



**Canadian  
Institute  
of Actuaries**

**Institut  
canadien  
des actuaires**

# Rules of Professional Conduct

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# Rules of Professional Conduct

## Preamble

~~These Rules of Professional Conduct identify the professional and ethical standards with which a member<sup>4</sup> must comply and thereby serve the public interest. The Annotations provide additional explanatory, educational, and advisory material to members of the actuarial profession on how the Rules are to be interpreted and applied. It is the professional responsibility of the member to be knowledgeable about, and to keep current with, the revisions to the Rules and Annotations. In addition to these Rules, a member is subject to applicable law and rules of professional conduct or ethical standards that have been promulgated by a *recognized actuarial organization* for the jurisdictions in which the member renders professional services. Professional services are considered to be rendered in the jurisdictions in which the member intends them to be used unless specified otherwise by an agreement between the *recognized actuarial organization* for any such jurisdiction and the Institute. The member is responsible for securing translations of such law or rules of conduct as may be necessary.~~

## A. Definitions

As used throughout these *Rules of Professional Conduct (Rules)*, the following terms are dotted-underlined italicized and have the meanings indicated:

**Confidential information:** Information not in the public domain of which the member becomes aware in conjunction with the rendering of professional services to a person client or entity employer. It may include information of a proprietary nature, information which is legally restricted from circulation, or information which the member has reason to believe that the person client or entity employer would wish not to be divulged.

~~**Direct user:** A client or employer or any other person retaining the member's services who has had the opportunity to select the member and is in a position to communicate directly with the member about qualifications, work and recommendations.~~

**Indirect compensation:** Any material consideration received from any source in relation to an assignment for which the member provides professional services (examples of which may include volume bonuses, finder's fees and commissions), other than direct remuneration for those services.

**Member:** Fellow, Associate, and Affiliate of the Canadian Institute of Actuaries.  
(Note for consultation purposes: This definition will not be needed once the proposed new member categories are introduced in the Bylaws (see current MEMBER CONSULTATION on amendments to the Bylaws related to new member categories) since the Rules would apply to all member categories going forward.)

**Professional services:** The rendering of advice, recommendations or opinions, based upon actuarial considerations, including other services provided from time to time by a member, which include activities, whether undertaken for remuneration or not, where a person or entity is entitled to rely on the member's training and experience as an actuary to a client or employer.

**Recognized actuarial organization:** An organization that has been accepted for full membership in the International Actuarial Association or a standards-setting, counselling, or discipline body to which authority has been delegated by such an organization.

All other terminology used in this document is consistent in meaning with the same terminology used in the CIA Bylaws.

All CIA document titles used in this document are italicized.

## B. Preamble Purpose and scope

~~These Rules of Professional Conduct identify the professional and ethical standards with which a member<sup>2</sup> must shall comply and thereby serve contribute to fulfillment of the profession's responsibility to the public interest. The Rules apply to all members' conduct if that conduct could reasonably be considered to reflect upon the profession. This means conduct by a member that may have an impact upon the reputation of the actuarial profession as a whole, even if that conduct occurs outside of the provision of professional services.~~

~~In addition to these Rules, a member is subject to applicable law and rules of professional conduct or ethical standards that have been promulgated by a recognized actuarial organization for the jurisdictions in which the member renders professional services. In accordance with the Bylaw 5.9.5 of the CIA Bylaws and paragraph 1160.03 of the Standards of Practice, professional services are considered to be rendered in the jurisdictions in which the member intends them to be used unless specified otherwise by an agreement between the recognized actuarial organization for any such jurisdiction and the Institute. The member is responsible for securing translations of such law or rules of conduct as may be necessary.~~

~~The Guidance on the Rules of Professional Conduct (Guidance) Annotations provides additional explanatory, educational, and advisory material to members of the actuarial profession on how the Rules are to be interpreted and applied.~~

~~Bylaws 4.2.4 and 4.2.5 also provide for a process related to violations of the CIA Code of Conduct and Ethics for Participants in the CIA Education System which is applicable to members (i.e., Students, Candidates, or Associates) when participating in the CIA Education System, which are initially assessed and handled through a process outside the normal disciplinary system. The Policy on the Enforcement of the Code of Conduct and Ethics for Candidates Participants in the CIA Education System provides detailed information regarding that process, which includes the potential referral of the matter to the Professional Conduct Board if the violation could also be a violation of the Bylaws, Standards of Practice, or Rules.~~

~~It is the professional responsibility of the member to be knowledgeable about, and to keep current with, the revisions to the Rules and Guidance and relevant policies identified in these documents Annotations. In addition to these Rules, a member is subject to applicable law and rules of professional conduct or ethical standards that have been promulgated by a recognized actuarial organization for the jurisdictions in which the member renders professional services. Professional services are considered to be rendered in the jurisdictions in which the member intends them to be used unless specified otherwise by an agreement between the recognized actuarial organization for any such jurisdiction and the Institute. The member is responsible for securing translations of such law or rules of conduct as may be necessary.~~

~~**[Note for consultation purposes: The annotations for each Rule that are currently included with the Rules of Professional Conduct were removed and their concepts added to the Guidance on the Rules of Professional Conduct, where still appropriate. These deletions are not shown in this document in order to improve its readability. The annotations can be found in the current version of the Rules, for reference.]**~~

## Professional Integrity

**Rule 1** A member shall act honestly, with integrity, ~~and~~ competence, ~~and~~ care, and in a manner to fulfil the profession's responsibility to the public and to uphold the reputation of the actuarial profession.

## Qualification Standards

**Rule 2** A member shall perform professional services only when the member is qualified to do so and meets applicable professional continuing qualification standards.

## Compliance with Legal, Regulatory, and Professional Requirements Standards of Practice

**Rule 3** A member shall comply with all relevant legal, regulatory, and professional requirements~~ensure that professional services performed by or under the direction of the member meet applicable standards of practice.~~

## Compensation & Disclosure

**Rule 4** A member shall make full and timely disclosure to a person client or entity employer of the sources of all direct and indirect compensation that the member or the member's firm has received or may receive in relation to an assignment for which the member provides professional services to that person client or entity employer.

## Conflict of Interest and Impartiality

**Rule 5** A member shall ensure that their professional judgement is not compromised, and cannot reasonably be seen to be compromised, by bias, not perform professional services involving an actual or potential conflict of interest, or the undue influence of others, unless:

A member shall take reasonable steps to ensure that they are aware of any relevant interests that might create a conflict.

A member shall not act where there is an unreconciled conflict of interest.

~~(a) the member's ability to act fairly is unimpaired,~~

~~(b) there has been full and timely disclosure of the conflict to all known present and prospective direct users, and~~

~~(c) all known present and prospective direct users have expressly agreed to the performance of the services by the member.~~

## Control of Work Product

**Rule 6** A member who performs professional services shall take reasonable steps to ensure that such services are not used to mislead other parties or to violate or evade the law.

## Confidentiality

**Rule 7** A member shall not disclose to another party any confidential information obtained while performing through a professional services assignment performed for a person client or entity employer unless

a) expressly or implicitly authorized to do so by the person client or entity employer, or

b) required to do so under Rule 13, or

c) required to do so by the Professional Conduct Board, an Investigation Team, a Disciplinary Tribunal or an Appeal Tribunal regarding any disciplinary matter arising under Section 5 of the Bylaws, or

d) required to do so by law.

## Courtesy and Cooperation

**Rule 8** A member shall show perform professional services with courtesy, respect, and cooperation with others in the way they conduct themselves~~professional respect, shall avoid unjustifiable or improper criticism of other members, and shall cooperate with others in the client's or employer's interest.~~

## Advertising

**Rule 9** A member shall not engage in any advertising or business solicitation activities in respect of professional services that the member knows or should know are false or misleading, or that reflects unfavourably on the profession or the competence or integrity of any member thereof.

## Titles and Designations

**Rule 10** A member shall make use of membership titles and designations of a recognized actuarial organization only in a manner that conforms to the practices authorized by that organization.

## Collateral Obligations

**Rule 11** A member shall disclose any criminal conviction, as defined in Bylaw 2.24, pursuant to bylaw 4.3.6, 4.3.7, or 4.3.8.

**Rule 12** A member shall respond promptly, truthfully and fully to any request for information by, and shall cooperate fully with, the Professional Conduct Board, an Investigation Team, a Disciplinary Tribunal, an Appeal Tribunal, or any member of such bodies regarding any disciplinary matter arising under Section 5 of the Bylaws.

**Rule 13** A member who becomes aware of an apparent material noncompliance with the Rules or the ~~s~~Standards of ~~p~~Practice by another member shall attempt to discuss the situation with the other member and resolve the apparent noncompliance. ~~In the absence of such discussion and resolution, the member shall report such apparent noncompliance to the Professional Conduct Board, except where such reporting would be contrary to law or, except~~ when the member is acting in an adversarial environment, for the duration of such adversarial environment.

~~In the absence of such discussion and resolution, the member shall report such apparent non-compliance to the Professional Conduct Board unless:~~

- ~~a) the member is acting in an adversarial environment (for the duration of such adversarial environment);~~
- ~~b) the matter has already been reported;~~
- ~~c) the member is exempted from this rule for the purpose and to the extent specified by the Board; (**Note for consultation purposes: A new policy will be created to list the exemptions which are currently in the form of Board motions only.**)~~
- ~~d) such disclosure would result in the breach of a statutory duty not to disclose;~~
- ~~e) such disclosure would result in the loss of solicitor-client privilege; or~~
- ~~f) the matter is trivial.~~

~~In order to foster education amongst members, thereby fulfilling the profession's responsibility to the public, a member who has a question about the spirit or intent of the standards of practice, or of generally accepted actuarial practice when no standards exist, may consult in confidence with the chair (or vice chair) of a designated council, established by the Board pursuant to Bylaw 8.1.1 or of an appropriate practice committee. When consulted in such a capacity, the chair (or vice chair) who becomes aware of an apparent material noncompliance with the standards of practice by another member shall not report the apparent noncompliance to the Professional Conduct Board.~~

~~When a member, in their capacity as occupant of any position within the Institute designated by the Board from time to time by resolution, or any position within any other entity so designated, becomes aware of an apparent material noncompliance with the standards of~~

practice by another member, such member shall not report such apparent noncompliance to the Professional Conduct Board.

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## Reporting

Rule 14 ~~[Note: repealed May 1/06<sup>4</sup>]~~ ~~[Modified July 1/03]~~

Rule 15 ~~[Note: repealed May 1/06<sup>4</sup>]~~ ~~[Modified July 1/03]~~

Rule 16 ~~[Note: repealed May 1/06<sup>4</sup>]~~ ~~[Modified July 1/03]~~

Rule 17 ~~[Note: repealed May 1/06<sup>4</sup>]~~ ~~[Modified July 1/03]~~

## Foreign Practice

Rule 18 ~~[Note: repealed May 1/06<sup>4</sup>]~~ ~~[Modified July 1/00; Modified July 1/03]~~

## Objectivity

Rule 19 ~~[Note: repealed May 1/06<sup>4</sup>]~~ ~~[Modified July 1/03]~~

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<sup>4</sup>Between December 1, 2002 and May 1, 2006, Rules 14 through 19 were replaced at various times by certain recommendations of the Consolidated Standards of Practice (CSOP) as work in the different practice areas became subject to the General Standards. On May 1, 2006, Rules 14 through 19 were fully repealed as the work governed by existing transfer values practice-specific standards (the last remaining standards that were not part of CSOP) became subject to the General Standards.



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The Canadian Institute of Actuaries (CIA) is the qualifying and governing body of the actuarial profession in Canada. We develop and uphold rigorous standards, share our risk management expertise, and advance actuarial science to improve lives in Canada and around the world. Our more than 6,000 members apply their knowledge of math, statistics, data analytics, and business in providing services and advice of the highest quality to help Canadian people and organizations face the future with confidence.