



Ref. No. : MEMO/047/2017
To : All Members & Chief Executives
From : Philip Mak – Chairman
Date : 27 October 2017
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Dear all,

**Restriction on Procurement of Foreign Insurers' Insurance Products
by Japanese Residents**

We have been informed by the Insurance Authority that according to the information provided by the Financial Services Agency ("FSA") of Japan, some of our members are selling life insurance products to Japanese nationals where some insurers do not have a branch office in Japan. Members may take note of the following and act accordingly whilst soliciting, advising and selling of life insurance products to Japanese nationals.

1. According to Article 186 of the Insurance Business Act ("the Act") of Japan, a foreign insurer without a branch office in Japan is prohibited from concluding an insurance contract pertaining to any person with an address or residence in Japan unless a prior permission is obtained from the FSA of Japan. Otherwise, the person who fails to obtain the permission may be subject to a fine of not more than 500,000 yen under Article 337 of the Act.
2. Under "duty of care - information for client" owed by insurance brokers to their clients whilst carrying out regulated activity in Hong Kong, members should inform Japanese clients who are intending or are entering into a life insurance contract wherein the life insurance company do not have a branch office in Japan, of the above provision and its consequences in case of a breach.
3. Necessary record of member having informed such category of Japanese insurer. The record should be a signed declaration from the Japanese client that the member has informed them of the relevant regulation in Japan as mentioned in (1) above and the consequences in case of breach.
4. If deemed necessary, you should consult your own legal advisors.
5. The full set of the Act can be found at the official website of FSA of Japan at <http://www.fsa.go.jp/common/law/ins01.pdf>

Best Regards,

Philip Mak
Chairman

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