

THE UK ACTUARIAL PROFESSION

ED4 ACTUARIAL PROFESSION STANDARD

COMPETENCE

1. Application & status

- 1.1 This Standard applies to all members of the UK Actuarial Profession and sets out the mandatory approach to competence in any circumstance where a member gives 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 Competence Principle

- 2.1 The Actuaries' Code states: "*Actuaries undertake all their professional duties with up-to-date knowledge, skill and care.*"

3. Knowledge and skill

- 3.1 A member must not advise on or provide a service in respect of a matter unless they are satisfied that
- a. they are personally competent, having the necessary knowledge and skill in the relevant matters, OR
 - b. they are acting in co-operation with, or with the guidance of, someone, whether an actuary or not, with the requisite competence, OR
 - c. there are circumstances which, if the member were to decline to act, would harm the interests of the recipient of that advice or service.
- 3.2 *For amplification:* The exception in paragraph 3.1c means that a member may provide advice or services if the circumstances are such that, having regard to all the relevant factors, it would be contrary to the interests of a party receiving the advice to decline to do so.
- 3.3 Where sub-paragraph 3.1c applies, the member must make clear to the recipient that, in the absence of the constraining circumstances, the member would have recommended referring the matter to someone with the relevant knowledge and experience.
- 3.4 *For amplification:* Advice or services given to the member's firm or to a colleague within the same firm, whether or not the colleague is an actuary, should normally meet the same standards as for external advice in respect of knowledge and skill.

4. Care

- 4.1 A member will undertake whatever work is appropriate, in all the circumstances, to ensure the advice, information and services given are correct and fit the needs of their client or employer.**
- 4.2 If work which a member considers necessary is precluded by cost or time constraints the member must either decline to act or qualify the advice or services given.**
- 4.3 *For amplification:* Advice or services given to the member's firm or to a colleague within the same firm, whether or not the colleague is an actuary, should normally be carried out with the same care as for external advice or services.

5. Continuing Professional Development

- 5.1 As a minimum a member will undertake and record continuing professional development as required from time to time by the Actuarial Profession's CPD Scheme.**

6. General

- 6.1 *For amplification:* Users of a member's services, which may include a member's firm and/or colleagues in that firm, are entitled to have absolute confidence in the knowledge, skill, and care of the member, unless the member has made clear they do not have the skills or knowledge, or that for good reasons, the level of care taken has been constrained. Communication of such constraints needs to be timely and unambiguous.

7. Non-compliance with this Standard

- 7.1 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.**