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# REGULATORY NEWSLETTER

2023 Vol.11



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We extend a warm welcome to the eleventh edition of our Regulatory Newsletter! As the cooler winds grace the streets of Hong Kong, we invite you to embark on a journey through the key regulatory developments of the past month that have made an impact on the financial industry. Within our Newsletter, we provide an overview of these significant events, ensuring you stay informed and up-to-date. Join us as we explore these essential insights and navigate the ever-changing landscape of the financial realm.

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## REGULATORY UPDATES

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### **The Asian Forum of Insurance Regulators Discusses Ways to Cope with Emerging Risks**

**12 October 2023**

The 18th Annual Meeting and Conference (AMC) of the Asian Forum of Insurance Regulators (AFIR) was held in Malaysia from 10 to 11 October 2023, attended by about 70 delegates affiliated with 14 member jurisdictions.

“Diversity is our strength as each member jurisdiction has its unique social demands and market landscape, yet we are exposed to the same set of emerging trends. Against the backdrop of a volatile macroeconomic environment, the AMC this year will revolve around the highly pertinent theme of coping effectively with emerging risks for resilient and robust insurance supervision,” said Mr Clement Cheung, Chairman of the AFIR and Chief Executive Officer of the Insurance Authority when delivering his opening remarks.

The Bank Negara Malaysia, the International Association of Insurance Supervisors, the Access to Insurance Initiative, the Organisation for Economic Co-operation and Development, the European Insurance and Occupational Pensions Authority, the Asian Development Bank and the Global Asia Insurance Partnership fielded experts to speak on a diverse range of topics that include takaful prospects and opportunities, emerging technologies and innovations, flood risks and rising sea levels,

open insurance, climate change and nature risks, mortality and pandemic protection gaps, as well as public and private collaboration.

Furthermore, Mr Peter Kohlhagen of the Australian Prudential Regulation Authority was elected at the General Meeting as the new Chairman of AFIR for a term of two years until 2025. Members conveyed deep gratitude to Mr Cheung, the outgoing Chair, for his strong leadership and unwavering commitment over the past five years.

Established since 2006, AFIR is a multilateral platform designed to facilitate information exchange, knowledge dissemination and capacity building among insurance regulators in the Asia Pacific region.

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## **Insurance Authority Welcomes 2023 Policy Address**

**25 October 2023**

The Insurance Authority (IA) welcomes the 2023 Policy Address delivered by the Chief Executive and supports the measures raised therein that concern accelerating development of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) and elevating the status of Hong Kong as an international financial centre.

“The IA strives to promote connectivity in the GBA, a good example being coordination of the industry to introduce cross-boundary insurance products that facilitate northbound travel for Hong Kong vehicles upon advent of the Unilateral Recognition Policy in July this year, paving the way to open up other similar innovative products in future,” said Mr Stephen Yiu, Chairman of the IA.

Mr Yiu added that, “On the establishment of after-sales service centres, a quadripartite platform has been forged among the regulatory authorities in Guangdong, Hong Kong, Macau and Shenzhen to iron out standards and requirements so that all holders of Hong Kong policies residing in Mainland cities of the GBA could enjoy resulting benefits soonest. Meanwhile, the IA is exploring ways to make optimal use of extended care facilities available in the Mainland to satisfy the demand for retirement support among Hong Kong people, thereby effectively reducing the pressure borne by local social service systems”.

The IA will sustain efforts in fully complementing the National 14th Five-Year Plan and the strategy of domestic and international dual circulation, give full play to the pivotal function of Hong Kong as a super-connector, and reinforce its role as an international financial centre and global risk management hub.

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## **Insurance Authority Signs Memorandum of Understanding with Independent Commission Against Corruption to Strengthen Cooperation to Combat Corruption**

**26 October 2023**

The IA and the Independent Commission Against Corruption (ICAC) entered into [a memorandum of understanding \(MoU\)](#) on 26 October 2023, which sets out the framework for handling corruption crimes relating to the insurance industry, and strengthens collaboration in areas covering the referral of cases, joint investigations, the exchange of information, and the provision of expert assistance.

“There are currently 164 authorized insurers and over 110,000 registered insurance intermediaries in Hong Kong, which are important pillars of the financial system. Insurance is also a commitment which embodies important social value by enabling members of the public and enterprises to manage risks effectively. The IA will join hands with the ICAC to combat corruption crimes to safeguard policy holders’ interests,” said Mr Clement Cheung, Chief Executive Officer of the IA.

Mr Ricky Yau, Deputy Commissioner of the ICAC, said, “The MoU was of significant importance. It signifies a closer tie between the ICAC and the IA. Apart from demonstrating our shared determination to uphold integrity in the industry, it will also boost stakeholders’ confidence and establish a fair, just and transparent environment for business operations, which will be conducive to the steady and sustainable development of the industry as a whole.”

In addition to investigation and enforcement, the IA partners with the ICAC to promote public education and professional training to build an ethical and corruption-prevention culture at source.

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