

REGULATORY NEWSLETTER



2025 Vol.7



In July, the advent of summer brings a period of global expansion, notwithstanding market fluctuations. This juncture presents an opportune moment to demonstrate resolve and perseverance, underpinned by our conviction in future global prosperity. We remain committed to offering expert consultation and comprehensive compliance services.

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

REGULATORY UPDATES

Circular on Reporting Templates under Group-Wide Supervision Regime

6 June 2025

The Insurance Authority ("IA") issues this Circular to enhance the efficiency and consistency of reporting practices among designated insurance holding companies ("DIHCs") by providing reference reporting templates for certain regular submissions under the Group-Wide Supervision ("GWS") regime.

The IA reserves the right to review and update this Circular and the relevant reference reporting templates from time to time.

Unless otherwise specified, words and expressions in this Circular shall have the same meanings as those given in the Guideline on Group Supervision ("GL32"), as relevant.

Capital Adequacy Supplementary Information ("CASI")

The IA reviews its group supervisory reporting regularly to ensure effective oversight of the capital adequacy of the DIHCs. Given the increasing use of derivatives and investment in level 3 assets by

insurance groups, the IA has revised the CASI templates, as provided in Annex 1, to obtain relevant information on derivatives and level 3 assets from DIHCs.

Group Board Updates

According to G.S/13.2 of GL32, a DIHC should establish a process for updating the IA on key issues considered by its Group Board at board meetings (“Group Board Updates”). To facilitate compliance with the reporting requirements outlined in G.S/13 of GL32, a Group Board Updates template, as provided in Annex 2, has been developed to enhance communication and provide practical guidance.

Local Business Unit Updates

To enhance the regular exchange of information on key issues relating to supervised groups and their local business units, with effect from the Effective Date, DIHCs are required to submit quarterly updates to the IA using the LBU Template provided in Annex 3. Submissions should cover all material insurance entities and any other group entities with matters and/or developments warranting the IA’s attention.

The relevant templates are attached to this Circular and can also be downloaded from the IA’s website (https://www.ia.org.hk/en/infocenter/forms/DIHC_Forms.html). The templates shall take effect from 31 December 2025 (the “Effective Date”).

Should you have any queries in relation to the above, please contact your case officers.

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Continuing Professional Development (“CPD”) Requirements CPD Compliance Reporting for the Assessment Period 2024/2025 Detailed instructions for reporting by individual licensees and appointing principals to the Insurance Authority (“IA”)

6 June 2025

In this circular, we set out the CPD compliance reporting procedures for the Assessment Period 2024/2025, which runs from 1 August 2024 to 31 July 2025.

I. IMPORTANT DEADLINES

By way of recap, the key deadlines for the Assessment Period 2024/2025 are:

31 July 2025 – Deadline for individual licensees 1 to complete their CPD hours required for the Assessment Period 2024/2025.

30 September 2025 – Deadline for individual licensees to submit their CPD Declarations either directly to the IA via Insurance Intermediaries Connect (“IIC”) (see further details below) or to their appointing principals².

31 October 2025 – Deadline for appointing principals to report the CPD compliance status of their appointed individual licensees to the IA.

II. INFORMATION ON CPD HOURS AVAILABLE IN IIC

Individual licensees can check their required CPD hours for the Assessment Period 2024/2025 and view their reported compliance status by logging into their IIC individual accounts and clicking the “CPD Requirement and Compliance Status” option from the vertical menu on the left. The IA reserves the right to review and update this Circular and the relevant reference reporting templates from time to time.

Appointing principals can view the CPD hours requirement and the reported compliance status for each of their individual licensees for the Assessment Period 2024/2025 in IIC, by taking the following steps:

- i. logging into their IIC Supervisor or Admin accounts;
- ii. clicking the “Search for Licensees’ CPD Requirement and Compliance Status” option from the vertical menu on the left; and
- iii. inputting the licence number of the individual licensee to be searched and pressing the “Search” button.

Appointing principals may also download their CPD Lists showing all of their appointed individual licensees and the CPD hours each was required to earn, by:

- i. logging into their IIC Supervisor or Admin accounts;
- ii. clicking the “Report” option from the vertical menu on the left;
- iii. selecting “(10) CPD hours required for the Assessment Period 2024/2025” from the pulldown menu under “Report Type”; and
- iv. clicking ‘Download’.

The CPD Lists will be updated by the IA on a daily basis to keep track of the status of the appointed individual licensees for each appointing principal. The final CPD Lists showing the status of the appointed individual licensees as at 31 July 2025 will be available in IIC on 1 August 2025. To facilitate appointing principals’ monitoring of the CPD compliance status of their newly appointed individual licensees after 31 July 2025, in the CPD Lists downloaded after 1 August 2025, an additional list of newly appointed individual licensees after 31 July 2025 will be appended to the original list of appointed individual licensees as at 31 July 2025. Appointing principals may also report CPD compliance for these newly appointed individual licensees as appropriate.

Currently, only a few licensed insurance agencies and licensed insurance broker companies have still not created a Supervisor Account in IIC. To support these appointing principals in monitoring the CPD compliance status of their appointed individual licensees, the IA emailed the CPD Lists to them in May 2025 and will send the finalized CPD Lists to them in early August 2025. However, in order to conveniently access the updated CPD Lists at any time, it is imperative that these appointing principals open a Supervisor Account in IIC as soon as possible. A Supervisor Account in IIC can be opened by submitting a signed Form A2 to the IA. Please visit the [“Forms – Insurance Intermediaries” webpage on the IA website](#) for the application form and user guides.

III. CPD REPORTING PROCEDURES

Individual licensees have two options for submitting their CPD Declarations to report their CPD compliance status for the Assessment Period 2024/2025. They can submit their CPD Declarations

directly to the IA through their IIC individual accounts. Alternatively, they can submit their CPD Declarations to their appointing principals.

1) Direct submission of CPD Declarations by Individual Licensees to the IA via IIC

In ANNEX 1 to this circular, we have set out detailed procedures for an individual licensee to report his/ her CPD Declaration directly to the IA via his/ her IIC individual account. You may also refer to our user guide for details of the latest available functions.

If an individual licensee chooses to submit his/ her CPD Declaration directly to the IA via IIC, the submission must be made by 30 September 2025.

Please also note that:

- Before 31 July 2025 – individual licensees can submit their CPD Declaration via IIC, but only if they have already fulfilled their CPD hours (i.e. reporting their compliance status as “Yes”). •
- Between 1 August 2025 and 30 September 2025 – all individual licensees can submit CPD declaration via IIC (including those who report their compliance status as “No” to denote a shortfall in the number of CPD hours completed for the Assessment Period 2024/2025). •
- Between 1 October 2025 and 15 November 2025 – any individual licensee who (before 30 September 2025) self-reported their compliance status as “No”, can update and provide additional documentation via IIC to show they have since rectified their shortfall.

In addition, the individual licensee must notify his/ her appointing principal(s), if any, that his/ her CPD Declaration has been submitted to the IA via IIC.

For CPD Declarations submitted directly to the IA by appointed individual licensees, the appointing principal should verify that the reported CPD compliance status against its internal compliance monitoring records and advise individual licensees to amend their reported CPD compliance status if necessary.

Individual licensees who do not have any appointing principal as at 31 July 2025 (and whose licences are thereby automatically suspended) must report their CPD Declarations directly to the IA. They must do this via IIC (using their IIC accounts) or by emailing their duly completed physical CPD Declaration Forms to cpdreporting@ia.org.hk. They should add their Licence Numbers in the subject of the email, e.g. “CPD Reporting for 2024/2025 (Licence no.: AA9999)”.

2) Submission of CPD Declarations to appointing principals for reporting onto the IA

In ANNEX 2 to this circular, we have set out the detailed procedures for an individual licensee to report his/ her CPD Declaration to his/ her appointing principal by 30 September 2025, and for appointing principals in turn to report the CPD compliance status of their individual licensees onto the IA, by submitting the completed CPD Lists in relation to their appointed individual licensees to the IA via IIC. The submission from appointing principals must be made by 31 October 2025.

Please note that:

- Before 31 July 2025: appointing principals may report the compliance status of their appointed individual licensees who have already fulfilled the CPD requirements by submitting completed CPD Lists via IIC (i.e. reporting the compliance code “Y”).

- Between 1 August and 31 October 2025: appointing principals may report the compliance status of all of their appointed individual licensees (including those newly appointed individual licensees after 31 July 2025) by submitting completed CPD Lists via IIC.

Please note that starting from the next Assessment Period (i.e. 1 August 2025 – 31 July 2026), the IA will no longer accept physical CPD Declaration Form submitted by individual licensee (including those whose licences are under suspension), whether by email or post. At that time, individual licensees must report their CPD compliance status via IIC. For the avoidance of doubt, appointing principals may continue to use the physical CPD Declaration Form for internal declaration purposes by individual licensees who choose to report their CPD compliance through their appointing principals.

IV. CPD COMPLIANCE AND PENALTY FRAMEWORK

For the Assessment Period 2024/25, the minimum number of CPD hours an individual licensee is required to complete is 15 CPD hours, including a minimum of 3 CPD hours on topics that count as “Ethics or Regulations” (except for travel agents licensed to carry on regulated activities in restricted scope travel insurance business who are only required to earn 3 CPD hours).

To uphold the standards of the industry, the IA reminds all licensees that CPD compliance is a mandatory regulatory requirement, and it will not hesitate to take appropriate disciplinary action against any licensees who fail to meet such requirement. Details of the applicable CPD Penalty Framework for the Assessment Period 2024/25 can be found in ANNEX 3 to this circular.

Separately, the IA is encouraged by the industry’s continued improvement in CPD compliance, which rose from 90% in 2021/2022 to 96% in 2022/2023, and most recently, 99% in 2023/2024. Building on this positive momentum, the IA calls on the industry to strive for full compliance in the Assessment Period 2024/25, as a shared commitment to professionalism and excellence in Hong Kong insurance market.

VI. ENQUIRIES

- For matters concerning the information contained in this circular and the CPD Lists, please send your enquiries by email to cpd@ia.org.hk.
- For matters concerning IIC, or the opening/ the use of a Supervisor Account, please send your enquiries or applications by email to licensing@ia.org.hk.

[View Circular](#)

Enhanced market surveillance for policy holder protection

15 June 2025

You may find this to be a familiar sight while walking through the shopping district in Tsim Sha Tsui during the Golden Week holiday last month: salespeople holding eye-catching, self-made placards that read “Hong Kong insurance”, with some featuring bold statements on the returns offered, but none disclosing the logo of the insurer.

Roadshow activities are a common marketing channel used by licensed intermediaries to promote in public venues the products offered by their insurers. These roadshow activities convened in temporary booths, retail outlets or promotion trucks are manned by licensed intermediaries with the insurer's logo on display so that passersby can enquire about the products being promoted in pre-approved marketing materials.

Due to the increasing number of salespersons conducting marketing activities on the sidewalks of Tsim Sha Tsui, the Insurance Authority (IA) has become concerned about whether these salespersons are licensed insurance intermediaries, and if they are licensed, whether they are carrying on regulated activities in accordance with the conduct requirements set out in the Insurance Ordinance.

Therefore, during the Golden Week holiday, the IA conducted a surveillance operation targeting such street peddling activities on Canton Road in Tsim Sha Tsui, where we, as mystery shoppers, spoke to many of the salespersons and obtained details about their activities. Based on the findings of the operation, we have followed up with the relevant insurers on the issues identified so as to avoid any non-compliances from arising in the future.

To further enhance the protection of potential and existing policy holders, the Enforcement Division has been building up surveillance capabilities to gather intelligence for the early detection of misconduct or undesirable behaviour that could adversely affect the interests of policy holders or the reputation of the industry. From the intelligence collected, we aim to adopt a proactive approach through public education and appropriate regulatory action to send strong deterrent signals to prevent any undesirable conduct or behaviour from escalating into a systemic issue that requires severe disciplinary sanctions or criminal prosecutions. Our ultimate objective is aligned with our statutory functions: to uphold proper conduct and professional standards of the insurance sector while protecting the interests of all policy holders, fostering the healthy and sustainable development of the industry.

To begin with, we have established self-initiated on-site monitoring as part of our market surveillance capabilities through mystery shopping exercises. These monitoring activities allow us to "walk the beat" and observe first-hand the sales activities currently carried out within the industry so we can promptly identify any behaviour that is of particular concern or raises potential conduct risk issues.

Apart from on-site surveillance, we deploy technology-empowered and data-driven tools to monitor the digital arena and social media platforms for intelligence. Recognising the industry as a valuable source of market intelligence, we have also forged close connections with industry bodies to encourage the sharing of information and knowledge to bolster our surveillance efficiency.

Through stepping up our surveillance capabilities and collaborative efforts with industry bodies, regulators and law enforcement agencies, we strive to foster and maintain a high standard of conduct and professionalism within the industry to safeguard the interests of potential and existing policy holders so they can confidently entrust licensed intermediaries to handle their insurance matters, ensuring that insurance continues to effectively perform its vital social function within the community and promoting the continuous growth of the insurance market.

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You may find this to be a familiar sight while walking through the shopping district in Tsim Sha Tsui during the Golden Week holiday last month: salespeople holding eye-catching, self-made placards that read “Hong Kong insurance”, with some featuring bold statements on the returns offered, but none disclosing the logo of the insurer.

Pursuant to section 133 of the Insurance Ordinance (Cap. 41), the Insurance Authority (“IA”) has published a new Guideline on Valuation and Capital Requirements. Enclosed please find a copy of the GL36 which is also available on the IA website (https://www.ia.org.hk/en/legislative_framework/guidelines.php).

The GL36 is promulgated to provide practical guidance on matters mainly relating to the Insurance (Valuation and Capital) Rules (Cap. 41R). Comments from insurers as well as industry and professional bodies have been considered during the process of promulgation. The GL36 covers, among other things, technical guidance made in quantitative impact studies prior to the implementation of Cap. 41R; guidance provided in the circular dated 12 June 2024¹ (“the Circular”); and other elaborations and illustrations to facilitate insurers in complying with Cap. 41R. The GL36 will take effect on 1 July 2025 (except for paragraphs 11.3 to 11.4 on physical segregation of funds by certain insurers which will take effect on 31 December 2025), and the Circular will be superseded by the GL36 effective 1 July 2025.

Should you have any questions in relation to the above, please contact your case officer or email us at enquiry@ia.org.hk or rbc@ia.org.hk.

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ENFORCEMENT NEWS

Insurance Authority bans Leung Wai Mei and Ip Ka Ying from being considered as insurance intermediaries

12 June 2025

The Insurance Authority (IA) has banned Ms Leung Wai Mei (Licence number: JE7178) and Ms Ip Ka Ying (Licence number: JA2270) from being considered as insurance intermediaries for 12 months and 21 months respectively because they took out bogus policies in order to fulfil sales target.

Ms Leung fabricated two policy applications by misusing the personal information of a client, certifying a phony proof of identity for her son and attempting to cover up by changing her correspondence address. On the other hand, Ms Ip fabricated eight policy applications by misusing the personal information of her clients and friends as well as fraudulently accepting exclusion of personal liabilities arising from the premises owned by two applicants.

These misconducts are iniquitous and premeditated, severely impugning the probity and professionalism expected of insurance intermediaries. The IA is determined to detect and deter such ignominious acts through a combination of intelligence gathering, data analytics and close collaboration with the law enforcement agencies.

Before reaching the above decisions, we have taken account of the fact that Ms Leung and Ms Ip have shown remorse to their transgressions and rendered us with full cooperation throughout the investigation. Further details are available at the section titled “Enforcement News” and the Register of Licensed Insurance Intermediaries on the IA website.

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