

14 November 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 brokers companies

Dear Sirs,

**Revision to the Interpretation Note relating to the Guideline on Continuing Professional Development for Licensed Insurance Intermediaries (GL24)**

We are today issuing an update to the Interpretation Note on the Guideline on Continuing Professional Development (“CPD”) for Licensed Insurance Intermediaries (GL24) that we issued back in August 2021.

Although the IA is still finalizing its assessment of the figures, it is certainly apparent that the CPD compliance rate for the CPD Assessment Period 2022/23, shows a marked improvement over the prior Assessment Period. As with the previous Assessment Period, we shall be publishing details of this soon. The improvement comes off the back of significant work put in by principals to enhance their controls, procedures and support for their appointed individual licensees’ CPD attainment. This in turn has been reinforced by the IA’s thematic CPD conduct inspections and disciplined enforcement of CPD non-compliances in respect of the prior CPD Assessment Period in line with the IA’s CPD Penalty Framework.

The improvement also reflects, in part, the robust but appropriate zero-tolerance approach principals are now generally taking for CPD non-compliance by terminating individual licensees who fail to comply with the principal’s controls and processes on CPD. The IA intends to underpin these efforts by ensuring any CPD non-compliances continue to be disciplined in line with the CPD Penalty Framework in an expeditious manner. To that end, the IA is implementing a process to enable individual licensees, who accept their non-compliance and penalty and make good their shortfall, to agree the imposition of their disciplinary action using the provision section 84 of the Insurance Ordinance. This in turn will enable such individuals to be re-engaged by a principal after any requisite period of disciplinary suspension/prohibition has been served, the pecuniary fines paid and the CPD shortfall made good. This process is reflected in the revised Interpretation Note to GL24.

The revised Interpretation Note also reflects the IA’s expectations on the controls and processes principals (particularly authorized insurers) should establish to achieve CPD attainment by their appointed individual licensees (based on the experience of our thematic inspections and the improvements seen in the CPD Assessment Period for 2022/23); more detail on the IA’s disciplinary approach on CPD non-compliances in relation to individuals that exit the market; confirmation that there is now no cap on CPD hours that may be completed

by E-learning Activities; and confirmation (if any were needed) in relation to the delivery of CPD Activities via virtual classroom platforms.

The revised Interpretation Notes (and its appendices) can be downloaded via the following links:

**Interpretation Notes:**

[https://www.ia.org.hk/en/legislative\\_framework/files/Interpretation\\_Notes\\_2023\\_Eng.pdf](https://www.ia.org.hk/en/legislative_framework/files/Interpretation_Notes_2023_Eng.pdf)

**Annex A - Disciplinary Approach for Non-compliance with CPD Requirements:**

[https://www.ia.org.hk/en/legislative\\_framework/files/Annex\\_A\\_Disciplinary\\_approach\\_Eng.pdf](https://www.ia.org.hk/en/legislative_framework/files/Annex_A_Disciplinary_approach_Eng.pdf)

**Annex B - Section 84 Agreement:**

[https://www.ia.org.hk/en/legislative\\_framework/files/Annex\\_B\\_Section\\_84\\_Agreement\\_Eng.pdf](https://www.ia.org.hk/en/legislative_framework/files/Annex_B_Section_84_Agreement_Eng.pdf)

**Annex C - Frequently Asked Questions on Continuing Professional Development (“CPD”) Issues:**

[https://www.ia.org.hk/en/legislative\\_framework/files/Annex\\_C\\_FAQ\\_Eng.pdf](https://www.ia.org.hk/en/legislative_framework/files/Annex_C_FAQ_Eng.pdf)

**Guide to prepare Section 84 Agreement:**

[https://www.ia.org.hk/en/legislative\\_framework/files/Guide\\_to\\_prepare\\_Section\\_84\\_Agreement\\_Eng.pdf](https://www.ia.org.hk/en/legislative_framework/files/Guide_to_prepare_Section_84_Agreement_Eng.pdf)

If you have any questions concerning the information contained in this circular or the CPD requirements, please send your enquiries by email to [cpd@ia.org.hk](mailto: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