

Policy for Developing Professional Practice Documents

effective 1 July 2025

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Part A About this Policy

A.1 What are Professional Practice Documents (PPDs)

1. Documents which are adopted by the Institute for the purpose of guiding and regulating Members are known as Professional Practice Documents (PPDs).
2. The Institute's over-arching governance document is the [Code of Conduct](#) ("Code"). The Code focuses on Members' standards of behaviour.
3. The Institute establishes and maintains the Code and Professional Standards (together, "Standards") to regulate the way its Members provide Services, including actuarial advice.
4. The Institute provides guidance on actuarial practices and techniques and builds actuarial knowledge through the other PPDs.
5. PPDs other than the Code are written in the context of the Code and are read and applied in that context.

A.2 Reasons for developing this Policy

6. This Policy was developed for the following primary purposes:
 - (a) to help Members understand the classification of PPDs and assist with the determination of which type of PPD should be developed for each particular case;
 - (b) to lay down the Institute's requirements about the circumstances in which a Professional Standard, Practice Guideline, Technical Paper or Information Note is appropriate;
 - (c) to set out the due process requirements and rules for developing and amending each type of PPD; and
 - (d) to provide rules and guidance for Members on good writing principles to help both Members and the public. PPDs following these rules and guidance should have the following characteristics:
 - i) they are "clear, concise and effective";
 - ii) they are written and developed in a consistent manner using objective terminology; and
 - iii) they make clear to Members what are mandatory obligations, guidance and information worth noting.

General guidance on writing PPDs can be found in **Appendix A** of this Policy.

A.3 Compliance with this Policy

7. The Practice Committee drafting a PPD is required to comply with this Policy unless any deviations from this Policy are highlighted to the PPC and/or to Council when seeking their approval.

A.4 Feedback mechanism for PPDs

8. Members are encouraged to provide feedback on PPDs such that they continue to meet the objectives of the standards of the Institute including but not limited to the Code, the needs of Members, community and government expectations and to facilitate continuous professional improvement. Feedback can be provided through the following mechanisms:
 - (a) submitted directly to the PPC via the dedicated email address: ppd@actuaries.asn.au.
 - (b) submitted to the PPD lead on the relevant practice committee. The contact details for practice committees and their respective PPD leads can be found on the Institute's website [here](#).
9. The PPC and relevant Practice Committee PPD Leads will review all feedback received and consider it in the context of future amendments or updates to PPDs. Members will be informed of significant changes resulting from Member feedback through the Institute's communication channels.

A.5 Minor amendments to PPDs

10. The Chair of the relevant Practice Committee, the Chair of the PPC and the Professional Standards Manager (PSM) with joint agreement may make minor editorial changes to PPDs other than the Code as and when needed, without exposure to Members or Council approval. However any changes (other than typographical, formatting or hyperlink corrections) should be noted at the next Council meeting.
11. A PPD amended under Part A.5 does not need to comply with any clause of Parts D.7-14, E.6 or F.4 but does need to comply with A.6.

A.6 Format, distribution and retention of versions

12. Once a new or amended PPD has completed the governance processes and been approved, the PSM is to:
 - (a) correctly format and number the final version of the PPD in accordance with the numbering system for practice documents approved by Council;
 - (b) manage the timely publication of the PPD and, if relevant, the Explanatory Memorandum to Members, as well as any interested external parties; and
 - (c) maintain copies of all PPDs on file for at least ten years after they cease to have effect. These will be filed on the Archive section of the Institute's website so that they can be accessed by Members.
13. If a minor amendment under Part A.5 has been made, the Chair of the relevant Practice Committee, the Chair of the PPC and the PSM with joint agreement may decide if a new version number is required and if Members need to be formally advised of the changes.
14. A Document Control box will be inserted at the end of each PPD as follows:
 - (a) the details inserted into each Document Control box must reflect the version number, title of document, approver and date of publication;
 - (b) following approval by the PPC, and prior to publication on the Institute website, the PSM will complete the details in the Document Control box; and

- (c) prior to uploading the PPD on the website, the Document Control Box will be locked. No amendments will be made to the PPD other than those made under this Policy.

A.7 Maintaining PPDs

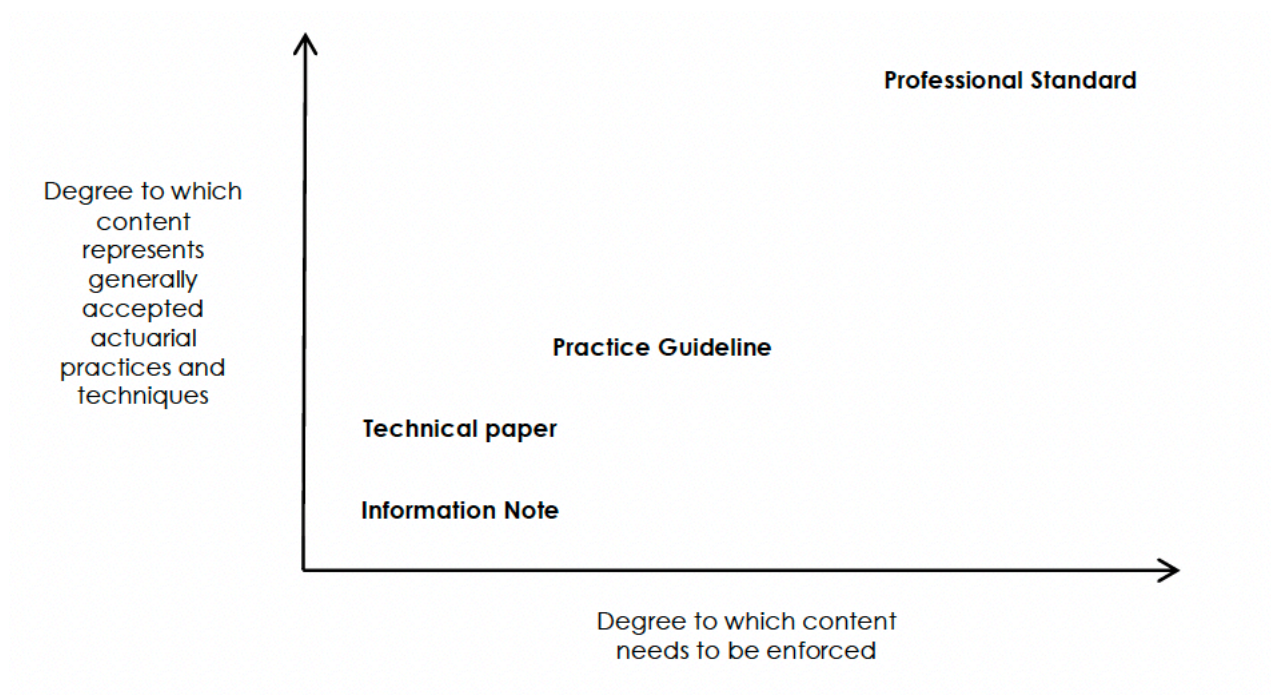
15. On a regular basis or if there is a change in the environment or legislation, the relevant Practice Committee will consider the currency of each in force PPD it has issued (or jointly issued with another Practice Committee) and determine whether any PPD needs to be updated, downgraded or withdrawn.

A.8 Classification of PPDs (other than the Code)

16. The following table sets out the classification of PPDs:

	Professional Standard	Practice Guideline	Technical Paper	Information Note
Desired Level of Compliance	Mandatory	Not mandatory, but a Member should consider explaining any significant departure from this Practice Guideline to the Client and Record that explanation.	Not Mandatory	Not Mandatory
Governed by Regulation	More Likely	More Likely	Less Likely	Less Likely
Extent to which Actuarial Practice is Established	Well	Established practice is becoming more common	Alternatives exist; practice is evolving	Not relevant
Degree of Consensus amongst Members for Acceptable Practice	High	Medium-High	Low	Not relevant
Purpose	Enforce Compliance	Provide strong guidance	Provide guidance	Build or maintain knowledge

17. The hierarchy may also be represented as follows:



A.9 Choosing type of document to develop

18. Each Practice Committee will decide, with input from the PPC or Chair of the PPC, which type of PPD to create. This decision is based on the following factors:
- Public Interest:** The extent to which the subject matter must be emphasised and upheld, including whether there exists legislation or a formal mandate from a government agency or regulator;
 - Maturity of Practice:** Whether it reflects commonly accepted actuarial practices and techniques;
 - Cost/Disadvantage:** Whether the form of the PPD would create potentially significant additional cost or other burdens to the Client (when compared with services provided by other experts).

PPC and Council are also required to actively assess the above considerations as part of the Approval Process, where PPC and/or Council approval is required.

Part A.8 provides more details on these distinctions.

19. An Applicable Service refers to a service to which Practice Guideline 1 – General Actuarial Practice (PG 1) will apply. Services covered by Australian adaptations of International Standards of Actuarial Practice are always considered Applicable Services. In other cases, the Practice Committee will assess and advise the PPC if it believes PG 1 is relevant to the work and/or whether applying PG 1 would create potentially significant additional cost or other burdens to the Client (when compared with services provided by other experts).

A.10 Explanatory Memorandum

20. The Drafting Committee will prepare an Explanatory Memorandum to accompany the Exposure Draft(s), where applicable, and the final version of the new or amended PPD when issued to

Members. The Explanatory Memorandum will include the full background and rationale for developing or amending a PPD including a summary of feedback from Members arising from any prior Issues Brief or Exposure Draft issued.

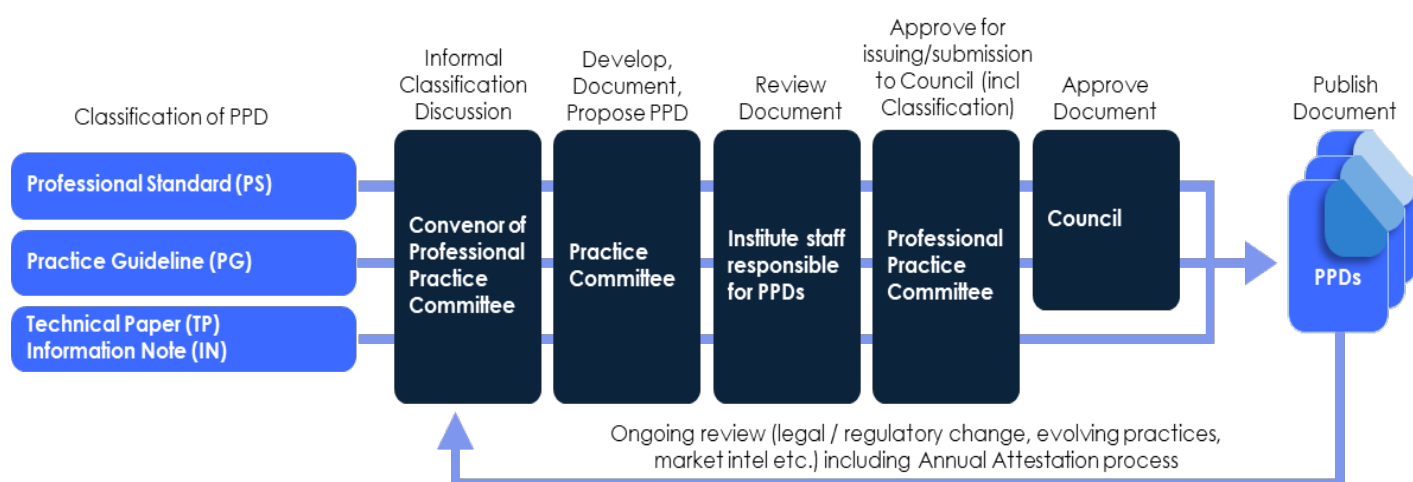
21. The Explanatory Memorandum does not form part of the PPD and will be archived after 6 months.

A.11 Links to International Professional Practice Documents (IPPD)

22. IPPDs include International Standards of Actuarial Practice (ISAPs) and International Actuarial Notes (IANs).
23. If the PPD includes wording which relates to an IPPD, then to enhance the clarity and usability of the PPD, references to the relevant IPPD will be included. In some circumstances an appendix providing comparison of differences may be appropriate. This addition will facilitate a better understanding for Members by illustrating how the PPD aligns with and supports adherence to IPPD, so that the document is comprehensible and practical in the context of international actuarial standards.
24. This information that will be included is:
 - (a) a comprehensive list of IPPD and other related standards that are pertinent to the PPD;
 - (b) a brief description of how each referenced IPPD relates to the PPD, outlining any direct connections or implications.

A.12 Process overview

25. An overview of who is responsible for each stage in developing PPDs other than the Code is shown in the following diagram:



26. When a PPD is proposed it may affect multiple areas of practice and therefore may require a relevant Taskforce, Committee or similar group to develop or amend the PPD. In that case, all references to "Practice Committee" in this Policy refers to that Taskforce, Committee or group as required.
27. The following diagram shows which part of this document deals with each phase of a PPD's life for each type of PPD:

	Preparation	Due Process	Withdrawal
Code of Conduct	Part C.1	Part C.2	N/A
Professional Standard	Part D.1-D.6	Part D7.-D.15	Part G
Practice Guideline	Part E.1-E.5	Part E.6	Part G
Technical Paper & Information Note	Part F.1-F.3	Part F.4	Part G

28. The Approval Criteria for the proposed Exposure Draft or final PPD are that the document:
- (a) conforms with the drafting requirements in this document and is in accordance with any Drafting Accord approved by the PPC;
 - (b) was prepared in accordance with the due process requirements set out in this Policy for the relevant PPD;
 - (c) is consistent with:
 - i) the Code;
 - ii) other relevant PPDs; and
 - iii) any relevant legislation or regulatory standards;
 - (d) is consistent with the rationale and background set out in the Explanatory Memorandum (where an Explanatory Memorandum was produced); and
 - (e) appropriately considers any comments from relevant regulators or agencies.

A.13 Replacing previous versions

29. This Policy replaces the Policy for Developing Professional Practice Documents (approved by Council in September 2022 and updated in September 2024).

Part B Glossary

Term	Definition
Applicable Service	A service to which Practice Guideline 1 – General Actuarial Practice (PG 1) will apply.
Approval Criteria	<p>The Approval Criteria for the proposed Exposure Draft or final professional practice document are that the document:</p> <ul style="list-style-type: none"> (a) conforms with the drafting requirements in this Policy and is in accordance with any Drafting Accord approved by the PPC; (b) was prepared in accordance with the due process requirements set out in this Policy for the relevant PPD; (c) is consistent with: <ul style="list-style-type: none"> i) the Code; ii) other relevant PPDs; and iii) any relevant legislation or regulatory standards; (d) is consistent with the rationale and background set out in the Explanatory Memorandum (where one exists); and (e) appropriately considers any comments from relevant regulators or agencies <p>(refer clause 28)</p>
Code	The Code of Conduct
Disclose	The words “To Disclose” or “Disclose” means to include information within a written communication, such as a Report where one is prepared.
Eligible Actuary	An Eligible Actuary is a Fellow or Accredited Member of the Institute or a Member who is eligible to act in an actuarial capacity pursuant to a requirement under legislation.
Information Note	An Information Note provides information for the purpose of encouraging debate and/or building or maintaining general actuarial knowledge in a particular area of practice.
IPPD	International Professional Practice Documents issued by the International Actuarial Association, including International Standards of Actuarial Practice and International Actuarial Notes
Material	Relevant to a decision of an Intended User of the Services. For this

	purpose, 'Material' does not have the same meaning as in Australian accounting standards
Practice Committee	In this Policy, refers to the Taskforce, Committee or working group creating or reviewing a PPD (refer clause 26)
Practice Guideline	<p>The Institute's Practice Guidelines:</p> <ul style="list-style-type: none"> (a) set out one or more well-established or generally accepted actuarial practices and/or techniques in a particular area of practice that Council considers will help Members to deliver competent Services; and (b) support the requirements of the Code that Members maintain their knowledge and skill.
PPC	Professional Practice Committee
Professional Standard	<p>A Professional Standard is a document setting out mandatory general professional requirements of membership, or principles and practices that will be followed in a particular area of practice.</p> <p>Areas of practice subject to a Professional Standard typically have one or more of the following characteristics:</p> <ul style="list-style-type: none"> (a) the area of practice is governed by regulation; (b) actuarial practice is well-established; (c) there is a high degree of consensus among Members as to what is considered as acceptable practice.
Professional Standards Manager (PSM)	The Professional Standards Manager is the Institute staff member who has responsibility for PPDs. They can be contacted using email: ppd@actuaries.asn.au
Record	The words "To Record" or "Record" mean to include information within working papers or other documentation, but this information does not need to be included in written reports or similar communication.
Technical Paper	A Technical Paper provides one or more alternative actuarial practices that could be considered in a current or evolving area of practice, and it may include guidance on relevant considerations and context relevant to the subject.

Part C Code of Conduct

C.1 Rules

30. The Code sets out the standards of conduct to be observed by Members. Since 31 March 2020, the Code has been principles-based and amongst other changes now encompasses all aspects of a Member's life, not only professional activity.
31. The Code and its Explanatory Memorandum are supported by extensive Guidance, developed and maintained by the Professionalism Committee, to assist Members' understanding and application of the Code.
32. The Council is responsible for the Code.

C.2 Due process for amending

33. Any amendments to the Code will be prepared in accordance with this Policy.
34. From time to time, Council reviews the Code to ensure that it remains fit for purpose to address changing community and Member requirements and expectations.
35. This Part C.2 sets out common practice, but Council may vary that as it sees fit in setting the terms of reference for any given review.
36. Council usually appoints a Taskforce to undertake this work, whose members may include:
 - (a) a Fellow appointed by Council as chair of the Taskforce; the Taskforce chair may appoint a deputy chair from among the other Taskforce members
 - (b) the convenors of the Professionalism and Conduct committees or their nominees from among their committee members
 - (c) at least one non-Member with experience with codes of conduct and/or disciplinary processes of (an)other profession(s)
 - (d) other Members (generally up to three), including at least one Member who is not a Fellow.
37. The Taskforce consults with the broader membership and may invite submissions or seek comments from within or outside the Institute.
38. The Taskforce reports progress to Council.
39. Proposed changes to the Code are reviewed by the PPC prior to the Taskforce requesting feedback on them from Members and submitting the final recommended changes to Council.
40. The requirements for the Explanatory Memorandum are set out in Part A.10.

Part D Professional Standards

D.1 Introduction

41. Part D sets out:
 - (a) the general requirements for Professional Standards in Parts D.2 -D.6; and
 - (b) the due process for developing (whether from scratch or by converting a Practice Guideline to a new Professional Standard) or amending a Professional Standard in Parts D.7-D.15.
42. The due process for withdrawing a Professional Standard is set out in Part G of this Policy.

D.2 Matters covered by a Professional Standard

43. A Professional Standard is to:
 - (a) set out the mandatory practice requirements, principles and directions from which it is unprofessional for a Member to depart, with a preference for mandatory requirements to be principles based rather than prescriptive;
 - (b) set out when and how the Member will explain the exercise of any discretion;
 - (c) deal with the technical aspects of actuarial work (it is not concerned with behavioural issues which are covered by the Code);
 - (d) be consistent with the Code and any relevant legislation or regulatory standards;
 - (e) state whether the Member providing advice under a Professional Standard needs to be an Eligible Actuary (the Practice Committee having given due consideration to the level of experience and expertise required, along with legislative requirements); and
 - (f) include the wording set out in Appendix B.1.

D.3 Links to International Professional Practice Documents (IPPD)

44. If the PPD includes wording which relates to an IPPD, then to enhance the clarity and usability of the PPD, references to the relevant IPPD will be included. The requirements for this are set out in Part A.11.

D.4 Consequences of breaching a Professional Standard

45. If a Member does not comply with a Professional Standard, then that may constitute Misconduct under the Institute's Disciplinary Scheme.

D.5 Drafting rules for Professional Standards

46. Actuarial practice standards and requirements in a Professional Standard are mandatory. They will be denoted by the word "will".
47. Mandated actions in Professional Standards will be unconditional or conditional in nature.

- (a) Any action mandated unconditionally will be an action that the Practice Committee or Taskforce and the PPC believes is within the Member's legal power.
- (b) Otherwise the action will be mandated in a conditional form (for example, on a "reasonable efforts" basis).

48. The words "should" and "shall" will not be used in a Professional Standard.¹

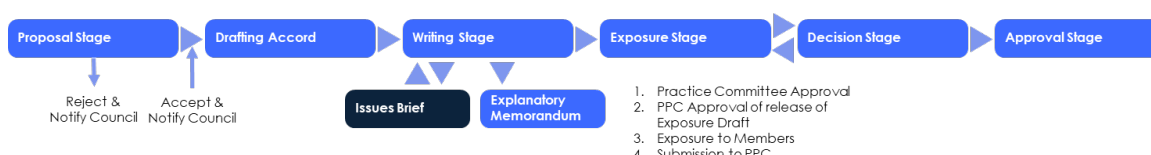
49. The word "may" is to be used in a Professional Standard when a Member is given a choice about an activity in which they are allowed to engage — for example, the exercise of a discretion — but which they are not required to do.

D.6 Requirements for an Explanatory Memorandum

50. The requirements for an Explanatory Memorandum are set out in Part A.10 of this Policy.

D.7 Process Overview

51. An overview of the process for developing and amending Professional Standards is shown in the following diagram:



D.8 Different process for different levels of activity

52. The process:

- (a) for updating legislative or regulatory references in Professional Standards, or making amendments following an interpretation of a Professional Standard by the PPC, is set out in Part D.14;
- (b) for minor editorial amendments is set out in Part A.5; and
- (c) for any more substantial changes or developments is set out in Parts D.9 to D.13.

D.9 Proposal Stage

D.9.1 Initiate a Proposal to the Professional Practice Committee (PPC)

53. Anyone may propose in writing to the PPC that a Professional Standard be developed or amended ("Proposal").

¹ Guidance on how to write content in other types of professional practice documents setting out how Members "should" do something that is not mandatory is in Appendix A.6 of this Policy.

D.9.2 PPC review of a Proposal

PPC may reject a Proposal

54. If the PPC is not satisfied that the Proposal is necessary to protect the public interest or to enhance the profession of Actuary, then:
- (a) if the Proposal has been initiated by the Government, a regulator or other Government agency, then the PPC is to refer the Proposal to Council for it to decide whether the Proposal should proceed or be rejected. In the referral, the PPC is to outline why it is not satisfied that the Proposal is necessary to protect the public interest or enhance the profession of Actuary; and
 - (b) in all other cases, the PPC is to respond to the proposer in writing as to why the PPC rejected the Proposal and is to copy that response to Council for noting.

PPC may accept a Proposal

55. If the PPC accepts that a Professional Standard is necessary, then the PPC may require the relevant Practice Committee to develop a drafting accord ("Drafting Accord") or to commence preparing the proposed Professional Standard.
56. The PPC is to prepare a paper to Council setting out the Proposal for Council's noting.

D.9.3 Develop and approve a Drafting Accord

Purpose and content of a Drafting Accord

57. The purpose of a Drafting Accord is to clarify the objectives, process and timeframe for developing or amending the Professional Standard.
58. The PPC will decide whether a Drafting Accord will be required in a particular case and, if so, whether the PPC will be required to approve the Drafting Accord. Usually, a Drafting Accord would be required only for the developing of a new Professional Standard or for a major reworking of an existing Professional Standard.
59. A Drafting Accord is to set out:
- (a) the scope of the proposed Professional Standard or amendments to a Professional Standard;
 - (b) an outline of the structure of the proposed Professional Standard or amended Professional Standard;
 - (c) the relevant principles that will apply to the proposed Professional Standard or amendments to the Professional Standard;
 - (d) how the Practice Committee will implement, maintain and enforce appropriate quality controls and resources throughout the writing process; and
 - (e) a timetable for the progress of the new or amended Professional Standard through the stages set out in this Part D.

Process for approving a Drafting Accord

60. The Practice Committee is to send a representative to a PPC meeting to submit the proposed Drafting Accord to the PPC for approval.
61. If the PPC approves the Drafting Accord (either with or without amendment), then the PPC is to notify the relevant Practice Committee that it may commence preparation of the Professional Standard.
62. If the PPC does not approve the Drafting Accord, then the relevant Practice Committee is to prepare a revised Drafting Accord and re-submit it to the PPC for approval until the PPC is satisfied with the Drafting Accord.

D.10 Writing Stage

D.10.1 Form the Drafting Committee

63. Once the PPC has notified the relevant Practice Committee of approval to proceed, the relevant Practice Committee will commence preparing the new or amended Professional Standard by forming a Drafting Committee.
64. The Drafting Committee will:
 - (a) be comprised of Members with experience that is recent and relevant to the particular Proposal; and
 - (b) throughout the writing process, consult with the relevant Practice Committee, the PPC and other stakeholders.

D.10.2 Consider the need for an Issues Brief

65. Before the Drafting Committee commences preparing the Professional Standard, it is to consider whether to release an Issues Brief to Members. Usually, an Issues Brief would be released if major or potentially controversial changes to a Professional Standard are being contemplated.
66. An Issues Brief can reduce or avoid wasted effort by:
 - (a) providing an opportunity to gather initial feedback from Members and others on issues; and
 - (b) enabling a more focused and consensus-driven understanding of the issues before preparation begins.
67. Sample Issues Briefs are available from the PSM.

D.10.3 Draft to reflect Approval Criteria

68. The Drafting Committee will make sure that a new or amended Professional Standard is written so as to meet the Approval Criteria (defined in the Glossary).
69. The PSM is available to assist and advise the Drafting Committee, as required.

D.10.4 Prepare the Explanatory Memorandum

70. The Drafting Committee will prepare an Explanatory Memorandum as set out in Part A.10.

D.11 Exposure Stage

D.11.1 Practice Committee obligations before seeking PPC release approval

71. Before the relevant Practice Committee presents the Exposure Draft and Explanatory Memorandum to the PPC, the relevant Practice Committee will approve the drafts.
72. To approve the drafts, the Practice Committee will be satisfied that:
- (a) they are consistent with any relevant Drafting Accord (or that the Drafting Accord is amended to be consistent with the drafts);
 - (b) they are clear, concise and effective;
 - (c) they are technically sound and consistent with the legislation and regulatory standards; and
 - (d) the Drafting Committee has properly considered any comments received on any previous Exposure Draft(s).

D.11.2 PPC approval of release of Exposure Draft

73. The relevant Practice Committee will arrange for a member of the Practice Committee or the Drafting Committee to attend a PPC meeting to present the approved Exposure Draft and Explanatory Memorandum.
74. The PPC will decide whether to approve the release of the Exposure Draft and Explanatory Memorandum for comment (it may require changes to the drafts). In so deciding, the PPC is to consider:
- (a) whether the new or amended Professional Standard is suitable to be classified as a Professional Standard;
 - (b) the effectiveness of the new or amended Professional Standard in meeting the intent of any relevant Drafting Accord; and
 - (e) whether the proposed Professional Standard meets the Approval Criteria.

D.11.3 Exposure to Members

75. If the PPC approves the release of the Exposure Draft and Explanatory Memorandum, then the PSM is to circulate them to:
- (a) Members for written comment;
 - (b) any other interested persons or organisations for written comment; and
 - (c) any legal or other professional adviser whose advice about the proposed new or amended Professional Standard the PPC requires.

- 76. The Practice Committee or Drafting Committee may request the Institute to organise a workshop or meeting at which Members can comment on an Exposure Draft.
- 77. Normally, the deadline for written comments is to be at least fourteen days after the date on which the drafts are circulated. However, to support robust consultation, the PPC should encourage a longer period if possible.

D.11.4 Acknowledge and summarise comments

- 78. The PSM will acknowledge the receipt of written comments and forward them to the Drafting Committee.
- 79. The Drafting Committee will prepare a summary of the comments and of any discussion at a workshop or meeting held under clause 76.

D.11.5 Need for any further amendments

- 80. If the comments cause the Practice Committee to consider that major changes are required, then the Drafting Committee is to re-write the Exposure Draft and Explanatory Memorandum. In doing so, it is to:
 - (a) repeat the steps set out in Parts D.11.1 and D.11.2 of the Exposure Stage; and
 - (b) include with the release of each Exposure Draft, the history of the proposed or amended Professional Standard and a description as to how any comments and discussion on the previous Exposure Draft were responded to in the later draft.

D.11.6 Approval to move to the Decision Stage

- 81. When the Practice Committee considers that no, or only minor, amendments are required, it can submit to the PPC that the proposed Professional Standard be moved to the Decision Stage. To make that submission, it is to arrange for a member of the Practice Committee or the Drafting Committee (or both) to present to the PPC on the Practice Committee's submission.
- 82. The Practice Committee is to provide in its submission to the PPC:
 - (a) the Drafting Committee's summary of:
 - (i) the comments received on the Exposure Draft;
 - (ii) any discussion at a workshop or meeting; and
 - (iii) how, generally, the later re-writing responded to the comments and discussion; and
 - (b) a statement from the Drafting Committee as to:
 - (i) the degree to which there is consensus among the Members as to the proposed changes; and
 - (ii) whether the proposed changes have taken into account any comment or reaction from relevant regulators or agencies.

D.12 Decision Stage

83. The PPC is to scrutinise the proposed new or amended Professional Standard to:
- (a) check whether the draft meets the Approval Criteria;
 - (b) consider whether there has been sufficient consultation about the proposed new or amended Professional Standard;
 - (c) review the Drafting Committee's summary as per clause 82(a); and
 - (d) review the Drafting Committee's statement as per clause 82(b).
84. Following this scrutiny, the PPC may decide that:
- (a) further consultation on the proposed new or amended Professional Standard is needed (in which case, it will refer the proposed Professional Standard back to the Practice Committee for further action); or
 - (b) it wishes to obtain independent advice in relation to the proposed Professional Standard.
85. After this scrutiny, and if no further consultation or independent advice is required, the PPC is to decide whether the proposed new or amended Professional Standard is to:
- (a) move to the Approval Stage; or
 - (b) be sent back to the Exposure Stage.

D.13 Approval Stage

86. If the PPC decides that a proposed new or amended Professional Standard should move to the Approval Stage, then it will submit a recommendation to Council that the new or amended Professional Standard be adopted.
87. The recommendation will:
- (a) indicate:
 - (i) whether there is broad consensus among Members as to the need for, and content of, the proposed Professional Standard; and
 - (ii) that the Professional Standard is in the public interest;
 - (b) confirm that the Professional Standard meets the Approval Criteria; and
 - (c) contain a brief history of the proposed or amended Professional Standard, a reasonable analysis of the comments received, and the effective date of commencement.
88. If Council does not accept the PPC's recommendation, then it will send the draft back to the PPC with the reasons for its rejection and with a recommendation for further action.

D.14 Legislative changes or amendments to clarify interpretation to Professional Standards

89. The PPC may direct the relevant Practice Committee to form a Drafting Committee to write amendments and an Explanatory Memorandum summarising the changes if the PPC receives a Proposal for a Professional Standard to be:
 - (a) updated to reflect legislative or regulatory changes; or
 - (b) amended in response to an interpretation of the Professional Standard given by the PPC.
90. Once the writing is complete, the Practice Committee will submit the proposed Professional Standard and draft Explanatory Memorandum to the PPC. The PPC may:
 - (a) decide that the Professional Standard is to move to the Approval Stage; or
 - (b) refer the Professional Standard back to the Practice Committee for further work.
91. If the PPC decides that the Professional Standard is to move to the Approval Stage, then the PPC will recommend that to Council and outline the reasons.
92. If Council does not approve the amended Professional Standard, then it is to send the draft back to the PPC with reasons for its rejection and with a recommendation for further action.
93. A Professional Standard amended under Part D.14 does not need to comply with Parts D.7-D.13.

D.15 Format, distribution and retention of versions

94. Once Council has approved a new or amended Professional Standard, the PSM is to implement the requirements set out in Part A.6.

Part E Practice Guidelines

E.1 Introduction

95. Part E sets out the general rules for Practice Guidelines.
96. Practice Guidelines:
- (a) are not mandatory (any Mandatory duties for Members are covered in Professional Standards – refer Part D of this Policy);
 - (b) do not form part of a Professional Standard; and
 - (c) are not to be written so as to interpret, or expand upon, a Professional Standard.
97. The due process for developing or amending a Practice Guideline is set out in Part E.6 of this Policy.
98. The due process for withdrawing a Practice Guideline is set out in Part G of this Policy.

E.2 Matters covered by a Practice Guideline

99. A Practice Guideline is to:
- (a) document generally accepted actuarial practices and techniques that Council believes will help Members to deliver competent Services;
 - (b) be consistent with the Code, Professional Standards and any relevant legislation or regulatory standards; and
 - (c) include the wording set out in Appendix B.2 below.

E.3 Links to International Professional Practice Documents (IPPD)

100. If the Practice Guideline includes wording which relates to an IPPD, then to enhance the clarity and usability of the Practice Guideline, references to the relevant IPPD will be included. The requirements for this are set out in Part A.11.

E.4 Drafting rules for Practice Guidelines

101. Practice Guidelines do not set out mandatory duties for Members (these are contained in Professional Standards). To avoid confusion, the words “will” and “shall” are not to be used in a Practice Guideline and the word “should” is usually followed by “consider”.

E.5 Requirements for an Explanatory Memorandum

102. The requirements for an Explanatory Memorandum are set out in Part A.10 of this Policy.

E.6 Due process for developing and amending Practice Guidelines

103. A Practice Committee will present the Exposure Draft(s) of a Practice Guideline to the PPC so that it may be reviewed and have the classification approved.
104. Council may approve a Practice Guideline on the recommendation of the PPC.

105. An Explanatory Memorandum will be prepared to accompany the Exposure Draft(s). The requirements for an Explanatory Memorandum are set out in Part A.10 of this Policy.
106. If PPC presents a new or amended Practice Guideline to Council for approval, then it will include an accompanying paper to Council which:
- (a) explains how and why the Practice Guideline has been developed or amended;
 - (d) confirms that the Practice Committee has properly consulted with relevant and interested Members and, if necessary, external parties;
 - (e) discusses the extent to which the Practice Guideline represents well-established or generally accepted actuarial practices and techniques, and the extent to which Members support it;
 - (f) confirms that the Practice Guideline has been written in accordance with this Policy; and
 - (g) confirms that the Practice Guideline is consistent with the Code, Professional Standards, and any relevant legislation or regulatory standards.
107. Once Council has approved a new or amended Practice Guideline, the PSM is to:
- (a) correctly format and number the final version of the Practice Guideline in accordance with the numbering system for practice documents approved by Council;
 - (b) manage the timely publication of the Practice Guideline and Explanatory Memorandum to Members, as well as any interested external parties; and
 - (c) maintain copies of all Practice Guidelines on file for at least ten years after they cease to have effect.

Part F Technical Papers and Information Notes

F.1 Introduction

108. From time to time, a Practice Committee may issue a Technical Paper or Information Note to assist Members in their delivery of Services.
109. The purpose of a Technical Paper is to provide one or more alternative actuarial practices that could be considered in a current or evolving area of practice, and it may include guidance on relevant considerations and context relevant to the subject.
110. The purpose of an Information Note is to provide information for the purpose of encouraging debate and/or building or maintaining actuarial knowledge in a particular area of practice.
111. Technical Papers and Information Notes are to be issued as set out in Part F.4.
112. Both Technical Papers and Information Notes are:
 - (a) not mandatory;
 - (b) not to be written so as to interpret, or expand upon, a Professional Standard or Practice Guideline.

F.2 Links to International Professional Practice Documents (IPPD)

113. If the Technical Paper or Information Note includes wording which relates to an IPPD, then to enhance the clarity and usability of the Technical Paper or Information Note, references to the relevant IPPD will be included. The requirements for this are set out in Part A.11.

F.3 Drafting rules for Technical Papers and Information Notes

114. Each Technical Paper and Information Note will include the common wording that is set out in Appendix B.3 for Technical Papers and Information Notes.

F.4 Due process for developing or amending Technical Papers and Information Notes

115. A Practice Committee will present the Technical Paper or Information Note to the PPC so that it may be reviewed and have the classification approved.
116. The Practice Committee will consider if the Technical Paper or Information Note should be accompanied by an Explanatory Memorandum. Any Explanatory Memorandum accompanying the Technical Paper or Information Note should be drafted as per Part A.10.
117. The relevant Practice Committee will formally document the proposal to issue or amend a Technical Paper or Information Note in its meeting minutes.
118. Following approval from the PPC, the PSM will arrange for issuing the Technical Paper or Information Note to Members.
119. All Technical Papers and Information Notes will nominate a Member who is responsible for:
 - (a) compiling and assessing any feedback or comments; and
 - (b) reporting them to the Practice Committee.

120. The relevant Practice Committee will inform Council of any key issues arising for the profession as a result of feedback or comments received in relation to a Technical Paper or Information Note.

Part G Withdrawal of PPDs

121. Council may withdraw:
- (a) a Professional Standard on the recommendation of the PPC; and
 - (b) a Practice Guideline on the recommendation of a Practice Committee.
122. In both cases set out in clause 121, the relevant Practice Committee making such a recommendation will provide a reasonable level of explanation to Council as to why the PPD should be withdrawn.
123. In the case of Technical Papers and Information Notes, the relevant Practice Committee which issued the note may withdraw it, provided that the Practice Committee formally documents the withdrawal of the Technical Paper or Information Note in its meeting minutes and advises the PSM.
124. Once a PPD is withdrawn, the PSM will provide timely notification of the withdrawal of the relevant note to Members, and any interested external parties.

Appendix A – Writing for Clarity

Appendix A.1 Making a PPD clear

125. To help make the PPD “clear, concise and effective”:
- (a) think rigorously about the topic from the reader’s point of view — then write from that point of view; and
 - (b) focus on the purposes of the practice document. For example, for a Professional Standard, the purposes include: to direct people what to do, and to make it easy for them to understand what it is they need to do.
126. Following are some guidelines that help to make writing clear. However, there may be instances where exceptions are necessary.

Appendix A.2 Language —words and sentences

127. Technical actuarial terms are fine in a PPD. However, when it comes to other words and phrases, use familiar words and everyday language — for example, use “end” rather than “terminate”, and “about” rather than “in relation to”.
128. Use gender neutral terms such as “a Member” rather than personal pronouns.
129. Use the active voice — for example:
- “A Member does not need to do X unless it is required by the law.”

is better rewritten as:
 - “A Member does not need to do X unless the law requires it”.
130. Use verbs rather than nouns — for example:
- “A Member is conducting a review of the data provided”

is better rewritten as:
 - “A Member is *reviewing* the data provided”.
131. Use short sentences — try to have fewer than 25 words in a sentence.
132. When reviewing a long sentence, check if it contains multiple ideas. If so:
- (a) consider separating the ideas with a full stop and adjust the wording to maintain a smooth flow. In general, each sentence should focus on a single idea; or
 - (b) break each idea into separate bullet points, following an introductory statement to ensure clarity and coherence.
133. Remove unnecessary words from every sentence — short or long. For example, instead of writing “A Member will have regard to . . .”, write “A Member will consider . . .”.

Appendix A.3 Structure — the ordering and grouping of ideas

- 134. Begin a document, chapter, or section with the main message.
- 135. Present information in an order that makes most sense to the reader.
- 136. Group related information.
- 137. Use meaningful headings that convey key messages or that ask questions readers will find engaging.
- 138. Make sure headings accurately describe the information they head. If you change topic, then insert a new heading – so you probably need at least 3 headings a page.

Appendix A.4 Design — beyond the words

- 139. Use tables, charts, and other visuals to effectively communicate messages.

Appendix A.5 How to provide “guidance” on non-mandatory matters

- 140. Take great care when seeking to guide actuaries on how something (that is not mandatory) “should” be done.
- 141. Experience has shown that over-refining language for non-mandatory guidance can complicate and delay the preparation and review of PPDs. Based on this experience, consider using specific phrases in PPDs for guidance, as outlined in the table in Part A.6 of this Appendix.
- 142. If a Technical Paper or Information Note sets out aspects that Members may find useful to consider in undertaking particular work, then the word “could” is preferred.

Appendix A.6 Two levels of “guidance” for non-mandatory elements: language to use; content to include

Level of guidance	Sentiment and aim behind guidance	Language to use and content to include - with examples
Typical practice	This is what many/most actuaries do. It is usual professional practice. But Members may do something else	<p>Use: “typically”, “common practice”</p> <p>Examples:</p> <ul style="list-style-type: none"> “A Member valuing asset type X would typically use an ABC approach”. “It is common practice to Record details of the...”
Deviations from approach are rare	<p>Although deviations from this practice are possible:</p> <ul style="list-style-type: none"> any deviation would be assumed to be less than professional; and a Member would be expected to justify the deviation. 	<p>Use: “expected” and a caution to justify.</p> <p>Examples:</p> <ul style="list-style-type: none"> “A Member valuing asset type X is expected to use the ABC approach. If an alternative approach is used, the Member is expected to Record a thorough justification for it”. “A Member is expected to Disclose the details of the PQR. If these details are not Disclosed, the Member is expected to Record a clear justification for this omission.”

Appendix A.7 Referring to legislation

143. Refer to a legislative requirement:

- (a) in a way that sets the requirement as mandatory and that helps readers;
- (b) without putting the mandatory requirement at risk of becoming out of date if the law changes.

144. For example:

Instead of writing...	Write...
The actuarial certificate will be in a form that the Taxation Commissioner has approved in Taxation Ruling IT 12345.	The actuarial certificate will be in a form that the Taxation Commissioner has approved. At the time this Professional Standard was issued, the relevant form and approval were in Taxation Ruling IT 12345.
	or
	The actuarial certificate will be in a form that the Taxation Commissioner has approved. *
	(Footnote) * At the time this Professional Standard was issued, the relevant form and approval were in Taxation Ruling IT 12345.

Appendix A.8 Principles-based rather than Prescriptive Requirements

145. Where possible PPD's are written to be principles-based rather than prescriptive:

- (a) communicate the nature of the requirement; and
- (b) not include a level of detail that risks being outdated if circumstances change or not being relevant in some circumstances.

For example:

Instead of writing...	Write...
<p>The actuary should consider the following characteristics:</p> <ul style="list-style-type: none">• Age• Gender• Geographical location• ...	<p>The actuary should consider the material characteristics which affect the underlying risks which may include ...</p>

Appendix B – Common Wording

Appendix B.1 Professional Standards

146. A Professional Standard will have the following opening sections and text:

1. Introduction

1.1 Application²

1.1.1 This Professional Standard applies to Members ...³

1.1.2 [A Member who provides advice performed under this professional standard:

- (a) must be an Eligible Actuary; and
- (b) must exercise independent professional judgement and give impartial advice. Members supporting the Member providing advice under the Professional Standard are not required to be an Eligible Actuary. However, this Professional Standard applies to Members who support another Member in providing advice under the Professional Standard, to the extent relevant to their contribution to the Services.]⁴

1.1.3 [All work performed under this Professional Standard, whether by the Member providing advice or by a Member supporting the Member providing advice, is designated as an Applicable Service. As such, Members' attention is directed towards Practice Guideline 1 (General Actuarial Practice) which applies to Applicable Services. In the case of a Member supporting the Member providing advice, Practice Guideline 1 applies as relevant to their contribution to the Services.]⁵

1.2 Previous versions

Previous version of this Professional Standard...

1.3 About this Professional Standard

1.3.1 This Professional Standard:

- (a) has been prepared in accordance with the Institute's Policy for Developing Professional Practice Documents;
- (b) will be applied in the context of the Code;
- (c) will be applied by Members of the Institute when they perform work that the Professional Standard covers; and

² This section is to set out the purpose of the Professional Standard (PS), as well as describing related legislation, regulation, guidance etc. issued by other parties

³ For the purposes of this Policy, references to Members and applicability will be dependent on the particular PS. Other information may be included in relation to the application of the PS which may alter subsequent numbering.

⁴ Where Eligible Actuary is a requirement of the Member giving advice, this text will be included.

⁵ Included if the advice is designated an Applicable Service. As a rule, all advice provided under a PS will be Applicable Service unless Council is persuaded otherwise.

- (d) defines the Institute's requirements for work that the Professional Standard covers.
- 1.3.2 If a Member believes that this Professional Standard is ambiguous or wishes to seek clarification of it, then they may consult the Institute's Professional Practice Committee for an interpretation.
- 1.3.3 A Member may in rare circumstances be unable to carry out their work in full compliance with this Professional Standard. If a Member finds that they cannot carry out their work in a way that fully complies with this Professional Standard, then they will:
 - (a) decline to carry out the work; or
 - (b) end their agreement to do so.
- 1.3.4 Notwithstanding clause 1.3.3, if
 - (a) in the judgement of the Member, the Client is likely to suffer significant loss or disadvantage if the Member ceases to provide the Services, and
 - (b) the Services will not be Materially affected if the Member completes the work without full compliance with this Professional Standard,the Member may complete the Services but will
 - (i) clearly qualify the resulting work product, with both the title of the report and the scope of the work set out in the report acknowledging the relevant limitations,
 - (ii) make all reasonable attempts to comply with this Professional Standard to the fullest extent possible, and
 - (iii) disclose the areas where change would be needed to enable the creation of an unqualified work product along with the reasons for issuing qualified work.
- 1.3.5 If a Member does not comply with this Professional Standard, that may constitute Misconduct under the Institute's Disciplinary Scheme, although proper account will be taken of provisions of clauses 1.3.3 and 1.3.4.
- 1.3.6 This Professional Standard does not constitute legal advice. Any interpretation or commentary within this Professional Standard with respect to specific legislative or regulatory requirements reflect the expectations of the Institute but does not guarantee compliance under applicable legislation or regulations. Accordingly, Members should seek clarification from the relevant regulator and/or seek legal advice in the event they are unsure or require specific guidance with respect to their legal or regulatory obligations.

1.4 Other relevant information

- 1.4.1 This Professional Standard will be applied in the context of the relevant legislation, regulation and accounting standards. If there is a conflict in wording, then the legislation, regulation and accounting standards take precedence over this Professional Standard.

1.4.2 In this context, legislation, regulation and accounting standards include laws, regulations, prudential standards, subordinate standards, rules issued by government authorities and standards issued by professional bodies which have the force of law. Also included are relevant modifications or substitutions of these. Similarly, a reference to a Professional Standard includes any modification or replacement of that Professional Standard.

1.4.3 Apart from the Code, legislation, regulation or accounting standards, no other document, advice or consultation (including Practice Guidelines of the Institute) can be taken to modify or interpret the requirements of this Professional Standard.

2. Commencement Date

This Professional Standard applies...

3. Definitions

3.1 In this Professional Standard⁶.

'Intended User' means any legal or natural persons (generally including the Client) whom

- (a) the Member intends to use the output of the Services, or
- (b) at the time the Member performs the Services, the Member ought reasonably to expect will use the output of the Services.

'Material' means relevant to a decision of an Intended User of the Services (Section 4 addresses 'Materiality' for the purpose of this Standard). For this purpose, 'Material' does not have the same meaning as in Australian accounting standards.

'Report' means a document prepared by a Member under this Professional Standard ...

'To disclose' means to include information within a written communication, such as a Report where one is prepared.

'To record' means to include information within working papers or other documentation, but this information does not need to be included in written Reports or similar communication

3.2 A word that is derived from a defined word has a corresponding meaning.

3.3 Other capitalised terms used in this Professional Standard have the same meaning as set out in the Code.⁷

4. Materiality

4.1 The Member must take Materiality into account when performing work under this Professional Standard.

⁶ This section lists the definitions relevant to the Professional Standard and will usually include the following definitions.

⁷ If a term to be used in a Professional Standard is already defined in the Code, then it is not to be defined in the Professional Standard and the following clause must be used in the definitions section of the Professional Standard.

4.2 Determining whether something is Material or not, or determining the threshold of Materiality, will always be a matter requiring the exercise of the Member's professional judgement. When exercising this judgement, the Member must:

- (a) assess Materiality from the point of view of the Intended User(s), recognising the purpose of the Services. Thus, a matter required to be considered under this Professional Standard, or an omission, understatement, or overstatement, is Material if the Member expects it to affect significantly either the Intended User's decision-making or the Intended User's reasonable expectations; and
- (b) consider the Services and the subject of those Services.

In setting a threshold of Materiality, a Member must consider any requirements advised by the Client, an auditor retained by the Client or a relevant regulator. Where those requirements result in the exclusion of a matter which would otherwise be included, the Member must disclose the reason for the exclusion, and its nature and extent.

4.3 If the Member has formed the opinion that a matter required to be considered is not Material, then the Member must record that the matter is not Material and provide reasons for forming that opinion but does not have to further consider that matter.

4.4 The Member must assess whether any omissions, understatements, or overstatements are Material. If the effect of these in aggregate is Material, the Member must disclose this in any Report to which it is relevant.

5. [body of Professional Standard]

End of [name of relevant document]

A Document Control box as per Part A.6 will be included after the end of the document.

Appendix B.2 Practice Guidelines

147. A Practice Guideline will have the following opening sections and text, except that the wording in Practice Guidelines related to International Professional Practice Documents (IPPDs) may be different (reflecting instead the wording of the IPPD itself):

1. Introduction

1.1 Application

...

1.2 About this Practice Guideline

1.2.1 This Practice Guideline:

- (a) has been prepared in accordance with the Institute's Policy for Developing Professional Practice Documents; and
- (b) is to be applied in the context of the Code;

1.2.2 This Practice Guideline is not mandatory. Even so, if this Practice Guideline covers the Services a Member provides, then the Member should consider explaining any significant departure from this Practice Guideline to the Client and Record that explanation.

1.3 Other relevant documents

- 1.3.1 This Practice Guideline will be applied in the context of the relevant legislation, regulation and accounting standards. If there is a conflict in wording, then the legislation, regulation and accounting standards take precedence over this Practice Guideline.
- 1.3.2 In this context, legislation, regulation and accounting standards include laws, regulations, prudential standards, subordinate standards, rules issued by government authorities and standards issued by professional bodies which have the force of law. Also included are relevant modifications or substitutions of these. Similarly, a reference to a Professional Standard or Practice Guideline includes any modification or replacement of that Professional Standard or Practice Guideline.
- 1.3.3 Apart from the Code or a Professional Standard, from legislation or from regulatory standards, no other document, advice or consultation can be taken to modify or interpret the requirements of this Practice Guideline.

2. Commencement Date

3. Definitions

3.1 Terms

If a term to be used in a Practice Guideline is already defined in the Code, then it is not to be defined in the Practice Guideline and the following clause will be used in the definitions section of the Practice Guideline:

“Other capitalised terms used in this Practice Guideline have the same meaning as set out in the Code.”

4. [body of Practice Guideline]

End of [name of relevant document]

A Document Control box as per Part A.6 will be included after the end of the document.

Appendix B.3 Technical Papers/Information Notes

148. A Technical Paper or Information Note will have the following standard wording:

This [Technical Paper/Information Note] does not constitute legal advice. Any interpretation or commentary within the Technical Paper or Information Note with respect to specific legislative or regulatory requirements reflects the expectations of the Institute but does not guarantee compliance under applicable legislation or regulations.

Accordingly, Members are expected to seek clarification from the relevant regulator and/or seek legal advice in the event they are unsure or require specific guidance with respect to their legal or regulatory obligations.

Members are expected to refer specifically to the following Professional Guidance [and/or ASIC/APRA Regulations]:

- Document 1;

- Document 2;
- Document 3 etc...

The [Technical Paper/Information Note] does not override the requirements in these documents or in any other Professional Standards, Practice Guidelines or other Regulatory Standards that are relevant to this area of work.

A Document Control box as per Part A.6 will be included after the end of the document.

Appendix C – Templates

The Institute has standard templates for each type of PPD. The Practice Committee may contact the PSM to obtain the current template.

End of Policy

Document control

Version	Title of Document	Name of approving Council or Committee	Date of approval	Date of publication
1.0	Policy for Developing Professional Practice Documents	Council	5 June 2025	1 July 2025