
REGULATORY NEWSLETTER

2024 Vol.12



As we embrace the magic of December, we want to take a moment to express our heartfelt gratitude for your continued support. This month is filled with joy, celebration, and the spirit of giving. Whether you're decorating your home, enjoying festive gatherings, or simply taking time to reflect on the year, we hope this season brings you warmth and happiness. Along with the festive atmosphere, ComplianceDirect is excited to share our latest regulatory updates from the IA and wish you a Merry Christmas!

REGULATORY UPDATES

CPD Course for Insurance Brokers on Grandfathered Investment-Linked Assurance Scheme Policies ("ILAS Policies")

8 Nov 2024

Further to the Insurance Authority ("IA")'s circular of 5 July 2024 on the "Practice Note on the application of requirements in the insurance regulatory framework to specific services provided by licensed insurance brokers on investment choices and premium allocations under Investment-Linked Assurance Scheme Policies" ("Practice Note"), the IA issues this circular to supplement the details regarding the specific Continuing Professional Development ("CPD") course for compliance with the Additional CPD requirement under the Grandfathering Arrangements set out in the Practice Note.

Effective from 1 October 2024, the Practice Note establishes the competency requirements for licensed insurance brokers providing advisory investment services or discretionary investment management services in relation to ILAS Policies. Existing licensed insurance brokers who are unable to meet the new competency requirements by 1 October 2024 can continue providing such services for ILAS policies issued before 1 October 2024 ("Grandfathered ILAS Policies"), only if they can observe the Grandfathering Arrangements set out in Part A(III) of Annex A to the Practice Note ("Grandfathering

Arrangements”).

The Grandfathering Arrangements allow the services to continue to be provided on Grandfathered ILAS Policies, until 31 July 2027, provided that the relevant insurance brokers comply with the Additional CPD requirement, essentially requiring 2 additional CPD hours to be completed annually in each of the following CPD Assessment Periods:

- from 1 August 2024 to 31 July 2025
- from 1 August 2025 to 31 July 2026; and
- from 1 August 2026 to 31 July 2027

First run of the Course for Insurance Brokers on Grandfathered ILAS Policies

Recently, the Hong Kong Securities and Investment Institute (“HKSI Institute”) co-organizes with Professional Insurance Brokers Association (“PIBA”) and The Hong Kong Confederation of Insurance Brokers (“CIB”) to roll out a course named ‘Course for Insurance Brokers on Grandfathered ILAS Policies’. This course is recognised by the IA for fulfilling the Additional CPD requirement under the Grandfathering Arrangements. All other interested insurance intermediaries are also welcome to complete the course for attainment of their standard annual CPD hours.

Details of the first run of the course are as follows:

Date	26 November 2024
Time	3:00pm to 5:00pm (2 hours)
Format	Webinar
Language	Cantonese, supplemented by English materials
Course Fee	<ul style="list-style-type: none">- HK\$120 (after 80% reimbursement, please see remarks below)- HK\$600 (original course fee) Remarks: The course is recognized as an eligible course under the Pilot Programme to Enhance Talent Training for the Asset and Wealth Management Sector (“WAM”), and eligible applicants will be reimbursed 80% of the original course fee (i.e. HK\$ 600) upon satisfactory completion of the course. Eligible applicants for the aforesaid reimbursement include all licensed insurance intermediaries (i.e. licensed insurance agents and licensed insurance brokers).
Participants limit	100
Registration links	Applicants should register for the course at these links: English: [Webinar] Course for Insurance Brokers on Grandfathered ILAS Policies Traditional Chinese: [網上研討會] 持牌保險經紀於過渡安排涵蓋的投連壽險保單培訓課程
Procedures	A brief description of the procedures on registration and course fee reimbursement is made available in Appendix 1 to this circular for reference

The course will be re-run from time to time within each CPD Assessment Period (i.e. 1 August to 31 July) and be available in Cantonese and English. The schedule of the re-run courses will be announced by HKSI Institute, PIBA and CIB when available.

Responsibility of Insurance Brokers and Keeping of Proper Records

Licensed insurance brokers are reminded that it is their responsibilities to have proper controls, procedures and adequate supervision to ensure that their technical representatives (broker) and responsible officers who are subject to the Grandfathering Arrangements to have complied with the Additional CPD requirement, and each such technical representative (broker) and responsible officer should properly retain documentary evidence in support of their attendance. The IA will conduct spot-check to ascertain compliance (whether during inspections or by issuing requests or at the time a renewal for licence is made). The IA reserves the right to penalize the failure to fulfil Additional CPD requirement with a public reprimand.

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Study Notes for Insurance Intermediaries Qualifying Examination (“IIQE”)

18 Nov 2024

We are writing to inform you that the Study Notes for the Principles and Practice of Insurance Examination (2024 Edition) and Study Notes for the Investment-linked Long Term Insurance Examination (2024 Edition) (“Study Notes”) have just been published.

The new edition reflects an update on the Guideline on Anti-Money Laundering and Counter-Terrorist Financing last revised by the Insurance Authority (“IA”).

The new edition of the Study Notes are now available on our website at

https://www.ia.org.hk/en/supervision/reg_ins_intermediaries/insurance_intermediaries_qualifying_examination.html.

For examination sessions of the Principles and Practice of Insurance Examination and the Investment linked Long Term Insurance Examination under IIQE to be conducted from 17 February 2025 onwards, the examination questions will be based on the new edition of Study Notes.

Should you have any enquiries regarding the above, please contact Ms Lillian Kwan at 3899 9763.

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