Article 1 General Provisions
1. The principal duty of an actuary is to ensure that insurance and pension related activities are both financially sound and fairly administered through actuarial techniques based on an accurate understanding of current conditions and future prospects. The professional services of an actuary have a strong relationship to public interests. To fulfill the actuary's duty, an actuary must have public confidence in addition to the highly-developed insight and professional expertise. The actuary shall, therefore, constantly endeavor to improve the actuary's professional competency and to fulfill the responsibilities of a professional. The actuary will, thus, acquire a good reputation among direct users and the confidence of the general public toward the actuarial profession, thereby, contributing to society.

The Institute of Actuaries of Japan (hereafter referred to as the “Institute”) has established this Code of Professional Conduct as a guideline for professional conduct to ensure that an actuary fulfills his or her duties and to enhance public confidence in the profession.

2. The revision or abolition of this Code of Professional Conduct shall be determined by a resolution of the Board of Directors of the Institute.

The Annotations provide additional explanations to members of the actuarial profession on how the Articles are to be interpreted and applied.

Article 2 Compliance with the Code
An actuary who is a member of the Institute (other than Corporate Members) shall comply with this code when the actuary performs professional services or when the actuary engages in activities based on his or her qualifications as a member of the Institute.

Annotation 2-1

"Professional services" refers to the rendering of advice, recommendations or opinions based upon actuarial considerations, and also includes other services provided to a principal (i.e., present or prospective client or employer) by one acting as an actuary.

Article 3 Professional Integrity
An actuary shall faithfully perform professional services in an ethical manner which does credit to the actuary and the profession.
Article 4  Professional Services

1. An actuary shall perform professional services only when the actuary meets the applicable qualification standards promulgated by the Institute and has the professional competency to perform such services.
   
   Annotation 4-1
   It is the professional responsibility of the actuary to observe applicable qualification standards and to keep current regarding changes in these standards.

2. An actuary shall make every effort to secure sufficient data and time and to acquire the authority required in performing professional services.

3. An actuary shall not perform professional services involving an actual or potential conflict of interest unless:
   (1) the actuary's ability to act fairly is unimpaired; and
   (2) there has been disclosure of the conflict to all known direct users whose interests would be affected by conflict; and
   (3) all such known direct users have expressly agreed to the performance of the services by the actuary.

   Annotation 4-2
   A "direct user" of an actuary's services is a principal (i.e., present or prospective client or employer) having the opportunity to select the actuary and able to communicate directly with the actuary about qualifications, work and recommendations.

   Annotation 4-3
   If the actuary is aware of any significant conflict between the interests of the direct user and the interests of another party relative to the actuary's work, the actuary should advise the direct user of the conflict.

4. An actuary shall timely disclose to direct users all sources of income received in relation to professional services on behalf of such users.

   Annotation 4-4
   "Income" is any material consideration received from any source in relation to an assignment for which the actuary provides professional services including direct remuneration for those services. "Source" is one paying such material consideration.

Article 5  Disclosure

1. An actuary shall clearly indicate the name and qualifications of the actuary on the documents prepared in the course of performing professional services.

2. If appropriate, an actuary shall clarify the extent of the responsibilities assumed by the actuary in the actuary's reports.

   Annotation 5-1
   In communicating professional findings, an actuary should indicate clearly the extent to which the actuary disclaims responsibility by stating reliance on other data and sources in the actuary's reports.

   Annotation 5-2
   An actuary should recognize the possibility that the actuary’s reports prepared by the actuary for a direct user may be used by another party in a way which may influence the actions of a third party in a manner not intended by the actuary.

Article 6  Confidentiality
An actuary shall not disclose to another party any confidential information obtained through professional services performed for a principal unless authorized to do so by the principal or required to do so by law.

Article 7 Ongoing Actuarial Study
1. Considering the nature of the professional services, an actuary shall constantly endeavor to improve professional competence by engaging in impartial discussions and mutual study activities with other actuaries.
   
   Annotation 7-1
   
   It is the professional responsibility of the actuary to observe applicable standards of practice and to keep current regarding changes in these standards.

2. An actuary may submit a statement to the Institute, when the actuary entertains a doubt with regard to the professional services performed by the actuary or by any other actuary.

Article 8 Designation
An actuary shall not abuse the membership title of the actuary or the name of the Institute.

Supplementary Provisions
The revision on January 29, 2013 shall come into effect from the date of registration of the establishment of the public interest corporation as provided for in Paragraph 1, Article 106, of the Act on Arrangement of Relevant Acts Incidental to Enforcement of the Act on General Incorporated Associations and General Incorporated Foundations and the Act on Authorization of Public Interest Incorporated Associations and Public Interest Incorporated Foundations (Act No. 50 of 2006).