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TERMS OF REFERENCE FOR THE TASK FORCE WORKING ON THE REVIEW OF THE CODE OF PROFESSIONAL CONDUCT

10 September 2024

A. INTRODUCTION AND PURPOSE

This document covers the scope of the review of the Code of Professional Conduct of the Actuarial Association of Europe (AAE), including the timeline, composition, and terms of reference of the Task Force appointed to carry out the review.

B. SCOPE OF THE REVIEW: CODE OF PROFESSIONAL CONDUCT

The Code of Professional Conduct (CoPC) encompasses the common principles of ethical and professional behaviour adopted by the actuarial associations affiliated to the AAE and its purpose is to enhance the quality of actuarial work and promote professionalism. The Full Member Associations (FMAs) of the AAE collectively approve the CoPC as the basis for their own Codes of Conduct so that each FMA's Code of Conduct should, as a criterion of Full Membership in the AAE, reflect at least the requirements of the AAE's CoPC. Based on the decision of the Professionalism Committee at its meeting of 19 April 2024, a 5-year review cycle has been adopted for the future reviews of the CoPC, noting that the current CoPC was adopted with an effective date of 1 January 2021.

Given the comprehensive nature of the previous review of the CoPC, the current review will focus on making targeted adjustments to ensure the document remains relevant and effective. This review will involve an assessment of the CoPC to identify updates and refinements that address any emerging issues or changes in the professional environment. The aim is to fine-tune the CoPC without overhauling its core principles, ensuring it continues to guide the professional conduct of actuaries effectively.

A key aspect of this review will be to align the CoPC with recent developments in professional ethics and best practices. While the foundational principles of the CoPC are robust, the review will consider incorporating subtle updates that reflect the latest standards and expectations within the profession. For instance, the addition of a principle encouraging actuaries to report unethical or unlawful behaviour will be evaluated, promoting a culture of accountability and integrity within the profession. This aspect has been discussed at the meeting of the Professionalism Committee in April as the "Speaking up" principle. Another key issue is whether the AAE CoPC should apply directly to AAE Board members, Committee Chairs, Nomination Panel members and AAE actuarial staff.

The review will also ensure that the CoPC addresses any minor gaps or ambiguities that may have emerged since the last comprehensive review. This involves a careful examination of the current guidelines to ensure they remain clear, relevant, and comprehensive. Adjustments may include updating specific definitions, refining guidelines, and ensuring the CoPC remains appropriate for our evolving profession. The review of the CoPC includes the review of the Q&A document (titled Sample questions and answers on the Code of Professional Conduct) which is associated with the CoPC.

C. TASK FORCE COMPOSITION

In order to carry out this review, the Professionalism Committee establishes a Task Force with reference to the scope of the review described above. The initial members of the Task Force are listed below:

Stephanos Hadjistryllis	AAE Senior Actuary and Task Force Chairperson
Christophe Heck	Chair of the Professionalism Committee
Lutz Wilhelmy	Immediate Past Chairperson of the AAE and Director of the Board
Gábor Hanák	Past Chairperson of the AAE
Malcolm Cambell	Past Chairperson of the AAE
Hillevi Mannonen	Suomen Aktuaariyhdistys
Annemarie Pollross	Aktuarvereinigung Österreichs (AVÖ)
Mustafa Alkaisy	Schweizerische Aktuarvereinigung
Kristoffer Bork	Past Chairperson of the AAE

The Task Force will review the CoPC and propose any changes it considers are needed to keep the document up to date. The Task Force shall report to the Professionalism Committee. The appointed Task Force comes into force upon approval of this document by the AAE Board and is automatically disbanded upon approval of the revised CoPC by the General Assembly.

D. TIMETABLE

The Professionalism Committee has adopted a 5-year review cycle for the review of the CoPC. Noting that the current CoPC was adopted with an effective date of 1 January 2021, the revised CoPC will come into force on 1 January 2026.

As such, considering the above cycle, the approval of the revised CoPC is expected to be requested at the ordinary General Assembly in 2025.

It is noted that, according to the governance rules of the AAE, as stipulated by its Statutes, FMAs need to be consulted with respect to any proposed changes to the governance documents and these need to be submitted to the FMAs at least **3 months** prior to the General Assembly.

It is emphasised that the review of the CoPC will commence imminently upon approval of the Terms of Reference, with the intention of having an initial discussion of the proposed review at the Professionalism Committee meeting in Budapest in October 2024.

E. PROPOSAL TO THE AAE BOARD OF DIRECTORS

The Board of Directors has approved the scope of the review of the Code of Professional Conduct as described above and the composition and terms of reference of the appointed Task Force at its meeting of 11 September 2024.