

7 March 2023

Our Ref: MC/ENF/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,

**Launch of Enforcement Correspondence platform on Insurance Intermediaries Connect**

Our circulars of 16 December and 19 December 2022 (and the edition of Conduct in Focus published on 16 December 2022) focussed on the level of non-compliances across the industry with the Continuing Professional Development (“CPD”) requirements for the Combined Assessment Period from 23 September 2019 to 31 July 2021 (“Combined Assessment Period 2019/21”) and the subsequent Assessment Period from 1 August 2021 to 31 July 2022 (“Assessment Period 2021/22”).

The Insurance Authority (“IA”) is currently disciplining the non-compliances for the Combined Assessment Period 2019/21 and will shortly be issuing the first batch Notice of Proposed Disciplinary Actions (“NPDAs”) for the Assessment Period 2021/2022. These cases are voluminous (as our previous circulars detailed).

In order to bring a high degree of operational efficiency, fairness and transparency to the disciplinary process of these non-compliances, the IA has introduced the following:

**Launch of the “Enforcement Correspondence Platform”**

The IA has launched the Enforcement Correspondence Platform on the Insurance Intermediaries Connect (“IIC”).

The Enforcement Correspondence Platform serves as an additional medium through which the IA can communicate with licensed insurance intermediaries on enforcement matters. Individual licensees who are subject to disciplinary proceedings or investigations, in relation to CPD non-compliances, will receive (i) an email attaching the requisite NPDA or notice of investigation and (ii) an automated email notification generated by the IIC. Both e-mails will direct the individual licensee to the Enforcement Correspondence Platform on IIC, where he or she will also be able to view the notice and respond to the notice and monitor the progress of the disciplinary proceedings and/or investigation. Individual licensees can elect to respond via the

Enforcement Correspondence Platform on IIC or by email or by post (albeit, we would encourage individual licensees to respond via the Enforcement Correspondence Platform on IIC).

We have uploaded a [User Guide](#) and [Demonstration Video](#) onto the IA website, to provide detailed information on how to use the Enforcement Correspondence Platform in IIC.

**FAQs on how to handle disciplinary proceedings under the Penalty Framework for Non-compliance with Continuing Professional Development (“CPD”) Requirements**

We have also issued a set of Frequently Asked Questions (“FAQs”) and accompanying answers, which address the common questions we have received regarding the disciplinary process against individual licensees for non-compliance with the CPD requirements. The [FAQs](#) can be downloaded from the IA website in both English and Chinese.

We ask that principals disseminate this circular to your appointed individual licensees to ensure they are made aware of the Enforcement Correspondence Platform in IIC and the FAQs.

Should you have any enquiries on the above, please contact us by email at [cpd-enf@ia.org.hk](mailto:cpd-enf@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

**Frequently Asked Questions**  
**on disciplinary proceedings taken for CPD non-compliances**

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|---|-----------|
| I. Response to the Notice of Proposed Disciplinary Action | Q1 – Q5   |
| II. Settlement of Pecuniary Fine:                         | Q6 – Q10  |
| III. Suspension or Revocation of Licence:                 | Q11 - Q13 |

**I. Response to the Notice of Proposed Disciplinary Action (“NPDA”)**

**Q1. I received two email notifications asking me to respond to the NPDA. Am I required to respond to both notifications?**

A1. One of the e-mails is an automatic email notification sent to you by the Insurance Intermediaries Connect (“**IIC**”) system after the NPDA has been uploaded onto the IIC. The other e-mail is from the Enforcement Team at the Insurance Authority (“**IA**”) separately sending you a pdf of the NPDA. You only have to respond to one of these, not both.

**Q2. Is it compulsory to respond to the NPDA via the Enforcement Correspondence Platform on IIC?**

A2. No. You have a choice. You can submit your response via the Enforcement Correspondence Platform on IIC. Or you can submit your response by email or mail. However, the IA’s preference would be for you to submit your response via the Enforcement Correspondence Platform on IIC (as this assists us in dealing with your case in an efficient manner).

**Q3. Can I still access the Enforcement Correspondence Platform of my IIC account even if I am no longer an active licensed insurance intermediary?**

A3. Yes, you can. Details can be found in the [User Guide](#) and you can view the [Demonstration Video](#) for details on how to use the Enforcement Correspondence Platform on IIC.

**Q4. Is it necessary to submit my attendance records of CPD Qualified Activities *before* the deadline specified in the NPDA issued to me?**

Q4. Yes. The IA will assess your non-compliance with the CPD requirements based on the information and documents you provide to us in response to the NPDA. If you do not submit the documents by the deadline stated in the NPDA, the IA will proceed with the case without seeing your documents. Therefore, it is imperative that you submit all the relevant information and documents by the deadline stated in the NPDA.

**Q5. How do I know if the IA has received my response to the NPDA?**

A5. If you reply to the NPDA via the IIC, a submission record number will be issued to you.

## **II. Settlement of Pecuniary Penalty**

**Q6. Can I pay the pecuniary penalty *before* the IA imposes a disciplinary action?**

A6. Yes, if you accept the proposed disciplinary action, you can pay the pecuniary penalty any time after the IA has issued the NPDA to you.

**Q7. Would the IA still impose a disciplinary action *after* I have paid the pecuniary penalty?**

A7. Yes. The payment of the pecuniary penalty will denote your acceptance of the proposed disciplinary action. Therefore, the IA will proceed to impose the disciplinary action to formally record its imposition.

**Q8. How do I pay the pecuniary penalty?**

A8. The payment methods for the pecuniary penalty are set out in the notice issued by the IA. At present, payments can be made by:-

- (a) Cheque made payable to “Insurance Authority” and posted to “**Insurance Authority, 23/F, FOYER, 625 King’s Road, North Point, Hong Kong**”; or  
(b) Bank transfer / cash deposit/ ATM payment to the following bank account:

Beneficiary Name 收款人名字	: Insurance Authority
Bank Name 收款銀行	: Bank of China (HK) Ltd
Bank Branch 分行地址	: Bank of China Tower, Garden Rd, HK
Swift Code SWIFT 代碼	: BKCHHKHHXXX
Account Number 戶口號碼	: 012-875-1-248766-2

In either case, you need to ensure that you inform us the payment has been made and that the payment is in respect of the pecuniary penalty (see question 9 below)

**Q9. How do I inform the IA of my payment of the pecuniary penalty?**

- A9. If you reply to the NPDA via the Enforcement Correspondence Platform on IIC, you can upload a copy of the cheque or customer advice (or deposit receipt) onto the IIC to inform us of your payment.

Alternatively, please write your name and licence number on the back of the cheque or customer advice (or deposit receipt) and post it to “**Insurance Authority, 23/F, FOYER, 625 King’s Road, North Point, Hong Kong**”, or email it to [cpd-dis@ia.org.hk](mailto:cpd-dis@ia.org.hk).

**Q10. Will the IA issue a receipt after I have paid the pecuniary penalty?**

- A10. Yes. The IA will issue a receipt via the Enforcement Correspondence Platform on IIC after we have verified receipt of payment.

**III. Suspension or Revocation of Licence**

**Q11. My licence has been suspended for non-compliance of the CPD requirements. I have paid the pecuniary penalty and rectified the shortfall in CPD hours. When will the suspension be lifted?**

- A11. You must provide the IA with proof of payment of the pecuniary penalty and a copy of the attendance records of the CPD Qualified Activities that were taken to rectify your

shortfall in CPD hours. If we are satisfied with the information provided, the suspension will be lifted after the expiration of the minimum suspension period of 3 months, and you will be notified by the IA accordingly.

**Q12. My licence has been suspended for non-compliance of the CPD requirements. I have rectified the shortfall in CPD hours but have not settled the pecuniary penalty. Will my suspension be lifted?**

A12. No. Your licence will remain suspended. Further, if the shortfall in CPD hours is not rectified and/or the pecuniary penalty continues to remain unpaid after the initial 3 months of the suspension period, your licence may then be revoked.

**Q13. My licence was revoked for non-compliance of the CPD requirements. I would like to apply for a licence as a licensed insurance intermediary with the IA. How do I apply for a license in light of the disciplinary action?**

A13. You must comply with the disciplinary action by settling the pecuniary penalty and/or rectify the shortfall in CPD hours before applying for a licence as a licensed insurance intermediary. Proof of payment of the pecuniary penalty and attendance record of the CPD Qualified Activities to rectify the shortfall in CPD hours must be submitted together with your licence application form to the IA for assessment.