

THE ACTUARIAL SOCIETY OF HONG KONG

PROFESSIONAL CONDUCT CODE

1. Purpose

- 1.1 The purpose of this Professional Conduct Code (“Code”) is to require the members of the Actuarial Society of Hong Kong (“ASHK”) to behave in a manner that instils and maintains public confidence in and reflects well on the actuarial profession.
- 1.2 This Code sets out the minimum standards of professional conduct expected of Associate and Fellow Members of the ASHK (“Members”) when rendering professional services or acting in any way in their professional roles as actuaries.

2. Application

All Members must comply with this Code in its entirety. Non-compliance with this Code by a Member may lead to disciplinary sanctions under the ASHK’s Articles of Association. However, if legal requirements conflict with this Code, the former shall take precedence over the latter.

3. Effective Date

This Code, effective from <1 January, 2025>, supersedes the previous version of the Professional Conduct Code originally issued in 1997 and subsequently revised with effect from 21 October 2021.

4. Integrity

4.1 Principle

A Member must act honestly, with integrity, in the interest of his/her principal, and in accordance with the profession’s responsibility to the public.

4.2 Elaborations

4.2.1 A Member shall not:

- engage in any professional conduct involving dishonesty, fraud, deceit or misrepresentation, or
- act in any manner which in the opinion of the ASHK may adversely affect the reputation of the actuarial profession.

4.2.2 A Member must not knowingly be associated with reports, data, communications or any other information which is materially:

- false or misleading;
- without reasonable foundation; or
- deficient of relevant information where such deficiency would be misleading.

4.2.3 A Member shall co-operate with others serving his/her principal.

5. Competence and Care

5.1 Principle

A Member shall perform his/her duties with diligence and exercise reasonable skill, competence and care.

5.2 Elaborations

5.2.1 A Member must consider whether he/she has the appropriate level of competence and skills that are reasonably expected before agreeing to take on a new assignment or a piece of work.

5.2.2 A Member must ensure that his/her work follows the instructions of the principal and is appropriate to the needs of the user(s) of the work. Users may include the principal as well as other parties who may have a vested interest in the work.

5.2.3 A Member shall consider whether it is appropriate to consult any predecessor actuary to ensure there are no professional reasons to decline taking on a new assignment. A predecessor who is a Member is expected to take reasonable steps to facilitate engagement with the incoming Member.

5.2.4 A Member shall consider whether input from other professionals or specialists is necessary to assure the relevance and quality of the work, and, where necessary, either arrange for such input directly or advise the principal to make such arrangement.

6 Compliance

6.1 Principle

A Member must comply with all relevant legal, regulatory and professional requirements and guidelines. A Member will appropriately respond to non-compliance by others.

6.2 Elaborations

- 6.2.1 A Member shall not provide any service for any principal if the Member has any reason to believe that such service may be used to violate or evade the law or professional requirements or guidelines.
- 6.2.2 A Member shall promptly report behavior which he/she knows or has reasonable grounds to believe is unlawful or improper or in breach of this Code or any relevant legal, regulatory and professional requirements to the President of the ASHK and, if appropriate, to his/her principal or employer, the relevant regulator(s) and other authorities. To the extent that the consent of a third party is required for this purpose in order to disclose such information, the Member must take reasonable steps to obtain such consent. The Member should consider the legal ramifications (if any) of disclosing such information even when the consent is given by the third party.
- 6.2.3 A Member must continue to develop his/her knowledge and skills in a manner appropriate for their role and must comply with the ASHK's Continuing Professional Development (CPD) requirements.
- 6.2.4 A Member must, as soon as practicable, disclose to the ASHK any of the following, to which they become subject:
- An adverse final determination, judgement or disqualification by a regulatory or professional body exercising its statutory or regulatory function
 - A court finding of fraud or dishonesty
 - A conviction of a criminal offence

7 Conflict of Interest

7.1 Principle

The Member must avoid or resolve both apparent and real conflict of interest. A Member must consider and take reasonable steps to identify whether a conflict of interest may compromise the objectivity of his/her advice to the principal. If a conflict of interest is identified, the Member must disclose such conflict of interest to the principal and propose

steps to reconcile it. Alternatively, in the event that such steps are not available or not taken, the Member must decline or withdraw from the assignment.

7.2 Elaborations

- 7.2.1 A conflict of interest arises if a Member's duty to act in the best interests of any principal(s) conflicts with:
- the Member's own interests
 - the interests of the Member's firm; or
 - the interests of other principal(s).
- 7.2.2 A conflict of interest may exist prior to accepting the assignment or arise during the assignment.
- 7.2.3 Unless the Member declines or withdraws from the assignment, thereby removing any conflict, he/she must disclose in writing to the principal(s) the nature of the conflict of interest, the actions taken and/or proposed to be taken by the Member to reconcile any actual or reasonably foreseeable conflict of interest.
- 7.2.4 Where a conflict of interest has been identified, the Member must seek written agreement from all affected and/or prospective principal(s) to proceed with the assignment.
- 7.2.5 A Member must take reasonable steps to ensure that his/her ability to provide objective advice to the principal(s) is not, and cannot reasonably be seen to be, compromised.
- 7.2.6 A Member shall disclose promptly to the principal any other sources of material compensation or income related to any service provided for the principal.
- 7.2.7 If, temporarily, a conflict of interest arises or would seem to arise, this can potentially be addressed by the member, before making his own report, first asking his principal to obtain a report from an actuary who has no conflict of interest.

8 Confidentiality

8.1 Principle

A Member must not disclose to another party any confidential information unless disclosure is expressly or implicitly authorized by the principal or required by law, or the principal has expressly or implicitly waived the duty of confidentiality.

8.2 Elaborations

- 8.2.1 Confidential information refers to information not in the public domain of which the Member becomes aware during the course of rendering professional services to a principal.
- 8.2.2 Confidential information may include information of a proprietary nature, information which is legally restricted from circulation, or information which the actuary has reason to believe the principal would not wish to be divulged.
- 8.2.3 The duty of confidentiality survives after the end of any relationship between a Member and a principal.

9 Communication

9.1 Principle

A Member must use best endeavours to ensure that his/her communication – whether written or oral – is clear, effective and timely and meets all applicable standards and regulatory requirements.

9.2 Elaboration

9.2.1 The communication must:

- be appropriate, having regard to the purpose and intended users of the communication, and the significance of the communication to the users;
- be timely;
- reflect any inherent uncertainty and material risks in relation to the subject as appropriate;
- identify the Member(s) responsible for the communication and the capacity in which the Member(s) is acting unless this is clear from the context; and
- be accurate, contain sufficient information to enable its subject matter to be put in the proper context, and not be misleading.

9.2.2 A Member must show clearly that he/she takes responsibility for his/her work when communicating with the users.

9.2.3 In the event that a Member becomes aware that a user of their work has, or is reasonably likely to have, misunderstood or misinterpreted the information or advice contained in the work provided by the Member in a way which could have a material impact, the Member should take reasonable steps to resolve the misunderstanding or misinterpretation with the user.

9.2.4 Considerations should apply equally to Members' communications using media and online platforms.

9.2.4.1 Open media and social platforms can be extremely powerful as a communication medium, especially in reaching a much wider audience including the public quickly. While it is becoming popular to use social media to share ideas and develop professional working relationships, members should be mindful that there can be risks posed to his/her professional reputation and the actuarial profession's reputation if used inappropriately. Others may be aware of an individual's membership of the ASHK and any information you provided or opinions expressed may be judged, having the potential to call into question the Member's professionalism. Risks may include, but are not limited to:

- unlawful acts, e.g. sharing confidential information when disclosure is prohibited;
- unprofessional behaviours, e.g. posting inappropriate comments about others, using inappropriate language, posting comments that are bullying or threatening; and
- implicating oneself in unprofessional or unlawful conduct or encouraging others to behave unprofessionally or unlawfully.

9.2.4.2 Once information is shared online or published, it is no longer private. Such information can remain in the public domain for a very long time. Therefore, it is important that members carefully consider the content and how it may be perceived by others before posting or publishing. Views expressed may provoke a response from others, and vice versa. It is important to be open to the opinions of others and to treat others with respect, even in the case of disagreement.

***** END OF PROFESSIONAL CONDUCT CODE *****