SINGAPORE ACTUARIAL SOCIETY

# Disciplinary Scheme Review

## (for SAS Internal Consultation)

Sept 2026

# History of SAS' Disciplinary Scheme



- SAS' Disciplinary Scheme came into force in Mar 2003
    - It is a requirement to have a disciplinary scheme to be a Full Member Association of the IAA. SAS was admitted as a FMA in May 2003.
- The current Disciplinary Scheme is the Mar 2006 version.
- No case has been brought under the Disciplinary Scheme before
- As committed in SAS' 2024-26 strategy plan, SAS will update the Disciplinary Scheme during the current planning period

# Task Force Members

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- Dylan Moh (Observer)

# Review Approach

- Key Tasks
  - Assess how extensive should this round of review be
  - Discuss scheme features suggested by IAA guidelines
    - Most of the content are framed as ”aspects to consider” to guide FMA’s internal discussions
    - Analysis of SAS’ current Disciplinary Scheme against IAA guidelines shared as part of meeting pack
  - Discuss any additional scope arising
  - Check for conflict with SAS Constitution and other SAS governance documents.

- Implementation details (e.g. SOP) for the revised scheme to be developed by Council/OC after the revisions are approved by the Membership. ***Implementation feasibility is considered when developing the Scheme.***

- Key reference documents:
  - SAS’ Disciplinary Scheme (Mar 2006 edition)
  - “Professionalism Committee Paper On Considerations In The Design Of A Discipline Process” – IAA (May 2004)
  - Treatment of major actuarial bodies
  - Treatment of key professions in Singapore

# Robustness and Due Process Matters



Vs other professions in Singapore

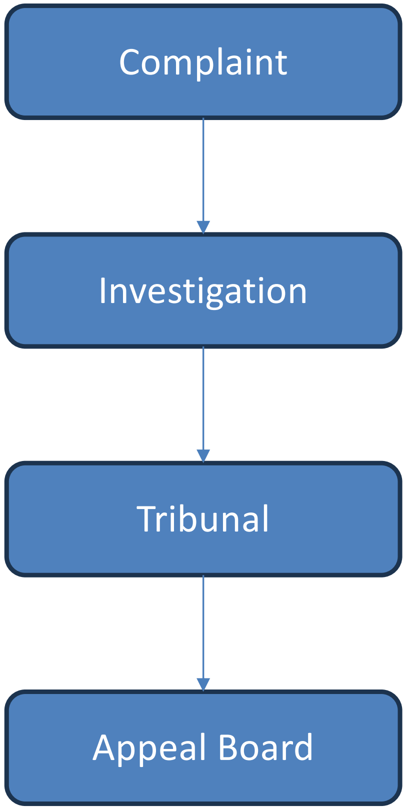
- For justices to prevail, all professions have robust due process in place.
- Professional bodies established by legislation administers the disciplinary scheme.
- Strong funding, with potential government backstop for some.
- Support from High Court/ Supreme Court.
- Have powers to assign costs to parties to the complaints.
- Usually have another professional body established by profession that is independent of government.

Vs C1AA actuarial profession in other countries

- For justices to prevail, all professions have robust due process in place.
- Local actuarial associations with disciplinary powers are not set up by legislations.
- Strong funding needed to implement the process. C1AAs do have access to that.
- Statutory roles usually require local C1AA Fellows. Therefore, any Fellow expelled from C1AA will have their career prospects affected.

For more details, refer to research found in the appendix.

# Keeping to a 4-Stage Structure




- To receive information or complaint and decide whether to investigate further.

- To to investigate the matter and decide whether to move the case to formal Tribunal.
- ***Ability to mete out penalty has been removed from this stage***

- To judge if Misconduct has occurred, and if so, what should be the appropriate penalty.

- To hear any appeal on the decision of the Tribunal

# Scope – Behaviour, People, and Time

- “Misconduct” [Article 4]
  - Any breach of the Standard of Professional Conduct that the Society issues pursuant to the Constitution.
  - Could have happened in any location
  - Both current and former Members

- “Former Members” [Article 13.6]
  - Any Misconduct committed while that person was a Member remains within the scope of this Scheme.
  - Remain bound to provide info, and bound by decision of Tribunal and Appeal Board.

# Key Bodies Under the Scheme (1)

| Name | Roles | Composition | Term |
|---|---|---|---|
| • Investigation Committee | Investigate on a Complaint<br>Report to Council on whether there is a prima facie case of Misconduct.<br>Key Changes: Cannot dismiss the case. Cannot deprecate the conduct. Cannot decide whether to refer the case to Tribunal. | At least 3 Fellow, Associate or Retired Members. Council members allowed to join.<br><br>Existing: 5 Members of any class. | Ends when report is submitted to Council. But may be called to testify at Tribunal/ Appeal Board. |
| • Tribunal and Appeal Board Panel (New) | A panel of individuals where the Tribunal and Appeal Board members are drawn from. | Target at least 7 persons. Focus on recruiting non-Members, especially legal professionals. Non-Members can be an actuary.<br>Any Member must be a Fellow, Associate or Retired Members. | No limit. Panel member's term end when appointment terminated. |
| • Tribunal | To decide on whether a Misconduct has been committed, and what is the appropriate penalty. | 3 persons from the Panel. Majority non-Member. A least one lawyer and one actuary. Council members and Investigation Committee members not allowed to join.<br><br>Existing: 5 persons. 3 Members of any class. 2 non-Members. | Ends when report is submitted to Council. But may be called to testify at Appeal Board. |

# Key Bodies Under the Scheme (2)

| Name | Roles | Composition | Term |
|---|---|---|---|
| • Appeal Board | To decide on appeals against Tribunal's decision | 3 persons from the Panel. Majority non-Member. A least one lawyer and one actuary. Chaired by a lawyer. Council members, Investigation Committee and Tribunal members not allowed to join.<br><br>Existing: 3 persons. 1 non-Member/lawyer as Chair. 2 other Members of any class. | Ends when report is submitted to Council. But may be called to testify at Tribunal/ Appeal Board. |
| • Council | Decide whether to trigger investigation<br>Decide whether to move case to Tribunal after receiving investigation report<br>Appoint Investigation Committee, Panel, Tribunal, and Appeal Board | Per Constitution | Per Constitution |

# Complaint Stage

- Continue to require statutory declaration to accompany any complaint

- Secretariat or designed external party (e.g. law firm) act as first point of contact. Screens for potential conflict of interest, before forwarding the case to Council members who are not conflicted.
  - If conflicts leave Council without constitutional quorum and this remains unresolved for 12 months, the membership is informed at a General Meeting and determines who exercises Council's functions for the case.

- Council decides if the case should move to investigation stage.

# Investigation Stage



- Investigation Committee ("IC") conducts the necessary investigation on whether there is prima facie case of Misconduct, and provide a written report back to Council for Council to decide whether to move the case to Tribunal phase. If Council decides there is a case to answer, a formal Charge is prepared before Tribunal Stage.

- May request for info, conduct interview, etc.. Members obstructing IC's work is deemed a Misconduct. However, Members need not comply with request from IC if compliance will cause breach of Standard of Professional Conduct (e.g. violate confidentiality obligation to employer)

- Before referral to Tribunal, Respondent must have an opportunity to respond to the substance of the Charge and have relevant submissions considered.

- Investigation may uncover other potential Misconduct, which can either be dealt with under the same case, or establish a separate case.

# Tribunal Stage

- Formal hearing conducted in accordance with natural justice and procedural fairness; the Tribunal determines the Charge based on the evidence and may seek further information.

- If Misconduct is found, sanction can range from warning letter to expulsion.
  - Also includes contribution to cost. Defaulting on cost leads to lapse of membership.

- Respondent may raise intent to appeal within 30 days, and make full submission within 90 days, of the Tribunal's decision. Before Appeal Board makes a decision, Tribunal's decision is stayed.

- Tribunal determines its decision and Case Publication and provides its written report to Council.

# Appeal Board Stage

- Appeal Board first determines whether a ground of appeal is established.  If established, it may reconsider or rehear any part of the Charge as necessary to finally determine the appeal.

- Appeal Board determines its decision and Case Publication and provides its written report to Council.

# Other Provisions to Highlight

- Complainant's withdrawing the Complaint does not automatically stop the proceedings.  Complaint may still be allowed to run its course.
- Record keeping of case details to support consistency of future decisions.

# Financial Strength Backing Disciplinary Scheme (1)



- Update of the Disciplinary Scheme is just one piece of the foundation to uphold professional standard. For the Scheme to be effective, SAS needs to have adequate financial strength to act as deterrent to show potential wrongdoers that SAS has the ability to see through the case.

- Financial strength is needed for, amongst other things:
  - Process of the trial
  - Potential compensation to Member should the Respondent found to be not guilty
  - Defense against tactics like litigation via correspondence, injunctions, harassment of witness and Tribunal/ Appeal Board members, etc.

- In Singapore, registration body for professions like lawyers, doctors, architects and accountants are often separated from the professional body. The registration bodies, which operate the disciplinary scheme, are backed directly or indirectly by Ministries or statutory boards.

- For C1AAs, C1AAs' net assets are often comparable to the net worth of their richest and most influential members.

# Financial Strength Backing Disciplinary Scheme (2)



- For SAS, FSAS is required to be an Appointed Actuary of a direct life insurer.  This category of members therefore has the greatest incentive to contest disciplinary action brought by SAS.
  - From a hypothetical direct life AA's lens:
    - Income-at-risk:  At the lower end, AA earns circa $300k p.a..  Let's assume income-at-risk to be about 5x, or circa $1.5m.
    - Consideration:  How much legal cost is worth incurring to win a trial/ force SAS to drop a trial in order to protect the income-at-risk
  - From SAS' lens:
    - Average net asset (2016-25): $613k
    - Average expenditure (2016-25): $658k
    - Average surplus (2016-25): $16k
    - Maximum net asset draw down in a single year:  -$86k (2016)
    - Consideration:  How much legal cost to spend on a case without putting other SAS activities and financial resilience at risk

- The situation is similar to a game of poker, which can be won before the last card is dealt.  Only difference is that the chips on SAS' table is known and published in every year's annual report.

- ***Reflection: To what extent will the membership be willing to raise fees (membership and/or event) further to give SAS credible financial strength to enforce its Disciplinary Scheme?***

# Appendix: Research Presented at PAC in Oct 2023 about other legislated professions in Singapore and C1AAs

# Research Approach

- Compare against other legislated professions in Singapore
    - Doctors
    - Lawyers
    - Architect
    - Accountants

- Compare against other C1AAs

# Summary – Across Professions in Singapore (1)



| Features | Doctors | Architects | Lawyers | Accountants | Actuaries |
|---|---|---|---|---|---|
| • Dedicated Act to govern registered professionals, creating a dedicated regulatory body overseen (directly or indirectly) by relevant Ministries with specific disciplinary schemes | ✅ | ✅ | ✅ | ✅ | ❌ |
| • Penalties meted out by regulatory body include deregistration | ✅ | ✅ | ✅ | ✅ | *N.A.* |
| • Disciplinary scheme involves at least Investigation Committee, Disciplinary Committee and appeals phases | ✅ Only at regulatory body level | ✅ Only at regulatory body level | ✅ Only at regulatory body level | ✅ Both at regulatory and professional body level | ✅ |
| • Disciplinary scheme involves High Court / Supreme Court at some point (usually on appeals) | ✅ | ✅ | ✅ | ✅ | *N.A.* |
| • Regulatory body has strong funding support based on dedicated Act | ✅ | ✅ | ✅ | ✅ | *N.A.* |

# Summary – Across Professions in Singapore (2)

| Features | Doctors | Architects | Lawyers | Accountants | Actuaries |
|---|---|---|---|---|---|
| • Complainant to be named; and to file statutory declaration | ✅ | ✅ | ✅ | ✅ | ✅ |
| • Complainant to pay a refundable deposit | ❌ | ❌ | ✅ | ✅ | ❌ |
| • Ability for regulatory body to decide on and enforce cost allocation for the disciplinary proceedings | ✅ | ✅ | ✅ | ✅ | *N.A.* |
| • Separate association/ society established by profession in Singapore | ✅ | ✅ | ❌ | ✅ | ❌ |
| • Expulsion from Singapore's professional body directly/ indirectly affect statutory registration status | ❌ | ❌ | ❌ | ✅ | ✅ |
| • Professional body has strong financial standing vs potential costs involved in implementing disciplinary proceedings | ✅ | ✅ | ✅ | ✅ | ❌ |

# Summary – Overseas Actuarial Professions

| Features | Australia | Canada | UK | US | Singapore |
|---|---|---|---|---|---|
| • Statutory roles requires exclusively Fellows of local actuarial body | ❌ Accredited members via mutual recognition allowed | ✅ | ✅ | Life: ✅ (AAA only)<br>Non-life: ✅ (AAA or CAS) | Direct life: ✅<br>Otherwise: ❌ |
| • Robust complaints handling and disciplinary process to ensure natural justice | ✅ | ✅ | ✅ | AAA: ✅<br>CAS: Investigation outsourced to AAA. CAS only decide on penalties. | ✅ |
| • Financially strong vs cost of administering complaints/ disciplinary process | ✅ | ✅ | ✅ | ✅ | *Unclear* |