



**PERSATUAN AKTUARI MALAYSIA**  
**ACTUARIAL SOCIETY OF MALAYSIA**

# **PROFESSIONAL CODE OF CONDUCT**

**Effective 28 February 2014**

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## **1. Application**

1.1 The Professional Code of Conduct (“PCC”) applies to all Members of the Actuarial Society of Malaysia (ASM).

## **2. Scope**

2.1 The requirements of the PCC are restricted to general principles and standards which must be adhered to. Guidance Notes may impose additional requirements in specific circumstances, where deviation should be disclosed and justified.

## **3. Objective**

3.1 The PCC serves as a guide to uphold the integrity and credibility of the Actuarial Profession and to fulfil the profession’s responsibility to the public.

## **4. Integrity**

4.1 Members must maintain and observe the highest standards of conduct and act in a manner which upholds the reputation and integrity of the profession.

4.2 A member should recognize that there is room for differences of opinion in relation to actuarial advice.

4.3 A member must make no disclosure of the client’s affairs unless authorized by the client or required under statutory or judicial authority or Guidance Notes.

## **5. Competence and Care**

5.1 An actuary must provide a client with actuarial advice of a high standard, and which conforms to relevant practice standards. If work which an actuary considers necessary is precluded by cost or time constraints, the actuary must either decline to act or qualify the actuarial advice.

5.2 An actuary must not give actuarial advice whether acting personally or as part of a multi-disciplinary team unless satisfied of personal competence in the relevant matters. However, involvement is permissible if acting in co-operation with, or with the guidance of another actuary with the requisite knowledge and experience.

5.3 An actuary must make full and timely disclosure to the client of any financial interest that includes direct remuneration, direct and indirect benefits, commission and introductory fees paid by or to the actuary or the actuary’s firm.

## **6. Impartiality**

- 6.1 Advice to the client must be unaffected by interests other than those of the client, taking into account of any identifiable professional or legal duty of care to the client in respect of a third party. In particular, the actuary shall cooperate with third parties serving the client or the actuary's firm.
- 6.2 The actuary must not give actuarial advice until there has been sufficient disclosure to the client on any conflict of interest. If the actuary does not comment on implications for third parties, then the actuarial advice must include a specific statement to that effect.
- 6.3 If there might be a conflict of interests, the actuary must ensure that effective measures are taken to protect the client's interests and in particular must ensure that there is no communication of information within the actuary's firm which might harm the interest of any client or previous client.
- 6.4 The actuary must not give actuarial advice if there is a conflict of interest which is irreconcilable.
- 6.5 If an actuary invited to give actuarial advice to a client knows that another actuary has provided actuarial advice to that client on the same or a related matter, that actuary must consider contacting the other actuary if there are any professional reasons not to accept the appointment.

## **7. Compliance**

- 7.1 A member must raise his/her concern when encountering actions which are potentially unlawful, unethical or improper.
- 7.2 A member will promptly report to the ASM Council, immediately on becoming aware of any event which appears to be a breach by another member of any legal, regulatory or professional requirements.
- 7.3 Breach of the PCC shall be grounds for an investigation of misconduct, and shall be considered under the ASM Disciplinary Scheme.

## **8. Open Communication**

- 8.1 An actuary must explain in suitable terms the implications of any actuarial advice that is given.

8.2 Where an actuary as an employee is giving actuarial advice to a client as part of employed responsibilities, it is important to ensure that the actuary and the employer both recognize the actuary's professional responsibilities for that actuarial advice and that the client is made aware of that responsibility.

8.3 Written actuarial advice to a client must include:

- i) scope, purpose and terms of reference;
- ii) methodologies adopted and assumptions made;
- iii) accuracy and reasonableness of any data being used or state why this has not been done;
- iv) explanation or qualification about the reliability of the data; and
- v) sufficient information and discussion about each relevant factor and results if recommendations are made.

8.4 Any actuarial advice which makes recommendations to a client must make the following clear to all concerned:

- i) who the actuary's client is;
- ii) the name and qualifications of the actuary;
- iii) the name of the actuary's firm;
- iv) in what capacity the actuary is acting; and
- v) supplemental sources of information relevant to the work done.

8.5 A member may publicise the professional services offered, may indicate specialization in a particular area of work and may publish the basis of charging. Any form of publicity that might give a member an unjustified or unfair professional advantage or which is likely to detract from the standing of the profession is prohibited.

8.6 A member speaking in public or writing for publication should seek to ensure that it is made clear in what capacity the contribution is made.

8.7 A member should not imply that what is said or written has any official standing with respect to the ASM unless speaking or writing as a representative of the profession

## Definitions

|                  |   |
|------------------|---|
| Actuary          | Fellow of the Actuarial Society of Malaysia   |
| Actuary's firm   | The corporate entity of which the actuary is the sole proprietor, a partner, a director or an employee.   |
| Actuarial advice | Advice given by an actuary which the recipient reasonably believes to be given in a professional capacity as an actuary. It includes any oral comments in support or clarification of the advice. |
| Client           | The person or firm to whom an actuary's advice is primarily directed, in certain circumstances this would include policyholders or other members of the public.                                   |
| Member           | A member of the Actuarial Society of Malaysia.  |
| Third party      | An identifiable person or firm other than the client or the actuary's firm who directly or indirectly may be expected to rely on or be affected by the actuarial advice given.                    |