

Applications for New Licences by Deemed Licensees who are Broker Companies / Responsible Officers (RO) / Technical Representatives (Broker) (TRB)

Frequently Asked Questions

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I. Transitional Arrangement

- 1. Under the regulatory regime for licensed insurance intermediaries, all deemed licensees are automatically granted a licence for 3 years from 23 September 2019 up to 22 September 2022 (“transitional period”). Why do we have to apply for a new licence now?**

A “deemed licensee” refers to a person registered as an insurance intermediary with one of the three self-regulatory organizations (“SROs”) immediately before the new licensing regime for intermediaries came into force on 23 September 2019 (at which point the regulation of insurance intermediaries was transitioned from the SROs to the Insurance Authority (“IA”). As of 23 September 2019 all deemed licensees were automatically deemed to have been granted a licence for a transitional 3 year period from 23 September 2019 to 22 September 2022. During this transitional period, any deemed licensees intending to continue conducting regulated activities under the Insurance Ordinance (Cap. 41) (the “Ordinance”) after the end of transitional period (i.e. after 22 September 2022), have to apply for a new formal licence from the IA.

Why apply now? There are approx. 110,000 deemed licensees and in order for all applications for formal licences from deemed licenses to be processed before the end of the transitional period, the applications need to be suitably staggered throughout the transitional period.

The IA will arrange for deemed licensees to submit their applications for formal licences by batch. Priority will be given to processing licence applications which are made in line with the schedule formulated by the IA.

When deemed licensees are invited by the IA to apply for their new licence, they should respond without delay; otherwise there is a risk that the IA will not be in a position to process their application by the end of the transitional period.

2. Is there a deadline within which all deemed licensee applications must be submitted?

In early 2022, a cut-off date will be announced by which date all applications for new licences by deemed licensees will need to be submitted. If an application is not submitted by the cut-off date, the IA cannot guarantee that the application will be approved before 22 Sep 2022 (i.e. the end of the transitional period). Any deemed licensee who has not obtained approval from the IA for its new formal licence by 22 Sep 2022 **CANNOT** conduct any regulated activities on or after 23 Sep 2022, until its licence is approved.

3. What if the application is submitted after 22 Sep 2022?

The transitional period for all deemed licensees ends on 22 Sep 2022. As per the previous answer, this means that any deemed licensee who has not obtained approval from the IA for its new formal licence by 22 Sep 2022 **CANNOT** conduct any regulated activities on or after 23 Sep 2022, until its licence is approved.

II. Application for New Licence

4. Can we submit the applications for processing before receiving the invitations from the Insurance Authority?

Yes. Early applications by the deemed licensees before receiving the invitations from the IA are very welcome and encouraged.

5. If we apply now, will the new licence period be longer than 3 years (to include the transitional period)?

No. The Ordinance provides that a licence when granted, is only valid for 3 years.

6. How long will the licensing process take?

The application processing time very much depends on the completeness of the application and the documents and information provided by the applicant with the application. The scale and complexities of the company's business structure may also have an impact on processing time. Timing would also depend on the number of applications received by the IA.

7. Would my application affect my current licence status?

If you are a deemed licensee, the application you will be invited to make by the IA will be your first application for a licence under the new regulatory regime which commenced on 23 Sep 2019.

Your application will, therefore, be assessed based on the requirements under the 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

Your current deemed licence under the transitional period will run to 22 September 2022, unless your new licence is granted before that date in which case your new licence will replace your deemed licence.

8. At the same time as we apply for our new licence as a licensed insurance broker company, can we also apply for (i) a new RO (as opposed the existing RO); and/or (ii) an additional line of business (“LoB”) or varying LoB?

The deemed licensee application process has been designed as a streamlined process. This streamlined process may be used provided the broker company applying for the licence is retaining the same RO and keeping its LoBs unchanged. If a company wishes to notify/apply for changes such as deemed licensee name, additional/varying LoB, or new appointment of an RO, etc it is advised (unless it cannot be avoided) that the company submit its application for a new licence first on the basis of there being no changes and then later apply separately for the changes it wishes to make.

9. Does a broker company have to apply for approval of its RO and ensure the applications of its TRBs are made at the same time as the application for the broker company?

YES. For a Broker Company, the application for the company licence and for the application for the approval of the RO have to be made at the same time. Please submit the paper applications with originals to IA office and the soft copies via email to brokerlicensing@ia.org.hk

At the same time we invite the Broker Company to submit its application, we also want the TRBs of the company who are deemed licencees to submit their applications. These should be submitted via e-application through Online Portal – Insurance Intermediaries Connect (IIConnect) <https://iic.ia.org.hk/en/login.html>.

10. We applied for and obtained our broker company licence after 23 Sep 2019. Does the company, its RO and its TRBs still have to apply for new formal licences as part of the deemed licensee process?

Broker companies who were licensed for the first time by the IA on or after 23 Sep 2019 are not deemed licencees. They already have their first formal licence from the IA.

Similarly, these broker companies do not have to apply for approval of their ROs as this approval would have been obtained at the time the new licence was granted.

However, if the Responsible Officer obtained his or her TRB licence by virtue of being a deemed licensee (i.e. they were registered with the SROs as an individual before 23 September 2019 and automatically granted a 3 year licence as at that date) then he or she will have to formally apply for a new individual TRB licence (via e-portal II Connect) during this deemed licensee application exercise.

Similarly, any TRBs of the broker company who are deemed licencees will also have to formally apply for a new individual TRB licence (via e-portal II Connect) during this deemed licensee application exercise.

11. Will we need to pay the licensing fee for this application?

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

III. Submission of TRB Licence Applications through Online Portal

[Only applicable to Technical Representatives (Broker).]

12. We are a broker company with more than 50 TRBs. Do we have to submit the TRB applications individually through the online portal?

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

- **Principal Bulk Upload Approach** (*suitable for principals with larger number of individual deemed licensees*)

It allows the appointing broker company to pre-populate all application data in a batch process and handle subsequent changes through the Online Portal. The appointing broker company may 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 broker company will have better control on the application data, which can reduce the manual input error from their individual technical representatives (broker) during the application process.

- **Individual Upload Approach** (*suitable for principals with smaller number of individual deemed licensees*)

It follows the existing workflow for new licence application in the Online Portal, where the individual technical representatives (broker) can input and update their application data manually through their individual Online Portal account. The appointing broker company can then review the application, confirm the appointment and submit the application to the IA through Online Portal.

Subject to the appointing broker company's internal controls, system support and resource available, appointing broker company can select either one approach in submitting the TRB licence applications.

13. Does an appointing broker company need an account in the IA's Online Portal to upload applications by its technical representatives (broker),?

Yes, the appointing broker company is required to open a supervisor account to perform the uploading of application information as well as subsequent verification of applications and confirmation of appointments through the Online Portal. As such, every appointing broker company 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 and submit to the IA as soon as practicable (if it has not done so already).

Please refer to "User Guide of the Insurance Intermediaries Connect for Principals" https://www.ia.org.hk/en/infocenter/forms/files/IIC_User_Guide_Deemed_Licensee_Principal_Bulk_Upload_Principal_updated_002.pdf for the procedures and functionality in the Online Portal.

Please also refer to the demonstration video on the use of the online portal https://www.ia.org.hk/en/infocenter/forms/files/Deemed_Licensee_with_subtitle_and_audio_English.mp4.

14. Under the Principal Bulk Upload Approach, can the appointing broker company upload partial application details through the Online Portal and then allow the TRB applicants to update the remaining details in the Online Portal on their own?

Under Principal Bulk Upload Approach, the appointing broker company 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 technical representatives (broker) **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 “Individual Upload Approach” instead if the appointing broker company is intending to submit only partial application details.

15. Under Principal Bulk Upload Approach, if an individual applicant (i.e. deemed TRB) identifies some incorrect information in the application before submission of the application to his/her appointing broker company, how can he/she update the application information?

The applicant should inform his/her appointing broker company for changes/updates in the application. Only the appointing broker company can revise the specific application information of a particular individual applicant by uploading the revised Input Template with correct information for that applicant.

16. Under Individual Upload Approach, can the appointing broker company upload partial application details through the Online Portal and allow the respective applicants (i.e. deemed technical representatives (broker)) to update the remaining details in the Online Portal on their own?

Yes, the appointing broker company 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). The applicant (i.e. deemed technical representative (broker)) should then complete all remaining information and upload his/her copy of HKID card and other required supporting documents in the Online Portal.

17. Is there any maximum number of applications allowed to be uploaded through the Online Portal?

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 broker company can control the order and the number of applications submitted through the Online Portal themselves, provided that all technical representatives (broker) complete their application process before the IA prescribed cut off time.

18. Several fields are marked as “Read only” in the Input Template. How can the appointing broker company or the applicant change the information in those fields if necessary?

The following columns in the Input Template are locked:

- a. IA Licence No.;

- b. Appointing broker company(s) and Line(s) of Business
- c. Hong Kong Identity Card Number;
- d. English and Chinese Full Name;
- e. Date of Birth;

Item b to e from the above is assumed to be correct based on the licensing information transferred from the former SROs to the IA. This information is shown in the Input Template for reference only. It will not be changed in the licence application even if it is modified in the Input Template and submitted through the Online Portal.

If any of the above personal particulars and/or appointment details have to be updated, the appointing broker company will need to submit separate notification or application:

- for updates of personal particulars (Form **N3**)
<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>
- for varying line of business (Form **A6**)
<https://www.ia.org.hk/en/infocenter/forms/files/Form_A6_Eng_Oct_2020.pdf>

19. How do we know if the upload of the applications are successful?

Upon uploading the duly completed Input Template through the Online Portal, a validation control will be run to ensure all information are indeed completed.

If there is any missing data or data in incorrect format, an alert will be shown in the Online Portal, consequently the licence applications and Online Portal accounts of the applicants concerned will not be created.

The appointing broker company should then update the particular fields and upload the Input Template again for those applicants.

20. Is the appointing broker company expected to verify all information inputted by the technical representatives (broker) in the application?

As in the current practice for the licensing application for new licences, the appointing broker company is responsible for verifying the information provided in the Input Template and any documents in connection with the Application.

The appointing broker company is required to declare that, to the best of its knowledge and belief, all the information provided in the Application and any documents in connection with the 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 Application. In this connection, we expect the appointing broker company to put in place proper control procedures to ensure the information provided in the applications by their technical representatives (broker) are accurate and correct.

21. For a technical representative (broker) with multiple appointments, does IA require all relevant appointing broker companies to confirm the appointment through the Online Portal?

For technical representatives with more than one appointing broker company, only one appointing broker company is required to verify the application in the Online Portal. Once the application is approved, email notifications will be sent to all relevant appointing broker companies.

22. Can the appointing broker company change their case handler of specific applications after account creation in the Online Portal?

Appointing broker company can assign their case handler in the Input Template and upload it to Online Portal. After account creation, the appointing broker company can change the case handler in the Online Portal directly.

IV. Education Certification and Supporting Documents

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

Deemed licensees who are individuals (and who are applying to be a licensed technical representative (broker)) have to provide the following supporting documents in their application 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 requirements¹, **and**

¹ 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;

- 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 24 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
 - iii) Section V. Character, Financial Status, Disciplinary Action & Investigation.

24. Can the appointing broker company upload supporting documents to the Online Portal at the application creation stage?

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

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

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.

26. Would an individual licensee who is required to upload both his/her Mainland education certificate and the corresponding authentication proof still need to do so if he or she has obtained a higher education certificate subsequently?

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- 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.

Yes. Applicants should provide the details of the highest education obtained; and also the details of the Mainland education as in the previous registration with former SROs and upload both Mainland education certificate and the corresponding authentication proof.

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

Yes. The applicant must input his/her highest education obtained (or “grandfathered”, if applicable). However, no education proof is required to be provided in the application stage. Applicants may be required to provide the supporting documents to the IA upon request.

28. Under what conditions will an applicant be exempted from the education criteria?

a. Application for a technical representative (broker) licence

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 (Cap. 41):

- i. was a technical representative or chief executive registered with the CIB or PIBA immediately before 23 September 2019 and regarded as a deemed licensee under the new regulatory; or
- ii. was a technical representative or chief executive registered with the CIB or PIBA at any time within the two-year period before the commencement date,

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 (from 23 September 2019 to 22 September 2022).

b. Application for an appointment of a Responsible Officer of Licensed Insurance Broker Company

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 (Cap. 41):

- i. was a Chief Executive registered with the CIB or PIBA at any time before 23 September 2019;

- ii. was a Technical Representative registered with the CIB or PIBA at any time before the 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 on the exemptions, please refer to Annex 2 of GL23 https://www.ia.org.hk/en/legislative_framework/files/GL23.pdf

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

Yes, the IA reserves the right to request further information to assess the fitness and properness of applicants. Applicants must provide further supporting documentation upon request by the IA, so that the IA can assess such applications.