

22 June 2010

Dear Members,

**Actuarial Society of Hong Kong –
Revised Due Process
Exposure Draft**



The Actuarial Society of Hong Kong (“ASHK”) has a long established set of due process procedures to be followed when adopting Professional Standards and Guidance Notes. On rare occasions there may be cases where a revised or new Professional Standard or Guidance Note is needed more quickly than the current due process procedures will allow. This was the case at the end of 2008 during the height of the global economic crisis. On 19 December 2008 the ASHK published “Notice for Appointed Actuaries: Chapter 41E – Reinvestment Yield” (the “Notice”). The Notice was neither a Professional Standard nor a Guidance Note and did not fall under the Society’s due process requirements. Moreover, in the urgent circumstances that prevailed at the end of 2008, there would not have been time to follow the usual due process procedures.

In light of these types of circumstances, the ASHK Council asked the Professional Matters Committee to develop procedures that would allow for some measure of due process in “emergency” situations. The Professional Matters Committee has done this and the Council has approved the attached revised draft By-Laws concerning due process for exposure to the membership.

The draft By-Laws introduce “expedited due process” procedures in emergency situations. Highlights of the new procedures include:

- The Council must approve the adoption of expedited due process procedures by a three fourths majority vote, and
- There is a “sunset provision” that requires full due process procedures must be undertaken within one year.

The Council is seeking comments from the membership on the proposed revised due process procedures. We welcome the input of all ASHK members. We are seeking input in any area that members wish to comment, but especially the following:

- Should the ASHK adopt an expedited due process requirement?
- Is the three fourths supermajority required for approval appropriate?
- Is the sunset provision appropriate?
- Are the timelines outlined in the procedures appropriate?

Please provide your comments by email to comments@actuaries.org.hk no later than **31 July 2010**. All comments will be carefully considered. Thank you.

Yours sincerely,

Peter Duran
Chairman
Professional Matters Committee

Encl.