

12 October 2021

Our Ref: MC/INT/5

By Email

To: Chief Executives of all Authorized Insurers, Responsible Officers of all Licensed Insurance Broker Companies and Responsible Officers of all Licensed Insurance Agencies

Dear Sirs,

Explanatory Note on “Regulated Activity” under the Insurance Ordinance (Cap. 41)

We are writing to inform you that an Explanatory Note on “Regulated Activities” under the Insurance Ordinance (Cap. 41) (“Explanatory Note”) has been issued today and is now available on our website at https://ia.org.hk/en/legislative_framework/explanatory_notes.html.

The Insurance Authority (“IA”) has previously issued an “Explanatory Note on Licensing Requirements for Employees of Authorized Insurers under Regulatory Regime for Insurance Intermediaries” in November 2018 and an “Explanatory Note on Licensing Requirements for Banking Sector under Regulatory Regime for Insurance Intermediaries” in October 2019, setting out its views on whether or not persons are carrying on “regulated activity” in certain sector-specific situations.

Since the regulatory regime for insurance intermediaries came into effect on 23 September 2019, the IA has received enquiries on the issue of “regulated activity” involving different types of distribution models that go beyond the scope of the two existing explanatory notes it has issued. Answering these enquiries has enabled the IA to refine and further develop its views on the application of the scope of “regulated activity” in the context of different business practices. To ensure persons considering the licensing requirements under the Insurance Ordinance have the benefit of these views, the IA thus decided to issue this additional Explanatory Note.

The Explanatory Note has been finalized following consultation with, among others, the Hong Kong Federation of Insurers, the Hong Kong Confederation of Insurance Brokers and the Professional Insurance Brokers Association and we thank each of them for their helpful feedback.

If you have any questions on the Explanatory Note, please contact Mr. Alan Wu at 3899 9748 or Ms. Anna Ho at 3899 9737.

Yours faithfully,

Peter Gregoire
Head of Market Conduct
General Counsel
Insurance Authority

c.c. Hong Kong Monetary Authority
 The Hong Kong Federation of Insurers
 The Hong Kong Confederation of Insurance Brokers
 Professional Insurance Brokers Association