

THE UK ACTUARIAL PROFESSION

ED3 ACTUARIAL PROFESSION STANDARD

COMMON GOOD

1. Application & status

- 1.1 **This Standard applies to all members of the UK Actuarial Profession and sets out the mandatory approach to considerations of the common good 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 'Common Good' principle.

The Actuaries' Code states: “*Actuaries conduct themselves in a manner that has due regard to the wider public interest, shows appropriate consideration for others and supports confidence in the Profession.*”

3. Consideration of the Public interest

- 3.1 *For amplification:* A member is expected to give proper consideration to the public interest before determining a course of action. This does not impose an overriding obligation, but may mean the member has to exercise professional judgement in taking into account the wider public interest.
- 3.2 *For amplification:* In many cases the wider public interest will give rise to obligations under law, and these are amplified within the section of the Actuaries' Code on Compliance.
- 3.3 **Where a member considers that the wishes of a client or employer will require acting in a way that might conflict with the wider public interest, then the member will draw the attention of their client or employer to such wider public interest.**
- 3.4 **If a member becomes aware of their client or employer continuing with a course of action that is materially in conflict with the wider public interest then they must consider whether any whistle blowing obligations arise.**
- 3.5 *For amplification:* The wider public interest does not, in this context, mean the public benefit. It is not necessary, in particular, for a member to draw attention of their client or employer to any public benefit that might accrue from actions their client or employer could take which transfers benefit from the client to the public purse. Specifically, there is no need to describe the public benefit of paying more tax, and the right of a taxpayer under law to order affairs in a lawful manner to reduce tax payable is not considered against the wider public interest.

- 3.6 *For amplification:* There is no obligation on individual members to order their own affairs in ways that transfers benefit to the public purse, other than to the extent required by legislation.

4. Consideration for others

- 4.1 *For amplification:* While the words in the Code principle are intended to apply to all 'others' it is important to stress that criticism of one member's work by another member is wholly acceptable, provided that the criticism is properly reasoned and believed to be justified.
- 4.2 **A member should not use terms, or exhibit behaviours, which in that context would generally be considered offensive in criticising another person whether a member or not. Certain terms may be considered offensive if untrue but not if true.**
- 4.3 **A member will, when making remarks about the work of another person, whether a member or not, distinguish between matters of fact and of opinion. A member will acknowledge when expressing criticism of an opinion that members may quite properly hold different professional opinions.**
- 4.4 *For amplification:* The above paragraph 4.3 does not prevent the expression of a view that another person's opinion is outside the normally accepted range of opinions, provided that criticism complies with paragraphs 4.1 and 4.2.
- 4.5 *For amplification:* The member is expected to give proper consideration to others before determining a course of action. This does not impose an overriding obligation, but may mean the member has to exercise professional judgement in taking into account the impact of their advice on others.

5. Confidence in the Profession

- 5.1 **A member has a duty to the Profession and must not act in a manner that, unfairly or unnecessarily, damages its reputation or impugns its integrity.**
- 5.2 *For amplification:* The duty to the Profession does not preclude criticism of the Profession in a reasonable way, as part of a justifiable debate in the public interest. Indeed debate is encouraged as this demonstrates to the wider public that the Profession is open and willing to consider a broad spectrum of views.

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.**