

# 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 supersedes the previous version Professional Conduct Code issued in 1997 and is effective from 1 January 2020.

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## **4. Integrity**

### **4.1 Principle**

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

### **4.2 Elaborations**

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

4.2.2 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.

4.2.3 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.

4.2.4 A Member shall co-operate with others serving his/her client.

4.2.5 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.

4.2.6 A Member shall consider whether input from other professionals or specialists is necessary to assure the relevance and quality of the work.

## **5. Compliance**

### **5.1 Principle**

A Member must comply with all relevant legal, regulatory and professional requirements and guidelines.

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## **5.2 Elaborations**

- 5.2.1 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.
- 5.2.2 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 regulators and other authorities. To the extent that the consent of a third party is required for this purpose in order to disclose such information, Members must take reasonable steps to obtain such consent.

## **6. Conflict of Interest**

### **6.1 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.

### **6.2 Elaborations**

- 6.2.1 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).
- 6.2.2 A conflict of interest may exist prior to accepting the assignment or arise during the assignment.

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- 6.2.3 Unless the Member declines or withdraws from the assignment, he/she must disclose in writing to the principal(s) the nature of the conflict of interest, the actions taken and/or proposed to take to reconcile any actual or reasonably foreseeable conflict of interest.
  - 6.2.4 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.
  - 6.2.5 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.
  - 6.2.6 A Member shall disclose promptly to his/her client any other sources of material compensation or income related to any service provided for the client.

## **7. Confidentiality**

### **7.1 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.

### **7.2 Elaborations**

- 7.2.1 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.
- 7.2.2 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.
- 7.2.3 The duty of confidentiality survives after the end of any relationship between a Member and a principal.

## **8. Communication**

### **8.1 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.

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## **8.2 Elaboration**

### 8.2.1 The communication must:

- be appropriate, having regard to the purpose of the communication, intended audience and significance of the communication to the audience;
- reflect any inherent uncertainty and 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.

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