

MEMORANDUM

To: All Fellows, Affiliates, Associates, and Correspondents of the Canadian Institute of Actuaries

From: Robert H. Stapleford, President

Date: May 19, 2016

Subject: **Notice to Members—Proposed Amendments Related to the Disclosure of Criminal Convictions¹**

Document 216049

Introduction

In February 2016, members were consulted on a proposal to implement changes related to the protection of the public interest, which included establishing a requirement for members to disclose criminal convictions. The Board received excellent feedback on the proposal and sincerely thanks the members for taking the time to review and comment on the material that was circulated.

In March, after assessing the results of the member consultation, the Board agreed that there was sufficient support to proceed with the implementation of the requirement for members to disclose criminal convictions, and proceeded with the approval of the necessary amendments.

The enclosed package of material provides you with the detailed amendments that have been approved by the Board, and which now require member confirmation. The process and procedural information you will need to cast your vote on the proposed amendments, prior to or at the June 2016 CIA Annual Meeting in St. John's, NL, is also included.

Additional Background

As part of the ongoing desire to ensure that Canadian Institute of Actuaries (CIA) members are considered leading professionals in Canada, the Board regularly looks at the CIA's infrastructure, including its Bylaws, Rules of Professional Conduct, and policies, to ensure that they are sufficiently rigorous and consistent with other professions in Canada.

¹ "Criminal Conviction" refers to the definition stated in the CIA Bylaws, for the purposes of this document. Note that records of CIA Disciplinary Tribunal decisions are already on file and would therefore not require further disclosure.

In early 2014, the CIA's law firm Fasken Martineau DuMoulin made several recommendations for changes within the Institute to better support Guiding Principle #1, for the Board's consideration. The Governance Committee (GC) was asked to investigate some of these recommendations.

The requirement to disclose a criminal conviction was at the top of the list and was pursued by the GC. Such a requirement is already imposed on other professions through their respective rules and/or legislation (e.g., Law Society of Upper Canada, Chartered Professional Accountants (CPA) of Ontario, all 45 professional orders in Québec).

In November 2015, the Board reviewed draft proposed changes to the Bylaws, Rules of Professional Conduct, and several policies that were recommended in order to further support the principle behind Rule 11 of the Rules of Professional conduct which already stated that a member would be "*subject to the CIA's disciplinary procedures if the member is convicted or found guilty of or pleads guilty to any criminal or similar offence*". The proposal would require that new applicants, as well as existing members of the Institute, disclose any past or future criminal convictions for review and assessment by the Institute. The Board approved the proposed changes for release to the membership for consultation.

In March 2016, the Board discussed the results of the member consultation and, with a few modifications to the proposal, decided to proceed with implementation. The next steps in the formal approval process were then initiated.

On April 26, 2016, the Board approved the proposed amendments in principle, which would further strengthen Rule 11 with the addition of a disclosure requirement. This new requirement will enable the CIA, as the professional actuarial body in Canada, to become aware of a criminal conviction of one of its members and more promptly assess and determine if such information impairs the professional's ability to provide professional services, thus enhancing the CIA's ability to protect the public interest.

On May 16, 2016, the Board formally approved the proposed amendments.

Proposed Amendments

You will find attached proposed amendments to the Bylaws and Rules of Professional Conduct (both requiring member confirmation), as well as the related policies (approved by the Board) which provide additional details and context regarding new disclosure of criminal convictions process. The changes can be summarized as follows:

- As of September 1, 2016, all new applicants to the Institute will be required to disclose all past convictions upon application for enrolment.
- Also as of September 1, 2016, existing members who are not fully retired will be required to disclose a criminal conviction that occurs on or after this date, within 30 days of the date of the conviction.
- As a transitional measure, existing members who are not fully retired will be required to disclose all **past** criminal convictions (occurring before September 1, 2016) to the Institute no later than July 1, 2017.
- A Committee on Professionalism within the CIA (PROF) will initially assess all disclosures (from applicants and existing members) **based on a clear set of**

assessment criteria and procedures, to determine whether or not the criminal conviction warrants further action on the part of the CIA. This process is defined and described in the new Policy on Disclosure of Criminal Convictions (enclosed). Note that the Head Office will keep the identity of the individuals who disclose a criminal conviction confidential, and transmit only pertinent information about the criminal conviction to the PROF for assessment.

- For existing members, in cases where the PROF determines that the criminal conviction could impair the professional’s ability to provide professional services, the matter will be referred to the Committee on Professional Conduct (CPC). The CPC will then initiate the same disciplinary process as all other complaints or information received by the CPC. **No new disciplinary measures are being proposed.**

Highlights of the amendments which will require member confirmation are as follows:

Bylaws	
i.	A definition of “Criminal Conviction” was added to Section 1 – Interpretation.
ii.	In order to streamline the enrolment-related sections (i.e., sections 3, 4, 5, 5.1 and 6) and to facilitate the inclusion of the new disclosure requirement for new applicants to the Institute, significant changes were made to these sections which include: <ul style="list-style-type: none"> • Amalgamation of the requirements for all enrolment categories into Section 3 - Enrolment; • A complete repeal and streamlining of sections 4, 5, 5.1, and 6 related to the specific enrolment categories (now captured in the new section 3); • A requirement to establish a Policy on Qualification Requirements (enclosed) with key enrolment principles remaining in the Bylaws, but with most of the specific enrolment requirements moved to this policy; and • Broadening of the description of “qualification requirements prescribed by the Board” to allow for the inclusion of a requirement to disclose criminal convictions upon application. The related assessment and referral process following the disclosure of a criminal conviction by a new applicant is also included in Section 3.
iii.	A new Section 3.1 – Rights, Privileges, and Obligations was added. This section captures all of the previous rights and privileges, and establishes the new requirement to disclose criminal convictions, as well as the related assessment and referral process, for existing members.
iv.	A new waiver/deferral of dues category “semi-retired” was added and clarification of the former “retired” waiver category as “fully retired” in Section 7 – Annual Fees, in order to facilitate the requirement for all members who are not “fully retired” to disclose criminal convictions.
v.	A transitional provision was added to section 24.

Rules of Professional Conduct

- i. The obligation for members to disclose a criminal conviction pursuant to the requirements outlined in the Bylaws was added to Rule 11, along with two annotations which provided additional context and procedural information.

The following related policies have also been approved by the Board (pending confirmation of the proposed amendments to the Bylaws and Rules of Professional Conduct, where applicable) and are being provided to members for information (member confirmation of these policies is not required):

- Policy on Disclosure of Criminal Convictions (NEW);
- Revised Policy on Qualification Requirements; and
- Revised Policy on Waiving Membership Dues.

A set of [questions and answers](#) (Q&A) that were developed during the member consultation period earlier this year and that provide details regarding the proposed amendments, are available on the CIA website.

Process

In accordance with CIA Bylaws, these proposed amendments were adopted by the Board and are now being submitted to members for confirmation (appendices A and B). Pursuant to Bylaw 10.04, the Board also approved the use of proxy voting that will enable the voting process to be carried out electronically. The enclosed procedure provides details on how this will be conducted.

Members are encouraged to become involved in this discussion by participating in one or more of the following activities:

Discussion—May 19 to June 28, 2016

You will find instructions on how to participate in the amendments listserver in this package of material. Normally once a week, designated representatives will respond to questions posed on the listserver.

Webcast—May 30, 2016 (separate English and French)

Please register for the English or French webcast on the CIA website under **Professional Development>Webcasts>Upcoming Webcasts**. Members of the CIA leadership will provide an overview of the amendments and will be available to answer your questions.

Please note, there will be no 'live' voting during the webcast; see the procedure for proxy voting below.

Proxy Voting—May 30, 2016 to 3:00 p.m. EDT on June 24, 2016

Members may vote on the proposed Bylaw amendments via proxy voting between May 30 and 3:00 p.m. EDT on June 24. Please note that members who have voted by proxy may not vote on the Bylaw amendments in person on June 28, 2016.

General Business Session, 2016 CIA Annual Meeting—June 28 in St. John’s, Newfoundland

Members may vote in person on June 28 at the General Business Session of the Annual Meeting. Members who are eligible to vote may discuss and vote on the proposed Bylaw amendments. The results of these votes are combined with the votes received by proxy.

Date of Coming into Force

The Board has adopted a motion specifying that the proposed changes to the Bylaws and Rules of Professional Conduct regarding these matters are to come into force and effect on September 1, 2016, provided they have been confirmed by the membership at the June 2016 Annual Meeting.

As indicated, in proposed Bylaw 3.1.12 (2), members will have until July 1, 2017 to disclose criminal convictions which occurred prior to September 1, 2016 and for which they have not been granted a record suspension (formerly a pardon).

Once the proposed amendments are confirmed by the members, the Board will proceed with expanding the mandate and membership of the PROF, as well as finalizing the procedural documents and material, in order to review and assess disclosures as of September 1, 2016.

Motion to be Adopted

The members of the Institute will be asked, via email (for members who wish to vote by proxy) and at the General Business Session at the Annual Meeting on June 28, 2016, to adopt the following motion:

Motion:	That the Board decision on May 16, 2016 to adopt Amending Bylaw N° 2016–1 be confirmed.
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Enclosures:

- Amending Bylaw No. 2016–1 (Disclosure of Criminal Convictions);
- Appendix A, B, C, and D to the above, indicating proposed amendments to the Bylaws and Rules of Professional Conduct;
- New Policy on Disclosure of Criminal Convictions (for information only);
- Revised Policy on Qualification Requirements (for information only); and
- Revised Policy on Waiving Membership Dues (for information only).

RS