

# Application for New Formal Licences by Deemed Licensees who are Licensed Insurance Agents

## Frequently Asked Questions

I.	Transitional Arrangement	Q1 – Q5
II.	Deemed Licensee Applies for New Formal Individual Licence	Q6 – Q9
III.	Submission of Individual Licence Application through Online Portal	Q10 – Q20
IV.	Education Certification and Supporting Documents	Q21 – Q27
V.	Application for Licences by Insurance Agency and its Responsible Officer(s)	Q28
VI.	Others	Q29

### I. Transitional Arrangement

Q1. We are insurance agents and technical representatives who were registered with the former Self-regulatory Organizations immediately before the commencement of the new regulatory regime on 23 September 2019 and were automatically granted a licence for 3 years up to 22 September 2022. Why do we have to apply for a new formal licence?

A1. Insurance intermediaries validly registered with the three former Self-regulatory Organizations (The Insurance Agents Registration Board (“IARB”), The Hong Kong Confederation of Insurance Brokers and Professional Insurance Brokers Association) (“former SROs”) immediately before the commencement of the new regime on 23 September 2019, are regarded as (or deemed as) having been granted a licence for 3 years under the new regulatory regime. We refer these insurance intermediaries as “deemed licensees”.

The 3-year-period for which a deemed licensee has a licence (i.e. from 23 September 2019 to 22 September 2022) is referred in the Insurance Ordinance (“IO”) (Cap. 41) as the “transitional period”.

There are approximately 110,000 deemed licensees, and they are only permitted to conduct regulated activities during the transitional period i.e. **up to 22 September 2022**. If deemed licensees intend to continue conducting regulated activities under the IO after the end of the transitional period, they have to apply for a formal licence from the Insurance Authority (“IA”) within the 3-year transitional period.

Q2. We are deemed licensees and our licences have been granted up to Year 2022. Is it compulsory to submit the licence application now? Can we submit the formal licence application later?

A2. Currently, there are approximately 110,000 deemed licensees. In order to ensure smooth processing of these 110,000 applications for formal licences from deemed licensees to be processed before the end of the transitional period (i.e. 22 September 2022), the applications need to be suitably staggered throughout the transitional period. Indeed, that is the purpose of the transitional period (and the reason why it is called a “transitional period”).

During the transitional period, the IA will make arrangements for deemed licensees to submit their applications for formal licence by batches, which will enable deemed licensees to obtain their formal licence timely and continue to carry on regulated activities beyond the end of the transitional period.

The IA will give priority to licence applications which are made in line with the schedule formulated by the IA. As such, when deemed licensees are invited by the IA to apply for their new formal licence, they are advised to respond without delay. Otherwise there is a risk that the IA will not be in position to process those licence applications by the end of the transitional period.

Q3. Is there a deadline for submitting the licence application by deemed licensees?

A3. The transitional period for all deemed licensees ends on 22 September 2022. This means that for a deemed licensee who has not obtained approval from the IA for his/her formal licence by 22 September 2022, he/she cannot conduct any regulated activities on or after 23 September 2022, until his/her licence application is eventually approved.

In early 2022, the IA will announce a cut-off date by which applications for new formal licence by deemed licensees have to be submitted. If an application is not submitted by the cut-off date, the IA cannot guarantee the approval of such licence application before 22 September 2022 (and if the licence application is not approved by that date, the deemed licensee will have to cease all regulated activities until the licence application is eventually approved).

Q4. What is the IA’s selection criteria for inviting a deemed licensee to make an application for a new formal licence? Why I have been invited to make my application now?

- A4. As it is foreseen that there will be approximately 110,000 licence applications from deemed licensees, the IA has to stagger such applications throughout the transitional period in order to ensure a smooth transition. The IA appeals to the cooperation and swift response of all deemed licensees when they are invited to submit an application for a new formal licence by the IA.

The IA will also reach out to authorized insurers and licensed insurance agencies to invite them to submit the licence applications for their individual insurance agents and technical representatives (and, in the case of insurance agencies, it covers also the applications for the agency and its responsible officer(s)) by batches.

The IA may further coordinate with appointing insurers and agencies to organize briefing sessions on the licence application process for deemed licensees and provide further guidance and support, where appropriate.

- Q5. Would this round of licence application submission affect my current licence status? Would the IA assess my application according to the licensing and conduct requirements under the new regulatory regime?

- A5. The IA will invite deemed licensees to make their first formal application for a licence under the new regulatory regime which commenced on 23 September 2019.

The application will, therefore, be assessed based on the requirements under the new regulatory regime, in particular the requirements set out in GL23 – Guideline on Fit and Proper Criteria for Licensed Insurance Intermediaries <[https://www.ia.org.hk/en/legislative\\_framework/files/Eng\\_GL23\\_FPP.pdf](https://www.ia.org.hk/en/legislative_framework/files/Eng_GL23_FPP.pdf)>. Deemed individual licensees and deemed responsible officers can enjoy certain exemptions set out in Annex 2 to the GL23.

## **II. Deemed Licensee Applies for New Formal Individual Licence**

- Q6. In general, what is the processing time for the licence application?

- A6. The licence application processing time depends very much on the complexity of the application cases, level of completeness of the application forms and the supporting documents provided. For example, if the application is submitted by a large insurance agency, the complexities of the company's business structure may have an impact on the processing time. Also, an influx of licence applications received by the IA at a particular point of time is also a factor of the processing time.

Applications to be made by licensed individual insurance agents or technical representatives should be submitted through the IA's Online Portal. This could help reducing the licence application processing time significantly.

Given the above variables, the licence application processing time could vary from less than a matter of days (e.g. for straightforward applications by individual insurance agents/technical representatives submitted through the IA's Online Portal, with a complete set of documentation and requisite information) to a few months (where the application has specific complexities).

Once the licence application is approved, the licensee and the appointing insurers/agency will be notified of the application result by email and such result will also be automatically uploaded onto the IA's Register of Licensed Insurance Intermediaries on the same day.

Q7. Can deemed licensees take this opportunity to submit an application for additional / varying of line of business, or appointing new individual insurance agents / technical representatives / responsible officer(s)?

A7. In order to streamline and expedite the licence application process, the IA will, as far as possible, take account of information currently available in the IA's Register of Licensed Insurance Intermediaries.

If the deemed licensee wishes to make changes, such as his/her name, additional / varying of line of business or new appointment, etc. it is suggested that these changes be addressed by way of a separate application/notification process (i.e. not being part of the application for the new formal licence).

Please refer to information on IA's website regarding the application / notification process for such changes <<https://www.ia.org.hk/en/infocenter/forms/intermediaries.html>> .

Q8. How can an appointing insurer (for its individual insurance agents) or an appointing agency (for its technical representatives) keep a record of licence application information which has been submitted through the Online Portal?

A8. An appointing insurer/agency can retain the application data of its individual insurance agents/technical representatives by:

- Keeping a record of the verified application information in the Input Template uploaded to the Online Portal in the Principal Bulk Upload Approach;
- Viewing the applications when verifying the application or confirming the appointment in the Online Portal; or

- Downloading the completed application in PDF format one-by-one via insurer's/agency's supervisor account in the Online Portal.

Q9. How can appointing insurers/agencies monitor the progress and status of their deemed licensees applications submitted via the Online Portal?

A9. Appointing insurers/agencies can download two status reports from the Online Portal for reference:

- Deemed Licensees Application E-portal Status Report; and
- Outstanding Deemed Licensees Report.

### III. Submission of Individual Licence Application through

#### Online Portal

**[Only applicable to Individual Insurance Agents and Technical Representatives.]**

Q10. Does an appointing insurer/agency need an account in the IA's Online Portal to upload licence applications submitted by its individual insurance agents or technical representatives, as the case may be?

A10. The appointing insurer/agency is required to open a supervisor account to perform the uploading of licence application information as well as subsequent verification of applications and confirmation of appointments through Online Portal. As such, every appointing insurer and agency is encouraged to open an Online Portal account by completing Form A2 <[https://www.ia.org.hk/en/infocenter/forms/files/A2\\_Eng\\_July\\_2020.pdf](https://www.ia.org.hk/en/infocenter/forms/files/A2_Eng_July_2020.pdf)> and submit to the IA as soon as practicable (if it has not yet done so). Please refer to "User Guide of the Insurance Intermediaries Connect for Principals" <[https://www.ia.org.hk/en/infocenter/forms/files/Online\\_Portal\\_Userguide\\_principal\\_Oct\\_2020.pdf](https://www.ia.org.hk/en/infocenter/forms/files/Online_Portal_Userguide_principal_Oct_2020.pdf)> for functions and procedures in the Online Portal.

Q11. What is the difference between the two approaches (Principal Bulk Upload and Individual Upload) for licence applications to be submitted through the Online Portal?

A11. To facilitate the licence application process for appointing principals, the IA sets up 2 approaches (namely the Principal Bulk Upload Approach and the Individual Upload Approach) for the handling of applications for individual insurance agents and technical representatives. Key features of the two approaches are summarized below:

- **Principal Bulk Upload Approach** allows the appointing insurer/agency to pre-populate all licence application data in a batch process and handle subsequent changes through the Online Portal. The appointing insurer/agency may also consider to validate / verify the application data with their internal records to minimize the effort of eye-ball checking in the Online Portal. Under this approach, the appointing insurer/agency will have better control on the application data, which can reduce the manual input error from their individual insurance agents/ technical representatives during the licence application process.
- **Individual Upload Approach** follows the existing workflow for new licence application in the Online Portal, the individual insurance agents/ technical representatives can input and update their licence application data manually through their individual Online Portal account. The appointing insurer/agency can then review the application, confirm the appointment and submit the application to the IA through Online Portal.

Subject to the appointing insurer's / agency's internal controls, system support and resource available, each appointing insurer/agency can only select one approach in processing the licence applications of their individual insurance agents/technical representatives.

- Q12. Under the Principal Bulk Upload Approach, can the appointing insurer/agency upload partial application details through the Online Portal and then allow the applicant to update the remaining details in the Online Portal on their own?
- A12. Under the Principal Bulk Upload Approach, the appointing insurer/agency has to furnish all information in the Input Template for upload. A validation control will be run when uploading the Input Template into the Online Portal to ensure all information is complete. Applicants (i.e. deemed licensee individual insurance agents/technical representatives) **cannot** update/alter their application information (apart from the 14 questions on declarations relating to fitness and properness of the applicants and the uploading of supporting documents) in the Online Portal. Please use the "Individual Upload Approach" instead if the appointing insurer/agency intends to submit only partial application details.
- Q13. Under the Principal Bulk Upload Approach, if a licensee identifies some incorrect information in the draft application before submission of the application to his/her appointing insurer/agency, how can he/she update the application information?
- A13. The applicant should inform his/her appointing insurer/agency for updates in the application. Only the appointing insurer/agency can revise the specific application information of a particular licensee by uploading the revised Input Template with correct information for that applicant through Online Portal.

Q14. Under the Individual Upload Approach, can the appointing insurer/agency upload partial application details through the Online Portal and then allow the applicant to update the remaining details in the Online Portal on their own?

A14. Yes, the appointing insurer/agency can create an individual Online Portal account with minimum information (i.e. Licensee's Name, HKID Card Number, E-mail address and mobile number (for receiving the activation SMS)) for the applicant. The applicant (i.e. deemed licensee individual insurance agent/technical representative) should then complete all remaining information and upload his/her HKID Card copy and other required supporting documents in the Online Portal.

Q15. Is there any limitation on the number of licence applications upload through the Online Portal?

A15. Regardless of Principal Bulk Upload Approach or Individual Upload Approach, the maximum number of records in each Input Template is capped at 1,000 per upload. Multiple uploads are allowed within the same day. Appointing insurers/agencies can control the order and the number of applications submitted through the Online Portal themselves, provided that all individual insurance agents/technical representatives complete their application process before the cut-off date prescribed by the IA (please refer to question 3 for details of the cut-off date).

Q16. Several fields are marked as "Read only" in the Input Template. How can the appointing insurer/agency or applicants change the information in those fields if necessary?

A16. The following columns in the Input Template are locked:

- a) IA Licence No.;
- b) Appointing principal(s) and Line(s) of Business
- c) Hong Kong Identity Card Number;
- d) English and Chinese Full Name; and
- e) Date of Birth.

Items (b) to (e) of the above are assumed to be correct based on the licensing information transferred from the former SROs to the IA. Such information is shown in the Input Template for reference only. It could not be changed in the licence application even if it is modified in the Input Template and submitted to the Online Portal.

If any of the above personal particulars and/or appointment details have to be updated, the appointing insurer or agency will need to submit to the IA Licensing Team in separate applications:

- for updates of personal particulars (Form **N3**)  
<[https://www.ia.org.hk/en/infocenter/forms/files/20201007\\_N3\\_Eng.pdf](https://www.ia.org.hk/en/infocenter/forms/files/20201007_N3_Eng.pdf)>
- for change of appointment (Form **N2**)  
<[https://www.ia.org.hk/en/infocenter/forms/files/Form\\_N2\\_Eng\\_12Oct2020.pdf](https://www.ia.org.hk/en/infocenter/forms/files/Form_N2_Eng_12Oct2020.pdf)>
- for varying line of business (Form **A6**)  
<[https://www.ia.org.hk/en/infocenter/forms/files/Form\\_A6\\_Eng\\_Oct\\_2020.pdf](https://www.ia.org.hk/en/infocenter/forms/files/Form_A6_Eng_Oct_2020.pdf)> .

Q17. How to know whether the upload of the licence applications are successful?

A17. Upon uploading the Input Template in the Online Portal, a validation control will be run to ensure all information are completed. If there is any missing data or data in incorrect format, an alert will be shown in the Online Portal, and the licence applications and Online Portal accounts of the licensees concerned will not be created. The appointing insurer/agency should then update the particular field(s) and upload the Input Template again for those applicants.

Q18. Is the appointing insurer/agency expected to verify all information inputted by the individual insurance agent/technical representative in the licence application?

A18. Same as the current practice in the licensing application for new formal licences, the appointing insurer/agency is responsible for verifying the information provided in the Input Template and all documents in connection with the licence application.

The appointing insurer/agency is required to declare that, to the best of its knowledge and belief, all the information provided in the licence application and documents in connection with the licence application are COMPLETE, TRUE and CORRECT.

It should be noted that the applicant will be charged of committing a criminal offence if he/she provides false or misleading information in the licence application. In this connection, we expect the appointing insurer/agency to put in place proper control procedures to ensure that the information provided in the licence applications by their individual insurance agents/technical representatives are accurate and correct.

Q19. For an individual insurance agent with multiple appointments, does the IA require all relevant appointing insurers to confirm their appointments through the Online Portal?

A19. For individual insurance agents with more than one appointing insurer, only one appointing insurer is required to verify the licence application in the Online Portal. Once the licence application is approved, email notifications will be sent to all relevant appointing insurers.



Q20. Can appointing insurers/agencies change their case handler of specific licence applications after account creation in the Online Portal?

A20. Appointing insurers/agencies can assign the case handler of licence applications in the Input Template and upload it to Online Portal. After account creation, appointing insurers/agencies can change their case handler of licence applications in the Online Portal directly.

## IV. Education Certification and Supporting Documents

Q21. What kind of supporting documents are required to be provided by deemed licensees during licence application stage?

A21. Deemed licensees who are individuals (and who are applying to be a licensed individual insurance agent or technical representative) have to provide the following supporting documents in their licence applications to the IA:

- a. Copy of Hong Kong Identity Card (mandatory to all licensees);
- b. Mainland education certificate and corresponding authentication proof **if** the deemed licensees :
  - i) submitted a Mainland education certificate in their first registration with the former SROs before the effective date of enhanced vetting requirements<sup>1</sup>, **and**
  - ii) did **not** submit the relevant authentication proof for the Mainland education certificate to the former SRO (as required by the enhanced vetting requirements); and[Please also refer to Question 23 for more details.]
- c. Supplemental forms S1, S2, S3 or S4 if the deemed licensees answered “Yes” in the following section in the licence application :
  - i) Section II. Employment, Directorship & Relationship with Licensed Insurance Agency/Broker Company;
  - ii) Question 4 in Section III. Licence(s) Granted by Financial Regulator(s) ; and

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<sup>1</sup> For the effective date of enhanced vetting requirements, please refer to the respective circulars:

- The Hong Kong Federation of Insurers, *Enhanced Vetting Requirements for Registration* (Ref: A2-002/02-J66764), requirements effective from 1 May 2017 for First Registration and 1 August 2017 for Re-Registration, Additional Registration and Renewal Registration;
- The Hong Kong Confederation of Insurance Brokers, *Registration: Enhance Verification of Academic Certificates issued by Mainland Education Institutes* (General Circular 28/17), requirements effective from 27 March 2017;
- Professional Insurance Brokers Association, *Re: Verification of Academic Certificates Issued by Mainland Education Institutes* (Ref. No: MEMO/014/2017), requirements effective from 1 March 2017.

iii) Section V. Character, Financial Status, Disciplinary Action & Investigation.

Q22. Can the appointing insurer/agency upload supporting documents to the Online Portal at the application creation stage?

A22. No, the supporting documents will have to be uploaded directly by individual applicants in the Online Portal, in both Principal Bulk Upload Approach and Individual Upload Approach.

Q23. Who are required to upload the Mainland education certificate and the corresponding authentication proof?

A23. In early to mid-2017, the 3 former SROs required insurance intermediaries with Mainland education certificates to provide accepted authentication proof of their Mainland education certificates (e.g. verification report issued by China Higher Education Student Information and Career Center, notarization or direct confirmation by the institution concerned, etc.) during the registration/ renewal process with the SRO.

For individual licensees who have not submitted the required documents to any of the former SROs in their registration/ renewal process before 23 September 2019, they must submit both his/her Mainland education certificate and the corresponding authentication proof through the Online Portal along with their licence application to the IA.

Q24. Would an individual licensee who is required to upload both his/her Mainland education certificate and the corresponding authentication proof in question 23, still need to do so if he/she has attained a higher education subsequently?

A24. Yes, the individual licensee should provide both the details of the highest education he/she has attained; and also the details of his/her Mainland education as in the first registration with former SROs and upload both Mainland education certificate and the corresponding authentication proof through the Online Portal.

Q25. Does an individual licensee still need to provide the education/professional details in Section IV. Education/ Professional Qualification in the application form if the checkbox "Other" is selected?

A25. Yes, the individual licensee must input his/her highest education attained (or "grandfathered", if applicable). However, no education proof is required to be provided to the IA in the application stage. Applicants may be required to provide the supporting documents to the IA later upon request.

Q26. Will the IA request further supporting documentation in relation to the licence applications?

A26. Yes, the IA reserves the right to request further information for the purpose of assessing the fitness and properness of applicants. Applicants must provide further supporting documentation upon request by the IA.

Q27. Under what conditions will an applicant be exempt from the education criteria?

A27. **Technical Representative (Agent)**

Applicant who meets the following criteria is exempt from the education criteria under paragraph 5.2(a) of GL23 – Guideline on “Fit and Proper” criteria for Licensed Insurance Intermediaries under the IO:

- i. was a Technical Representative or Responsible Officer registered with the IARB immediately before 23 September 2019 and regarded as a deemed licensee under the new regulatory regime; or
- ii. was a Technical Representative or Responsible Officer registered with the IARB at any time within the two-year period before 23 September 2019,

provided that:

- i. he/she has not ceased to be engaged in insurance-related work in the insurance industry in Hong Kong for two consecutive years or more; and
- ii. he/she submits the application for such licence within the transitional period (i.e. from 23 September 2019 to 22 September 2022).

**Responsible Officer of Licensed Insurance Agency**

Applicant who meets the following criteria is exempt from the education criteria set out in paragraph 5.4(a) of GL23: Guideline on “Fit and Proper” criteria for Licensed Insurance Intermediaries under the IO:

- i. was a Responsible Officer registered with the IARB at any time before 23 September 2019; or
- ii. was a Technical Representative registered with the IARB at any time before 23 September 2019 and already possessed a minimum of 15 years’ experience in insurance-related work in the insurance industry in Hong Kong on 23 September 2019.

For details of the exemptions, please refer to Annex 2 of GL23

[https://www.ia.org.hk/en/legislative\\_framework/files/GL23.pdf](https://www.ia.org.hk/en/legislative_framework/files/GL23.pdf).

## V. Application for Licences by Insurance Agency and its

### Responsible Officer(s)

Q28. How can an agency submit the licence application forms and supporting documents for the agency and its responsible officer(s)?

A28. In the case of a deemed licensee which is a licensed insurance agency, the IA shall seek to coordinate the following licence applications in one go:

- (1) the application for licence by the agency
- (2) the application(s) for licence by its responsible officer(s)
- (3) the applications for licence by its technical representatives.

The application for agencies and their responsible officer(s) have to be submitted in paper form. The IA will, by way of invitation letters, invite agencies to commence their licence application process. Relevant steps are set out in the invitation letters for agencies to follow.

For the avoidance of doubt, it should be noted that licence applications by technical representatives of the agencies are expected to be submitted through the Online Portal. The IA will provide facilitative measures to assist agencies in setting up their supervisor accounts in the Online Portal to enable the processing of technical representatives' applications in the Online Portal.

For smaller sized agencies, the IA will liaise with their main appointing insurer to provide further guidance and support in processing their licence applications, where possible.

## VI. Others

Q29. Are deemed licensees required to pay licence fee for this licence application?

A29. Licence fees are waived for 5 years from the commencement of the new regime (i.e. from 23 September 2019 to 22 September 2024). Hence, there is no licence fee for licence applications made by deemed licensees prior to the end of the transitional period (i.e. 22 September 2022).