

31 May 2022

Our Ref: MC/CPD/CIR

**By email only**

To: Chief Executives of all authorized insurers, Responsible Officers of all licensed insurance agencies and licensed insurance broker companies

Dear Sirs,

**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”)**

Further to our circular dated 28 January 2022, we write to set out the CPD compliance reporting procedures for the Assessment Period 2021/2022, from 1 August 2021 to 31 July 2022.

**I. IMPORTANT DEADLINES**

By way of recap, 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 further details 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.

**II. INFORMATION ON CPD HOURS AVAILABLE IN IIC**

Individual licensees can view the number of CPD hours they are required to earn for the Assessment Period 2021/2022 and their reported compliance status by logging into their [IIC](#) individual accounts and clicking the “*CPD Requirement and Compliance Status*” option from the vertical menu on the left.

Appointing principals can view the CPD hours requirement for any individual licensee for the Assessment Period 2021/2022 and his/her reported compliance status by:

- i. logging into their [IIC](#) Supervisor or Admin accounts;

- ii. clicking the “*Search for Licensees’ CPD Requirement and Compliance Status*” option from the vertical menu on the left;
- iii. inputting the licence number of the individual licensee to be searched and pressing the “*Search*” button.

Appointing principals may also download their CPD Lists showing the CPD hours which each of their appointed individual licensee is required to earn, by:

- i. logging into their [IIC](#) Supervisor or Admin accounts;
- ii. clicking the “*Report*” option from the vertical menu on the left;
- iii. selecting “(8). *CPD hours required for the Assessment Period 2021/2022*” from the pull down menu of “Report Type”; and
- iv. clicking ‘*Download*’.

The CPD Lists will be updated by the IA on a daily basis to keep track of the status of the appointed individual licensees for each appointing principal. The final CPD Lists showing the status of the appointed individual licensees for each appointing principal as at 31 July 2022 will be available in [IIC](#) on 1 August 2022. **Appointing principals should use the finalized CPD Lists as at 31 July 2022 in reporting the CPD compliance of their appointed individual licensees to the IA.**

A number of licensed insurance agencies and licensed insurance broker companies still have not created a Supervisor Account in [IIC](#). The IA emailed the CPD Lists to these appointing principals in early May 2022 to enable them to monitor the CPD compliance status of their appointed individual licensees. The IA will also send the finalized CPD Lists to these appointing principals in early August 2022. However, in order to access their CPD Lists as they are updated, it is imperative that these appointing principals open a Supervisor Account in [IIC](#) as soon as possible. A Supervisor Account in [IIC](#) can be opened by submitting a signed [Form A2](#) to the IA. Please visit the “[Forms – Insurance Intermediaries](#)” [webpage on the IA website](#) for the application form and user guides.

### **III. CPD REPORTING PROCEDURES**

Individual licensees now have two options for submitting their CPD Declarations to report their CPD compliance status for the Assessment Period 2021/2022. They can either submit their CPD Declarations directly to the IA through their [IIC](#) individual accounts. Alternatively, they can submit their CPD Declarations to their appointing principals.

#### **1) Direct submission of CPD Declarations by Individual Licensees to the IA via [IIC](#)**

In ANNEX 1 to this circular, we have set out detailed procedures for an individual licensee to report his/her CPD Declaration directly to the IA via his/her [IIC](#) individual account.

If an individual licensee chooses to submit his/her CPD Declaration directly to the IA via [IIC](#), the submission must be made by 30 September 2022. In addition, the individual licensee must notify his/her appointing principal(s) that his/her CPD Declaration has been submitted to the IA via [IIC](#).

For CPD Declarations submitted directly to the IA by appointed individual licensees, the appointing principal should verify that the CPD compliance status reported against its internal compliance monitoring records, and advise individual licensees to amend their reported CPD compliance status if necessary.

Please note that individual licensees who do not have any appointing principal as at 31 July 2022 (and whose licences are thereby automatically suspended) must report their CPD Declarations directly to the IA. They must do this via [IIC](#) (using their [IIC](#) accounts) or by emailing their duly completed [CPD Declaration Forms](#) to [cpdreporting@ia.org.hk](mailto:cpdreporting@ia.org.hk).

## **2) Submission of CPD Declarations to appointing principals for reporting onto the IA**

In ANNEX 2 to this circular, we have set out the detailed procedures for an individual licensee to report his/her CPD Declaration to his/her appointing principal by 30 September 2022, and appointing principals in turn to report the CPD compliance status of their individual licensees onto the IA, by submitting the completed finalized CPD Lists in relation to their appointed individual licensees to the IA by 31 October 2022 via [IIC](#).

## **IV. CHANGES TO CPD PENALTY FRAMEWORK FOR ASSESSMENT PERIOD 2021/2022**

By [our circular dated 25 March 2022](#), the IA granted a one-off reduction in the number of CPD hours which an individual licensee is required to complete for the Assessment Period 2021/2022. The minimum number of CPD hours an individual licensee is required to complete for the Assessment Period 2021/2022 has been reduced to 12 CPD hours<sup>1</sup> (with travel agents licensed to carry on regulated activities in restricted scope travel insurance business only being excused altogether from the CPD requirement).

In light of this reduction, the CPD Penalty Framework for non-compliance with the CPD requirements issued by the IA on 23 July 2021 has been amended as it applies for the Assessment Period 2021/2022. The amended CPD Penalty Framework for the Assessment Period 2021/2021 is summarized in ANNEX 3 to this circular.

## **V. ENQUIRIES**

- For matters concerning the information contained in this circular, or [IIC](#), or the opening/ the use of a Supervisor Account, please send your enquiries or applications by email to [licensing@ia.org.hk](mailto:licensing@ia.org.hk).
- For matters concerning the CPD Lists, please send your enquiries by email to [cpd@ia.org.hk](mailto:cpd@ia.org.hk).

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<sup>1</sup> As a one-off facilitative measure announced in [the circular issued on 25 March 2022](#), the number of CPD hours which an individual licensee (except travel agents) is required to complete for the Assessment Period 2021/2022 (i.e. by 31 July 2022) is reduced by 3 CPD hours from 15 CPD hours to 12 CPD hours, but the 3 compulsory CPD hours on “Ethics or Regulations” remains unchanged, while travel agents are not required to earn any CPD hours for the Assessment Period 2021/2022.

Yours faithfully,

Peter Gregoire  
Head of Market Conduct  
General Counsel  
Insurance Authority

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

## ANNEX 1

### Detailed instructions for CPD self-reporting by individual licensees via IIC to the IA

#### Activating IIC individual accounts

To submit his/her CPD Declaration directly to the IA via [IIC](#), an individual licensee must have an [IIC](#) individual account. The IA has created [IIC](#) individual accounts for all active individual licensees who have not yet created their own [IIC](#) individual accounts. To activate their [IIC](#) individual accounts, those active individual licensees should access the [IIC](#) main page, click the “*Activate Account (For individual licensees who has not created IIC account)*” option under the “*LOGIN*” button, and input their e-mail address and mobile number registered with the IA.

#### Checking the number of required CPD hours

An individual licensee can check the number of CPD hours he/she has to complete for the Assessment Period 2021/2022 through his/her [IIC](#) individual account. Simply click the “*CPD Requirement and Compliance Status*” option from the vertical menu on the left and he/she will be able to view the number of CPD hours he/she is required to earn and his/her reported compliance status.

#### Submission of CPD Declaration via IIC

To submit his/her CPD Declaration to the IA via [IIC](#), an individual licensee should take the following steps:

- 1) Log into his/her [IIC](#) individual account and click “*CPD Declaration*” option from the vertical menu on the left to start self-reporting.
- 2) If he/she has fulfilled the required number of CPD hours as shown in Part C of the CPD Declaration on or before 31 July 2022, then:
  - Select “Yes” in Part C;
  - Complete the “Declaration” in Part E;
  - Press “*Submit*” on the last page of the e-Declaration Form;
  - A One-Time-Password (“OTP”) will be sent to his/her mobile phone. Input the OTP received and press the “*Submit*” button;
  - The “Status” at the front page will change from “New” to “Submitted on [Date of submission]”, indicating a successful submission.
- 3) If he/she has **not** fulfilled the required number CPD hours as shown in Part C of the CPD Declaration on or before 31 July 2022, then:
  - Select “No” in Part C;
  - Input the total shortfall of CPD hour(s) and upload the supporting document(s) for the CPD hour(s) he/she has earned, if any;
  - Complete Part D to explain why he/she was unable to fulfill the required number CPD hours and what action(s) he/she proposes to take in order to fulfil the required number

- of CPD hours;
- Complete the “Declaration” in Part E;
  - Press “Submit” on the last page of the e-Declaration Form;
  - A OTP will be sent to his/her mobile phone. Input the OTP received and press the “*Submit*” button;
  - The “Status” of the e-Declaration Form at the front page will change from “New” to “Submitted on [Date of submission]”, indicating a successful submission.

**Withdrawal of CPD Declaration previously submitted via [IIC](#) and resubmission of new CPD Declaration via [IIC](#)**

If an individual licensee has to resubmit his/her CPD Declaration (due to the wrong information being included in the first submission), he/she will have to withdraw the previous CPD Declaration and submit a new CPD Declaration. To do this:

- 1) Log into his/her [IIC](#) individual account and click the “*CPD Declaration*” option from the vertical menu on the left;
- 2) Go to the final page of the e-Declaration Form and press “*Withdraw this Declaration*” at the right bottom corner;
- 3) Input the reasons for withdrawing the previous declaration, then press “OK” to confirm;
- 4) A OTP will be sent to his/her mobile phone. Input the OTP received and press the “*Submit*” button;
- 5) After withdrawal, the “Status” of the e-Declaration Form at the front page will change back to “New” and the individual licensee may submit another CPD Declaration following the steps of “Submission of CPD Declaration via [IIC](#)” indicated above.

## ANNEX 2

### Detailed instructions for CPD reporting by appointing principals via [IIC](#) to the IA

Appointing principals should report to the IA the CPD compliance for their individual licensees (appointed as at 31 July 2022) who do not report their CPD Declarations through the self-reporting function in [IIC](#) and instead report their CPD Declarations to their appointing principals. Reporting by appointing principals is done by uploading the completed finalized CPD Lists via [IIC](#) by 31 Oct 2022, after receipt the duly completed [CPD Declaration Forms](#) by 30 September 2022.

An appointing principal must, in its finalized CPD List, indicate the compliance status for each of its individual licensees using the following codes:

<b>Code</b>	<b>Explanation</b>
Y	The individual licensee has completed his/her CPD hours for the current assessment period by 31 July and submitted his/her <a href="#">CPD Declaration Form</a> to the principal by 30 September.
N-1	The individual licensee has not completed the CPD hours required for the current assessment period by 31 July.
N-2	The individual licensee has not submitted a completed <a href="#">CPD Declaration Form</a> to the appointing principal by 30 September.
N/A	The individual licensee has not appointed the principal, as the principal responsible for reporting the individual licensee's CPD compliance to the IA.
NR	The individual licensee was not required to complete any CPD hour for the current assessment period.

Note that for individual licensees who are not required to earn any CPD hour for the Assessment Period 2021/2022, the compliance code 'NR' has been pre-populated in the CPD Lists. These individual licensees are not required to report their CPD Declarations to the IA for the corresponding assessment period.

For individual licensees who have self-reported their CPD Declaration via [IIC](#) directly to the IA, their reported compliance status will also be pre-populated in the CPD Lists. Appointing principals should verify the pre-populated compliance status self-reported by their individual licensees against the principal's own internal records and advise any individual licensee who has reported the wrong information to amend their CPD Declaration if necessary.

An appointing principal may delete from the finalized CPD List it submits to the IA, the records of individual licensee(s) (i) who were not required to earn any CPD hour during the Assessment Period 2021/2022; or (ii) who have already self-reported their CPD Declarations directly to the IA via [IIC](#).

To submit its completed finalized CPD List to the IA, an appointing principal should:

1. login to its [IIC](#) Supervisor or Admin account;
2. click the option "*CPD reporting*" from the vertical menu on the left;
3. click "*UPLOAD*" and select the completed finalized CPD List;
4. click "*Validate and Submit*" to check the format and version of the finalized CPD List, and submit the selected finalized CPD List to the IA.

In relation to all individual licensees indicated by the appointing principal to be N-1 (i.e. the individual licensee has not completed the CPD hours required by 31 July 2022) in the finalized CPD List, the appointing principal must also email copies of the individual licensees' [CPD Declaration Forms](#) together with the relevant supporting document(s) for the CPD hour(s) earned, if any, to [cpdreporting@ia.org.hk](mailto:cpdreporting@ia.org.hk) for IA's follow-up actions. For each such appointed individual licensee, the appointing principal should include the individual licensee's supporting documents in a separate file in PDF format.

If, following the submission of a completed finalized CPD List to the IA, an appointing principal needs to amend the reported CPD compliance status of any of its appointed individual licensee(s), it should upload the finalized CPD List containing only those individual licensee(s) with revised compliance status in the list, via the [IIC](#).



### ANNEX 3

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

<b>Shortfall of CPD hours</b>	<b>Penalties</b>		
Shortfall is <u>6</u> hours or less	A fine of \$600 per hour of shortfall will be imposed, plus the shortfall must still be rectified by 31 October 2022.	Failure to rectify the shortfall by 31 October 2022 and/or pay the fine will lead to a minimum suspension of 3 months (to continue thereafter until the shortfall is rectified and/or the fine is paid).	If the shortfall is still not rectified and/or the fine remains unpaid after the 3-month suspension, the licence may be revoked.
Shortfall is more than <u>6</u> hours	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 licence may be revoked.	

If an individual licensee, without reasonable excuse, fails to submit the CPD Declaration in the manner prescribed by the IA by 30 September 2022, the IA will consider this reasonable cause to believe that the individual licensee is not fit and proper to be licensed as an insurance intermediary. This may result in an investigation by the IA against the individual licensee. Further, provision of false information in a CPD Declaration may result in revocation of licence and prohibition to apply for a new licence for 12 months.

As for the Penalty Framework for CPD breaches for the Assessment Periods after 31 July 2022, please refer to [the circular issued on 23 July 2021](#).