

REGULATORY NEWSLETTER

2022 Vol.6



Entering June, sunshine and blue sky are returning to our land, resembling a new start as the gloom of Covid-19 seems to fade away in the city. The collective resilience and diligence of this city have brought us one step closer to health and prospect. Rain or shine, ComplianceDirect has never ceased to endeavor to provide you with our best consultation and compliance advice as well as our professional service. We will continue to help you thrive for excellence while the city is embracing a new beginning.

REGULATORY UPDATES

Applications for Renewal of Insurance Intermediary Licence (Individuals)

20 May 2022

Save in exceptional circumstances, the licences granted by the Insurance Authority ("IA") under the Insurance Ordinance (CAP. 41) to licensed insurance intermediaries are valid for 3 years and therefore have to be renewed every 3 years. In order to renew a licence, a licensed insurance intermediary must apply to the IA for renewal not later than 45 days prior to the expiry date of the existing licence.

As the regulatory regime for licensed insurance intermediaries commenced on 23 September 2019, the first batch of licences are not due for renewal until Q4 2022 (with the earliest applications for renewal having to be submitted in August 2022).

In preparation for this, the IA has enhanced the functionality of Insurance Intermediaries Connect ("IIC"), the IA's e-portal, to enable individual licensees (i.e. licensed individual insurance agents, technical representatives (agent) ("TR(A)s") and technical representatives (broker) ("TR(B)s")) to submit their licence renewal applications electronically via IIC.

This new functionality will also empower principals of individual licensees (i.e. authorized insurers in the case of licensed individual insurance agents, licensed insurance agencies in the case of TR(A)s, and licensed insurance broker companies in the case of TR(B)s) to manage and coordinate renewal applications submitted by their individual licensees.

[View Circular](#)

Continuing Professional Development (“CPD”) Requirements CPD Compliance Reporting for the Assessment Period 2021/2022

Detailed instructions for reporting by individual licensees and appointing principals to the Insurance Authority (“IA”)

31 May 2022

Further to [the circular dated 28 January 2022](#), The IA would like to set out the CPD compliance reporting procedures for the Assessment Period 2021/2022, from 1 August 2021 to 31 July 2022.

The key deadlines for the Assessment Period 2021/2022 are:

31 July 2022 – Deadline for individual licensees [i.e. licensed individual insurance agents, technical representatives (agent) and technical representatives (broker)] to complete their CPD hours required for the Assessment Period 2021/2022.

30 September 2022 – Deadline for individual licensees to report their CPD Declarations either directly to the IA via [Insurance Intermediaries Connect](#) (“IIC”) (see the circular below) or to submit their CPD Declarations to their appointing principals (i.e. their appointing authorized insurers, licensed insurance agencies or licensed insurance broker companies).

31 October 2022 – Deadline for appointing principals to report the CPD compliance status of their appointed individual licensees to the IA.

The following issues are included in the circular: -

- information on CPD information on CPD hours available in IIC;
- CPD reporting procedures;
- changes to CPD penalty framework for assessment period 2021/2022

Summary of Penalty Framework for CPD breaches for the Assessment Period 2021/2022

Shortfall		Penalties	
Shortfall is less than 6 hours	A fine of \$600 per hour of shortfall will be imposed, plus the shortfall must still be	Failure to rectify the shortfall by 31 October 2022 and/or to pay the fine will	If the shortfall is still not rectified and/or the fine remains unpaid

rectified by 31 October 2022.

lead to a minimum suspension of 3 months (to continue thereafter until the shortfall is rectified and/or the fine is paid).

after the 3-month suspension the license may be revoked.

Shortfall is 6 hours or more

A fine of \$600 per hour of shortfall will be imposed as well as a minimum suspension of 3 months (which will continue until the shortfall is rectified or the fine is paid.)

If the shortfall is still not rectified and/or the fine remains unpaid after the suspension of 3 months, the license may be revoked.

[View Circular](#)



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