

**Guidelines applicable for Actuaries who provide services to a Market Institution, Market Intermediary, Listed Public Company or a Collective Investment Scheme**

**General interpretation**

1. The words and terms defined in the Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021 shall unless the context requires otherwise have the same meaning assigned to them in the said Act:

“Actuary” means a person who provides services to a market institution, market intermediary, listed public company or a collective investment scheme and falls within the definition of a Supplementary Service Provider under the SEC Act;

“Commission” means the Securities and Exchange Commission of Sri Lanka established in terms of the Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021;

“SEC Act” means the Securities and Exchange Commission of Sri Lanka Act No.19 of 2021.

**Applicability**

2. The guidelines set out herein shall apply to an Actuary who provides services to a market institution, market intermediary, listed public company or a collective investment scheme.
3. Every Actuary shall comply with:
  - (a) the guidelines set out herein and any amendments thereto;
  - (b) provisions of the SEC Act which may be relevant and/or applicable to an Actuary;
  - (c) directives issued from time to time by the Commission; and
  - (d) the Sri Lanka Actuarial Standards, International Actuarial Standards or Standards issued by any other recognized Professional Actuarial Institute (as applicable).
4. The Commission may waive compliance with any of the guidelines set out herein in circumstances deemed appropriate.

**Requirements to be met in the provision of services**

5. Prior to undertaking any work on behalf of a market institution, market intermediary, listed public company or a collective investment scheme, an Actuary shall:

- (a) ensure that he has the necessary knowledge, skills and resources to duly discharge the work undertaken;
- (b) ensure that he has a proper understanding of the scope of services to be provided, its limitations and the time scale for the work;
- (c) follow the Sri Lanka Actuarial Standards, International Actuarial Standards or Standards issued by any other recognized professional Actuarial Institute (as applicable) and
- (d) comply with requirements or directives issued by the Commission.

**Maintenance of confidentiality**

6. An Actuary shall not disclose to another party any confidential information without the permission of the client unless required by Law.

**Qualifications and experience of those acting as an Actuary**

7. An Actuary who is involved in providing services to a market institution, market intermediary, listed public company or a collective investment scheme, shall possess the following qualifications and experience:
- (a) a valid membership from the Institute of Actuaries in England or of the Faculty of Actuaries in Scotland or a Fellow of any other recognized professional Actuarial Institute; and
  - (b) requisite expertise and experience to perform the particular service.

**Written agreement**

8. An Actuary shall execute a written agreement prior to carrying out services to a market institution, market intermediary, listed public company or a collective investment scheme containing all the terms and conditions agreed to, by and between himself and such client.
9. An Actuary shall ensure that all services are consistent with the terms of the written contract entered into between the Actuary and the client.

**Maintenance of records**

10. An Actuary shall maintain copies of all agreements, records and other relevant correspondence pertaining to the client and such agreements, records and correspondence shall be retained by the Actuary from the date of completion of such valuation for a period of not less than six (6) years.

**Duty to furnish information and co-**

11. Where the Commission having considered that it is in the interests of an Actuary or his clients, appoints an independent

**operate with  
Auditors appointed  
by the Commission**

auditor or such other person or a body of persons to examine, audit and report either generally or in relation to any particular matter, it shall be the duty of such an Actuary:

- (a) to provide all information within his possession or which he is capable of obtaining;
- (b) to ensure that all the information which is furnished to such independent auditor is not false or misleading in any material particulars.

12. An Actuary shall not destroy, conceal or alter any records, property or books relating to the business of an Actuary, which are in his possession or under his control with the intention of defeating, preventing, delaying or obstructing the carrying out of any examination.

**Submission of  
information to the  
Commission**

13. An Actuary shall submit any information, clarification or explanation in relation to services rendered by him to a market institution, market intermediary, listed public company or a collective investment scheme upon request of the Commission as provided for in Section 169 (1) of the SEC Act.

14. The Commission may issue a directive to an Actuary to take any corrective action as determined by the Commission where the Commission is of the view that the services rendered by an Actuary to a market institution, market intermediary, listed public company or a collective investment scheme is likely to cause harm to the interests of any investor as provided for in Section 169 (2) of the SEC Act.

**Governance and  
conflicts of interest**

15. An Actuary or any person assisting him in providing services to a market institution, market intermediary, listed public company or a collective investment scheme shall at all times follow and abide by the relevant legislation, regulations, other technical standards and code of conduct/ethics of the Institution of which he is a member.

16. An Actuary shall not knowingly perform services to a market institution, market intermediary, listed public company or a collective investment scheme involving an actual or potential conflict of interest unless:

- (a) the Actuary's ability to act fairly is unimpaired;
- (b) there has been disclosure of the conflict to all present and known prospective clients whose interests would be affected by the conflict; and

(c) all such clients have expressly agreed in writing to the performance of the services by the Actuary.