

Guide to prepare Section 84 Agreement for Non-compliance with Continuing Professional Development (“CPD”) Requirements

As set out in Part 3 of the [Interpretation Notes to the Guideline on Continuing Professional Development for Licensed Insurance Intermediaries \(GL24\)](#) issued in November 2023, a principal can facilitate an individual licensee who failed to comply with the CPD requirements to agree to the disciplinary action in line with the [Penalty Framework for Non-compliance with Continuing Professional Development Requirements \(“Penalty Framework”\)](#) through entering into an agreement pursuant to section 84 of the Insurance Ordinance (Cap.41)(“**Section 84 Agreement**”).

This Guide sets out the steps to generate the Section 84 Agreement, how and when the Section 84 Agreement should be submitted to the Insurance Authority (“**IA**”), and who should submit it.

(1) Before Generating the Section 84 Agreement

If the licensee intends to enter into a Section 84 Agreement with the IA, the licensee should:

- (a) notify the principal of his intention;
- (b) declare the number of shortfall in CPD hours;
- (c) confirm whether the shortfall has been rectified, and provide proof of rectification along with a copy of the CPD attendance records for the Assessment Period;
- (d) confirm whether the non-compliance has been reported to the IA by 30 September (if applicable); and
- (e) if the licence had been suspended (no principal), revoked (no principal) or revoked (voluntary) at the time of signing the agreement, provide the date of suspension or revocation, whichever is earlier.

The principal should verify the information provided by the licensee and advise him the amount of pecuniary fine. The pecuniary fine can be paid by direct deposit into the following bank account:

Beneficiary Name: Insurance Authority
Bank Name: Bank of China (HK) Ltd
Bank Branch: Bank of China Tower, Garden Rd, HK
Swift Code: BKCHHKHHXXX
Account Number: 012-875-1-248766-2

(2) Generating Section 84 Agreement

The principal can generate a Section 84 Agreement by:

- (a) completing the “S.84 Agreement” worksheet of the [excel file](#);

- (b) clicking on the red button titled '*Click to Generate Section 84 Agreement*' and an agreement in English and Chinese (traditional and simplified) will be generated;
- (c) saving the excel file before closing it to ensure the information is electronically recorded in the "Records" worksheet of the excel file; and
- (d) passing the Section 84 Agreement to the licensee for review and signature.

Please refer to the **Annex** for examples of how to complete the "S.84 Agreement" worksheet of the excel file.

(3) Errors in generating Section 84 Agreement

In the event the principal mistakenly creates an incorrect Section 84 Agreement, the principal can create another Section 84 Agreement by:

- (a) inserting the correct information into the "S.84 Agreement" worksheet of the excel file;
- (b) indicating in the "Remarks" column of the "Record" worksheet found in the excel file which Section 84 Agreement has been voided.

(4) Submission of Section 84 Agreement

Once a licensee has signed the Section 84 Agreement, a copy of the signed agreement, proof of payment of the pecuniary fine and CPD attendance record should be forwarded to the IA in the following ways:

- By the principal to the IA at licensing@ia.org.hk when the principal submits a notification of new appointment; or
- By the licensee to the IA via the [Insurance Intermediaries Connect](#) (IIC) if he/she submits a licence application.

In either situation, the principal must email the excel file to cpd-dis@ia.org.hk at the end of each month.

In the event that the principal is not assisting the licensee to apply for a licence or is not newly appointing him as its licensee (i.e. there is no new appointment/new licence application), the principal should submit a copy of the signed agreement, proof of payment of the pecuniary fine together with the excel table to cpd-dis@ia.org.hk at the end of each month.

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Annex: Examples of how to complete the “S.84 Agreement” worksheet of the excel file

Scenario 1 (Adopted from Q7 of Frequently Asked Questions on Continuing Professional Development (“CPD”) Issues)

- A licensee did not attain any CPD hours between 1 August 2022 and 31 July 2023 (“22/23 CPD Assessment Period”).
- The principal terminated his appointment on 3 June 2023 and his licence was suspended (on no-principal basis) that day.
- The licensee has not reported his CPD compliance status to the IA.
- The licensee has rectified the shortfall in CPD hours by 5 November 2023.
- The licensee is willing to enter into Section 84 Agreement and pay the fine of HK\$9,000

Information to be filled out in ‘S.84 Agreement’ worksheet of the excel file:

		Choose year:										
CPD Assessment Period:		2022-2023										
IA Licence No.	Name as shown on licence (Chinese or English)	License status as at the date of agreement	No. of shortfall in CPD hour(s) as at 31 July	Has the shortfall been rectified? (Yes/No)	Was the shortfall rectified before 31 Oct? (Yes/No)	Has the shortfall been reported to the IA? (Yes/No)	Date of suspension (no principal) or voluntary revocation (if applicable) (dd/mm/yyyy)	Does individual agree to enter into Section 84 Agreement? (Yes/No)	Date of payment of fine (dd/mm/yyyy)	Date of agreement (dd/mm/yyyy)	Fine for shortfall in CPD hours [\$600 x number of shortfall in CPD hours as at 31 Jul]	
Licensee's no.	Licensee's name	suspended	15.0	Yes	No	No	3/6/2023	Yes	dd/mm/yyyy	07/11/2023	HK\$9,000.00	

Scenario 2 (Adopted from Q8 of Frequently Asked Questions on Continuing Professional Development (“CPD”) Issues)

- A licensee did not attain any CPD hours between 1 August 2022 and 31 July 2023 (“22/23 CPD Assessment Period”).
- The principal terminated his appointment on 3 August 2023 and his licence was suspended (on no-principal basis) that day.
- The licensee has reported the CPD compliance status to the IA by 30 September 2023.
- The licensee has rectified the shortfall in CPD hours by 5 October 2023.
- The licensee is willing to enter into Section 84 Agreement and pay the fine of HK\$9,000

Information to be filled out in the ‘S.84 Agreement’ worksheet of the excel file:

		Choose year:											
CPD Assessment Period:		2022-2023											
IA Licence No.	Name as shown on licence (Chinese or English)	License status as at the date of agreement	No. of shortfall in CPD hour(s) as at 31 July	Has the shortfall been rectified? (Yes/No)	Was the shortfall rectified before 31 Oct? (Yes/No)	Has the shortfall been reported to the IA? (Yes/No)	Date of suspension (no principal) or voluntary revocation (if applicable) (dd/mm/yyyy)	Does individual agree to enter into Section 84 Agreement? (Yes/No)	Date of payment of fine (dd/mm/yyyy)	Date of agreement (dd/mm/yyyy)	Fine for shortfall in CPD hours [\$600 x number of shortfall in CPD hours as at 31 Jul]		
Licensee's no.	Licensee's name	suspended	15.0	Yes	Yes	Yes	3/8/2023	Yes	dd/mm/yyyy	07/11/2023	HK\$9,000.00		