The new Actuaries' Code in the UK

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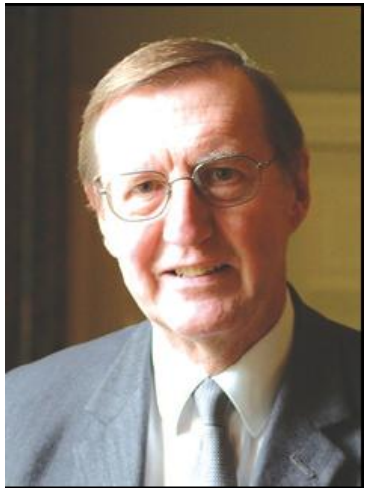
The need for change

- Previous code of conduct, the PCS, had been in place since 1999
- Considered too long, too complex, too prescriptive
- Intention to replace with a short, principles-based code, supplemented with Actuarial Profession Standards (APS) to provide amplification
- Aim was to make the new code easier for both members, and users of actuarial services, to understand…
- …but needed to maintain compliance with the IAA Code of Conduct

The first attempt – the 8 C's

- Conduct
- Common Good
- Competence
- Compliance
- Conflicts
- Confidentiality
- Commencing Appointments
- Communication

Regulatory Structure

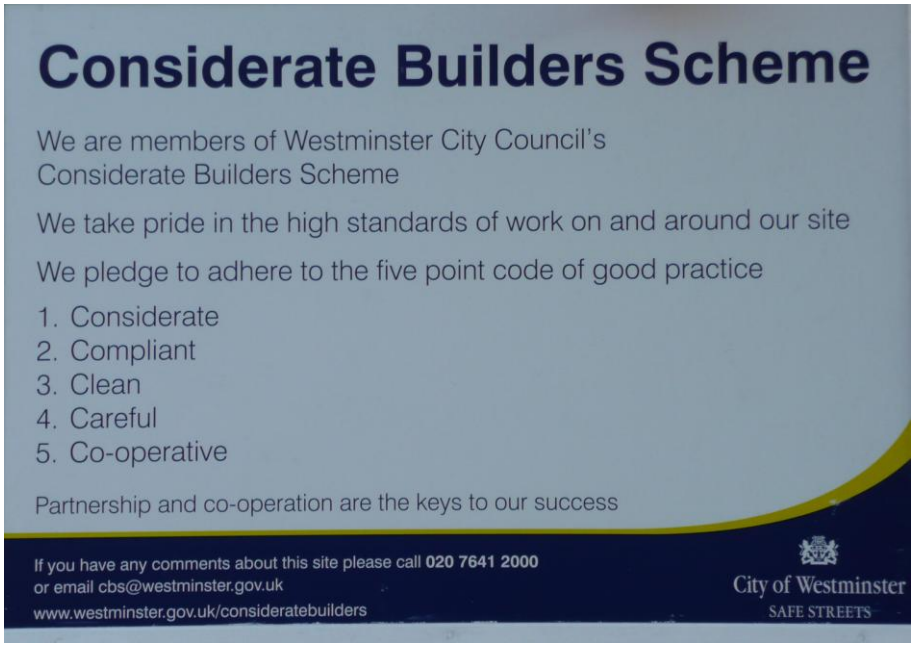


FRC Board

- Board for Actuarial Standards
- Accounting Standards Board
- Auditing Practices Board
- Professional Oversight Board
- Review Panel
- Accountancy and Actuarial Discipline Board

If at first you don't succeed … the 5 C's

- Conduct
- Competence
- Client interests
- Compliance
- Communication



Principles-based regulation

"The limitations of a pure principles-based regime have to be recognised….a principles-based approach does not work with individuals who have no principles"

Hector Sants, Chief Executive, FSA, March 2009

The final version (introduced on 1 October 2009)

Integrity: Members will act honestly and with the highest standards of integrity

Competence and Care: Members will perform their professional duties competently and with care

Impartiality: Members will not allow bias, conflict of interest, or the undue influence of others to override their professional judgement

The final version (continued)

Compliance: Members will comply with all relevant legal, regulatory and professional requirements, take reasonable steps to ensure they are not placed in a position where they are unable to comply, and will challenge non-compliance by others

Open Communication: Members will communicate effectively and meet all applicable reporting standards

The Actuaries' Code: status and purpose

The Code consists of principles which members are expected to observe **in the public interest** and in order to build and promote confidence in the work of actuaries and in the actuarial profession. The Code will be **taken into account** if a member's conduct is called into question for the purposes of the Actuarial Profession's disciplinary schemes. It is not a set of rules, and conduct that falls short of the Code will **not inevitably constitute misconduct**. Equally, members will be expected to **observe the Code's spirit** in their professional conduct.

Lessons learned

Producing a simple code of conduct is not a simple exercise

Encapsulating public interest obligations is particularly difficult

Strong regulatory challenge can lead to a better end result

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