



Ref. No. : MEMO/036/2012  
To : All Members  
From : Jase Yiu – Chief Administrative Executive  
Subject: **Cross- Border (People's of Republic of China (PRC)) Selling**  
Date : 12 September 2012  
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Dear Chief Executives / Members,

There is uprising trend in number of cross-border complaints lodged in person against our member brokers and registered technical representatives (TRs) pertaining to investment linked policies signed at HK SAR where the assureds are PRC visitors having been poached by PRC consultant(s) who targeted PRC people, inviting them to attend financial workshop(s) organized in PRC. It then comes to our cognizance of a referral arrangement being in place between the PRC consultant(s) and our member brokers.

We would like to draw member brokers attention that

1. An authorized Insurance broker (represented by its directors and chief executives) shall bear an irrevocable obligation to comply with the Laws of Hong Kong<sup>i</sup>, as well as the prevailing laws in other places<sup>ii</sup>. Disclaimer provisions stipulated with the referral arrangement could not be availed as a shield to protect either party from prosecution. A plea of ignorance will be of no excuse.
2. To negotiate, arrange or advise on insurance policies issued by HK SAR authorized insurers not licensed to do so in PRC may expose the PRC consultant(s), our member brokers and TRs to serious legal consequences, including the removal their Insurance broker license from our register(s) and or refraining them from (re)entry into the Insurance Intermediary market .
3. Where those policies are negotiated, arranged or advised in or from HK SAR through our member brokers as the agents of the policyholder(s), our membership rules and regulations<sup>iii</sup>, as well as the Insurers' guidelines shall strictly be applied.

While urging our member brokers, its directors, Chief Executives, TRs and all related parties to treasure our long lasting law-abiding heritage here in HK SAR, we shall also remind our member brokers to be cautious when conducting referral businesses.



香港專業保險經紀協會  
PROFESSIONAL INSURANCE BROKERS ASSOCIATION

Should you have any queries, please feel free to contact Mr. Henry Ho at 2139 1228.

Best Regards,

Jase Yiu  
Chief Administrative Executive

c.c. Office of the Commissioner of Insurance  
The Hong Kong Confederation of Insurance Brokers  
The Hong Kong Federation of Insurers

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- i Insurance Companies Ordinance (Chapter 41), Minimum Requirements for Insurance Brokers and PIBA Membership Rules and Regulations
  - ii Chinese Insurance Law (中國保險法) and Regulatory Measures for Insurance Brokers (保險經紀機構監管規定)
  - iii Including our Code of Conduct for Insurance Brokers Conducting Investment Linked Business (wef: 1 April 2011)