



As August unfolds, the warmth of summer continues to resonate worldwide, even in the face of market fluctuations. This season presents a perfect opportunity to embrace determination and resilience, reinforcing our belief in a forthcoming era of prosperity. As always, we would endeavor to provide you our professional consultation and compliance services.

Let's have a brief look with our Regulatory Updates from the IA!

REGULATORY UPDATES

GL24: Guideline on Continuing Professional Development for Licensed Insurance Intermediaries

11 July 2025

Pursuant to section 133 of the Insurance Ordinance (Cap.41), the Insurance Authority ("IA") has published a revised Guideline on Continuing Professional Development for Licensed Insurance Intermediaries ("GL24"). The revised GL24 is now available on the IA website and can be accessed via the following link:

(https://www.ia.org.hk/en/legislative_framework/circulars/reg_matters/circulars_on_regulatory_matters_2025.html).

The revised GL24 will take effect on **1 August 2025** and the revision mainly reflects the following updates:

- Introducing a new requirement for Responsible Officers of all insurance broker companies to complete at least two CPD hours dedicated to their management and control functions in each

assessment period;

- Normalizing the facilitative measures rolled out during the pandemic in 2021 by removing the cap on e-learning and recognizing structured activities delivered via virtual platforms as an acceptable form of Qualified CPD Activities; and
- Updating the list of recognized specified qualifications for Types 5 and 6 Qualified CPD Activities by adding two qualifications to the list; and
- Removing obsolete information on arrangements applicable during the 3-year transitional period from 23 September 2019 to 22 September 2022.

If you have any questions concerning the information contained in this circular, please send your enquiries by email to cpd@ia.org.hk.

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Compulsory CPD requirement on Responsible Officers of all insurance broker companies effective from 1 August 2025

11 July 2025

Today, we formalize the introduction of compulsory CPD requirement applicable to Responsible Officers of all licensed insurance broker companies (“RO-CPD requirement”) via the revision of the Guideline on Continuing Professional Development (“CPD”) for Licensed Insurance Intermediaries (“GL24”).

This circular provides a summary of the background to this initiative, outlines the implementation details of the RO-CPD requirement, and reiterates the consequences of noncompliance.

Background

As mentioned in the circulars dated 28 June 2024 and 7 March 2025, the Responsible Officer (“RO”) of a licensed insurance broker company typically plays a dual role in the day-to-day operation, i.e. engaging in regulated activities and assuming management responsibilities of the broker company under Section 92(2) of the Insurance Ordinance (Cap. 41) (“IO”). Furthermore, licensed insurance broker companies are subject to a range of regulatory requirements under the Insurance (Financial and Other Requirements for Licensed Insurance Broker Companies) Rules (Cap. 41L), including those relating to share capital, net assets, professional indemnity insurance, separate client account and financial reporting, etc. These obligations, coupled with the RO’s dual responsibilities, make the role increasingly important and complex.

Given the critical role that ROs play in overseeing both regulatory compliance and operational management, it is considered appropriate for ROs of all licensed broker companies to complete at least two CPD hours dedicated to management and control functions in each assessment period.

To prepare for this, the IA launched a pilot scheme on RO CPD training in Assessment Period 2024/25, with the aim of raising awareness amongst ROs about the importance of their management and control responsibilities. The pilot scheme was well received by the industry with positive feedback. Building on this success, the IA decides to formalize it as a compulsory CPD requirement for ROs of all licensed insurance broker companies.

Details of RO-CPD requirement

Starting from 1 August 2025, each RO of the licensed insurance broker company is required to complete at least 2 CPD hours specifically focused on management and control functions. For the avoidance of doubt, these 2 CPD hours fall under “Ethics or Regulations” category and can be counted towards the existing 15-hour CPD requirements that each RO must fulfill for each Assessment Period.

The RO-CPD course will be organized by the IA and delivered through the two broker industry bodies, the Professional Insurance Brokers Association (“PIBA”) and The Hong Kong Confederation of Insurance Brokers (“CIB”). Further details on the training schedule for the Assessment Period 2025/26 will be announced in due course.

Consequence of non-compliance

ROs of all licensed broker companies are required to comply with the compulsory RO-CPD requirement by attending any session of the RO-CPD course run by the IA through either of the two broker bodies in each assessment period.

Failure to comply with this requirement, without reasonable excuse, will result in disciplinary action as set out in “Penalty Framework for Non-compliance with CPD” (refer to [the circular issued on 23 July 2021](#)). In addition, such non-compliance will not only adversely affect the individual’s ongoing fitness and properness to continue acting as the RO, but will also prompt the IA to apply greater regulatory scrutiny to the broker company with which the RO is associated.

If you have any questions concerning the information contained in this circular, please send your enquiries by email to cpd@ia.org.hk.

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Practice Note on Remuneration Structures of Authorized Insurers for Licensed Insurance Intermediaries for Participating Policies

30 July 2025

We are writing to inform you that the Insurance Authority (“IA”) has today issued a Practice Note on Remuneration Structures of Authorized Insurers for Licensed Insurance Intermediaries for Participating Policies (“Practice Note”), which is now available on our website.

This Practice Note supplements the requirements under the Guideline on Underwriting Long Term Insurance Business (other than Class C Business) (GL16) and sets out the IA’s minimum expectations on how authorized insurers should structure remuneration for licensed insurance intermediaries in relation to participating policies with regular premium payment terms. Its objective is to promote better alignment between the interests of policy holders and the incentives for insurance intermediaries to provide both pre-contract and ongoing servicing after the point of sale.

The Practice Note will take effect from 1 January 2026. All authorized insurers are expected to review their remuneration structures for insurance intermediaries and ensure compliance with the expectations set out in the Practice Note from its effective date.

Should you have any questions in relation to the above, please email us at conductsupervision@ia.org.hk.

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ENFORCEMENT NEWS

Insurance Authority disciplines two licensed broker companies for failure to keep client monies separately and procure adequate professional indemnity insurance respectively

2 July 2025

The Insurance Authority (IA) issued a public reprimand on the Century Investment Planning Limited for failing to keep client monies separately from its own account and fined another broker company \$12,000 for not procuring adequate professional indemnity insurance.

The Century Investment Planning Limited, a former licensed insurance broker company, failed to deposit client monies into a separate account on multiple occasions, misused the funds involved and did not settle premiums payable to an insurer in time. These actions contravened the relevant guideline under the former self-regulatory regime and the Insurance (Financial and Other Requirements for Licensed Insurance Broker Companies) Rules (Cap. 41L). The second case concerns a broker company miscalculating the professional indemnity insurance required under the former self-regulatory regime that resulted in a shortfall of coverage amounting to \$11.8 million. No detrimental effect was caused to policy holders, and the two broker companies rendered full cooperation during the disciplinary process.

Keeping client monies in a separate account and procurement of adequate professional indemnity insurance are essential regulatory requirements for the protection of policy holders. Insurance intermediaries which come short of strictly complying with these requirements can expect to face proportionate disciplinary actions.

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