

Actuarial Institute of Chinese Taipei

Code of Professional Conduct

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Article 1 Purpose

Actuarial Institute of Chinese Taipei (AICT) draws up its Code of Professional Conduct (the “Code”) in accordance with the Organizational Charter of AICT to provide its members with the standards for professional conduct so that the actuarial profession can meet the expectations of society and gain public trust. Unless it is otherwise stipulated by law, all members have the responsibility to comply with this Code.

Article 2 Definitions

“Actuarial service” means a practice of the member in any of the following scenarios:

1. Signing an actuarial document as defined by law.
2. Employed or contracted to engage in paid work using actuarial theories or techniques.
3. A member under an actuarial title makes direct written or oral expression of opinions, or allows others to report such opinions.
4. A member in his or her own name or the name of any organization makes direct written or oral expression of opinions, or allows others to pass on such opinions, and the content of the opinions is sufficient to give the intended audience or the general public the impression that such opinions are based on actuarial theories or techniques.
5. Affairs or activities associated with AICT or other actuarial organizations.

“Actuarial opinion” means an oral or written opinion issued by a member in the performance of actuarial services.

“Statutory actuarial job” means actuarial service provided primarily for upholding public interests by a qualified actuary as required by law.

“Actuarial title” means the status of AICT membership, a title held when performing statutory actuarial job, a position in an organization related to actuarial work, or a position in AICT or any other actuarial organization.

Article 3 Professional Integrity

Under the premise that public interest is upheld, a member shall make use of professional knowledge and skills, and act with maximum integrity and professionalism in an objective and impartial manner when performing actuarial services. In the process of rendering services, a member shall not engage in any illegal conduct or act in any manner that reflects adversely on the actuarial profession.

Article 4 Compliance with standards of practice

When performing actuarial services, a member shall comply with applicable standards of practice, rules of professional conduct, and laws and regulations. It is the responsibility of a member to stay familiar with standards of practice, rules of professional conduct, and laws and regulations applicable to actuarial profession. Where no applicable standards of practice or laws and regulations exist for the actuarial service performed by a member, the member shall utilize professional judgment, referring to actuarial concepts and theories, professional standards issued by foreign actuarial organizations on similar situation, the practice of other actuarial professionals at home and abroad, or publications of domestic and foreign professional actuarial organizations or academic institutions. If a member practices actuarial service in a manner that departs from the applicable standards of practice or the aforementioned reference materials, the member shall document his/her practice in writing and explain the basis for such practice.

Article 5 Professional qualifications

Before accepting an assignment of actuarial service, a member shall make sure he/she has the professional capability to perform the service on the basis of being qualified, continuing education, and in addition, practical experience. If a member finds that he/she lacks the professional capability for a particular part of the service, the member should advise the client to enlist the service of another qualified professional to provide assistance or examine the work documents produced by him/her. If the client declines to follow such advice, the member shall indicate explicitly in his/her actuarial opinion the limitations he/she has encountered when performing the service.

Article 6 Complete and accurate actuarial opinion

When issuing an actuarial opinion, a member shall indicate explicitly that he/she is totally responsible for the accuracy and pertinence of the actuarial opinion issued, and that he/she or other sources are available to provide supplementary information, or engage in discussion or provide explanation if so requested by a third party.

The opinion referred to in the preceding paragraph shall be complete and accurate to the extent that it is appropriate to the audience who will read or hear the opinion.

Article 7 Communication and presentation of actuarial opinion

A member shall make utmost effort to ensure that any actuarial opinion issued, whether orally or in writing, will be presented to the principal of the actuarial services and related third parties under appropriate circumstances, and will avoid causing misunderstanding or being used to mislead others. Actions that can be taken include but are not limited to the following:

1. A member can describe the reason and purpose of issuing such an actuarial opinion, the role of the opinion provider, considerations given and assumptions made in forming the opinion, and if applicable, any limitation encountered in the performance of service.
2. A member should indicate clearly that the intended audience or applicable circumstances of the actuarial opinion should be confined given the nature or technical complexity of the opinion so that the principal and intended audiences can understand the situation fully.
3. A member who issues an actuarial opinion requested by a client shall, when appropriate, disclose the identity of the client and nature of the service performed.
4. When a member learns or has sufficient reason to believe that the actuarial opinion he/she issues could be or has been misrepresented or misused and the influence of such misrepresentation or misuse is significant, the member should take the initiative to make clarification, and if necessary, discontinue the service or take legal action.

Article 8 Conflict of interests

A member shall not perform actuarial services in the presence of conflict of interests, unless the member ensures that his/her ability to perform the services objectively and fairly is not affected. Under such circumstance, the member shall inform all interested parties and the principal of the fact of potential conflict of interest. The member can accept an assignment of actuarial service only if all interested parties and the principal have indicated that the conflict of interest is of no concern to them.

If conflict of interests exists for a member who is assigned to any statutory actuarial job, the public authority in charge of supervising the actuarial service will exercise the right to consent representing the public interest to decide whether the member may be appointed to hold the statutory actuarial job.

Article 9 Sources and calculation of compensation

When accepting an assignment of actuarial services, a member shall disclose to the principal all compensation and income received or pending in relation to the assignment.

The stance of a member to perform an actuarial service objectively and fairly shall not be influenced by the amount of compensation he/she will or have received. If the method for calculating compensation to the member for performing a service is in any manner related to the effect to be produced by the actuarial opinion issued, the member shall make a written statement to inform all interested parties and the principal of the fact.

When a member holds any statutory actuarial job, the method for calculating compensation to the member shall not be in any manner linked to the effect to be produced by the actuarial opinion issued.

The compensation referred to in the foregoing two paragraphs include money or benefit in any form received by the member or the firm the member serves.

Article 10 Confidentiality

A member has the obligation to keep all confidential information he/she obtains in the performance of actuarial services confidential, and shall not at any time discuss with or present to any third party the case he/she handles unless authorized in advance to do so by the principal or as required by law.

Article 11 Mutual respect and support

While ensuring compliance with the Code, members shall respect and cooperate with each other based on the following principles to uphold the interests of the principal or the public:

1. When expressing actuarial opinion in the performance of actuarial services, a member should respect the rights of other members to express different opinions. When discussing alternative actuarial opinion with other members or interested parties, a member should maintain objectivity and fairness. In the best interests of the principal or the public, a member should give fair and reasonable opportunity to alternative opinions to be heard for the reference of the principal or other third parties.
2. When discussing a possible assignment from a principal, if a member knows or has reasonable grounds to believe that the principal intends to have the member take over the same or similar service that has been provided by another member, the member should, regardless whether the work relationship between the principal and the other member has ended, consult with the other

member for reference purpose under the consent of the principal prior to accepting the assignment. If the aforementioned actuarial service involves a statutory actuarial job and the principal refuses the consent to the consultation of related actuaries, the member shall not accept the assignment to take over the work.

3. When a member is performing or has performed an actuarial service for a principal, if the principal has appointed another member to perform the same or similar service and has given consent for the newly appointed member to consult with the member with respect to the service the member is providing or has provided, the member shall cooperate in the matter and render assistance.

Article 12 Actuarial titles

The curriculum vitae or advertising or business solicitation of a member shall not contain exaggerated or incorrect information, promises that cannot be kept, or any statement that might raise unrealistic expectation of a third party to the actuarial service provided by the member.

A member shall not use actuarial title if the opinion he/she expresses is unrelated to professional actuarial work, theory or techniques, or the affairs or activities of any actuarial organization.

When the name and the actuarial title of a member is mentioned by somebody in public information, and if such information contains false statement that is sufficient for a third party to associate the statement with the member, hence producing material adverse effect on the professional reputation and interest of the member, the member shall take the initiative to make clarification, and if necessary, take legal action.

Article 13 To Co-operate with Others

An actuary shall co-operate with others serving the actuary's client or employer.

Article 14 Counseling and Discipline

A member may make written request for counseling from the Counseling and Disciplinary Committee of AICT for any question concerning the Code and other actuarial rules and their applications.

A member with knowledge that the conduct of another member constitutes an apparent violation incident as defined in the Counseling and Disciplinary Rules of AICT, the member should discuss the matter with the other member and attempt to prevent the violation incident from happening. If such discussion fails to produce any positive outcome, the member shall report the violation incident

according to the Counseling and Disciplinary Rules, provided such reporting is not contrary to any law or the provisions on conflict of interest specified in Article 8 herein.

If a member is requested, inquired or consulted by the Counseling and Disciplinary Committee of AICT or a person authorized by the Committee for necessary information in direct connection with a violation incident currently under consideration by the Committee, the member has the obligation to cooperate in the matter and respond truthfully to the inquiry or consultation based on his/her professional know-how and in a manner requested by the Committee, provided such cooperation is not contrary to any law or the provisions on confidentiality specified in Article 10 herein.

A member who is involved in a violation incident and ruled by the Counseling and Disciplinary Committee in accordance with the Counseling and Disciplinary Rules to receive counseling shall not refuse to comply with such decision. A member who is involved in a violation incident and subject to disciplinary action according to the decision of the decision panel of the Board of Directors has the right to request reconsideration. If the member chooses not to request reconsideration or if the decision of the discussion panel is upheld in the reconsideration process, the member shall accept the decision of disciplinary action made against him/her.

Article 15 Promulgation and Amendment of the Rules

The Code and its subsequent amendments shall be promulgated following the approval of the Board of Directors.

The Code shall take effect starting February 15, 2008.