CODE OF CONDUCT
(Amended August 2000)

In order to assist the Society in achieving its objective, and more importantly to guide members of the Society when they encounter questions on professional conduct, the following “Code of Conduct” has been prepared by order of the Board of Governors and approved by the Society. As is true of codes of ethics, generally, these guides deal with precepts and principles only. They are not precise rules and are subject to interpretations in relation to the variety of circumstances that occur in practice. Any member wishing guidance in the application of these guides to a particular set of facts is urged to consult the Professional Standards and Review Council of the Society.

It is assumed that every member of the Society earnestly desires to serve his client or employer properly, to protect the public, and to maintain the prestige of the Society and its members. Accordingly, the following principles are set forth by which every member should be guided in his practice of the actuarial profession:

I. Professional Duty

1. All activities of a member in the practice of the actuarial profession must conform with high standards of honesty and decency and with the general requirement that public confidence in the actuarial profession does not suffer as a result, and that there can never be any ground for doubt about the integrity of the member concerned.

2. A member will not provide actuarial service for, or associate professionally with, any person or organization if he has reason to believe that the results of such service or association are likely to be used in a manner inimical to the public interest or the interest of the actuarial profession or to evade the law.

3. A member who is connected with, or is a consultant of any government agency or regulatory body, or serves in any other official capacity therein shall not accept any engagement for professional services with any company or association organized to conduct business that falls under the supervision of the said agency or body where he may have to intervene in matters arising from the aforementioned engagement of professional services.

II. Actuarial Principles and Practices

1. A member will give professional advice only when qualified to do so. The member will submit unqualifiedly an actuarial calculation, certificate, or report only if he knows it to be based on sufficiently reliable data and on actuarial assumptions and methods that in his judgment, are consistent with the sound principles expounded in the course of study of the Society or in recognized texts, sources or precedents relevant to the subject at hand. Where the Society has officially issued or adopted standards of actuarial practice applicable to the particular field that a member’s services were engaged, the member shall apply such standards, and take into account the related guidelines issued or endorsed by the Society. If the member believes that other expert review is also desirable, his submission should include appropriate qualification of his findings.
2. A member will recommended for the use of his client or employer, premium or contribution rates, dividends, standards of valuation, or other related actuarial functions only if, in his opinion, they are based on adequate and appropriate assumption and methods. If, nonetheless, other assumptions or methods are specified by the client or employer, the member will include a qualification thereon in any applicable certification, communication or report which he may be called upon to issue in his name.

III. Actuarial Calculations and Communications

1. In any report or other actuarial communication quoting actuarial values, the actuary shall make a statement describing or clearly identifying the data and the actuarial methods and assumptions used.

2. The member shall exercise due diligence to ensure that calculations or recommendations made or opinions rendered by the member or under the member’s direction, are based on sufficient and reliable data. Where the data were not readily available, the member should specify other sources and approximations that were employed, qualifying the adequacy and appropriateness thereof. The member shall also describe the methods employed, qualifying their consistency with “sound actuarial principles and practices established by precedence or common usage by the actuarial profession in comparable jurisdictions.” If the member chooses, or is requested to prepare a study which, in the member’s opinion, deviates from common practice, his/her report or other actuarial communication shall include an appropriate and explicit qualification.

3. The member shall have due regard to the requirements of the laws and rules and regulations, recognizing their intent with respect to the specific publics for they were formulated.

IV. Relationship with and Responsibility to Client or Employer

1. A member will act on professional matters for each client or employer with scrupulous attention to the trust and confidence that the relationship implies and will have due regard for the confidential nature of his work.

2. A member will indicate clearly in communicating professional findings to the client or employer for whom findings are made and in what capacity the member serves. He will also clearly indicate that he is the source of such findings and is available for supplementary explanations or information.

3. A member will not serve more than one client or employer where possible conflict of interest may be involved unless there is full disclosure to all parties concerned, and such parties agree to the engagement of his services.

4. A member shall timely disclose in writing to his client, all sources of income related to any service he is rendering on behalf of the client.
V. Relationship with Other Actuaries

1. A member will conduct his professional activities on a high plane. He will avoid unjustifiable or improper criticism of others and will recognize that there is substantial room for honest differences of opinion on many matters. However, if in the course of his work he finds that serious misconduct harmful to the public and the profession was committed by another actuary, he is expected to refer such misconduct to the Professional Standards and Review Council for its consideration and recommendation.

2. When a member is asked to take on professional services previously provided by another actuary, he shall consider whether it is appropriate to consult with the previous actuary to ensure that it is suitable for him to take on this new responsibility.

VI. Advertising

1. A member will not engage directly or indirectly in any advertising or other activity which can reasonably be regarded as being likely to attract professional work in a deceptive manner, or where the content is false, fraudulent, misleading or unprofessional.

VII. Titles and Designations

1. A member may not append to his signature the designation “Actuary”, “Fellow of the Actuarial Society of the Philippines”, or “F.A.S.P.” or other equivalent titles unless he is so accredited. The member may not use a designation dependent upon elective or appointive qualification within the Society, such as “President”, “Member of the Board of Governors”, or “Member of the Examination Committee”, unless he is acting in such capacity in behalf of the Society.
INTEPRETATIONS AND RECOMMENDATIONS ON THE CODE OF CONDUCT
(Amended August 2000)

Editor’s Note: In this copy, references to the ASP By Laws have been updated.

This supercedes the following Interpretations issued before February 10, 1999:
• Interpretation No. 1-91: Use of Titles and Designations (1991)
• Interpretation No. 2-91: Qualification to Give Advice (1991)
• Interpretation No. 3-93: Responsibility with Respect to Reports (1993)

Introduction

The interpretations and recommendations were the result of the workshops conducted among the Fellows of the Actuarial Society of the Philippines. Interpretative opinions from other actuarial organizations, principally from the American Academy of Actuaries, when appropriate, were also used to complete the interpretations and recommendations.

The interpretations were groups under the six principal sections of the Code of Conduct and are coded using two letters to identify the section. When referring to a specific interpretation or recommendation, the letters will identify the section, such as PP for Actuarial Principles and Practices, and the number following identify the particular paragraph being referred to. For example, PP2 refers to Actuarial Principles and Practices covering assumptions.

This set of interpretations incorporates, hence supercedes interpretations issued before February 10, 1999.

PP: Actuarial Principles and Practices

1. A member of the Actuarial Society of the Philippines (ASP) is qualified to give professional advice on a particular subject that is covered by the syllabus of the examinations of the ASP, when he is a Fellow of the ASP. He must also have working experience in the subject or field where he is to give professional advice; and he must have participated in continuing education seminars of the ASP on the subject or related subjects. The term ‘subject’, as defined by this interpretation, includes the following principal areas of focus of the course examinations:

   a) pricing of products and valuation of liabilities in life insurance and pre-need;
   b) determination of non-forfeiture values in life insurance and pre-need;
   c) distribution of surplus in life insurance;
   d) design and valuation of retirement plans;
   e) pricing of group life, health and accident insurance; and
   f) valuation of liabilities in a social insurance program, and design of the corresponding financing system.

Other subjects in the examination syllabus can be the subjects of professional opinion from a Fellow of the ASP, but the opinion shall be limited to the scope covered by the examination syllabus. If the
actuary is invited to give advice on a subject beyond the scope covered by the syllabus, he may do so provided he has undertaken research and/or professional consultation on areas of the subject where he has had limited training or experience. The advice should be given only after a disclosure of his limitations to the client, and/or by disclosing any professional assistance he has utilized in undertaking the assignment.

Where accreditation is a requirement for rendering actuarial advice, for making recommendations, or for issuing certifications or reports, a member shall not accept such assignment unless he is so accredited.

2. Adequate and appropriate assumptions mean that they are based on the actuary’s best assessment of future events formed from the historical experience of the case at hand, or from experience derived from other cases that are comparable. If the assessment is based on experience derived from other cases, a qualification statement should be made, justifying the applicability of the assumptions.

3. In the absence of standards of actuarial practice officially adopted by the ASP, the actuary shall exercise his best judgment in selecting what standards to use. Standards of actuarial practice in other actuarial associations that are members of the International Actuarial Association may be used as bases, provided that there are accompanying justifications that those standards are compatible with the specific situation.

4. An actuary shall issue a certification specific to a subject, and only on the work that he has done. He should avoid statements of generalization. General opinions as to “actuarial soundness” should be avoided, wherever possible, because “actuarial soundness” is neither an absolute nor a unique concept, and must be considered in relation to the specific problem and the accuracy with which future experience can be predicted. When a statement of adequacy is to be made, usually for a given financing arrangement, the opinion to be given should be with respect to specifically defined objectives, assumptions or requirements.

5. The statement of opinion on pricing of a financial product should disclose the bases of the assumptions and justifications for such assumptions. In preparing the certification, the actuary should be guided by the Guidelines issued by the ASP. He should not limit the statement to the minimum requirements of any sample certification issued by the regulatory agency.

6. The waiving of the fee for professional services either partially or totally does not relieve the actuary of the need to observe professional standards.

**RC: Relationship with and Responsibility to Client or Employer**

1. An actuary who is employed in a company should consider that his client is not just the company that employs him. He also has as client, the government regulator for the activities of his company, especially in the Philippines where the actuary is accredited by the government regulator. In case the actuary is employed with, or is a consultant of an insurance company, the policyholder is also his client, by virtue of the fact that the regulator exists principally to protect the policyholder. In a similar case, the planholder is also a client of the actuary if he is an employee or consultant of the pre-need company. An actuary who is self-employed and in the practice of consulting in a particular field, has for clients the general public who uses his services and the government regulating agency that accredits him to practice in that field.
2. Need for confidentiality and conflicts of interest can always arise in the performance of professional services. The need to keep confidential information will not usually be difficult to determine. Confidentiality has a specific meaning that professionals have good appreciation in particular situations and for particular services rendered. However, in case of doubt about when to treat work performed by the actuary as confidential, the opinion of, or clearance from the client should be solicited.

3. Conflict of interest is usually present when the actuary’s ability to act fairly to all his clients is impaired. In case of doubt whether a conflict exists, a query may be sent to the PSRC for opinion. Certain assignments give rise to conflict of interest situations when several clients engage the services of the actuary to do the same or similar assignment. Even in assignments that are not similar, there is a conflict of interest when the actuary receives compensation from two clients, and there is a relationship or potential relationship between the clients that arises or will arise from the task that the actuary has done for each of them. The actuary should resolve conflicts of interest by clearly disclosing in writing to each party who is affected, that he is on assignment with another client or clients, and that he receives income for the service he is rendering. The actuary is advised to obtain the agreement of each client to this kind of multi-engagement.

4. If the service requested by a client or employer conflicts materially with the actuary’s professional judgment, the actuary should advise the client or employer of the conflict and should include appropriate qualifications or disclosures in any related actuarial communication.

5. When an actuary acts, or may seem to be acting, as advocate for a client or employer, the nature of that relationship should be disclosed directly to interested parties. The actuary should support the position of the client or employer only to the extent that he is satisfied that the position is professionally supportable, recognizing that honest differences of opinion may exist. The actuary’s professional judgment should not be subordinated to the judgment of others.

6. Actuaries in the Philippines are accredited to practice the actuarial profession in insurance, pre-need and retirement plan valuation, by the respective government agencies which regulate the financial service that falls under that government agency’s supervision. The act of accrediting a Fellow of the ASP by a government agency delegates to the ASP the responsibility to qualify the applicant for accreditation and to impose adherence to appropriate standards of conduct and practice on the members accredited by that government agency. In the performance of professional work, whether as consultant or employee of a company, the accredited actuary is to be guided by the Code of Conduct, as well as its Interpretations and subsequent amendments.

7. There are tasks done by the actuary that he certifies for a regulator, where independence is required; for example, in the valuation of retirement plans for tax qualification. The following are examples where there is violation of the requirement for independence:

   a) The actuary is an employee of the company whose plan he is certifying.
   b) The actuary is an employee or partner of the external auditor of the company.
   c) The certifying actuary is an employee of the trustee, or investment manager of the retirement fund, or related to the trustee through their companies being related, by direct or indirect ownership or management control.

When the actuary is an employee of a company, and he certifies a retirement plan of another company, which is related by direct or indirect ownership to the actuary’s employer, independence may be questioned.
An actuary, who is an employee of a life insurance company in the business of selling Deposit Administration (DA) schemes, may certify for a client, the valuation of a retirement plan, which is not a DA, for the purpose of tax qualification. However, he should disclose this act to his employer and his client.

8. In resolving questions of conflict of interest involving “clients”, the actuary should take as general guide, the declarations in the Society’s Code of Conduct regarding his professional duty to render service in the following manner:

- it is not inimical to the public interest,
- does not evade the law,
- does not provide any ground for doubt about his integrity, and
- it is not inimical to the interest of the actuarial profession.

**RA: Relationship with Other Actuaries**

Basis of Interpretations:

Much of a professional’s knowledge comes from what has been contributed to the profession by others before him. However, this knowledge does not cease with the past. There must be continual interchange of information and opinion, which enriches the total knowledge within the profession. Through professional articles and speeches, members of a profession contribute their knowledge to the improvement of the group. Such cooperation is essential so that the whole profession may keep up with the rapid changes of the business world and the demands of the profession. An individual actuary’s particular experience must be augmented by what is provided by others in the profession in order to develop further knowledge of the theory and techniques of the profession. Thus there is the necessity, as well as the desirability, of cordial relations and mutual confidence among the members of a profession. This contributes to the advancement of the profession and to the improved quality of its service to its clients. Competence and concern for clients require that a professional be ready to refer work to specialists or consult with them, where appropriate.

1. Opinion on Disagreement and Differences of Opinion:

Differences of opinions among actuaries may arise, particularly in choices of assumptions and methods. It is expected that discussion of such differences, whether directly between actuaries or in observations made to a client by one actuary on the work of another, will be conducted objectively and with courtesy.

In the course of employment or an engagement, an actuary may encounter a situation where he could better serve the interest of the employer or client if he renders an alternative opinion to that expressed by the other actuary. He can do so with an explanation of the factors, which lend support to the alternative opinion. Paragraph IV.1 of the Code should not be construed as preventing the actuary from expressing such alternative to the employer or client.

If the actuary believes that incompetence or misconduct on the part of another actuary has engendered a material difference of findings, the procedures set forth in Article 5 of the ByLaws of the Actuarial Society of the Philippines should be invoked. Charges of incompetence or misconduct should not be circulated except in private communication to appropriate legal authorities or to those in the
profession charged with supervision and judgment of such matters, unless such violations have already been publicly stated by those authorities.

2. Responsibility of Actuary if Illegal or Unprofessional Acts by Another Actuary is Suspected.

An actuary may have reason to suspect that another actuary may have acted illegally or unprofessionally or may have otherwise engaged in misconduct in the course of professional activity. In such cases, the actuary should confer with the PSRC, and if considered appropriate, the procedure set forth in Article V of the Bylaws, on discipline, should be invoked. In some cases, the issue may be a matter of law as well as of ethics. An actuary faced with such a case should consider seeking legal counsel. His action may bring the possibility of a defamation suit; while his inaction may bring civil charges.

Ethical conduct is not defined solely by admonitions and prohibitions, but requires commitment to honorable behavior even at the possible sacrifice of personal advantage or convenience.

3. Change of Actuary or Appointment of Additional Actuary

An actuary may provide service to any principal (any present or prospective client or employer) who requests it, even though such principal may be served by another actuary for the same matter, or may succeed another actuary at the request of the principal. A principal has an indisputable right to choose a professional adviser. A principal may have legitimate reasons to change advisers or to retain more than one adviser for the same matter. The purpose of a new appointment may not always be above criticism, however, and an existing adviser’s freedom to fulfill an engagement in a professional way must be safeguarded.

Accordingly, if an actuary is invited to advise a principal, and he knows that another actuary has recently acted in a professional capacity with respect to the same matter, it would be a matter of professional courtesy and a prudent procedure to consult the other actuary to prepare adequately for the assignment and to make an informed judgment whether there are professional considerations, which might affect acceptance of the assignment.

The prospective new or additional actuary should request the principal’s consent to such consultations. The withholding of such content could be a material factor affecting the propriety of accepting the appointment. In such consultations, the relevant items to discuss include the following:

a) pertinent background and past history with respect to the assignment;
b) the reasons for the change of actuary;
c) any disagreements between the principal and the other actuary as to matters of actuarial concern; and

d) whether there are any professional reasons why the invitation should not be accepted.

Professional reasons include:

- the difficulties that acceptance might give rise to, such as any actuarial problems that have arisen because of the condition of the principal’s records;
- facts that might have a bearing on the principal’s judgment or integrity; and
- any actuarial matters that have required an inordinate amount of time in the past.

The proposed new or additional actuary should give weight to any such information before deciding whether to act.
When the principal has given consent to such discussion, the original actuary should cooperate in making available relevant information, provided the terms of cooperation are made clear and agreed upon, such as compensation to the original actuary. Such information would include any pertinent data and documents but need not include any items of proprietary nature.

The original actuary must not, without the consent of the principal, disclose to the new or additional actuary any information, which might involve the principal’s confidential affairs.

**Ad: Advertising**

Advertising encompasses all communications, including oral communications, which may directly or indirectly influence any person or organization to decide whether there is need for actuarial services and to select a specific person or firm to perform actuarial services.

The intent of the Code is to discourage advertising that contains any statement or claim which is false, fraudulent, misleading or deceptive. It is not the intent to discourage advertising which serves the public by conveying information that is likely to be useful in deciding whether the services of any actuary are needed, and to select an actuary to perform the needed services.

A. Examples of acceptable forms of advertising:

1. Advertising for the purpose of improving public understanding of actuarial services and of the availability of actuaries to perform such services.

2. A list of names of actuaries and their professional qualifications and/or biological data and describing the kinds of actuarial services that each can provide.

3. A statement of policy or position related to the practice of actuarial science or on a subject of public interest.

4. Announcements of promotion of actuaries, or changes in personnel or affiliation, or change of address.

5. Announcements of the sale or distribution of books, or other work of the actuary or the actuary’s firm.

B. Examples of unacceptable forms of advertising:

1. Advertising that falsely states or suggests that the services offered by another actuary are inferior to, or more expensive than, comparable services offered by the advertiser.

2. Advertising that contains statements of subjective opinion, unless clearly declared as such, and those that create expectation of favorable results than an actuary with relevant experience would know to be unjustified.

3. Advertising that deliberately underestimates the fees the actuary intends to charge for a specific assignment; or, describes the basis of charges without disclosing any additional factors which may result in additional costs to the client.
(4) Advertising that offers actuarial services at reduced rates, without disclosing that the cost of these services is included in whole or in part in the cost of other services or products provided to the client, either by the actuary or by another person or organization with whom the actuary has a direct or indirect financial affiliation.

Advertising that relates to professional actuarial services, which emanates from a client, employer, or other affiliate of the actuary, and which may result in personal advantage to the actuary, will be presumed to have been used on behalf of, and with the knowledge and consent of, the actuary. The actuary shares the responsibility for such advertising.

**TD: Titles and Designations**

1. A member may refer to designations dependent upon elective or appointive qualification within the Society, such as an officer or a committee chairperson, in biographical material of any type, including material in a book or article written by a member in published material.

2. A member may use such biographical material when announcing a member’s promotion or change in employment or on any similar occasion. The ultimate test is whether the reader could be led to conclude that the member is speaking for the office or committee.

3. A member may use such designations in the Society when giving testimony in a court of law or before a public body, provided it is made clear that the member does not speak for the office or committee unless specifically authorized to do so.

4. Fellows or Associates shall use the title **Fellow** or **Associate** when referring to their qualification as well as membership in the Actuarial Society of the Philippines, as in the following examples:

   Pedro R. de la Cruz, F.A.S.P., *or* **Fellow**, ASP, *or* **Fellow**, Actuarial Society of the Philippines
   (followed by the Company title, such as – Vice President and Actuary)

   Ma. Ana G. Santos, A.A.S.P., *or* **Associate**, Actuarial Society of the Philippines
   (followed by the Company title, such as – Manager and Assistant Actuary)

   “Member of the Actuarial Society of the Philippines” shall not be used by a Fellow or Associate when referring to their affiliation with the Actuarial Society of the Philippines.

5. An Affiliate of the Actuarial Society of the Philippines, if given an actuarial title by his or her employer, such as Assistant Actuary, may use the title only in official communications strictly for his employer and involving only his work with such employer. He shall not add any references to the Society, such as – “**Member**, Actuarial Society of the Philippines” or “**Affiliate**, Actuarial Society of the Philippines”.

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PUBLIC EXPRESSION OF PROFESSIONAL OPINION
(November 1994)

No opinion shall be publicly expressed by or on behalf of the Actuarial Society of the Philippines except on matters within the special professional competence of actuaries and then only if such opinion has been approved by a majority of all the members of the Board of Governors.

A member of the A.S.P. who wishes to express a professional opinion in his individual capacity may do so without obtaining prior clearance from the Board of Governors, provided that it is published with his name and under his own accountability.

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GUIDELINES AND PROCEDURES FOR COUNSELING AND DISCIPLINE
(Amended April 1998)

In accordance with the objective of the Actuarial Society of the Philippines (ASP) to continuously develop professionalism among its members, the Professional Standards and Review Council (PSRC) has prepared the following set of guidelines and procedures to help members understand the standards of professional actuarial practice as articulated in the Principles of Actuarial Science of the Society of Actuaries published in TSA volume XLIV.

The PSRC can provide counseling to the members of ASP by responding to their inquiries and requests for guidance. It can also conduct investigations and make recommendations on matters of disciplining members who violate the Code of Conduct of ASP.

A part of these guidelines and procedures was patterned after those of the Rules of Procedure for Counseling and Discipline of the Actuarial Board for Counseling and Discipline (ABCD) of the American Academy of Actuaries.

1. REQUEST FOR GUIDANCE AND INQUIRIES

1.1 The PSRC may accept and respond to inquiries and requests for guidance from the members of the ASP (hereinafter referred to simply as “members”). Any member wishing to obtain guidance from the PSRC on the applicability of the Code of Conduct of ASP (hereinafter referred to as the “Code”) or its interpretative provisions shall submit a written request which should include, among others, the following:

1.1.1 A statement of the circumstances underlying the request as he understands them.

1.1.2 Reference to the particular section of the code or to the specific interpretative provision which he believes to be relevant to the request.

1.1.3 Copies of any relevant supporting documents.

1.2 If the member requesting for guidance wishes to remain anonymous, except to the Chairperson of the PSRC, he may request that it be so. The Chairperson will exert reasonable effort, without any absolute guarantee, to safeguard the identity of such member. However, in some cases, the efforts to keep anonymity of the requesting member may hamper the ability of the PSRC to act efficiently on the request for guidance.

1.3 The PSRC reserves the right to refuse to respond to any request for guidance submitted by a member who refuses to be identified even to the Chairperson of the PSRC.
1.4 The PSRC reserves the right to investigate a request for guidance as if it were a complaint where the request raises a significant concern that a material breach of the Code has occurred.

1.5 The PSRC shall respond to verbal or written inquiries from a member either verbally or in writing as the case may be. However, if the PSRC deems that the inquiry should be more properly framed as a complaint or request for guidance, it will request that the member making the inquiry should resubmit the inquiry in writing in the form of a complaint or request for guidance.

2. INITIATION OF INVESTIGATION ON MATTERS OF DISCIPLINE

2.1 The PSRC may, at its own initiative or upon the complaint of any individual or entity who believes that a member has violated the provisions of the Code, investigate questions that may arise as to the conduct of such member.

2.2 If the investigation is at the instance of the PSRC, the PSRC shall send to the member concerned a letter, together with all relevant supporting documents, by registered mail, indicating the particular causes why the PSRC deems it necessary to conduct such inquiry or investigation and requesting the member to submit his written response or comments and present his side within fifteen (15) days from receipt of PSRC’s letter.

2.3 If the investigation is at the instance of a third person, such person must submit a written complaint to PSRC which should include, among others, the following:

2.3.1 A statement of the circumstances underlying the complaint as the complainant understands them.

2.3.2 If the complainant is a member of the ASP, a reference to the particular section of the Code which he believes the member complained of (hereinafter referred to as the “subject members”), may have violated and/or to the specific interpretative provision which he believes to be relevant to the complaint.

2.3.3 Copies of any relevant supporting documents.

2.3.4 A signed statement granting the PSRC permission to inform the subject member of the identity of the complainant at the proper time.

2.4 As a general rule, the PSRC does not entertain complaints from anonymous complainants. However, it may, upon receipt of an anonymous complaint, initiate an investigation to determine if a violation of the Code or a material breach of the standards of professionalism has occurred so that the PSRC can make the proper recommendation to the Board of Governors for the appropriate action to be taken to protect the reputation of the ASP and its members in good standing.

3. PRELIMINARY EVALUATION OF A COMPLAINT
3.1 Upon receipt of a complaint, the PSRC shall immediately conduct a preliminary evaluation of the complaint. This may include a request to the complainant to clarify any of the allegations in the complaint.

3.2 The PSRC shall then meet to discuss whether to dismiss the complaint, refer it to another body or proceed with the investigation.

3.3 If the PSRC finds the complaint to be without merit, it shall dismiss the complaint, notify the complainant of such finding and consider the case closed.

3.4 If the PSRC determines the complaint to present a dispute other than violation of the Code or breach of standards of professionalism, it shall advise the complainant and the subject member and either dismiss the complaints or refer the matter to the proper arbitral body of the ASP.

3.5 If the PSRC finds that the complaint has substantial merit and appears to present a violation of the Code and/or a breach of standards of professionalism, it shall proceed with the investigation.

4. INVESTIGATION OF THE COMPLAINT

4.1 In the event that PSRC decides to proceed with the investigation of the case, it shall immediately send a letter to the subject member requesting the latter to submit his written answer to the complaint within fifteen (15) days from receipt of PSRC’s letter. The PSRC shall attach to its letter copies of the complaint and all relevant supporting documents.

4.2 The subject member’s answer should contain, at minimum, the following:

4.2.1 A statement of acts which rebut or explain the allegations in the complaint.

4.2.2 An explanation why any misconduct alleged in the complaint did not constitute a violation of the Code or breach of the standards of professionalism or why such conduct was immaterial or irrelevant.

4.2.3 A statement of the circumstances which the subject member wishes the PSRC to consider in formulating its recommendations to the Board of Governors.

4.2.4 Copies of any relevant supporting documents.

4.3 Upon receipt of the answer of the subject member, the PSRC may request the subject member for clarification on any matter raised in the answer. Thereafter, the PSRC shall determine if the answer satisfactorily rebuts or explains the allegations raised in the complaint and provides sufficient basis to dismiss the complaint, and shall immediately notify both the complainant and the subject member.
4.4 If the answer filed by the subject member does not provide sufficient basis to dismiss the complaint, the PSRC shall schedule as many meetings as necessary with the complainant and the subject member during which the PSRC shall allow the parties to present evidence to support their positions. During this meeting, the PSRC may propound questions to either party with the objective of establishing whether a violation at the Code and/or a breach of the standards of professionalism has occurred. The PSRC may also require the production of records, books or other documents which it deems appropriate and relevant to the resolution of the issues involved. It may also consider the testimony of persons other than the complainant and the subject member.

4.5 If, in the course of the investigation, the PSRC discovers evidence of one or more violations of the code and/or breaches of the standards of professionalism, other than those alleged in the complaint, the PSRC may include them as if they had been included in the complaint.

4.6 It shall be considered a violation of the Code for any member to mislead the PSRC by concealment or misrepresentation during the course of investigation of any complaint.

4.7 Where the complaint is also the subject of a case in a court of law or in a regulatory body, the PSRC may inhibit itself from conducting any investigation until the said court or body shall have rendered its decision. It can also adopt the findings of fact of that court or body as its own. However, this does not preclude the PSRC from proceeding with its own investigation or from recommending temporary disciplinary action on any member in accordance with the rules on discipline of the ASP.

4.8 The minutes of the entire proceedings shall be recorded by a secretary or stenographer to be assigned by the PSRC.

4.9 During the entire proceedings, the PSRC shall not be bound by any technical rules of evidence and judicial procedures, but shall be guided by fairness and equity.

4.10 The entire proceedings shall be treated with utmost confidentiality. There shall be no publication, in any form, of the fact that a particular member is being investigated until the Board of Governors has handed down its final decision on the case. The meeting(s) mentioned in Paragraph 4.4 above shall be conducted in private at a time and at the place determined by the PSRC. The meeting(s) shall be attended only by the members of the PSRC, the Legal Counsel of the ASP, the complainant and the subject member, the witness(es) who will testify and the secretary or stenographer who will record the minutes of the meeting(s).

5. DELIBERATION AND DECISION OF PSRC

5.1 Within thirty (30) days from the conclusion of the last of the meetings mentioned in Paragraph 4.4 above, the PSRC shall conduct its deliberations on the case. During these deliberations the PSRC may consult confidentially with any member of the ASP or other persons who may have information or experience
relevant to the matters under consideration. However, no information from these consultations may be used unless the information is made part of the records of the PSRC’s proceedings and the subject member is given an opportunity to comment on the same.

5.2 After the conclusion of the deliberations, the PSRC shall vote to decide the case. A majority vote of all the members of PSRC is required to approve a decision.

5.3 Once a decision has been reached, the PSRC shall assign one of its members the task of writing its report containing its recommendation(s) and any dissenting opinion to the Board of Governors. This report, which must be signed by all members who took part in the deliberations of the case, shall be submitted to the Board of Governors within thirty (30) days after the conclusion of the deliberations of the PSRC, together with all the records of the case.

5.4 If, in the judgment of a majority of the members of PSRC, the subject member has committed a violation of the Code and/or a breach of the standards of professionalism warranting public discipline, the PSRC shall recommend to the Board of Governors to warn, admonish, reprimand, suspend or expel the erring member.

5.5 If the majority of the entire PSRC does not vote to recommend public discipline, the PSRC may vote to counsel the subject member or to dismiss the complaint. If it is the judgment of the PSRC that remediation is more appropriate than dismissal of the complaint or public discipline, the subject member will be counseled. Such counseling may be conveyed to the subject member orally, in writing or both, and may be undertaken by the chairperson or any member of the PSRC, or any other individual appointed by the PSRC to counsel the subject member. The complainant will be advised that the PSRC reviewed the complaint and elected to counsel the subject actuary. However, the substance of the counseling shall be kept confidential between the PSRC, the subject member and any individual(s) appointed to counsel the subject member.

5.6 If, in the judgment of the PSRC, the charges appear to be without substantial merit, or if the necessary votes to impose public discipline or private counseling cannot be obtained, the PSRC shall dismiss the complaint. The complainant and the subject member shall be notified in writing of this decision and the case will be closed.

6. **ACTION BY THE BOARD OF GOVERNORS**

6.1 The Board of Governors may adopt the recommendations of the PSRC *en toto* or modify the same or reject the same altogether and conduct its own investigation.

6.2 The Board of Governors shall render its decision on the case within forty-five (45) days from receipt of the recommendation of PSRC. The complainant and the subject member shall be immediately informed, by registered mail, of the decision of the Board.
6.3 Should the subject member be found guilty of violating the Code or breaching the standards of professionalism, the Board may warn, admonish, reprimand, suspend or expel the member from the ASP, provided that no decision suspending or expelling the member shall take effect until the member had been afforded a period of appeal of thirty (30) days and until confirmed by a vote of at least two-thirds (2/3) of the Fellows of the ASP present at a meeting called for the purpose wherein a quorum is present.

7. APPEAL BY A MEMBER SUBJECT TO DISCIPLINARY ACTION

7.1 Appeals from the disciplinary actions of suspension or expulsion by the subject member may be made, if there is obtained and submitted, new evidence(s) not presented before, or the previously submitted evidence(s) is deemed fraudulent based on new information, that could lead to a different recommendation and judgment for disciplinary action.

7.2 The appeal shall be made in writing, and shall include oral and documentary evidences taken on the issue involved. Oral evidences shall include names and identities of the witnesses.

7.3 Appeals shall be made directly to the Board which shall appoint an Appeals Committee consisting of two members, drawn by lot, from the members of the PSRC who rendered the original recommendation to the Board, plus three new members selected at large from the ranks of Fellows, who have not been involved in the original deliberation and recommendation.

8. ANNUAL REPORT BY PSRC

The PSRC shall submit to the Board of Governors, at the end of every year, an annual report of its activities on cases resolved, dismissed or pending.

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