

Code of Professional Conduct Review Update – January 2025

The ASSA Professional Matters Board (PMB) initiated a project during 2024 to review ASSA's Code of Professional Conduct (Code) via the establishment of a Working Party. The last review took place in 2015, and the PMB felt that it was appropriate to perform a comprehensive review, especially given:

- the global arena, South Africa and areas in which our members operate evolve rapidly, and many new fields of practice have been introduced in the last few years;
- ASSA structures and members have raised areas of uncertainty and the need for clarification on certain aspects of the application of the Code; and
- ASSA, although independent from other institutions, wishes to explore the learnings from other actuarial associations, including but not limited to the Actuaries Institute Australia and the Institute & Faculty of Actuaries, who have moved to much shorter and more principles-based approaches.

What has been done so far

An invitation to join a Working Party to review the Code was circulated to all members via Newsbytes in December 2023. The invite was open to all AMASSA and FASSA members. The Working Party is operating under the auspices of the PMB and currently consists of 16 members (covering a variety of practice areas and years of experience). During 2024, five major topics were examined:

- Reviewing the purpose and scope of the current Code and the framework for how the Code fits into ASSA governance structures (including links to the ASSA Constitution, By-Laws and Disciplinary Process);
- Considering the key aspects underlying professionalism, including research on public interest aspects of professionalism;
- Assessing the external legal environment in which the Code operates – including, amongst others, the Constitution of South Africa, any applicable laws as well as any legal requirements arising from Mutual Recognition Agreements entered into by ASSA;
- Comparing key aspects of the current Code to other Codes of Conduct from actuarial and other professional bodies globally; and
- Identifying any areas of uncertainty and the need for clarification on certain aspects of the Code and its application.

Based on this initial work, the Working Party, in conjunction with the PMB, has defined some initial design principles, as follows:

- The Code should be principles-based and avoid rules as far as possible. Rules create potential legal loopholes (“there is nothing against it in the rules”) and may water down principles. Guidelines to the Code can be developed to provide examples to members on how to apply the principles.

- The aim is to develop a Code that is aspirational, rather than prescribing what members must and must not do. However, it must still be clear that not meeting these standards would constitute misconduct.
- A short, succinct Code is preferred, with a style and format that is easy to read and understand, both by Members and non-members, and apply to a wide range of situations (including those that may not be anticipated at the moment).
- The Code should aim to be flexible enough to remain relevant, especially as new wider fields keep on developing (for example data science), and the external environment evolves.

The Working Party has now turned its attention to refining the key principles in the current Code, proposing several key scope changes (including expanding the scope to cover work beyond the currently narrow definition of pure actuarial work, for example to be applicable to members working outside of financial services, working in data science and board members) and clarifying what is meant by a member acting in the public interest. This, together with the initial design principles, will form the basis for the revised Code.

Stakeholder Engagement

The Code is there for the benefit of the members and it is crucial that throughout the process we regularly engage with the key stakeholders within ASSA, being the members, Council and the Actuarial Governance Board (AGB), especially where material changes are being proposed. This will be done through various means, including in-person sessions, newsletters and surveys.

The Working Party has prepared a short initial survey for members to provide their input and views on several key issues. The Code is a critical document, which has wide-ranging impact on members' day-to-day activities and plays a key role in the discipline of members and is critical to protecting the reputation of the profession. Given the importance of the Code for members and the potential impact of some of the proposed changes, we strongly encourage members to use this opportunity, and subsequent engagements, to express their views.

Next steps

The Working Party will consider the survey results, along with other comments on these initial proposals received from members, Council and the AGB. These will inform the second phase of the project which is to draft a proposed new Code. This will be subject to further stakeholder engagement. The proposed new Code will be supported by a basis-for-conclusions document which will outline how input received was taken into account in the development of the Code. We envisage that this process will take some time - 2025 will be spent on developing the revised Code coupled with stakeholder engagement along the way. Implementation timing will depend on how long the stakeholder consultation process takes, but is unlikely to be before the middle of 2026.