

ACTUARIAL SOCIETY OF TURKEY

PRINCIPLES OF PROFESSIONAL CONDUCT AND ETHICS

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SECTION 1 - Aim, scope and definitions

Aim

Article 1 – The aim of these principles is to define the minimum ethical standards that must form the basis of professional relationships of Members of the Actuarial Society so that they may fulfill their responsibilities towards regulatory bodies, towards those who employ their services and towards the general public, and protect the reputation of the actuarial profession.

Scope

Article 2 – All Members of the Actuarial Society are required to know and abide by these ethical principles.

Basis

Article 3 – These ethical principles have been prepared to fulfill article four of the Statute of the Actuarial Society. The Executive Council has the right to make changes to them.

Definition

Article 4 – In this document these terms are defined as follows:

- a) Treasury: Republic of Turkey Prime Ministry Undersecretariat of Treasury
- b) Actuary: a person whose name is listed on the actuarial Register held by the Treasury who uses a variety of scientific theories in the fields of actuarial science, investment, statistics, mathematics, finance and demography to calculate premiums, reserves and investment returns, who prepares all kinds of tariffs, tables and technical specifications, who provides technical and financial estimates about the future, who defines probable risks, and who gives advice concerning steps that may be taken to avoid the negative effects of these
- c) Regulations: the Actuarial Regulations published by the Treasury
- d) Society: the Actuarial Society
- e) Executive Council: the Executive Council of the Actuarial Society
- f) Member: a Member of the Actuarial Society
- g) Register: the Actuarial Register held by the Treasury
- h) Customer: the individual or entity that receives an Actuarial service or advice

SECTION 2 - General Principles

Article 5 – The basic ethical principles to which all Members must comply are presented below.

Principle 1: Integrity, Honesty, Skill and Care

The principle of integrity and honesty requires Members to act with integrity, honesty, truthfulness and trustworthiness in all their actions and conduct.

- 1.1. An actuary shall perform professional services with integrity, skill and care. An actuary shall fulfil the actuary's professional responsibility to any client or employer.
- 1.2. Members act in accordance with the rules laid down in the Regulations
- 1.3. All written or oral communications by Members reflect the truth and are based on the truth.
- 1.4. Members never knowingly participate in activities that are illegal, misleading or fraudulent.
- 1.5. If a member is requested to act in a way that is illegal or not in accordance with principles of ethical actions, or becomes aware of such activities, they may report this to the relevant authorities in accordance with the Regulations.

Principle 2: Competence and Keeping Qualifications Current

The principle of competence and keeping qualifications up-to-date requires Members to possess the necessary current professional knowledge and skills, and to act carefully in accordance with technical and professional standards.

- 2.1. Members only provide services related to subjects which they are sure lie within their professional competency, and which are within their experience and knowledge. However, they may provide services otherwise if they have the support of a person with the necessary qualifications.
- 2.2. Members whose names are not listed on the Register under no circumstances give the impression that they are on the Register, and do not accept appointment for duties which require the signature of an actuary on the Register.
- 2.3. Members continually follow developments in actuarial matters so that they can keep their qualifications up-to-date.

Principle 3: Objectivity and Independence

The principle of objectivity and independence requires Members to focus on Customers' benefits.

- 3.1. Members shall, in communicating professional findings, identify the client for whom these findings are made and the capacity in which the actuary/member serves.
- 3.2. Members are careful to ensure that no conflict of interest arises during their professional activities.

3.3. If Members receive a financial benefit from the results of their own advice, they declare this in their report.

3.4. If Members are uncertain concerning possible conflicts of interest they consult with more experienced Members or the Executive Council.

3.5. Members are careful to ensure their advice is not affected by any pressures placed on them.

3.6. Members always act in accordance with these ethical principles in their dealings with Members who represent the opposing party.

Principle 4: Confidentiality and Respect for Privacy

The principle of confidentiality and respect for privacy requires Members to keep secret information they gain about Customers.

4.1. Members respect the confidentiality of all private information concerning Customers and third parties relating to their Customers' business.

4.2. Members never use confidential information that they gather in the course of their business for their own personal benefit, or for the benefit of third parties.

4.3. With the exception of situations required by law, Members never provide information to third parties without the permission of their Customer.

4.4. The confidentiality requirement continues after the relationship with the Customer has ended.

Principle 5: Knowledge of the Law and Careful Application

The principle of knowledge of the law and careful application requires Members to be familiar with all of the legal provisions governing the fields where they work and to carry out all their work with the utmost care.

5.1. Members are familiar with all of the legal directions published by the Treasury, all legal provisions governing the fields where they work and all guidance issued by the Society.

5.2. Members carry out their professional duties carefully, and in a detailed and timely manner.

5.3. Where a Member's work relies on the work of another, the Member takes reasonable steps to ensure the accuracy of the previous work, and advises their Customer concerning items that may affect the results of their own work.

Principle 6: Transparency and Clear Communication

The principle of transparency and clear communication requires all Members to ensure that all their written and oral communications are accurate, complete, understandable, able to be interpreted and easily accessible.

6.1. Members are careful to ensure that their communications are made in a transparent, clear, complete and understandable manner.

6.2. Members give their name clearly in all their written and oral advice. Members shall, in communicating professional findings, show clearly that the actuary takes responsibility for them.

6.3. Members produce reports to a high standard, and include in their report all necessary details so that it can be interpreted by another.

6.4. If Members become aware that advice they have given is being used in a misleading manner, they take the necessary steps to correct this.

SECTION 3 - Co-operation between Members and Relations with Third Parties

Co-operation between Members

Article 6 - Members form good relationships with their fellow professionals.

Members never act in a way that belittles their fellow professionals.

Members who work in the same company clearly understand the division of roles and responsibilities between themselves, and they support each other with technical knowledge and experience.

When Members evaluate the work of another Member they recognize that there can be varieties of actuarial opinion. They present their opinions in a reasonable, scientific and respectful manner. If criticism is necessary, they take care to inform the relevant actuary and obtain their opinion before presenting this criticism in front of third parties.

When a Member accepts a new position where another Member had previously provided actuarial services, they consult with the previous incumbent to learn whether there is any professional reason why they should not accept the appointment.

Relations with Third Parties

Article 7- Members represent the profession to the best of their abilities before regulatory bodies, those to whom they present their advice, other organizations and the general public.

In order to widen the influence of the actuarial profession, Members play active roles in sectoral activities.

Members use their experience and advice for the good of others.

Members support the activities of the Society.

SECTION 4 - Responsibility to the public & Advertisements & Publications

Article 8 – An actuary shall act in a manner that fulfils the profession's responsibility to the public. An actuary shall act in a manner that upholds the reputation of the actuarial profession. An actuary shall not engage in any advertising or business solicitation with respect to actuarial services that the actuary knows or should know is false or misleading.

All advertisements, publications and quotations prepared by Members reflect the profession in a good light. Members do not use phrases that slander or belittle other Members or rival companies.

If Members wish to use their membership of the Society in an advertisement or publication they first obtain permission from the Executive Council.

SECTION 5 - Situations not covered by other clauses

Situations not covered by other clauses

Article 9 – If Members come across situations not described in these ethical principles they act in accordance with the Statute of Society and general ethical principles.

Members may make recommendations to amend or develop these ethical principles. Recommendations are made to the Executive Council. Additions or changes that are accepted are published to all Members, if not accepted the reasons are advised in writing to those who made the suggestions.

Disputes

Article 10- Dispute can arise between Members of the Society and

- 1- Other members
- 2- Clients of the member
- 3- Employers of the member
- 4- Other members of the public

The complaints about Members are communicated to the Executive Council and Disciplinary Committee via General Secretary of the Society in writing. The complaints about Members (from any of the parties listed above) are communicated to the Executive Council and Disciplinary Committee via General Secretary of the Society in writing. The complaints about General Secretary are communicated via the President of the Society in writing.

If the dispute is between the Members of the Society, then the following applies: If a Member falls into dispute with another Member, or considers another Member has contravened these ethical principles, this should first be discussed with the relevant Member. If agreement cannot be reached, then a complaint must be communicated to the Society. A copy is also given to the other Member.

Disciplinary Committee consists of three primary members and additional alternate disciplinary committee members in case there is a complaint about committee's primary members.

Evaluation of the complaint responsibility lies with the Disciplinary Committee, however Executive Council has a window for pre-evaluation. If the Executive Council deems it appropriate they will investigate the matter. The Member who has been complained about always has the right to be called to give their own point of view. If they wish they may also request that the opinion of other Members who support them be taken into account.

If the Executive Council deems the claim to be invalid they may publish this decision with a summary report to all Members, if they see fit. If the Executive Council deems the claim to be valid and the subject serious enough for disciplinary action to be taken, they will forward the claim to the Disciplinary Committee for evaluation.

The Executive Council may prepare disciplinary guidelines explaining the rights of Members during a period of dispute.

There is an objective formal appeal process independent of the body that has ruled at the prior level. The General Assembly has to evaluate any appeal. The Disciplinary Committee members who serve on the Disciplinary Committee cannot vote during the appeal process in General Assembly.

For appeals, General Assembly meets annually. Additionally, Board of Directors has the right to call for an extraordinary General Assembly anytime, if deemed appropriate for any specific situation, including the appeals.

Until the appeal process is complete and a final decision is reached, the subject member maintains his or her full membership rights.

SECTION 6 - Implementation

Article 11- These ethical principles are in force when they have been accepted at the Annual General Meeting and published on the Society's official website.