

# THE UK ACTUARIAL PROFESSION

## ED8 ACTUARIAL PROFESSION STANDARD

### COMMENCING APPOINTMENTS

#### 1. Application & status

- 1.1 This principle and this Standard apply to all members of the UK Actuarial Profession and sets out the mandatory approach to commencing appointments where a member will be giving professional advice or services. For the purposes of the Actuaries' Code and this standard, Faculty Students and Affiliates are considered as members and within the Actuaries Code all members are considered as actuaries.
- 1.2 Please note that those sections of this Standard denoted by "*For amplification*" are intended only to explain and qualify the main sections of this Standard. Compliance with a "*For amplification*" section is evidence of compliance with the related mandatory requirement, but non-compliance with such a section is not of itself a breach of a Standard.

#### 2. The 'Commencing Appointments' principle

- 2.1 The Actuaries' Code states: "*Actuaries take reasonable steps to verify that it is appropriate for them to act before accepting any appointment.*"

#### 3. General Considerations

- 3.1 Before accepting any appointment, including new assignments under an existing contract, a member will ensure that they satisfy the rest of the Actuaries' Code in respect of this appointment and in particular the sections relating to Competence and Conflicts.

#### 4. Considerations as to professional reasons to decline to act

- 4.1 Where in relation to a proposed appointment a member is aware that the prospective client, or their employer, has been involved in a dispute with a previous adviser, whether or not an actuary, over some matter which affects the interests of third parties, the member must consider whether, having regard to the Actuaries' Code, and in particular to the sections on Conduct and Compliance, it is desirable to investigate the nature of that dispute.
- 4.2 *For amplification:* The investigations into the dispute referred to in section 4.1 above may be made by consulting the previous adviser and/or by making enquiries of the prospective client, or of the member's employer where applicable. The intention of the investigation should be to ascertain sufficient information to enable the member to determine whether, in the light of the section of the Actuaries' Code, it is appropriate to accept the appointment.
- 4.3 Before giving a final acceptance for appointments which for any reason can only be held by an actuary, other than by individual exception granted by a competent authority, a member will, subject to the exceptions in section 4.4 below, contact the last or current holder of such

position so as to discover whether that person considers there are any professional reasons not to accept the appointment or any particular considerations which ought to be borne in mind before doing so.

**4.4 The exceptions to section 4.3 are:**

- a. Where for any reason it is impracticable to contact the appropriate person
- b. Where the appropriate person is or was a close colleague of the member, and the member is confident that no issues exist
- c. Where another Actuarial Standard relating to that type of appointment removes this requirement

**4.5 A member contacted in the circumstances of paragraph 4.1 or 4.3 will respond appropriately and without unreasonable delay.**

4.6 *For amplification:* It may be necessary for the member to obtain the consent of a client or of his employer before making an approach under this section. Refusal of this consent may, and in the case of paragraph 4.3 usually will, give a member reasons to doubt the appropriateness of accepting the appointment under the Actuaries' Code.

**5 Basis of Remuneration**

**5.1 Before accepting any appointment, including new assignments under an existing contract, a member will ensure that the basis of their remuneration is agreed and is transparent. The form of remuneration must not be such that it gives rise to a real or perceived conflict of interest.**

5.2 *For amplification:* It will normally be for the common good that actuaries operate in a free and open market for their services. A member should not act in a way that inappropriately inhibits such a free and open market.

5.3 *For amplification:* It is preferable whenever possible to indicate areas that may require additional work before an appointment is accepted. Where it becomes apparent during the course of an appointment that additional work is required then the member should obtain guidance from their client or employer as to how they should proceed.

5.4 *For amplification:* As set out in the Conflicts provisions of the Actuaries' Code, working on a contingent fee basis carries considerable risks of creating conflicts of interest.

**6. Non-compliance with this Standard**

**6.1 The Actuarial Profession is committed to enforcing the Code through disciplining members who do not meet the standards of behaviour, integrity, competence or professional judgement which other members or the public might reasonably expect of a member. Failure to comply with the Code or this Standard may result in a member becoming liable to disciplinary action.**