

EXPLANATORY MEMORANDUM TO UPDATED PRACTICE GUIDELINE 499.07 - ADDITIONAL CONFLICT OF INTEREST GUIDANCE FOR ACTUARIES WORKING IN SUPERANNUATION

September 2020

1. ABOUT THIS EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared by the Superannuation Practice Committee (SPC) to assist Members in understanding updates to *Practice Guideline 499.07 Additional Conflict of Interest Guidance for Actuaries Working in Superannuation* (PG 499.07), which provides additional Member guidance in the superannuation area, where conflicts of interest are possible because the Member, as RSE actuary, may be asked to advise both the RSE licensee and another party associated with the superannuation fund.

2. OUTLINE OF CHANGES

The main changes are to align PG 499.07 with the current drafting guidelines for Professional Practice Documents and the new Code which applies from 31 March 2020. In addition, PG 499.07 was amended:

- ▶ to direct Member's attention to the conflict of interest sections of the *Code Guidance (Guidance to support the principles and amplifications of the Actuaries Institute Code of Conduct)*; and
- ▶ to remove reference to "*Information Note: Conflicts of Interest in Superannuation*" dated July 2013, which is being withdrawn.

3. CONSULTATION

Given the nature of the changes, the SPC recommended and Council agreed that consultation with members via an Exposure Draft would not be undertaken.

4. COMMENCEMENT DATE

The updated PG 499.07 takes effect from 1 November 2020. This means that it will apply to Work conducted by Members in the superannuation area on or after 1 November 2020 where conflicts of interest are possible because the Member, as RSE actuary, may be asked to advise both the RSE licensee and another party associated with the superannuation fund.

END OF EXPLANATORY MEMORANDUM