



Canadian  
Institute  
of Actuaries

Institut  
canadien  
des actuaires

# Conflict of Interest Guidelines for CIA Volunteer Groups

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## Introduction

These guidelines are provided as guidance for members of all volunteer groups of the Institute in the accomplishment of their duties. One of the objectives of the Institute is to establish, promote and maintain high standards of competence and conduct within the actuarial profession. This imposes a duty on each member of a volunteer group to ensure that he or she is objective and acts in the best interest of the Institute at all times and refrains from participating in the deliberations of a volunteer group on issues with respect to which he or she may be in a conflict of interest. These guidelines are not rules that result in sanctions if they are not followed. They are designed to assist members of volunteer groups in determining whether or not they are or may be in such a situation. In such event, it is essential that the member disclose the situation to the volunteer group, which may result in him or her being asked not to participate in the deliberations of the group.

These guidelines are also provided as guidance for members of volunteer groups to ensure that their processes and deliberations are fair and impartial and that they are visibly so. This imposes a duty on members of volunteer groups to ensure that they are objective and free of bias in matters under consideration. In doing so, the perspective of the inquirer and of interested third parties must also be considered.

No set of guidelines can anticipate all possible circumstances that may arise, but they have been drafted in the hope that they will assist members of volunteer groups in most instances in making a decision as to whether a situation involving a conflict of interest exists or may be perceived to exist. The guidelines can be expected to change over time as the Institute evolves. Therefore, each member of a volunteer group is encouraged to communicate with the President of the Institute or with the Institute's legal counsel in case of doubt or if a situation arises that is not covered by the guidelines, but which perhaps ought to be.

Ultimately, the responsibility belongs to each member of a volunteer group to ensure that the deliberations of those groups remain above reproach.

## Definitions

In these guidelines, the expression "VG" refers to all volunteer groups of the Institute, namely any council established pursuant to the Bylaws, the Actuarial Profession Oversight Board (APOB), the boards and Tribunal Panel under the oversight of the APOB, any committee, task force, working group, project oversight group (POG), or other volunteer group appointed pursuant to the Bylaws.

In these guidelines, the expression "Inquirer" refers to any person who consults a VG, including a Member, Associate or regulator, regarding an "Inquiry", which refers to a request for an interpretation of the Standards of Practice or the Rules of Professional Conduct of the Institute, an interpretation of accepted actuarial practice, consideration of an application to become a Member or Associate, or guidance in any other respect.

## General Matters

### Pecuniary Interest

*Guideline No. 1:* No person should participate in the deliberations of a VG if the matter under consideration involves a contract, an appointment or any other commercial or profitable transaction in which that person, his or her firm or partnership, or any member of his or her immediate family has a material interest. A member of a VG who knows of any reason that would give rise to a reasonable

belief that a member of such VG might be in such a situation, including himself or herself, must disclose such knowledge immediately to that VG.

### **Professional Interest**

*Guideline No. 2:* No person should participate in the deliberations of a VG regarding matters which may affect the practice of that person or that of his or her firm or partnership, or the interests of one of his or her clients, in a manner that is personal and specific to that person, his or her firm or partnership or one of his or her clients and that is distinct from the manner in which that matter will affect the practice of all or of a group of Members or Associates and their firms or partnerships or the interests of all or of a group of members of the general public. A member of a VG who knows of any reason that would give rise to a reasonable belief that a member of such VG might be in such a situation, including himself or herself, must disclose such knowledge immediately to that VG.

### **Disciplinary Action Against a Member of a VG**

*Guideline No. 3:* No person should serve as Chair or Vice-Chair of a VG if that person is currently charged with an Offence pursuant to Bylaws 5.2.2.1.iv or 5.2.2.1.vi. Such person may, however, serve as Chair or Vice-Chair if and when the said charge is dismissed by a Disciplinary Tribunal and no notice of appeal has been filed within the specified delays for the filing of a notice of appeal, or the charge is dismissed by an Appeal Tribunal.

*Guideline No. 4:* No person should serve as Chair or Vice-Chair of a VG if that person has, within the last five years, admitted guilt and accepted a negotiated settlement agreement pursuant to Bylaw 5.2.2.1.vi, or has been found guilty of an Offence by a Disciplinary Tribunal and no notice of appeal has been filed within the specified delays for the filing of a notice of appeal, or that person has been found guilty of an Offence by an Appeal Tribunal.

### **Inquiries**

General Guideline No. 5: No person should participate in the deliberations of a VG with respect to an Inquiry where there are circumstances that would give rise to a reasonable belief that such person might be in a situation of conflict of interest or that would give rise to a reasonable belief that such person might be biased in any way, either in favour of or against the Inquirer, unless the Inquirer and a majority of the other members of the VG agree to the person's participation. Situations include, for example:

- a) if the person or any member of his or her immediate family:
  - i) is related to the Inquirer;
  - ii) is or has been, within the last two years, a member of, or associated with, a firm or partnership to which the Inquirer belongs, or which was involved in the circumstances out of which the Inquiry arose;
  - iii) is or has been, within the last two years, engaged in any sort of commercial or profitable relationship with the Inquirer;
- b) if the person, his or her firm, or any member of his or her immediate family is a party to any action, proceedings or other sort of litigation involving a question similar to the one under consideration.

A member of a VG who knows of any reason that would give rise to a reasonable belief that a member of a VG, including himself or herself, might be in a situation of conflict of interest or might be biased in any way, either in favour of or against the Inquirer, must disclose such knowledge immediately to that VG.

### **Confidentiality**

*Guideline No. 6:* Meetings of VGs may be attended by any Member or Associate and by any other person invited to attend by the Chair of the VG. However, of its own initiative or upon request, a VG may, at its discretion, decide that all or part of a meeting be held in camera or that certain information obtained be treated as confidential.

In such event, no member of a VG, including a member who did not participate in the deliberations of the VG in conformity with any of the other guidelines, shall disclose the deliberations of the VG that took place in camera or any confidential information obtained in connection with such a meeting, unless requested by a third party and authorized expressly by the Chair of the VG or required to do so by law or by order of a Disciplinary Tribunal or an Appeal Tribunal.