



**GROUPE CONSULTATIF ACTUARIEL EUROPEEN**  
EUROPEAN ACTUARIAL CONSULTATIVE GROUP

**SECRETARIAT, NAPIER HOUSE, 4 WORCESTER STREET**  
**OXFORD OX1 2AW, UK**

TELEPHONE: (+44) 1865 268 218 FAX: (+44) 1865 268 244

E-MAIL: [mlucas@gcactuaries.org](mailto:mlucas@gcactuaries.org)

WEB: [www.gcactuaries.org](http://www.gcactuaries.org)

31 January 2010

Ms Hilde Blomme  
Director of Practice Regulation  
Fédération des Experts Comptables Européens (FEE)  
Avenue d'Auderghem 22-28  
B-1040 Brussels

Dear Ms Blomme

**FEE Discussion Paper: Integrity in Professional Ethics**

The Groupe Consultatif was not formally sent a copy of this discussion paper, but as an organisation facing many of the same issues, we thought it could be of value to share our own reflections.

In most respects we would definitely be in agreement with the sentiments of the paper, and we very much recognise the debate within our own profession. Integrity is a fundamental principle behind ethical behaviour, although at times it can seem a difficult concept to define. We particularly support the idea of translating this concept into specific actions.

We do, however, consider that the ethical dimension is just one of the dimensions of what might be considered professional behaviour. It is sometimes useful to think from the outside in, i.e. how our clients, the public and other stakeholders see a profession, and what their expectations are. Clearly the ethical dimension is critical, and here integrity is a fundamental concept, but there are other dimensions. The dimensions could perhaps be considered as:

- Ethical: that is standards of behaviour that one can expect from a professional
- Competence: the (minimum) level of competence that one should expect from a professional
- Technical: a consistency and objectivity in the way work is carried out
- Communication: an ability to translate technical issues into an understandable format

This last is perhaps not what is traditionally considered as a separate dimension, but is something we feel is becoming increasingly important.

As far as the ethical components of professional behaviour are concerned, integrity is certainly central, and the other components are clearly related.

There are two issues around ethical behaviour that require special consideration, and which are important to professional associations -

- Stakeholders have expectations about the behaviour of individuals who are members of a profession. If they do not meet those expectations then there is an understanding that the individual should be the subject of some form of discipline. Whilst in principle this is straightforward, there can be great difficulty in making objective judgements on ethical issues.
- Individuals in a profession are subject to pressures from many directions, and these can even make it difficult to work ethically. This promotes the question of the protection of individuals. For example if a professional feels he is required to “whistle-blow” and is subsequently asked to leave his employment, how can the individual’s position be protected?

Some more detailed comments -

- In paragraph 5.2, we question if 5.2.d is necessarily part of integrity (although it is clearly an important consideration for a profession), and might add:
  - acting in accordance with conviction
  - not economising with the truth
  - demonstrating a concern for quality and appropriateness of advice
  - holding to one's views when subject to pressure
  - being responsive to criticism
- We are also not convinced that paragraph 5.4 is quite right. The professional's advice should be influenced by regard for the interests of those he/she is advising and should take into account the impact of the advice on others who depend on the professional's work.

These are just a few reflections that might be of interest in your further work. The Groupe Consultatif is itself actively involved in discussions with the European Commission and the Committee of European Insurance and Pensions Supervisors (CEIOPS) on the issue of professional standards in relation to the actuarial function in the new Solvency II Directive, and we sent a copy of our discussion paper to FEE’s Secretary General, Henri Olivier, at the end of September. You will see from this paper that we share a mutual interest in the recognition of professional and ethical standards, and it may be helpful to arrange a meeting between FEE and the Groupe Consultatif to discuss some of these points

Your sincerely



Malcolm Campbell  
Chairman, Freedoms and Professionalism Committee.