
EXPLANATORY MEMORANDUM

PROFESSIONAL STANDARDS: CODE CONFORMANCE

March 2020

About this Explanatory Memorandum

This Explanatory Memorandum has been prepared by the Professional Standards Committee (PSC) to assist Members understand changes to Professional Standards that are being amended to align with the new Code of Conduct and Disciplinary Scheme,

Introduction

Council has approved a new Code of Conduct (Code) that comes into effect on 31 March 2020. All Professional Standards need to be amended to conform to the new Code and also to be consistent with the new Disciplinary Scheme. In December 2019 Council approved new versions of PS 1 and PS 101 that are Code compliant. Further, in March 2020, Council approved new versions of PS 403 and PS 407 that are Code compliant, and approved the withdrawal of PS 310 with effect from 31 March 2020. All other Professional Standards (the Remaining Standards) have now been amended to align with the Code and the Disciplinary Scheme. A full list of the Remaining Standards is shown in the Attachment to this Explanatory Memorandum.

Changes

The changes to the Remaining Standards are intended to reflect conformance changes to align with the new Code and the new Disciplinary Scheme, without altering the overall intent of the Standards. The following is a summary of the key changes made:

- The new Code removes all references to Prescribed Actuarial Advice (PAA). Hence there was a need to remove references to PAA in Professional Standards where the work was designated as PAA. However, the experience requirement relating to PAA (i.e. that PAA is to be provided by an Eligible Actuary, which is defined to mean a Fellow or Accredited Member of the Institute, or a Member who is eligible to act in an actuarial capacity pursuant to a requirement under legislation) has been retained by incorporating this requirement in all Standards that were previously designated as PAA.
- The term "Professional Services" has been changed to "Services" which is defined in the new Code. In line with this change, the term "Applicable Professional Services" has been changed to "Applicable Services" and has been defined as "Services that are designated in an Institute Professional Standard or Practice Guideline as being Applicable Services".

- Finally, we have taken the opportunity to clarify that the Institute’s Professional Standards do not constitute legal advice, by adding the following paragraph: “This Professional Standard does not constitute legal advice. Any interpretation or commentary within this Professional Standard regarding specific legislative or regulatory requirements reflects the expectations of the Institute but does not guarantee compliance under applicable legislation or regulations. Accordingly, [Appointed Actuaries/Members] should seek clarification from the relevant regulator and/or seek legal advice in the event they are unsure or require specific guidance regarding their legal or regulatory obligations”.

Commencement date

The commencement date of the updated versions of the Remaining Standards is 31 March 2020.

END OF EXPLANATORY MEMORANDUM