting “honestly and with integrity”. The implication is that showing “respect” adds nothing that isn’t already covered by “honesty”. I suggest that the Guide should either articulate other ways to demonstrate respect or else the Guide should remain silent on the point.

Moreover, as noted above, in my comments on paragraph 1.1 of the Code, there will be occasions when a Member needs to use manipulation or deceit to expose wrongdoing of others.

Guide paragraph 4.13

Paragraph 4.13 is very weak and falls short of the standard of the rest of the document.

The first sentence of paragraph 4.13 (which is fine) is about determining the appropriate level of knowledge and skill according to the nature and scope of the work:

“What constitutes an “appropriate level of relevant knowledge and skill” will depend on the nature and scope of the instruction.”

But the rest of the paragraph does absolutely nothing to address that point. The remaining text simply makes the trite point that, prior to qualification, one should not be expected to have the knowledge of someone who is fully qualified. I suggest that the Guide should either find a way to articulate what constitute appropriate levels of knowledge and skill or else the Guide should remain silent on the point.

The second sentence of the paragraph is also unclear when it says:

“An actuarial student, for example, would not be expected to be able to carry out a piece of work that would normally be carried out by a Fellow.”

- Whose expectation is being talked about? Is it: actuaries; those who commission work from an actuary; the Disciplinary Tribunal?
- I am not convinced that this sentence is at all relevant to the issue in the Code. I suggest that it be removed and the paragraph be re-written so as to address the point in the first sentence. If, however, this sentence is to remain, I suggest that the words “carry out” should probably be replaced with “take responsibility for”. After all, it is perfectly normal for students to *carry out* work for Fellows, provided the Fellow has given sufficient instruction for the work, reviews the output and takes responsibility for communicating the results to the user.

Guide paragraph 4.20

Paragraph 4.20 talks of the importance of having “[an] understanding of the scope and intended purpose” of a piece of work. This recommendation seems most sensible when applied to the senior Member in charge of a piece of work, but it has been written as though it applies to all members of a team, including the most junior.

For a team project, it may be perfectly acceptable for parts of the work to be farmed out to members of the team who do not know what the scope and intended purpose of the project is. Whilst I don’t suggest that this would be as an ideal way of managing staff, the Guide cannot interfere in matters of management technique.

I would like to suggest that the Guide should not give junior members of a team the impression that they need to review or challenge the instructions they have been given to follow by someone who is competent to determine what is required. It would be particularly problematic for (junior) actuaries working for non-actuaries if they start telling their managers that “we have a professional obligation to insist that you tell us the scope and intended purpose of the work you have asked us to do”. As currently drafted, the Guide suggests that they should do just that.

Guide paragraph 4.7

The purported “example” in paragraph 4.27 does not, in fact, exemplify what went before. The primary point of the paragraph is about not accepting instructions which conflict with the instructors needs. But the so-called example is about instructions which comply with TASs and/or regulations.

Guide paragraph 5.2

I don't think it is a right for paragraph 5.2 to introduce "objective criteria" as a requirement for complying with the need to avoid "bias". There are times when Members are asked to address issues which cannot be determined objectively. Business is full of such instances. The introduction of subjectivity into qualitative judgements does not mean that the decision-maker (or the adviser) is being biased.

Guide paragraph 7.25

Paragraph 7.25 says: "[The IFoA will take a reasoned and proportionate approach to what it views as a delay in reporting.](#)"

I think this wording is mistaken. I suggest that the sentence should begin:

- *either*: "[A Disciplinary Tribunal is likely to take a reasoned and proportionate ...](#)";
- *or*: "[In deciding whether to refer a Member for disciplinary investigation, the IFoA is likely to ...](#)".

Simon Carne

2 December 2017

Dear IFoA,

Firstly, I commend the revision of The Actuaries' Code. It is cleaner, easier to read and understand, and doesn't lose anything important. I was happy to see the reiteration of requiring actuaries to act in the public interest.

I have two specific comments on the revision:

1. In the "Impartiality" section, there is a requirement that "Members must not act where there is an unreconciled conflict of interest." My only concern is that leaves the actuary with hands tied and nothing to do to address an unresolved conflict of interest, especially where that conflict of interest is neither clearly unethical or unlawful. I don't know what the answer is, but perhaps it would be useful to provide guidance on what an actuary *should* do in the case of an unreconciled conflict of interest that is unfair or unequitable (from some stakeholder's perspective), but not clearly unethical nor unlawful. However, in some circumstances, this type of conflict may be ubiquitous.
2. The section on "Speaking up" is very nice. I would suggest that the IFoA supports these requirements by offering courses, materials, and case studies on ethics. This might form part of our professionalism materials/CPD. This aspect of actuaries' professionalism distinguishes actuaries (UK actuaries especially!) from other people working in finance and insurance. It should not be discounted.

Best regards,

Samuel Achord
Actuary FIA CERA

Response to Code Consultation

Sean O Cathain, FIA

Regulation of conduct outside professional life

The IFoA has a right and duty to regulate its members' professional behavior. It has no right to regulate their private lives. The Actuaries' Code Guide, for example, in the section on social media, interprets the "reflect upon the profession" provision extremely widely. See paragraph 8.8 "using inappropriate language" even "posting in personal chat rooms" (para 8.10).

I argue that in every instance where the reputation of the profession has been damaged, it has been by actuaries in their professional lives. The general public is intelligent enough to separate the behaviour of an actuary in his private life, no matter how objectionable, from their profession. For example, I would not condemn all police officers if one were caught drink driving or expressing racist views.

Definition of Speak Up

It is clear that speaking up is broader than whistleblowing. What is not clear is when a member can say "I have met my obligation to speak up. For example, if the situation is not such that whistleblowing is called for, and a member "speaks up" within his team / organisation / to the person involved but no change happens, has he met his obligations.

The test of the code is not when all is well, but when a member is defending himself against allegations that he has transgressed the code. As this provision is written, no member (in the situation of wider speaking up rather than whistleblowing) can know whether his defence is on solid ground or not. That is a dangerous situation.

Para 2.3 of the Actuaries' Code

Members must ensure their work is appropriate to the needs of users, and, where applicable, instructions of users. On the face of it, this statement says that instructions can sometimes be ignored, if the actuary believes they do not meet the needs of the client / user.

Para 4.25 of the guide says that when carrying out a piece of work for a user, the member must not ignore the needs and interests of other stakeholders. There will arise situations where stakeholders have directly conflicting interests. I am not sure this has been fully catered for.

Paragraphs 8.7 – 8.12 of the Guide

In particular para 8.8 is well beyond the remit of the IFoA. It is no part of the IFoA's responsibility to judge what is inappropriate language. The IFoA has no right to regulate the comments of its members in private chat rooms. Most countries have laws concerning incitement to hatred, they should be left to the proper authorities.

The duties and responsibilities of actuaries relating to respect for others, bullying, inappropriate language, discrimination, and in fact all other aspects of private life, are exactly the same as any other member of society. The policing of these responsibilities should be the same for actuaries as all other members of society.

Comments on the draft Code of Practice

Jonathan Harvey, Henderson Chambers

Scope

I suggest “.... reasonably be considered to reflect adversely upon the profession.”

Status and Purpose

There appears to be a conflict (or at least the potential for confusion) between the following paragraphs of the draft.

“The principles and amplifications, together, form the Code and Members must comply with both the principles and the amplifications.

The Code uses the word “must” to mean a specific mandatory requirement. In contrast, the Code uses the word “should” to indicate that, while the presumption is that Members comply with the provision in question, it is recognised that there will be some circumstances in which Members are able to justify non-compliance.”

As they stand, in the first paragraph below the word “must” obliges members to comply with both principles and (apparently all) amplifications whereas in the second paragraph the word “should” allows non-compliance for some amplifications.

I suggest that the text might simply read: “The principles and amplifications, together, form the Code and Members must comply with both the principles and the amplifications save where an amplification uses the words “Members should” in which case it is recognised that there may be some circumstances in which Members may be able to justify non-compliance.”

Competence and Care

In paragraph 2.1, I suggest the following minor amendment: “Members must ensure they have an appropriate level of relevant knowledge and skill to carry out each piece of work.”

In paragraph 2.4, I wonder if there is a missing “their” so that it should read “Members must consider whether input from other professionals or specialists is necessary to assure the relevance and quality of their work and”

Impartiality

In paragraph 3.2, ought there to be specific provision for (a) a conflict of interest which develops in the course of a piece of work, and/or (b) prompt notification to the client / user that a conflict of interest exists or has arisen?

Speaking up

Would it not be helpful to set out at the start of this section a definition of “Speaking up” (whether or not by reference to e.g. paragraph 7.6 of the Guide) and any distinction from “whistleblowing”?

I make the same point in relation to “unethical” – paragraph 7.11 et seq. of the Guide.

Although I think “unethical” does embrace breaches of the Code, ought there to be a specific reference to the Code in Principle 5?

At paragraph 5.1, the amplification does not state how or when the challenge is to be made and the Guide does not explain. Is the challenge to be made in writing or orally? Is it to be made as soon as reasonably practicable? The obligation should be clear – preferably in the Code or at least by reference in the Code to the relevant part of the Guide.

Paragraph 5.3 is particularly troubling, especially the words “... reasonable cause to believe is unethical or unlawful, and carries significant risk of materially affecting outcomes.” I bear in mind that a Member may face disciplinary proceedings if he is found to be in breach of this provision and that he should use his own judgement. For that to be fair and reasonable, he must clearly understand the nature and scope of his obligation and yet the meaning is far from clear and the Guide (paragraphs 7.28 – 7.32) does not seem to me to help. The explanation / definition in paragraph 7.31 perhaps means any risk which is more than a mere possibility, but when attached to the vague wording of “materially affecting outcomes” I do wonder if a Member will have a clear understanding of just what would oblige him to speak up.

I note in relation to amplification 5.4 that paragraph 7.35 of the Guide defines “substantial issue” as one where there is a “real and identifiable risk of material adverse consequences for a user or users”. I wonder whether that would be a better choice of wording than “a significant risk of materially affecting outcomes”.

Communication

In paragraph 6.4, I suggest that the wording might be amended as follows: “Where Members identify that a user of their work has, or is reasonably likely to have, misunderstood or misinterpreted their advice, Members should promptly draw the user’s attention to any potential adverse impact likely to arise from that misunderstanding or misinterpretation and explain the true meaning of their advice.”