

25 May 2023

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 2022/2023
Detailed instructions for reporting by individual licensees and appointing principals to the Insurance Authority (“IA”)**

In this (necessarily long) circular we set out the procedures for reporting of CPD attainment for the 1 August 2022 to 31 July 2023 CPD Assessment Period (“Assessment Period 2022/2023”).

I. IMPORTANT DEADLINES

By way of recap, the key deadlines for the Assessment Period 2022/2023 are:

31 July 2023 – Deadline for individual licensees¹ to complete their CPD hours for the Assessment Period 2022/2023.

30 September 2023 – Deadline for individual licensees to submit their CPD Declarations either directly to the IA via [Insurance Intermediaries Connect \(“IIC”\)](#) (see further details below) or to their appointing principals².

31 October 2023 – 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 complete during the Assessment Period 2022/2023 and the 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 and the reported compliance status for each of their individual licensees for the Assessment Period 2022/2023 in IIC, by taking the

¹ Individual licensees refers to licensed individual insurance agents, technical representatives (agent) and technical representatives (broker)

² Their appointing authorized insurers, licensed insurance agencies or licensed insurance broker companies, as the case may be.

following steps:

- 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; and
- 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 all of their appointed individual licensees and the CPD hours each was 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 “(9) *CPD hours required for the Assessment Period 2022/2023*” from the pull down menu under “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 2023 will be available in [IIC](#) on 1 August 2023. To facilitate appointing principals’ monitoring of the CPD compliance status of their newly appointed individual licensees after 31 July 2023, in the CPD Lists downloaded after 1 August 2023, an additional list of newly appointed individual licensees after 31 July 2023 will be appended to the original list of appointed individual licensees as at 31 July 2023. Appointing principals may also report CPD compliance for these newly appointed individual licensees as appropriate.

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 April 2023 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 2023. 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 2022/2023. They can 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. You may also refer to our user guide for details of the latest available functions.

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 2023**.

Please also note that:

- **Before 31 July 2023** - individual licensees can submit their CPD Declaration via [IIC](#), but only if they have already fulfilled their CPD hours (i.e. reporting their compliance status as “Yes”).
- **Between 1 August 2023 and 30 September 2023** - all individual licensees can submit CPD declaration via [IIC](#) (including those who report their compliance status as “No” to denote a shortfall in the number of CPD hours completed for the Assessment Period 2022/2023).
- **Between 1 October 2023 and 15 November 2023** - any individual licensee who (before 30 September 2023) self-reported their compliance status as “No”, can update and provide additional documentation via [IIC](#) to show they have since rectified their shortfall.

In addition, the individual licensee must notify his/ her appointing principal(s), if any, 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 2023 (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. They should add their Licence Numbers in the subject of the email, e.g. “CPD Reporting for 2022/2023 (Licence no.: AA9999)”.

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 2023, and for appointing principals in turn to report the CPD compliance status of their individual licensees onto the IA, by submitting the completed CPD Lists in relation to their appointed individual licensees to the IA via [IIC](#). The submission from appointing principals must be

made by **31 October 2023**.

Please note that:

- **Before 31 July 2023:** appointing principals may report the compliance status of their appointed individual licensees who have already fulfilled the CPD requirements by submitting completed CPD Lists via [IIC](#) (i.e. reporting the compliance code “Y”).
- **Between 1 August and 31 October 2023:** appointing principals may report the compliance status of all of their appointed individual licensees (including those newly appointed individual licensees after 31 July 2023) by submitting completed CPD Lists via [IIC](#).

IV. CPD PENALTY FRAMEWORK FOR ASSESSMENT PERIOD 2022/2023

The minimum number of CPD hours an individual licensee is required to complete for the Assessment Period 2022/2023 is 15 CPD hours, including a minimum of 3 CPD hours on topics that count as “Ethics or Regulations” (except for travel agents licensed to carry on regulated activities in restricted scope travel insurance business who are only required to earn 3 CPD hours). We remind you of the applicable CPD Penalty Framework for the Assessment Period 2022/2023 by including it in ANNEX 3 to this circular.

V. MISCELLANEOUS

We remind you that the industry-wide non-compliance rate with the CPD requirement for the previous Assessment Period from 1 August 2021 to 1 July 2022 was a woeful 9.3%. Completing CPD hours serves as a demonstration of up-to-date expertise and knowledge. This is a basic requirement for any profession. As the insurance regulator we have already, on numerous occasions, demanded to see improvement. As we approach the end of the CPD Assessment Period 2022/2023 and the reporting process begins, now is the time for the industry to step up and demonstrate that improvement.

Finally, please note that we have encountered situations of individuals who were previously licensed, applying to be licensed again and at the time of the new licence applications there are ongoing CPD non-compliance investigations, disciplinary matters, proceedings or appeals against them from when they were previously licensed. In these situations, we make clear that if the IA approves the new licence application, it does so without prejudice to any disciplinary action the IA may subsequently take consequent on the outcome of the ongoing investigation, disciplinary matter, proceeding or appeal, as the case may be.

VI. 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.

- For matters concerning the CPD Lists, please send your enquiries by email to cpd@ia.org.hk.

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

Checking the number of required CPD hours

As an individual licensee you can check the number of CPD hours you have to complete for the Assessment Period 2022/2023 through your [IIC](#) individual account. Simply click the “*CPD Requirement and Compliance Status*” option from the vertical menu on the left and you will be able to view the number of CPD hours you are required to earn and your reported compliance status.

Submission of CPD Declaration via [IIC](#)

As an individual licensee, you can submit your CPD Declaration to the IA via [IIC](#), by following the steps below:

- 1) Log into your [IIC](#) individual account and click “*CPD Declaration*” option from the vertical menu on the left.
- 2) If you have fulfilled the required number of CPD hours as shown in Part C of the CPD Declaration, then:
 - Select “Yes” in Part C;
 - Complete the “Declaration” in Part E;
 - Press “*Submit*” on the last page of the e-Declaration Form;
 - An One-Time-Password (“OTP”) will be sent to your 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.

Note: if you have fulfilled the required number of CPD hours, you can report your compliance status through IIC starting at any time, including before 31 July 2023, up until 30 September 2023.

- 3) If you have **not** fulfilled the required number CPD hours as shown in Part C of the CPD Declaration on or before 31 July 2023, then you cannot report your CPD compliance status before 31 July 2023 and may only do so from 1 Aug 2023 up until 30 September 2023. As such, from 1 August 2023 you should report your status by taking the following steps:
 - Select “No” in Part C;
 - Input the total shortfall of CPD hour(s);
 - If your CPD shortfall has subsequently been fully made good, click “Yes” and input the last “made good” date and upload the supporting document(s) for the CPD hour(s) you have earned;
 - If your CPD shortfall has NOT been fully made good, click “No”, input the updated shortfall of CPD hours (if you have made good part of the shortfall) and upload the supporting document(s) for the CPD hour(s) you have earned, if any;
 - Complete Part D to explain why you were unable to fulfill the required number CPD

hours and what action(s) you propose 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;
 - An OTP will be sent to your 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.
- 4) If you are an individual licensee and self-report not having made good all the shortfall hours in your first submission, if you later make good any part (or all) of the shortfall and would like to update the “made good” status you may do so up to 15 November 2023. Simply log into your IIC account, click “*CPD Declaration*” option from the vertical menu on the left and go through the following steps:
- If you have made good the full CPD shortfall, select “Yes” and input the last “made good” date and upload the supporting document(s) for the CPD hour(s) you have earned;
 - If part but not all of the CPD shortfall has been made good, click “No” and input the updated shortfall of CPD hours and upload the supporting document(s) for the CPD hour(s) you have earned;
 - Press “Submit” button;
 - An OTP will be sent to your mobile phone. Input the OTP received and press the “*Submit*” button.

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

If you, as an individual licensee, have to resubmit your CPD Declaration (due to the wrong information being included in the first submission), you will have to withdraw the previous CPD Declaration and submit a new CPD Declaration. To do this:

- 1) Log into your [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) An OTP will be sent to your 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 you may submit another CPD Declaration following the steps of “Submission of CPD Declaration via [IIC](#)” indicated above.
- 6) Withdrawal can only be made on or before **30 September 2023**.

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 2023) 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 CPD Lists via [IIC](#) by 31 October 2023, after receipt of the duly completed [CPD Declaration Forms](#) from their individual licensees on or before 30 September 2023.

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

Code	Explanation
Y	The individual licensee has completed his/her CPD hours for the current assessment period by 31 July and submitted his/her CPD Declaration Form 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 CPD Declaration Form 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 is not required to complete any CPD hour for the current assessment period.

Please note that when submitting a CPD List to IA via [IIC](#), an appointing principal should only include in the CPD List the appointed individual licensees that it is reporting on with the compliance code completed for each of these licensees.

Please also note that if you are reporting on any of your individual licensees on or before 31 July 2023, you will only able to do so if their compliance code is "Y" i.e. they have completed the CPD hours they were required to complete.

For those individual licensees with reported compliance code "N-1", you may only report these after 31 July 2023. When doing so, please fill in the total CPD hour(s) shortfall as at 31 July 2023 for each such licensee in the column next to the compliance code.

Note that for individual licensees who are not required to earn any CPD hours for the Assessment Period 2022/2023, 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 CPD List it submits to the IA, the records of individual licensees (i) who are not required to earn any CPD hours during the Assessment Period 2022/2023; or (ii) who have already self-reported their CPD Declarations directly to the IA via [IIC](#); or (iii) [whose compliance status have been reported by another appointing principal](#).

To submit its completed 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 CPD List;
4. click “*Validate and Submit*” to check the format and version of the 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 2023) in the 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 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. Appointing principal should add their Licence Numbers (for Insurance Agencies and Insurance Broker Companies) or File Numbers (for Authorized Insurers) in the subject of the email, e.g. “CPD Reporting for N-1 cases for 2022/2023 (Licence no.: FA9999)” or “CPD Reporting for N-1 cases for 2022/2023 (File no.: 99999999)”

If, following the submission of a completed 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 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 2022/2023

Shortfall of CPD hours	Penalties		
<p>Shortfall of <u>less than 8 hours</u></p> <p>Any shortfall for TR(Agents) carrying on restricted scope travel business</p>	<p>A fine of \$600 per hour of shortfall will be imposed, plus the shortfall must still be rectified by 31 October 2023.</p>	<p>Failure to rectify the shortfall by 31 October 2023 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).</p>	<p>If the shortfall is still not rectified and/ or the fine remains unpaid after the 3-month suspension, the licence may be revoked.</p>
<p>Shortfall of <u>8 hours or more</u></p>	<p>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).</p>	<p>If the shortfall is still not rectified and/ or the fine remains unpaid after the suspension of 3 months, the licence may be revoked.</p>	

If an individual licensee, without reasonable excuse, fails to submit the CPD Declaration in the manner prescribed by the IA by 30 September 2023, 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.

For the Penalty Framework for CPD breaches for a particular Assessment Periods, please refer to [the circular issued on 23 July 2021](#).