

# REGULATORY NEWSLETTER

2022 Vol.7



It's finally that time of year I am complaining about how hot the weather is. To majority of the population, summer is equivalent to enjoying the sunshine, going to the beach, and having a good time with the loved ones. I hold unpopular opinions against all of these: summer, to me personally, means sweaty clothes, incessant rain, and high humidity. I was called an indoor cat by a close friend once, and rightly so.

That's it for ranting. Let's find out what regulatory updates have been issued by the SFC in June, when the highest temperature of the year was recorded.

## REGULATORY UPDATES

### **GL5: Guideline on Application for Authorization to Carry on Insurance Business in or from Hong Kong and GL1: Authorization Guideline**

**30 June 2022**

The Insurance Authority ("IA") has published a revised Guideline on Application for Authorization to Carry on Insurance Business in or from Hong Kong ("GL5").

The GL5 outline the IA requirement on criteria and requirements, procedures, information and key documents for assessment of an application for authorization. The revised version has provided the prospective applicants more guidance on how the IA assesses an authorization application. It also incorporated relevant provisions of the Authorization Guideline ("GL1") and captured modified requirements in other related guidelines.

The revised GL5 shall take effect from 30 June 2022. Please find a copy of the revised GL5 at [https://www.ia.org.hk/en/legislative\\_framework/guidelines.php](https://www.ia.org.hk/en/legislative_framework/guidelines.php)

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## **Launch of the Green and Sustainable Finance (“GSF”) Information and Data Repositories**

27 June 2022

Under the Green and Sustainable Finance Cross-Agency Steering Group (“CASG”), the Centre for Green and Sustainable Finance (“GSF Center”) has launched the following three repositories:

### **1) GSF Data Source Repository**

The GSF Data Source Repository is now updated to include various Government data sources relevant to the assessment of physical risk in Hong Kong, including historical data on catastrophe damages, district-level micro-climate condition, geographic data and a coordinates transformation tool. The insurance industry is encouraged to utilize these data for climate risk management, product development and other GSF-related analysis.

### **2) GSF Internship Opportunities Repository**

The GSF Internship Opportunities Repository provides an information platform for university students who are looking for opportunities to gain GSF related work experience and applied knowledge to prepare for a future career in this field. Insurance companies are welcome to post information about its GSF-related internship to the platform.

### **3) GSF Training Information Repository**

The GSF Training Information Repository facilitates easy access to information about international and local GSF-related training and qualifications. The information was based on industry practice and is not exhaustive.

For more details of GSF Center, please refer to: <https://www.hkma.gov.hk/eng/key-functions/international-financial-centre/green-and-sustainable-finance/centre-for-green-and-sustainable-finance/>

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## **ENFORCEMENT NEWS**

### **Insurance Authority bans Ho Man Tat for 5 months**

20 June 2022

The Insurance Authority (“IA”) banned a former technical representative (broker) Mr. Ho Man Tat from applying to be licensed for 5 months, on grounds of him not being fit and proper between August and December 2019.

Mr. Ho received monies from client for the purposes of renewing his client’s policy. However, He paid these monies into his own personal bank account and paid the renewal premium directly to the

insurer. Instead of paying these monies into his broker company's client account.

Mr. Ho mistakenly inputted the wrong policy details when he attempted to make the payment via ATM. Mr. Ho sought to rectify this error by preparing letters for his client to sign to request the transfer and paying the renewal premium for his client's policy when the fund did not transferred.

The insurer discovered that the payment had been made by Mr. Ho and the broker company investigated the matter.

Mr. Ho's failure to pay client monies he received into his broker company's client account and the lack of due care and diligence he displayed in inputting the wrong policy details when he sought to renew his client's policy, fell below the standards expected of a prudent insurance broker. Mr. Ho knowingly and deliberately submit misleading and false information to the insurer. He procured his client to make false statements for his own benefit and putting his own interests ahead of his client's. It is clear that he has displayed a lack of integrity such as to render him not fit and proper to carry on regulated activities as a licensed insurance intermediary. These factors form the basis for the disciplinary action taken.

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