

# **INSTITUTE OF ACTUARIES OF AUSTRALIA**

## **PROFESSIONAL STANDARDS COMMITTEE**

### **GUIDE FOR INTERPRETATION OF PROFESSIONAL STANDARDS<sup>1</sup>**

The Professional Standards Committee (PSC) can give rulings on the interpretation of a Professional Standard (PS) where there is ambiguity.

Matters for interpretation may be raised by any concerned party, and must be addressed to the PSC Chair.

To assist with rulings on the interpretation of a PS, the PSC may consult with Fellows of the Institute who have the relevant experience and skills. A Panel of Fellows may be convened to assist the PSC. Members of such a Panel would be selected from:

- members of the relevant Practice Committee and/or;
- other Fellows with special skills and knowledge as relevant to the request for an interpretation.

To avoid doubt, the PSC does not participate in any disciplinary action against a Member of the Institute under the Institute's Disciplinary Scheme.

If a request for an interpretation raises legal matters, the PSC may, with the approval of the Institute's Chief Executive, seek legal advice.

If the PSC believes Council involvement is necessary, it must refer the matter to Council. Council must deal urgently with the matter – if necessary, by means of Circular Resolution distributed by electronic means.

When the PSC or Council interprets a PS to address an ambiguity, the PSC must amend the PS to incorporate the interpretation and address the ambiguity, and draft a brief Explanatory Note in relation to the amendment or amendments.

The amended PS and Explanatory Note must be approved by Council – if necessary, by Circular Resolution distributed by electronic means.

Once approved by Council, the Institute's Secretariat must, as soon as possible, issue the amended PS to the members of the Institute, with the Explanatory Note from the PSC.

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<sup>1</sup> In accordance with the Policy for Drafting Professional Standards, all Professional Standards must include certain paragraphs in the Introduction section, including the statement that "If a Member believes that the Professional Standard is ambiguous or for some other reason wishes to seek clarification of it, that Member may consult the Institute's Professional Standards Committee for guidance as to the interpretation of the Professional Standard."

If the PSC does not make an interpretation, it may nevertheless decide that the issue raised and its response should be communicated to all members. For example, this could occur if the PSC is of the view that a PS has a clear meaning, and the PSC simply reiterates and confirms that meaning.

All decisions or responses of the PSC should be carefully documented and filed by the person in the Institute's Secretariat who is the Secretary to the PSC, and that person shall ensure that all such decisions and responses are archived at the appropriate time.

If the request for an interpretation raises a matter of confidentiality, the PSC may agree with the party requesting the interpretation to keep certain matters or details confidential.

However, the PSC shall not agree to keep confidential an interpretation or response concerning a PS. The PSC shall not give private rulings.

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