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By Fax or Email

To : Authorized Representatives, Member Companies, HKFI
Non-HKFI Insurers using HKFI's agent registration service
Insurance Agents who have appointed responsible officer/technical representatives

From : Claudia Lung, IARB Secretary

Date : 17 May 2004

Subject : **The Code of Practice for the Administration of Insurance Agents – Sixth Edition (New Code)**

In view of the implementation of the New Code on 1 June 2004 and in order to assist you with the administration of insurance agents under the requirement of the Insurance Companies Ordinance, please note the following:

1. New Code

You could download the entire version of the New Code via icon, "What's New?", <http://www.hkfi.org.hk>.

2. New Registration and Renewal Forms

- a. From now to 31 May 2004
New Registration and Renewal Forms could be downloaded via icon, "Notice for Insurance Agents", <http://www.hkfi.org.hk>.
- b. Commencing 1 June 2004
Complementary to the New Code, commencing 1 June 2004, all applicants are required to use the new Registration Forms and Renewal Forms. Otherwise, their application may not be accepted. All the new Registration Forms and Renewal Forms could be obtained by:
 - i. Downloading from our website via icon, "Download Centre", <http://www.hkfi.org.hk>;
 - ii. Call "Agents Enquiry Hotline" (Tel:2861-9369) to request via fax machine.

3. Currently Registered Persons

The IARB will post latest notice and important information regarding Registered Person in web page: "Notice for Insurance Agents", <http://www.hkfi.org.hk>, as such, please remind all your currently registered Insurance Agents, Responsible Officer and Technical Representatives to visit the web page frequently in order to get the latest information.

CL/ds



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THE CODE OF PRACTICE

FOR THE ADMINISTRATION OF
INSURANCE AGENTS

保險代理管理守則

HKFI

香 港 保 險 業 聯 會
THE HONG KONG FEDERATION OF INSURERS

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HKFI

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THE HONG KONG FEDERATION OF INSURERS

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PART A : INTERPRETATION

Status

1. This is the *Code of Practice for the Administration of Insurance Agents* (the "*Code*") approved by the Insurance Authority pursuant to section 67 of the *Insurance Companies Ordinance* and referred to in Article 48 of the *Articles of Association* of The Hong Kong Federation of Insurers.

Definitions

2. In this *Code*, the following words are defined as follows:-

"HKFI"	means The Hong Kong Federation of Insurers;
"IARB"	means the Insurance Agents Registration Board established by the HKFI to administer the <i>Code</i> pursuant to its <i>Articles of Association</i> ;
"Insurance Agency"	means an insurance agent which is not an individual insurance agent;
"Line of Insurance Business"	Means:- (a) General Business; (b) Long Term (excluding Linked Long Term) Business; and/or (c) Long Term (including Linked Long Term) Business as defined in the <i>Insurance Companies Ordinance</i> ;
"MPF Code"	means the <i>Code of Conduct for MPF Intermediaries</i> issued by the Mandatory Provident Fund Schemes Authority ("MPFA"), as amended from time to time;
"MPF Intermediary"	has the meaning assigned to it by the <i>MPF Code</i> ;
"Ordinance"	means the <i>Insurance Companies Ordinance</i> , Chapter 41 of the <i>Laws of Hong Kong</i> , as amended from time to time;
"Principal"	means an insurer to whom Part X of the <i>Ordinance</i> applies or Lloyd's;

"Responsible Officer"

in relation to

(a) an insurance agent which is an Insurance Agency means a person who, alone or jointly with others, is responsible for the conduct of the insurance agency business of such insurance agent, not being a person who:-

(i) is also responsible for the conduct of other business; and

(ii) has a subordinate responsible for the whole of the insurance agency business;

or

(b) an insurance agent which is an Insurance Agency formed outside Hong Kong means a person who, alone or jointly with others, is responsible for the conduct of the whole of the insurance agency business of such insurance agent carried on within Hong Kong, not being a person who:-

(i) is also responsible for the conduct of the insurance agency business carried on by the insurance agent elsewhere; and

(ii) has a subordinate responsible for the whole of the insurance agency business carried on by the insurance agent within Hong Kong;

and

"Technical Representative"

in relation to an insurance agent means a person (not being an insurance subagent who is classified as an insurance agent for the purpose of this *Code*) who provides advice to a policy holder or potential policy holder on insurance matters for such insurance agent, or arranges contracts of insurance in or from Hong Kong on behalf of that insurance agent.

3. In this *Code*, where the context permits:-

(a) words and expressions importing the masculine gender shall include the feminine and neuter genders and vice versa;

- (b) words and expressions importing singular shall include the plural and vice versa; and
- (c) words and expressions importing person(s) shall include partnership, body(ies) of persons and corporation(s).

Application of the *Ordinance*

- 4. All words and expressions not defined in this *Code* shall have the meanings ascribed to them by the *Ordinance*.

Conflict with the *Ordinance*

- 5. The intention is that this *Code* should be no more onerous on Principals and insurance agents than the *Ordinance*. This *Code* should be interpreted according to that intent. In the event of a conflict between this *Code* and the *Ordinance*, the *Ordinance* shall prevail and this *Code* shall be invalid to the extent of any such inconsistency.

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PART B : GENERAL PRINCIPLES

Functions of the IARB

6. The HKFI may give general directions or, in a particular case, specific directions to the IARB as to the execution of its functions under this *Code* and the IARB shall comply with such directions.

7. The IARB may:-

(a) refer complaints received by it:-

(i) concerning insurance agents to any Principal or insurance agent; and

(ii) concerning Responsible Officers or Technical Representatives to any Principal or the relevant insurance agent as appropriate

for investigation;

(b) receive investigation reports from any Principal or relevant insurance agent relating to complaints mentioned in clause 7(a);

(c) require any Principal or relevant insurance agent to take disciplinary action in consequence of a complaint;

(d) confirm the appointment of insurance agents, Responsible Officers and Technical Representatives or revoke such confirmation;

(e) keep and maintain:-

(i) a register of insurance agents; and

(ii) a sub-register of insurance agents' Responsible Officers and Technical Representatives

whose appointments have been confirmed by the IARB;

and

(f) report to the Insurance Authority where it appears to the IARB that:-

(i) an insurance agent, a Responsible Officer, Technical Representative or Principal has breached Part X of the *Ordinance* or this *Code*;

(ii) an insurance agent is not or has ceased to be a fit and proper person to act as such; or

(iii) a Responsible Officer or Technical Representative is not or has ceased to be a fit and proper person to act as such.

Guidance Notes

8. The IARB may issue Guidance Notes from time to time as to how it intends to exercise its powers and fulfil its responsibilities under this *Code*. Such Guidance Notes shall not form part of this *Code*.

Construction of the *Code* in both Official Languages

9. Sections 10B and 10C of the *Interpretation and General Clauses Ordinance*, Chapter 1 of the *Laws of Hong Kong*, shall apply to the construction and interpretation of the English language text and Chinese language text of the *Code* as if the *Code* was an "Ordinance" referred to in those sections.
10. The HKFI shall have the power to determine the meaning of the *Code* in both English and Chinese versions and to resolve inconsistencies, if any, between the two versions of the *Code*. Any determination made by the HKFI shall be conclusive and binding.

Criminal Prosecution

11. A Principal or an insurance agent who fails to comply with this *Code* or with Part X of the *Ordinance* may be subject to criminal prosecution pursuant to section 77 of the *Ordinance*.

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PART C : RULES

INSURANCE AGENTS

Confirmation of the Appointment of Insurance Agents

12. A Principal shall obtain the confirmation of the IARB in accordance with this *Code* before confirming the appointment of any person as its insurance agent.

Registration of Insurance Agents

13. The IARB, on behalf of the relevant Principal, shall register an insurance agent as soon as practicable after receiving the application for registration of such agent by that Principal.
14. The registration of an insurance agent shall continue only for such period, not exceeding three years, as the IARB may specify. The relevant Principal may apply for re-registration of an insurance agent no earlier than three months before the expiration of that agent's registration.
15. The IARB shall issue a registration number to an insurance agent once the agent is registered. The insurance agent shall disclose his registration number if so requested. He shall also have his registration number identified on his business cards if they are distributed.
16. When an insurance agent is the subject of a pending investigation into his fitness and properness to act or continue acting as an insurance agent and his registration will expire before the investigation is finally disposed of by the IARB, the IARB may on good cause being shown and at its absolute discretion whether before or after the expiry of the registration grant to such agent provisional registration for a period not exceeding three years.

Cancellation of the Registration of Insurance Agents

17. The registration of an insurance agent shall be cancelled upon the insurance agent ceasing to be an agent of the relevant Principal. The Principal shall notify the IARB within seven days of such cessation and provide such details as the IARB may require. Upon such notification by the Principal, the IARB, on behalf of the Principal, shall immediately remove the insurance agent from that part of the register relating to that Principal.

Notification to the Insurance Authority

18. The IARB, on behalf of the relevant Principal, shall give the Insurance Authority details of the registration and cancellation of registration of insurance agents within seven days of such registration or cancellation of registration and shall make the register available to the Insurance Authority for inspection.

Representation of Principals by Insurance Agents

19. A person shall not act as an insurance agent for more than four Principals of whom no more than two shall be long term insurers.
20. For the purposes of clause 19:-

- (a) representation by a person of a composite insurer shall be regarded as the representation of two Principals, one general and one long term, unless the insurance agent's activities are restricted to either General or Long Term Business; and
- (b) representation by a person of a group of insurance companies shall be deemed to be one Principal if their activities are limited to either General or Long Term Business, or two Principals if their activities include both General and Long Term Business unless the insurance agent's activities are restricted to either General or Long Term Business.

In this sub-clause:-

"group of companies" means that the relationship between the companies is that of "subsidiary" and "holding company" or they are the subsidiaries of another company; and

"subsidiary" and "holding company" shall have the meanings attributed to them by sections 2(4)-(7) of the *Companies Ordinance*.

- 21. If a person acts as an insurance agent for any Principal, he shall obtain the consent of such Principal prior to accepting an appointment to act as an insurance agent for another Principal.
- 22. Subject to clauses 19 and 20, if a person is registered as an agent of another insurance agent, he shall register to represent all the Principal(s) of the appointing agent and shall register to be engaged in all appointed Line(s) of Insurance Business of the appointing agent.

Obligations of Principals in respect of Insurance Agents

23. A Principal shall ensure that each of its insurance agents:-

- (a) does not, to the Principal's knowledge, act at any one time for more than the maximum number of Principals allowed;
- (b) is eligible to be engaged in a Line of Insurance Business in respect of which the Principal is authorized to carry on and has appointed the insurance agent to engage in;
- (c) meets the fit and proper criteria set out in Part E of this *Code*;
- (d) is confirmed by and registered with the IARB in accordance with this *Code*;
- (e) is appointed as an insurance agent of the Principal in writing by an agency agreement. The agency agreement shall require the insurance agent to comply with Part F of this *Code*;

- (f) discloses his registration number if so requested;
- (g) identifies his registration number on his business cards if they are distributed;
- (h) complies with this *Code*; and
- (i) has registered as an MPF intermediary with the MPFA where the insurance agent is engaged in selling or advising on Mandatory Provident Fund schemes or their constituent or underlying funds.

Termination of the Appointment of Insurance Agents

24. A Principal shall terminate the appointment of an insurance agent if the Principal becomes aware that such insurance agent:-

- (a) acts at any one time for more than the maximum number of Principals allowed;
- (b) has been determined by the IARB not to be fit and proper to be an insurance agent; or
- (c) fails to comply with this *Code*.

Training of Insurance Agents

25. A Principal shall provide to each of its insurance agents sufficient training where a reasonable person receiving such training:-

- (a) shall be familiar with the requirements of the *Ordinance* and this *Code*; and
- (b) would thereby be able to competently undertake the duties of an insurance agent in accordance with the requirements of the *Ordinance* and this *Code*.

RESPONSIBLE OFFICERS AND TECHNICAL REPRESENTATIVES

Confirmation of the Appointment of Responsible Officers and Technical Representatives

26. An insurance agent shall obtain the confirmation of the IARB in accordance with this *Code* before confirming the appointment of any person as its Responsible Officer or Technical Representative.

Registration of Responsible Officers and Technical Representatives

27. The IARB shall register a Responsible Officer or Technical Representative as soon as practicable after receiving the application for registration of such Responsible Officer or Technical Representative by an insurance agent.

28. The registration of a Responsible Officer or Technical Representative shall continue only for such period, not exceeding three years, as the IARB may specify. The insurance agent may apply for re-registration of a Responsible Officer or Technical Representative no earlier than three months before the expiration of that Responsible Officer's or Technical Representative's registration.

29. The IARB shall issue a registration number to a Responsible Officer or Technical Representative once the Responsible Officer or Technical Representative is registered. The Responsible Officer or Technical Representative shall disclose his registration number if so requested. He shall also have his registration number identified on his business cards if they are distributed.
30. When a Responsible Officer or Technical Representative is the subject of a pending investigation into his fitness and properness to act or continue acting as a Responsible Officer or Technical Representative and his registration will expire before the investigation is finally disposed of by the IARB, the IARB may on good cause being shown and at its absolute discretion whether before or after the expiry of the registration grant to such Responsible Officer or Technical Representative provisional registration for a period not exceeding three years.

Cancellation of the Registration of Responsible Officers and Technical Representatives

31. The registration of a Responsible Officer or Technical Representative shall be cancelled upon his cessation to be the Responsible Officer or Technical Representative of the insurance agent. The insurance agent shall notify the IARB within seven days of such cessation and provide such details as the IARB may require. Upon such notification by the insurance agent, the IARB shall immediately remove the Responsible Officer or Technical Representative from that part of the sub-register relating to that insurance agent.

Notification to the Insurance Authority

32. The IARB shall give the Insurance Authority details of the registration and cancellation of registration of Responsible Officers or Technical Representatives within seven days of such registration or cancellation of registration and shall make the sub-register available to the Insurance Authority for inspection.

Representation of Insurance Agents by Responsible Officers and Technical Representatives

33. A person shall not act as a Responsible Officer or Technical Representative for more than one insurance agent.

Obligations of Insurance Agents in respect of their Responsible Officers and Technical Representatives

34. An insurance agent shall ensure that any person acting as its Responsible Officer or Technical Representative:-
- (a) does not, to the insurance agent's knowledge, act at any one time for more than one insurance agent;
 - (b) is eligible to be engaged in a Line of Insurance Business which the insurance agent is eligible to be engaged in;
 - (c) meets the fit and proper criteria for Responsible Officers and Technical Representatives set out in Part E of this *Code*;

- (d) is confirmed by and registered with the IARB in accordance with this *Code*;
- (e) discloses his registration number if so requested;
- (f) identifies his registration number on his business cards if they are distributed; and
- (g) complies with this *Code*.

Termination of the Appointment of Responsible Officers or Technical Representatives

35. An insurance agent shall terminate the appointment of a Responsible Officer or Technical Representative if the insurance agent becomes aware that such Responsible Officer or Technical Representative:-

- (a) acts at any one time for more than one insurance agent;
- (b) has been determined by the IARB not to be fit and proper to be a Responsible Officer or Technical Representative; or
- (c) fails to comply with this *Code*.

Training of Responsible Officers and Technical Representatives

36. An insurance agent shall provide to its Responsible Officer and each of its Technical Representatives sufficient training where a reasonable person receiving such training:-

- (a) shall be familiar with the requirements of the *Ordinance* and this *Code*; and
- (b) would thereby be able to competently undertake the duties of a Responsible Officer or Technical Representative in accordance with the requirements of this *Code*.

PART D : PROCEDURES

The Register

37. The IARB, on behalf of a Principal, shall keep and maintain:-

- (a) a register of insurance agents; and
- (b) a sub-register of insurance agents' Responsible Officers and Technical Representatives

whose appointments have been confirmed by the IARB. The register, including the sub-register, shall be kept in a manner and form determined by the Insurance Authority and shall be available for inspection by the public during normal working hours at the registered office of the HKFI.

Application for the Confirmation of Appointment and Registration of Insurance Agents

38. The following provisions shall apply to every application made to the IARB for the confirmation of appointment and registration of an insurance agent:

- (a) the relevant Principal shall be responsible for submitting the application;
- (b) the application shall be made in such manner and form as may be prescribed by the IARB from time to time;
- (c) the appointing Principal and the relevant or proposed insurance agent shall provide to the IARB such additional information relevant to the application as the IARB may require;
- (d) the IARB shall not be required to consider an application unless it is made in the prescribed manner and form, is complete and in respect of which the information requested has been provided in full;
- (e) an appointing Principal who becomes aware of any changes in the material circumstances of an insurance agent or proposed insurance agent who is the subject of a pending application shall notify the IARB forthwith of such changes; and
- (f) an insurance agent or proposed insurance agent who is the subject of an application shall satisfy the IARB that he is fit and proper to act as such and, unless the IARB is so satisfied, it shall not confirm the appointment of that person as an insurance agent by the appointing Principal and register that person as the insurance agent of the appointing Principal.

Matters Relevant to Fitness and Propriety of Insurance Agents and Complaints against Insurance Agents

39. The following shall apply if the IARB becomes aware of any matter which may render an insurance agent not fit and proper to act or continue acting as such or receives a

complaint concerning an insurance agent:-

- (a) the IARB may refer the matter or the complaint to any Principal or insurance agent for investigation;
- (b) the Principal shall diligently and expeditiously investigate the matter or the circumstances of the complaint and, on request by the IARB, report the progress and the findings (if any) of the investigation within 14 days of the date of referral or such further period as may be specified by the IARB. In consequence of such report, the IARB may request the Principal to conduct further inquiries;
- (c) if the IARB considers that it is likely to take disciplinary action if the matter or the complaint is proven, the IARB shall provide the insurance agent to whom the matter relates or the subject of the complaint and any Principal who is likely to be adversely affected by such action with an opportunity to make representations in such manner and form as the IARB considers appropriate and within 14 days or such further period as may be specified by the IARB and the IARB shall consider such representations;
- (d) when the IARB considers that all matters relevant to the matter or the complaint have been fully and satisfactorily investigated and reported and that all representations concerning the matter or the complaint have been considered and the matter renders the insurance agent not fit and proper to act or continue acting as such or the complaint is proven, it may require a Principal to take disciplinary action;
- (e) disciplinary action may include requiring a Principal to:-
 - (i) issue a reprimand to any of its insurance agents;
 - (ii) suspend or terminate the appointment of any of its insurance agents; or
 - (iii) take or refrain from taking such other action as the IARB thinks fit;an insurance agent whose appointment has been terminated in these circumstances will be barred from registration as an insurance agent, a Responsible Officer or Technical Representative for a specified period;
- (f) when requiring disciplinary action affecting any Principal or insurance agent, the IARB shall also serve on that Principal and insurance agent a notification of that requirement together with a statement specifying the grounds thereof; and
- (g) if a Principal fails to comply with a requirement to take disciplinary action, the IARB may impose a further requirement and report such failure to the Insurance Authority.

Application for the Confirmation of Appointment and Registration of Responsible Officers and Technical Representatives

40. The following provisions shall apply to every application made to the IARB for the confirmation of appointment and registration of a Responsible Officer or Technical Representative:-

- (a) the insurance agent shall be responsible for submitting the application;
- (b) the application shall be made in such manner and form as may be prescribed by the IARB from time to time;
- (c) the appointing insurance agent and the relevant or proposed Responsible Officer or Technical Representative shall provide to the IARB such additional information relevant to the application as the IARB may require;
- (d) the IARB shall not be required to consider an application unless it is made in the prescribed manner and form, is complete and in respect of which the information requested has been provided in full;
- (e) an appointing insurance agent who becomes aware of any changes in the material circumstances of a Responsible Officer or Technical Representative or a proposed Responsible Officer or Technical Representative who is the subject of a pending application shall notify the IARB forthwith of such changes; and
- (f) a Responsible Officer or Technical Representative or a proposed Responsible Officer or Technical Representative who is the subject of an application shall satisfy the IARB that he is fit and proper to act as such and, unless the IARB is so satisfied, it shall not confirm the appointment of that person as a Responsible Officer or Technical Representative by the appointing insurance agent and register that person as the Responsible Officer or Technical Representative of the appointing insurance agent.

Matters Relevant to Fitness and Properness of Responsible Officers and Technical Representatives of Insurance Agents and Complaints against Responsible Officers and Technical Representatives of Insurance Agents

41. The following shall apply if the IARB becomes aware of any matter which may render a Responsible Officer or Technical Representative of an insurance agent not fit and proper to act or continue acting as such or receives a complaint concerning a Responsible Officer or Technical Representative of an insurance agent:-

- (a) the IARB may refer the matter or the complaint to the insurance agent or any Principal as appropriate for investigation;

- (b) the insurance agent or any Principal as appropriate shall diligently and expeditiously investigate the matter or the circumstances of the complaint and, on request by the IARB, report the progress and the findings (if any) of the investigation within 14 days of the date of referral or such further period as may be specified by the IARB. In consequence of such report, the IARB may request the insurance agent or the Principal to conduct further inquiries;
- (c) if the IARB considers that it is likely to take disciplinary action if the matter or the complaint is proven, the IARB shall provide the Responsible Officer or Technical Representative to whom the matter relates or the subject of the complaint and the insurance agent and/or any Principal who is likely to be adversely affected by such action with an opportunity to make representations in such manner and form as the IARB considers appropriate and within 14 days or such further period as may be specified by the IARB and the IARB shall consider such representations;
- (d) when the IARB considers that all matters relevant to the matter or the complaint have been fully and satisfactorily investigated and reported and that all representations concerning the matter or the complaint have been considered and the matter renders the Responsible Officer or Technical Representative not fit and proper to act or continue acting as such or the complaint is proven, it may require the insurance agent and/or a Principal to take disciplinary action;
- (e) disciplinary action may include requiring an insurance agent and/or a Principal to:-
- (i) issue a reprimand to a Responsible Officer or Technical Representative;
 - (ii) suspend or terminate the appointment of a Responsible Officer or Technical Representative; or
 - (iii) take or refrain from taking such other action as the IARB thinks fit;
- a Responsible Officer or Technical Representative whose appointment has been terminated in these circumstances will be barred from registration as an insurance agent, a Responsible Officer or Technical Representative for a specified period;
- (f) when requiring disciplinary action affecting an insurance agent, Responsible Officer or Technical Representative, the IARB shall also serve on that insurance agent, Responsible Officer and Technical Representative concerned a notification of that requirement together with a statement specifying the grounds thereof; and
- (g) if an insurance agent and/or a Principal fails to comply with a requirement to take disciplinary action, the IARB may impose a further requirement and report such failure to the relevant Principal (if appropriate) and the Insurance Authority.

Appeals

42. There shall be an Appeals Tribunal who shall determine appeals against decisions of the IARB made under this *Code*, and its decisions shall be final.

43. The members of the Appeals Tribunal shall be persons (not being members of the IARB) nominated by the HKFI and confirmed by the Insurance Authority.
44. Any person adversely affected by a decision of the IARB made under this *Code* may appeal to the Appeals Tribunal but that decision shall take effect immediately notwithstanding that an appeal has or may be made.
45. The Appeals Tribunal may determine its own procedures but otherwise an appeal shall be conducted and determined in accordance with the *Appeals Tribunal Proceedings Rules*, as amended from time to time.
46. On determining an appeal the Appeals Tribunal may confirm, vary or reverse the decision being appealed or substitute thereof such other decision, consistent with the powers of the IARB, as it thinks fit.

Reports to the Insurance Authority

47. The IARB may report any matters concerning a complaint, the investigation of the complaint, the relevant Principal's or insurance agent's report or the disciplinary action required, to the Insurance Authority. Neither the IARB nor the individual members of the IARB shall incur any liability to any person concerned by making such disclosure in good faith.

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PART E : FIT AND PROPER CRITERIA

Fitness and Properness of Insurance Agents, Responsible Officers and Technical Representatives

48. (a) Before determining pursuant to clauses 24(b) and 38(f) or 35(b) and 40(f) that a person is not fit and proper to act or continue acting as an insurance agent, a Responsible Officer or Technical Representative, the IARB shall provide that person with an opportunity to make representations in such manner and form as the IARB considers appropriate and shall consider such representations; and
- (b) if, following such consideration, the IARB is not satisfied that a person is fit and proper to act or continue acting as an insurance agent, a Responsible Officer or Technical Representative, the IARB may revoke the registration of such person and shall provide the Insurance Authority with a written report specifying the grounds for its opinion. The IARB shall give the person a copy of its report.

Matters Relevant to Fitness and Properness of Insurance Agents

49. In considering whether a person is fit and proper to act or continue acting as an insurance agent, the IARB shall take into account:-
- (a) whether that person has ever been declared bankrupt or been a controller, a director, an officer or a senior manager of a corporation that has become insolvent;
- (b) whether the person has acquired educational or other qualifications commensurate with his proposed responsibilities or responsibilities as an insurance agent;
- (c) whether the person has ever been convicted of any criminal offence which may affect his fitness, suitability or properness to act as an insurance agent or been found guilty of misconduct by a professional body to which he belongs or has belonged;
- (d) whether the person has failed to conduct insurance agency business in a manner complying with clauses 71 to 79 (Part F: Minimum Requirements of Model Agency Agreement) of this *Code* and/or the rules of the HKFI;
- (e) whether the person is found not to have complied with or is in breach of this *Code* and/or the rules of the HKFI;
- (f) whether the person possesses the qualifications specified in clauses 52 to 65 (Minimum Qualifications for Persons Acting as Insurance Agents);
- (g) such other matters as the IARB considers relevant in the circumstances;
- (h) whether the person has registered as an MPF intermediary with the MPFA where the person is engaged in selling or advising on Mandatory Provident Fund schemes or their constituent or underlying funds;

- (i) if the person is also an MPF intermediary, whether the person is found not to have complied with or is in breach of the *MPF Code*; and
- (j) in case where the person is a company, partnership or sole proprietorship, whether the person has taken adequate measures to ensure that each of its directors and employees, as appropriate:-
 - (i) has registered as an MPF intermediary with the MPFA; and
 - (ii) complies with the requirements as specified in the *MPF Code*

where the director or employee is engaged in selling or advising on Mandatory Provident Fund schemes or their constituent or underlying funds.

50. The IARB may consider a person not fit and proper to act or continue acting as an insurance agent if:-

- (a) his appointment as an insurance agent was terminated by a Principal pursuant to a requirement imposed by the IARB or the Insurance Authority; or
- (b) in the opinion of the IARB, by his words or actions, he has manifested a material lack of understanding of the duties and ethical responsibilities of an insurance agent.

51. The IARB may consider a person not fit and proper to act or continue acting as an insurance agent if:-

- (a) its appointed Responsible Officer or any of its Technical Representatives would not be considered fit and proper to act as an insurance agent if he applied as an individual; or
- (b) any of its controllers or directors would not be considered fit and proper to act as an insurance agent if he applied as an individual. For the purpose of this sub-clause, the requirements specified in clauses 52(b) to (d) and 65 are not applicable to any controller or director not being an insurance agent, a Responsible Officer or Technical Representative.

Minimum Qualifications for Persons Acting as Insurance Agents

52. The minimum qualifications that an individual must fulfill before he may be considered by the IARB to be fit and proper to act as an insurance agent are that:-

- (a) he has attained the age of 18; and
- (b) he is a Hong Kong Permanent Resident or Hong Kong Resident whose employment visa conditions, if any, do not restrict him from acting as an insurance agent; and

- (c) he has completed education to a level of Form 5 or equivalent unless he was engaged in the insurance intermediary business in Hong Kong immediately before 1 January 2000 and has not since ceased to be engaged in insurance-related work in the insurance industry in Hong Kong for two consecutive years; and
- (d) he has successfully passed the relevant papers of the Insurance Intermediaries Qualifying Examination recognized by the Insurance Authority ("the Qualifying Examination") unless he has been exempted under the criteria specified in clauses 55 and 56 as appropriate.

53. The Qualifying Examination consists of the following papers:-

- (a) compulsory paper - Principles and Practice of Insurance;
- (b) qualifying paper - General Insurance;
- (c) qualifying paper - Long Term Insurance; and
- (d) qualifying paper - Investment-linked Long Term Insurance.

54. Subject always that no insurance agent shall be engaged in a class of insurance business other than that his Principal is authorized to carry on, an insurance agent, unless exempted under clauses 55 and 56 as appropriate, is only eligible to be engaged in a Line of Insurance Business in respect of which he has passed the Qualifying Examination. In addition to passing the compulsory paper on Principles and Practice of Insurance, an insurance agent is required to pass the General Insurance paper and Long Term Insurance paper for his engaging in General Business and Long Term (excluding Linked Long Term) Business respectively. He is required to pass, in addition to the compulsory paper, both Long Term Insurance and Investment-linked Long Term Insurance papers for his engaging in Long Term (including Linked Long Term) Business.

55. An individual shall be exempted from papers (a), (b) and (c) as appropriate of the Qualifying Examination if he:-

- (a) was engaged in the insurance intermediary business in Hong Kong immediately before 1 January 2000 and is in possession of one of the following:-
 - (i) proven relevant experience in insurance business in Hong Kong for a cumulative period of at least five years within the six-year period immediately before 1 January 2000; or
 - (ii) the Certificate of Proficiency in General Insurance Studies issued by the HKFI;

or

(b) is in possession of any of the following recognized professional qualifications in insurance or actuarial science:-

- (i) Associate or Fellow of the Chartered Insurance Institute (ACII/FCII);
- (ii) Senior Associate or Fellow of the Australian and New Zealand Institute of Insurance and Finance [ANZIIF (Snr Assoc) / ANZIIF (Fellow)];
- (iii) Fellow of the Life Management Institute (FLMI);
- (iv) Chartered Life Underwriter (CLU);
- (v) Chartered Property Casualty Underwriter (CPCU);
- (vi) Hong Kong Diploma in Insurance Studies of the Insurance Institute of Hong Kong;
- (vii) Fellow of the Institute of Actuaries of England (FIA);
- (viii) Fellow of the Faculty of Actuaries in Scotland (FFA);
- (ix) Fellow of the Institute of Actuaries of Australia (FIAA); or
- (x) Fellow of the Society of Actuaries of the United States of America (FSA),
or other qualifications acceptable to the Insurance Authority.

56. An individual shall be exempted from paper (d) of the Qualifying Examination if he:-

- (a) was engaged in long term insurance intermediary business in Hong Kong immediately before 1 January 2002 and has fulfilled all of the following:-
 - (i) has proven long term insurance experience in Hong Kong for a cumulative period of at least seven years within the eight-year period immediately before 1 January 2002; and
 - (ii) has proven experience in Hong Kong in selling at least four linked long term policies per annum and 50 linked long term policies in total within the five-year period immediately before 1 January 2002;

or

(b) is in possession of any of the following recognized professional qualifications in insurance, investment or actuarial science:-

- (i) Chartered Life Underwriter (CLU) with an elective paper "HS 328 Investments" in the CLU qualifying examination successfully passed;
- (ii) Chartered Financial Consultant (ChFC);

- (iii) Certified Financial Planner (CFP);
 - (iv) Fellow of the Institute of Actuaries of England (FIA);
 - (v) Fellow of the Faculty of Actuaries in Scotland (FFA);
 - (vi) Fellow of the Institute of Actuaries of Australia (FIAA);
 - (vii) Fellow of the Society of Actuaries of the United States of America (FSA);
 - (viii) Foundation Programme Examination of the Hong Kong Securities Institute (FPE) successfully passed;
 - (ix) Diploma Programme Examination of the Hong Kong Securities Institute (DPE) successfully passed;
 - (x) HKSI Practising Certificate of the Hong Kong Securities Institute; or
 - (xi) HKSI Specialist Certificate of the Hong Kong Securities Institute;
- or other qualifications acceptable to the Insurance Authority.

57. Subject always that no insurance agent shall be engaged in a class of insurance business other than that his Principal is authorized to carry on, an insurance agent who has been exempted under clause 55(a)(i) is only eligible to be engaged in the Line of Insurance Business [General Business and Long Term (excluding Linked Long Term) Business only] in which he has been engaged for five years within the six-year period immediately before 1 January 2000 or has substantially been engaged during that five-year period.
58. Subject always that no insurance agent shall be engaged in a class of insurance business other than that his Principal is authorized to carry on, an insurance agent who has been exempted under clause 55 (a)(ii) is eligible to carry on general insurance agency business only.
59. Subject always that no insurance agent shall be engaged in a class of insurance business other than that his Principal is authorized to carry on, an insurance agent who has been exempted under clause 55 (b)(i) to (vi) is eligible to carry on both general and long term (excluding linked long term) insurance agency business; and an insurance agent who has been exempted under clause 55 (b)(vii) to (x) and clause 56 (b)(iv) to (vii) is eligible to carry on both general and long term (including linked long term) insurance agency business.
60. Subject always that no insurance agent shall be engaged in a class of insurance business other than that his Principal is authorized to carry on, an insurance agent who is eligible to carry on long term (excluding linked long term) insurance agency business and has been exempted under clause 56 is also eligible to carry on long term (including linked long term) insurance agency business.

61. An insurance agent in the insurance intermediary business in Hong Kong immediately before 1 January 2000 shall, unless exempted under clause 55, pass the Qualifying Examination in respect of papers (a), (b) and (c) as appropriate on or before 31 December 2001 or the expiration of the validity of his registration effected in 1999, whichever is later.
62. Subject always that no insurance agent shall be engaged in a class of insurance business other than that his Principal is authorized to carry on, an insurance agent who was engaged in long term insurance intermediary business in Hong Kong immediately before 1 January 2002 and continues/intends to engage in linked long term insurance intermediary business thereafter shall, unless exempted under clause 56, pass paper (d) of the Qualifying Examination on or before 31 December 2003.
63. An insurance agent who has ceased to be engaged in insurance-related work in the insurance industry in Hong Kong for two consecutive years shall pass the relevant papers of the Qualifying Examination before he can be re-appointed as an insurance agent, unless he has been exempted under clauses 55 (b) and 56 (b) as appropriate.
64. An individual, who has passed the Qualifying Examination for two consecutive years during which he has not been engaged in insurance-related work in the insurance industry in Hong Kong, shall pass the relevant papers of the Qualifying Examination again before he can be appointed as an insurance agent, unless he has been exempted under clauses 55 (b) and 56 (b) as appropriate.
65. An insurance agent shall comply with the requirements of the Continuing Professional Development Programme in such manner and form as specified by the Insurance Authority.

Insurance Agent which is an Insurance Agency

66. Subject always that no insurance agent shall be engaged in a class of insurance business other than that his/its Principal is authorized to carry on, an insurance agent which is an Insurance Agency is only eligible to be engaged in the Line of Insurance Business which its Responsible Officer is eligible to be engaged in.

Matters Relevant to Fitness and Properness of Responsible Officers and Technical Representatives

67. In considering whether a person is fit and proper to act or continue acting as a Responsible Officer or Technical Representative, the IARB shall take into account whether that person is fit to act as a general insurance agent (for the relevant or proposed Responsible Officer or Technical Representative intending to be engaged in general insurance agency business), long term (excluding linked long term) insurance agent [for the relevant or proposed Responsible Officer or Technical Representative intending to be engaged in long term (excluding linked long term) insurance agency business] or long term (including linked long term) insurance agent [for the relevant or proposed Responsible Officer or Technical Representative intending to be engaged in long term (including linked long term) insurance agency business] if he applied as an individual. In this connection, the provision in clauses 49, 52 to 65 may, as appropriate, apply to the

relevant or proposed Responsible Officer or Technical Representative as if he were an insurance agent.

68. The IARB may consider a person not fit and proper to act or continue acting as a Responsible Officer or Technical Representative if:-

- (a) his appointment as a Responsible Officer or Technical Representative was terminated by an insurance agent pursuant to a requirement imposed by the IARB or the Insurance Authority; or
- (b) in the opinion of the IARB, by his words or actions, he has manifested a material lack of understanding of the duties and ethical responsibilities of a Responsible Officer or Technical Representative.

Other Matters Relating to the Eligibility for Persons Acting as Responsible Officers and Technical Representatives

69. A Technical Representative is only eligible to be engaged in a Line of Insurance Business which the insurance agent appointing him is eligible to be engaged in.

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PART F : MINIMUM REQUIREMENTS OF MODEL AGENCY AGREEMENT

70. A Principal is required to appoint an insurance agent under a written agency agreement that meets the minimum requirements of a model agency agreement adopted by the HKFI. The HKFI will from time to time publish a model agency agreement. The minimum requirements of this model agency agreement will be the inclusion of the Conduct of Insurance Agents as follows for general insurance business and for long term insurance business.

Conduct of Insurance Agents for General Insurance Business

71. An insurance agent shall at all times conduct business in good faith and with integrity.

72. In the event of a complaint concerning the conduct of an insurance agent, the agent shall co-operate with the IARB and the Principal concerned to establish the facts. The complainant should be informed that he should in the first instance refer the complaint to the relevant Principal. If the complainant is still dissatisfied he may refer the matter to the IARB.

73. An insurance agent shall:-

- (a) identify himself as an insurance agent acting on behalf of the Principal(s) he represents prior to discussing insurance policies with any person;
- (b) disclose his registration number if so requested and identify his registration number on his business cards if they are distributed;
- (c) give advice only on those matters in which he is competent to deal with or otherwise seek advice from his Principal(s) when necessary;
- (d) explain the cover afforded by each policy recommended to ensure that the prospective policy holder understands what he is buying;
- (e) explain the specific differences to which he is referring when making comparisons with other types of policies;
- (f) treat all information supplied by the prospective policy holder as confidential and disclose such information only to the Principal(s) to which the business is being offered;
- (g) not make inaccurate or misleading statements about any Principals or their policies, or any other intermediaries;
- (h) not impose any charge in addition to the policy premium without disclosing the amount and purpose of such charge to the policy holder before the binding of the policy; and

- (i) not pay any part of any commission or discount allowed to the agent to any director, partner or employee of any insured as an inducement to place the business with the Principal unless prior agreement and approval of the insured is received in writing.
74. In assisting a prospective policy holder to complete the proposal or application form, an insurance agent shall:-
- (a) not influence the prospective policy holder, and make it clear that the answers or statements given are the latter's own responsibility; and
 - (b) explain the consequences of fraud, non-disclosure and inaccuracies to the prospective policy holder and draw his attention to the relevant statements in the proposal form.

Conduct of Insurance Agents for Long Term Insurance Business

75. An insurance agent shall at all times conduct business in good faith and with integrity.
76. In the event of a complaint concerning the conduct of an insurance agent, the agent shall co-operate with the IARB and the Principal concerned to establish the facts. The complainant should be informed that he should in the first instance refer the complaint to the relevant Principal. If the complainant is still dissatisfied he may refer the matter to the IARB.
77. An insurance agent shall:-
- (a) identify himself as an insurance agent acting on behalf of the Principal(s) he represents prior to discussing insurance policies with any person;
 - (b) disclose his registration number if so requested and identify his registration number on his business cards if they are distributed;
 - (c) make every reasonable effort to ensure that the policy proposed is suitable to the needs and resources of the prospective policy holder as disclosed to the insurance agent;
 - (d) give advice only on those matters in which he is competent to deal with or otherwise seek advice from his Principal(s) when necessary;
 - (e) explain the cover afforded by each policy recommended to ensure that the prospective policy holder understands what he is buying;
 - (f) explain the specific differences to which he is referring when making comparisons with other types of policies or forms of investment;
 - (g) treat all information supplied by the prospective policy holder as confidential and disclose such information only to the Principal(s) to which the business is being offered;

- (h) not make inaccurate or misleading statements about any Principals or their policies, or any other intermediaries;
 - (i) not impose any charge in addition to the policy premium without disclosing the amount and purpose of such charge to the policy holder before the binding of the policy;
 - (j) not make inaccurate or misleading statements or comparisons to induce an insured to replace existing long term insurance with other long term insurance to the insured's disadvantage;
 - (k) not pay or offer to pay any rebate of premium, commission or other incentive not specified in the policy as an inducement to any prospective long term insurance policy holder; and
 - (l) comply with the requirements as specified in the *MPF Code* where he is engaged in selling or advising on Mandatory Provident Fund schemes or their constituent or underlying funds.
78. In assisting a prospective policy holder to complete the proposal or application form, an insurance agent shall:-
- (a) not influence the prospective policy holder, and make it clear that the answers or statements given are the latter's own responsibility; and
 - (b) explain the consequences of fraud, non-disclosure and inaccuracies to the prospective policy holder and draw his attention to the relevant statements in the proposal form.
79. When selling policies related to long term business, an insurance agent shall:-
- (a) explain the long term nature of the policy and the consequences of early discontinuance and/or surrender;
 - (b) where a policy offers participation in profits, or is investment-linked, explain the specific difference between guaranteed and projected benefits;
 - (c) where projected benefits are illustrated, explain the assumptions on which the illustrations are based, including any future bonus or dividend declaration, and that projected benefits are not guaranteed;
 - (d) in the case of participating (with-profit) business, explain that any bonuses or dividends declared in the future may be lower or higher than those currently quoted and that past performance may not be a guide to future performance;
 - (e) in the case of linked long term business, explain that unit value and the value of the policy holder's benefits may fluctuate;

- (f) unless specifically authorized by a Principal, use only such sales proposals and illustrative figures that are supplied by the Principal and shall use the whole illustration in respect of the policy being discussed, and no other, and shall not add to it or select only the most favourable aspects of it; and
- (g) if he is authorized by a Principal to prepare certain illustrations himself, prepare them using only the assumptions authorized by the Principal.

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GUIDELINES ON MISCONDUCT

The Code of Practice for the Administration of Insurance Agents (the *Code*) specifies that the Insurance Agents Registration Board (IARB) may issue Guidance Notes from time to time as to how it intends to exercise its powers and fulfil its responsibilities under the *Code*. This *Guidance Note* is intended to help both insurers and insurance agents comply with the *Code* and in particular Part F of the *Code*. The phrase "in good faith and with integrity" used in this Part cannot have a fully defined meaning, however, it is clear that it is in the best interests of customers, insurance agents and Principals to set out, from time to time, certain guidelines which if followed, provide comfort to all concerned that all possible steps are being taken to conduct business in good faith and with integrity.

Failure to comply may constitute a breach of the *Code* by either a Principal/an insurance agent under Part C or an insurance agent under Part F.

1. On no account will insurance agents ask customers to sign blank or incomplete forms and any alterations to forms must be initialled by the customers

Many complaints arise from prospective customers and/or clients whose interests have been adversely affected because they have submitted to their insurance agents' requests to sign blank forms. In order to protect the insuring public against potential losses arising from misrepresentation or forgery, insurance agents must not request their prospective customers and/or clients to sign blank forms or sign any documents relating to the policy before they have been duly completed and any alteration should be initialled by the customers.

2. An insurance agent selling a life assurance policy shall ensure that the prescribed *Customer Protection Declaration (CPD) form* is completed

It is an insurance agent's duty to present each policy with complete honesty and objectivity. In the case where the client is already a policy holder, this means that full and fair disclosure of all facts regarding both the new coverage and the existing insurance is necessary. Policy holders should be made fully aware of the estimated cost of replacing an existing policy. In selling a life assurance policy, insurance agents must duly complete the *CPD form* as prescribed by the Hong Kong Federation of Insurers from time to time and bring the content to the attention of the customer.

3. Principals must establish control procedures to monitor insurance agents' compliance with the *Code*

Principals will take all necessary steps to satisfy themselves that insurance agents are complying with the *Code* and with any Guidance Notes issued (as required by Part C). The IARB recognizes that individual circumstances may arise where it is impracticable or unhelpful to the customer to adhere rigidly to the *Code* or the Guidance Notes but the IARB will expect a principal to be able to demonstrate that sufficient check and control exist to ensure that exceptions are rare and fully documented.

When dealing with complaints the IARB may ask a Principal to provide details of the monitoring and control systems in place to ensure the Guidance Notes are not breached. Principals should note that the IARB may report to the Insurance Authority under Part B if it believes that adequate controls are not in place.

GUIDELINES ON HANDLING OF PREMIUMS

The Code of Practice for the Administration of Insurance Agents (the *Code*) specifies that the Insurance Agents Registration Board (IARB) may issue Guidance Notes from time to time as to how it intends to exercise its powers and fulfil its responsibilities under the *Code*. This *Guidance Note* is intended to help both insurers and insurance agents comply with the *Code* and in particular Part F of the *Code* which stipulates that an insurance agent shall at all times conduct business in good faith and with integrity.

Failure to comply may constitute a breach of the *Code* by either a Principal/an insurance agent under Part C or an insurance agent under Part F.

Handling of Premiums

More than one third of complaints handled by the IARB relate to misappropriation or mishandling of premium. Customers will want to pay their premiums in a variety of ways including cash, credit card, cheque and bank transfer. It is up to the Principal to decide which methods are acceptable but the following methods are recommended:

Cheque in favour of the Principal or

Credit card/ direct deposit/ bank transfer from the customers' account to the Principal.

Any other method of payment or credit facilities extended to an agent should be subject to clear rules set out by the Principal designed to avoid the mixing of customers' money with agents' personal funds.

**GUIDELINES ON THE EFFECTIVE DATE OF
REGISTRATION OF INSURANCE AGENTS, RESPONSIBLE
OFFICERS AND TECHNICAL REPRESENTATIVES**

The Code of Practice for the Administration of Insurance Agents (the Code) specifies that the Insurance Agents Registration Board (IARB) may issue Guidance Notes from time to time as to how it intends to exercise its powers and fulfil its responsibilities under the *Code*. This *Guidance Note* is intended to help both insurers and insurance agents comply with the *Code* and in particular Part C of the *Code* which stipulates that the appointment of insurance agents, Responsible Officers and Technical Representatives shall be confirmed in accordance with the *Code*.

No prospective or current insurance agents, their Responsible Officers or Technical Representatives shall hold themselves out as engaging in the insurance agency business relating to a Principal before the IARB confirms their relevant registrations in writing by way of a *Notice of Confirmation of Registration*.

A prospective or current insurance agent must take note that it may be an offence under section 77 of the *Insurance Companies Ordinance* to hold himself out as an insurance agent of a Principal before he is registered by the IARB. Therefore, no person shall act or hold himself out as an insurance agent for and on behalf of any prospective appointing Principal before the date specified by the IARB in the *Notice of Confirmation of Registration*. Any breach may render the person liable to criminal prosecution for an offence under section 77 of the *Insurance Companies Ordinance*.

A prospective or current Responsible Officer or Technical Representative of an insurance agent should also take note that it may be a breach of the *Code* to hold himself out as the Responsible Officer or Technical Representative of such insurance agent before he is registered by the IARB. Therefore, no person shall be a Responsible Officer or Technical Representative of any prospective appointing insurance agent before the date specified by the IARB in the *Notice of Confirmation of Registration*. Any breach may affect the fitness and properness of the Responsible Officer, Technical Representative or insurance agent concerned.

Guidance Note issued on 30 November 2004

GUIDANCE NOTE ON COMPLIANCE WITH THE REQUIREMENTS OF THE CONTINUING PROFESSIONAL DEVELOPMENT (CPD) PROGRAMME

1. Background

The Code of Practice for the Administration of Insurance Agents (the Code) specifies that the Insurance Agents Registration Board (IARB) may issue Guidance Notes from time to time as to how it intends to exercise its powers and fulfill its responsibilities under the *Code*. This *Guidance Note* aims to assist insurance agents to comply with the annual CPD requirements. For the purpose of this *Guidance Note*, any reference to "insurance agent" shall include responsible officer and technical representative.

Part E of the *Code* under "Minimum Qualifications for Persons Acting as Insurance Agents" stipulates:

- (a) The minimum qualifications an individual must fulfill before he may be considered by the IARB to be fit and proper to act as an insurance agent.
- (b) That an insurance agent shall comply with the CPD requirements in such manner and form as specified by the Insurance Authority (IA).

2. CPD Requirements

The IA has specified that:

- (a) Insurance agents are required to earn 5 core and 10 non-core credits every year since the launch of the CPD Programme on 1 January 2002 up to 31 July 2005; and
- (b) From 1 August 2005, insurance agents are required to earn 10 CPD hours every year. Any excess CPD hours accumulated within a particular year cannot be carried forward to any other years.

The IARB shall deem an insurance agent having complied with the CPD requirements under the "Minimum Qualifications for Persons Acting as Insurance Agents" as qualified for maintaining his registration status for another 12 months if:

- (i) The insurance agent completes all 5 core and 10 non-core credits for each assessment year within a 12-month period for the entire transitional period up to 31 July 2005; and
- (ii) From 1 August 2005, the insurance agent completes all 10 CPD hours for the assessment year within a 12-month period ending on 31 July every year thereafter.

All newly registered insurance agents (meaning those who were not registered as insurance agents or brokers within the two years or more immediately prior to their registration), whose registration has been confirmed after 31 July 2004, shall refer to section 4 below.

3. CPD Assessment

In the spirit of encouraging compliance with the CPD requirements, the following shall apply:

- (a) For easy administration, calendar month shall be used as the basis for calculating CPD requirements irrespective of the day of the month on which registration of an insurance agent takes place (i.e. regardless of whether an insurance agent is registered on, say, 1

- January or 31 January, January shall be used for calculation of his CPD credits/hours.)
- (b) If the registration of an insurance agent has been cancelled for less than 6 consecutive calendar months, such insurance agent shall be required to fulfill the CPD requirements for the entire 12-month assessment period, including the period of cancellation, which shall be reported as follows:
 - (i) on the next succeeding assessment date (if both the cancellation date and the re-registration date fall within the same 12-month assessment period) (see example 1 in Annex 1 attached); or
 - (ii) at the time of re-registration (if the re-registration date falls in the next 12-month assessment period) (see example 2 in Annex 1 attached).
 - (c) If the registration of an insurance agent has been cancelled for a period of 6 consecutive calendar months or more, such insurance agent shall **not** be required to earn any CPD hours before re-registration, provided that such insurance agent shall not be registered as an insurance broker during such period. In this case, the insurance agent is required to report his CPD hours from the date of re-registration on a pro rata basis by the next succeeding assessment date. Please see the attached Annex 2 for the pro rata CPD hours required.

(For ease of calculation, all CPD hours shall be rounded down to the lower integer.)

4. **Assessment for Newly Registered Insurance Agents**

- (a) A newly registered insurance agent, whose registration has been confirmed after 31 July 2004 up to 31 July 2005, may choose **either** to report:
 - (i) On a pro rata basis on 31 July 2005 (e.g. if an insurance agent was first registered in September 2004, he would report 4 core and 9 non-core credits on 31 July 2005). Please see the attached Annex 3 for the pro rata credits required; **or**
 - (ii) On a pro rata basis on 31 July 2006 (e.g., by using the same example above, he should report 4 core and 9 non-core credits (for the 11-month period up to 31 July 2005) plus 10 CPD hours (for the 12-month period from 1 August 2005 to 31 July 2006)).

However, to allow insurance agents the flexibility in choosing the activities to comply with the CPD requirements, they may report 19 CPD hours for the entire 23-month registration period.

Please see the attached Annex 3 for the pro rata credits required for the period up to 31 July 2005, if used, or attached Annex 4 for the pro rata CPD hours required for the whole period.

- (b) A newly registered insurance agent, whose registration has been confirmed after 31 July 2005, may choose **either** to report:
 - (i) On a pro rata basis on 31 July immediately after his registration (e.g. if an insurance agent was first registered in September 2005, he would report 9 CPD hours on 31 July 2006). Please see the attached Annex 2 for the pro rata CPD hours required; **or**
 - (ii) In the next assessment year also on a pro rata basis (e.g., by using the same example above, he may report his CPD hours on 31 July 2007, i.e. 19 CPD hours for this 23-month registration period). Please see the attached Annex 4 for the pro rata CPD hours required.

5. Assessment for Professionally Qualified Insurance Agents

For insurance agents who are qualified pursuant to "List of specified qualifications" of the CPD Information Sheet published by the IA, which specifies that, inter alia, they are considered to have satisfied the non-core credits requirements if they have satisfied the CPD requirements specified by the institutes granting their qualifications. Nonetheless, they are still required to comply with the core credits requirements to earn 5 core credits every year up to 31 July 2005. (Please refer to sections 3 and 4 above for assessment details.)

From 1 August 2005, holders of such qualifications are considered to have satisfied the 10 CPD hours requirement if (a) the institutes granting such qualifications have a specific CPD programme for holders of such qualifications; and (b) they have satisfied the CPD requirements specified by the institutes granting such qualifications. Evidence of holding such qualifications/titles should be submitted by the insurance agents to the IARB upon request. They should also be able to produce documentary proof that compliance with the respective institute's CPD programmes is essential for the holding of such qualifications/titles.

6. Maintaining CPD records and Monitoring of CPD Compliance

- (a) Responsibilities of insurance agents:
- (i) decide on the appointing insurer responsible for reporting their CPD credits/ hours and notify such appointing insurer accordingly (if applicable);
 - (ii) inform all appointing insurers if they should change the appointing insurer responsible for reporting their CPD credits/hours (if applicable);
 - (iii) complete and file a Declaration Form to be promulgated by the IARB within 2 weeks (i.e. by 14 August) from the assessment date as follows:
 - By individual insurance agents to:
 - the appointing insurer responsible for reporting their CPD credits/hours; and
 - all other appointing insurer(s) by providing each of them with a signed copy of the Declaration Form;
 - By responsible officers to:
 - the appointing insurer responsible for reporting their CPD credits/hours; and
 - all other appointing insurer(s) by providing each of them with a signed copy of the Declaration Form;
 - By technical representatives (TRs) to their appointing insurance agent.
 - (iv) retain their proof of compliance with CPD requirements (including Declaration Forms and evidence/record of attendance) for at least a period of 3 years after the assessment date. The original proof of compliance with CPD requirements should be produced as and when required by the IARB.
- (b) Responsibilities of insurance agents who have appointed TRs:
- (i) dispatch copies of Declaration Form to all of their TRs;
 - (ii) arrange sufficient CPD training for their TRs, if necessary;
 - (iii) issue evidence/record of attendance to prove a TR who has attained a course sponsored by the insurance agent with the number of CPD credits/ hours and type of credits printed on evidence/record of attendance;
 - (iv) monitor the compliance of their TRs with the CPD requirements;
 - (v) collect Declarations Forms from their TRs by 14 August;
 - (vi) file the Annual Return to the IARB and report on those who fail to achieve the CPD credits/hours by 15 September; and
 - (vii) offer help to their TRs in maintaining proof of compliance with CPD requirements.

- (c) Responsibilities of all insurers:
- (i) dispatch copies of Declaration Form to all of their insurance agents and responsible officers of insurance agencies;
 - (ii) obtain confirmation from all their insurance agents and responsible officers of insurance agencies as to who would be responsible for reporting their CPD credits/hours by 14 August;
 - (iii) arrange sufficient CPD training for their insurance agents and responsible officers of insurance agencies, if necessary;
 - (iv) issue evidence/record of attendance to prove an insurance agent or a responsible officer of insurance agency who has attained a course sponsored by the insurer with the number of CPD credits/hours and type of credits printed on the evidence/record of attendance;
 - (v) monitor the compliance of their insurance agents and responsible officers of insurance agencies with the CPD requirements;
 - (vi) collect Declarations Forms from their insurance agents and responsible officers of insurance agencies by 14 August as follows:
 - originally signed Declaration Form for those insurers responsible for reporting CPD credits/hours; or
 - signed copy of Declaration Form for those insurers NOT responsible for reporting CPD credits/hours;
 - (vii) file the Annual Return to the IARB by 15 September (for those insurers responsible for reporting CPD credits/hours, report on those who fail to achieve the CPD credits/hours as well); and
 - (viii) offer help to their insurance agents and responsible officers of insurance agencies in maintaining proof of compliance with CPD requirements.

7. Consequence of Non-Compliance

In the circumstances that an insurance agent fails to meet the CPD requirements, his confirmation of registration shall be revoked by the IARB. Under such circumstances, the IARB shall not consider his application for re-registration for 3 months as a starting point from the date his confirmation of registration is revoked. Such insurance agent shall be required to complete all outstanding CPD hours at the time of re-registration.

In the circumstances that an insurance agent makes a false declaration in reporting his CPD hours, his confirmation of registration shall be revoked for 12 months as a starting point by the IARB. Such insurance agent shall be required to complete all outstanding CPD hours at the time of re-registration.

8. Transitional Period

Please refer to revised Guidance Note 8 for details applicable to the Transitional Period.

EXAMPLES OF CALCULATION OF CPD HOURS

Example 1

Registration date: 1 January 2004

(assuming insurance agent has complied with the CPD requirements on 31 July 2005)

De-registration date: 1 April 2006

Re-registration date: 1 June 2006 (less than 6 months from the de-registration date)

Time to report CPD hours: 31 July 2006

Total number of months for report of CPD hours: 12 (from 1 August 2005 to 31 July 2006)

CPD hours to be reported: 10

Example 2

Registration date: 1 January 2004

(assuming insurance agent has complied with the CPD requirements on 31 July 2005)

De-registration date: 1 June 2006

Re-registration date: 1 October 2006 (less than 6 months from the de-registration date)

Time to report CPD hours: 1 October 2006

Total number of months for report of CPD hours: 12 (from 1 August 2005 to 31 July 2006)

CPD hours to be reported at the time of re-registration: 10

OUTDATED
VERSION
(Sixth Edition)

Effective 1 August 2005: Number of CPD hours to be reported by insurance agents, whose registrations have been cancelled for 6 consecutive calendar months or more, by the assessment date (i.e. 31 July) immediately following re-registration

<u>Re-registration Month</u>	<u>Total No. of Months for reporting</u>	<u>CPD Hours</u>
August	12	10
September	11	9
October	10	8
November	9	7
December	8	6
January	7	5
February	6	5
March	5	4
April	4	3
May	3	2
June	2	1
July	1	0

***This table would also apply to newly registered insurance agents who choose to report their CPD hours for less than a 12-month period from 1 August 2005.**

Number of CPD credits to be reported by insurance agents newly registered between August 2004 to July 2005, by the assessment date on 31 July 2005

<u>Registration Month</u>	<u>Total No. of Months for reporting</u>	<u>Core Credits</u>	<u>Non-Core Credits</u>
August 2004	12	5	10
September 2004	11	4	9
October 2004	10	4	8
November 2004	9	3	7
December 2004	8	3	6
January 2005	7	2	5
February 2005	6	2	5
March 2005	5	2	4
April 2005	4	1	3
May 2005	3	1	2
June 2005	2	0	1
July 2005	1	0	0

Number of CPD hours to be reported by insurance agents newly registered from August 2005 by the second 31 July immediately following registration

<u>Registration Month</u>	<u>Total No. of Months for reporting</u>	<u>CPD Hours</u>
August	24	20
September	23	19
October	22	18
November	21	17
December	20	16
January	19	15
February	18	15
March	17	14
April	16	13
May	15	12
June	14	11
July	13	10

***This table would also apply to newly registered insurance agents, confirmed after 31 July 2004, and who choose to report CPD hours on 31 July 2006**

Guidance Note issued on 30 November 2004

**GUIDANCE NOTE ON COMPLIANCE WITH THE REQUIREMENTS OF
THE CONTINUING PROFESSIONAL DEVELOPMENT (CPD) PROGRAMME
FOR THE TRANSITIONAL PERIOD**

Background

The *Code of Practice for the Administration of Insurance Agents* (the *Code*) specifies that the Insurance Agents Registration Board (IARB) may issue Guidance Notes from time to time as to how it intends to exercise its powers and fulfill its responsibilities under the *Code*. This *Guidance Note* aims to assist insurance agents to comply with the CPD requirements for the Transitional Period. For the purpose of this *Guidance Note*, any reference to "insurance agent" shall include responsible officer and technical representative.

Part E of the *Code* under "Minimum Qualifications for Persons Acting as Insurance Agents" stipulates:

- (i) The minimum qualifications an individual must fulfill before he may be considered by the IARB to be fit and proper to act as an insurance agent.
- (ii) That an insurance agent shall comply with the CPD requirements in such manner and form as specified by the Insurance Authority (IA).

CPD Requirements

The IA has specified that insurance agents are required to earn 5 core and 10 non-core credits every year since the launch of the CPD Programme on 1 January 2002 up to 31 July 2005. The IA has stipulated in the CPD Information Sheet that the following would apply only to the Transitional Period:

- (i) Deficiency of credits gained in a year should be made up during the Transitional Period;
- (ii) Excess credits accumulated in a particular year can be carried forward to another year; and
- (iii) Insurance intermediaries joining the insurance intermediary profession on or before 2002, 2003 or 2004 will have their accumulated credits assessed during 2005.

The IARB shall deem an insurance agent having complied with the CPD requirements under the "Minimum Qualifications for Persons Acting as Insurance Agents" as qualified for maintaining his registration status for another 12 months if he completes all CPD requirements under the transitional arrangement (please see the section "CPD Assessment" below for the detailed CPD requirements).

CPD Assessment

- (a) For easy administration, calendar month shall be used as the basis for calculating CPD requirements irrespective of the day of the month on which registration of an insurance agent takes place (i.e. regardless of whether an insurance agent is registered on, say, 1 January or 31 January, January shall be used for calculation of his CPD credits.)
- (b) The first assessment date of all insurance agents shall be 31 July 2005.
- (c) *Insurance agents registered before 1 January 2002*
 - (i) An insurance agent has to earn 15 core and 30 non-core credits only by 31 July 2005.
 - (ii) If the registration of an insurance agent has been cancelled for **one calendar**

month or more during the Transitional Period and he applies for re-registration thereafter, he shall be required to report his CPD credits on a pro rata basis, but in any event would not exceed 15 core and 30 non-core credits.

- (d) *Insurance agents newly registered on or after 1 January 2002 up to 31 July 2005*
The number of CPD credits required to be reported by the newly registered insurance agents on the first assessment date are shown in the attached Table I.
- (e) If the registration of an insurance agent has been cancelled for **one calendar month or more** during the Transitional Period and the insurance agent applies for re-registration thereafter, he shall be required to report his CPD credits on a pro rata basis as follows:
- (i) on 31 July 2005 (if the re-registration date is on/before 31 July 2005); or
 - (ii) at the time of re-registration (if the re-registration date is after 31 July 2005).
- (f) If the registration of an insurance agent has been cancelled for a period more than 24 consecutive calendar months, he shall **not** be required to earn any CPD credits for re-registration. Instead, as stipulated in the *Code*, he shall, unless exempted by the professional qualifications specified under clauses 55 and 56 of the *Code* as appropriate, successfully pass the relevant paper(s) of the Insurance Intermediaries Qualifying Examination (IIQE) recognized by the IA again before he may be considered by the IARB to be fit and proper to act as an insurance agent.

Assessment for Professionally Qualified Insurance Agents

- (g) For insurance agents who are qualified pursuant to "List of specified qualifications" of the CPD Information Sheet published by the IA, which specifies that, inter alia, they are considered to have satisfied the non-core credits requirements if they have satisfied the CPD requirements specified by the institutes granting their qualifications. Nonetheless, they are still required to comply with the core credits requirements to earn 5 core credits every year. (Please refer to (a) to (f) above for assessment details.)

Maintaining CPD records and Monitoring of CPD Compliance

- (h) Responsibilities of insurance agents:
- (i) decide on the appointing insurer responsible for reporting their CPD credits and notify such appointing insurer accordingly (if applicable);
 - (ii) inform all appointing insurers if they should change the appointing insurer responsible for reporting their CPD credits (if applicable);
 - (iii) complete and file a Declaration Form to be promulgated by the IARB within 2 weeks (i.e. by 14 August) from the assessment date as follows:
 - By individual insurance agents to:
 - the appointing insurer responsible for reporting their CPD credits; and
 - all other appointing insurer(s) by providing each of them with a signed copy of the Declaration Form;
 - By responsible officers to:
 - the appointing insurer responsible for reporting their CPD credits; and
 - all other appointing insurer(s) by providing each of them with a signed copy of the Declaration Form;
 - By technical representatives (TRs) to their appointing insurance agent.
 - (iv) retain their proof of compliance with CPD requirements (including Declaration Forms and evidence/record of attendance) for at least a period of 3 years after the assessment date. The original proof of compliance with CPD requirements should be produced as and when required by the IARB.
- (i) Responsibilities of insurance agents who have appointed TRs:
- (i) dispatch copies of Declaration Form to all of their TRs;

- (ii) arrange sufficient CPD training for their TRs, if necessary;
 - (iii) issue evidence/record of attendance to prove a TR who has attained a course sponsored by the insurance agent with the number and type of CPD credits printed on evidence/record of attendance;
 - (iv) monitor the compliance of their TRs with the CPD requirements;
 - (v) collect Declarations Forms from their TRs by 14 August;
 - (vi) file the Annual Return to the IARB and report on those who fail to achieve the CPD credits by 15 September; and
 - (vii) offer help to their TRs in maintaining proof of compliance with CPD requirements.
- (j) Responsibilities of all insurers:
- (i) dispatch copies of Declaration Form to all of their insurance agents and responsible officers of insurance agencies;
 - (ii) obtain confirmation from all their insurance agents and responsible officers of insurance agencies as to who would be responsible for reporting their CPD credits by 14 August;
 - (iii) arrange sufficient CPD training for their insurance agents and responsible officers of insurance agencies, if necessary;
 - (iv) issue evidence/record of attendance to prove an insurance agent or a responsible officer of insurance agency who has attained a course sponsored by the insurer with the number of CPD credits and type of credits printed on the evidence/record of attendance;
 - (v) monitor the compliance of their insurance agents and responsible officers of insurance agencies with the CPD requirements;
 - (vi) collect Declarations Forms from their insurance agents and responsible officers of insurance agencies by 14 August as follows:
 - originally signed Declaration Form for those insurers responsible for reporting CPD credits; or
 - signed copy of Declaration Form for those insurers NOT responsible for reporting CPD credits;
 - (vii) file the Annual Return to the IARB by 15 September (for those insurers responsible for reporting CPD credits, report on those who fail to achieve the CPD credits as well); and
 - (viii) offer help to their insurance agents and responsible officers of insurance agencies in maintaining proof of compliance with CPD requirements.

Consequence of Non-Compliance

- (k) In the circumstances that an insurance agent fails to meet the CPD requirements, his confirmation of registration shall be revoked by the IARB. Under such circumstances, the IARB shall not consider his application for re-registration for 3 months as a starting point from the date his confirmation of registration is revoked. Such insurance agent shall be required to complete all outstanding CPD credits at the time of re-registration.
- (l) In the circumstances that an insurance agent makes a false declaration in reporting his CPD credits, his confirmation of registration shall be revoked for 12 months as a starting point by the IARB. Such insurance agent shall be required to complete all outstanding CPD credits at the time of re-registration.

Table I**TRANSITIONAL ARRANGEMENT**

CPD credits to be reported on the first assessment date (i.e. 31 July 2005) for insurance agents newly registered between 1 January 2002 and 31 July 2004:

<u>First registration date falling On any date between</u>	<u>Registration Month</u>	<u>Total No. of Months for reporting</u>	<u>Core Credits</u>	<u>Non-Core Credits</u>
1/1/2002 – 31/1/2002	January 2002	43	15	30
1/2/2002 – 28/2/2002	February 2002	42	15	30
1/3/2002 – 31/3/2002	March 2002	41	15	30
1/4/2002 – 30/4/2002	April 2002	40	15	30
1/5/2002 – 31/5/2002	May 2002	39	15	30
1/6/2002 – 30/6/2002	June 2002	38	15	30
1/7/2002 – 31/7/2002	July 2002	37	15	30
1/8/2002 – 31/8/2002	August 2002	36	15	30
1/9/2002 – 30/9/2002	September 2002	35	14	29
1/10/2002 – 31/10/2002	October 2002	34	14	28
1/11/2002 – 30/11/2002	November 2002	33	13	27
1/12/2002 – 31/12/2002	December 2002	32	13	26
1/1/2003 – 31/1/2003	January 2003	31	12	25
1/2/2003 – 28/2/2003	February 2003	30	12	24
1/3/2003 – 31/3/2003	March 2003	29	12	24
1/4/2003 – 30/4/2003	April 2003	28	11	23
1/5/2003 – 31/5/2003	May 2003	27	11	22
1/6/2003 – 30/6/2003	June 2003	26	10	21
1/7/2003 – 31/7/2003	July 2003	25	10	20
1/8/2003 – 31/8/2003	August 2003	24	10	20
1/9/2003 – 30/9/2003	September 2003	23	9	19
1/10/2003 – 31/10/2003	October 2003	22	9	18
1/11/2003 – 30/11/2003	November 2003	21	8	17
1/12/2003 – 31/12/2003	December 2003	20	8	16
1/1/2004 – 31/1/2004	January 2004	19	7	15
1/2/2004 – 29/2/2004	February 2004	18	7	15
1/3/2004 – 31/3/2004	March 2004	17	7	14
1/4/2004 – 30/4/2004	April 2004	16	6	13
1/5/2004 – 31/5/2004	May 2004	15	6	12
1/6/2004 – 30/6/2004	June 2004	14	5	11
1/7/2004 – 31/7/2004	July 2004	13	5	10
1/8/2004 – 31/7/2005*		N/A		

*The insurance agents shall be assessed on a pro-rata basis in accordance with paragraph 4(a) of Revised Guidance Note 7.

The Code of Practice for the Administration of Insurance Agents

New Clause	Addendum (Bold Words)
In Page 28, add Clause 56(b)(xii) Immediately following Clause 56(b)(xi)	56. An individual shall be exempted from paper (d) of the Qualifying Examination if he:- (b) is in possession of any of the following recognized professional qualifications in insurance, investment or actuarial science:- (ii) HKS1 Professional Diploma in Financial Markets of the Hong Kong Securities Institute;

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The Code of Practice for the Administration of Insurance Agents

New/Existing Clause	Addendum (Bold Words)
Under "Contents", add "and Restricted Scope Travel Business" at the end of "Conduct of Insurance Agents for General Insurance Business" under "Part F: Minimum Requirements of Model Agency Agreement"	<p>PART F : MINIMUM REQUIREMENTS OF MODEL AGENCY AGREEMENT</p> <p>Conduct of Insurance Agents for General Insurance Business and Restricted Scope Travel Business</p>
<p>Under clause 2:</p> <p>i. amend the definition of "Line of Insurance Business" as shown on right-hand side; and</p> <p>ii. add definition of "Restricted Scope Travel Business" immediately following the definition of "Responsible Officer"</p>	<p>2. In this <i>Code</i>, the following words are defined as follows:-</p> <p>"Line of Insurance Business" means:-</p> <p>(a) General Business (as defined in the <i>Insurance Companies Ordinance</i>),</p> <p>(b) Long Term (excluding Linked Long Term) Business (as defined in the <i>Insurance Companies Ordinance</i>), and/or</p> <p>(c) Long Term (including Linked Long Term) Business (as defined in the <i>Insurance Companies Ordinance</i>); and/or</p> <p>(d) Restricted Scope Travel Business;</p> <p>as defined in the <i>Insurance Companies Ordinance</i>;</p> <p>"Restricted Scope Travel Business" means effecting and carrying out contracts of travel insurance tied to a tour, travel package, trip or other travel services which the same travel agent arranges for his clients, excluding any annual travel insurance policies or any travel insurance policies for tours, travel packages, trips or other travel services which the travel agent does not arrange for his clients;</p>
Add clause 15A immediately following clause 15	<p>15A. The insurance agent shall display his name and registration number on the name plate put in front of the service desk or counter if he is registered as engaging in the Restricted Scope Travel Business and provides face-to-face insurance service at service desk or counter.</p>

New/Existing Clause	Addendum (Bold Words)
Amend clause 20 as shown on right-hand side	<p>20. For the purposes of clause 19:-</p> <p>(a) representation by a person of a composite insurer shall be regarded as the representation of two Principals, one general and one long term, unless the insurance agent's activities are restricted to either (i) General or Restricted Scope Travel Business or (ii) Long Term Business; and</p> <p>(b) representation by a person of a group of insurance companies shall be deemed to be one Principal if their activities are limited to either (i) General or Restricted Scope Travel Business or (ii) Long Term Business, or two Principals if their activities include both (i) General or Restricted Scope Travel Business and (ii) Long Term Business unless the insurance agent's activities are restricted to either (i) General or Restricted Scope Travel Business or (ii) Long Term Business.</p>
<p>Under clause 23:</p> <p>i. add sub-clause (ga) immediately following sub-clause (g);</p> <p>ii. delete "and" at the end of sub-clause (h);</p> <p>iii. add "and" at the end of sub-clause (i); and</p> <p>iv. add sub-clause (j) immediately following sub-clause (i)</p>	<p>23. A Principal shall ensure that each of its insurance agents:-</p> <p>(ga) displays his name and registration number on the name plate put in front of the service desk or counter if he is registered as engaging in the Restricted Scope Travel Business and provides face-to-face insurance service at service desk or counter;</p> <p>(h) complies with this Code; and</p> <p>(i) has registered as an MPF intermediary with the MPFA where the insurance agent is engaged in selling or advising on Mandatory Provident Fund schemes or their constituent or underlying funds; and</p> <p>(j) has been licensed as a travel agent under the Travel Agents Ordinance (Chapter 218 of the Laws of Hong Kong) where the insurance agent is registered to be engaged in Restricted Scope Travel Business.</p>
Add clause 29A immediately following clause 29	<p>29A. The Responsible Officer or Technical Representative shall display his name and registration number on the name plate put in front of the service desk or counter if he is registered as engaging in the Restricted Scope Travel Business and provides face-to-face insurance service at service desk or counter.</p>

New/Existing Clause	Addendum (Bold Words)
<p>Under clause 34:</p> <p>i. delete "and" at the end of sub-clause (f); and</p> <p>ii. add sub-clause (fa) immediately following sub-clause (f)</p>	<p>34. An insurance agent shall ensure that any person acting as its Responsible Officer or Technical Representative:-</p> <p>(f) identifies his registration number on his business cards if they are distributed; and</p> <p>(fa) displays his name and registration number on the name plate put in front of the service desk or counter if he is registered as engaging in the Restricted Scope Travel Business and provides face-to-face insurance service at service desk or counter; and</p>
<p>Under clause 53:</p> <p>i. delete any reference of "compulsory paper" or "qualifying paper";</p> <p>ii. delete "and" at the end of sub-clause (c);</p> <p>iii. add "and" at the end of sub-clause (d); and</p> <p>iv. add sub-clause (e) immediately following sub-clause (d)</p>	<p>53. The Qualifying Examination consists of the following papers:-</p> <p>(a) compulsory paper Principles and Practice of Insurance;</p> <p>(b) qualifying paper General Insurance;</p> <p>(c) qualifying paper Long Term Insurance; and</p> <p>(d) qualifying paper Investment-linked Long Term Insurance; and</p> <p>(e) Travel Insurance Agents Examination.</p>
<p>Amend clause 54 as shown on right-hand side</p>	<p>54. Subject always that no insurance agent shall be engaged in a class of insurance business other than that his Principal is authorized to carry on, an insurance agent, unless exempted under clauses 55 and 56 as appropriate, is only eligible to be engaged in a Line of Insurance Business in respect of which he has passed the relevant Qualifying Examination paper(s). In addition to passing the compulsory paper on Principles and Practice of Insurance, an insurance agent is required to pass the General Insurance paper and Long Term Insurance paper for his engaging in General Business and Long Term (excluding Linked Long Term) Business respectively. He is required to pass, in addition to the compulsory paper, both Long Term Insurance and Investment-linked Long Term Insurance papers for his engaging in Long Term (including Linked Long Term) Business. An individual must pass:</p> <p>(a) (i) the Principles and Practice of Insurance paper and (ii) General Insurance paper before he can be registered to be engaged in General Business;</p>

New/Existing Clause	Addendum (Bold Words)
Amend clause 54 as shown on right-hand side	<p>(b) (i) the Principles and Practice of Insurance paper and (ii) Long Term Insurance paper before he can be registered to be engaged in Long Term (excluding Linked Long Term) Business;</p> <p>(c) (i) the Principles and Practice of Insurance paper, (ii) Long Term Insurance paper and (iii) Investment-linked Long Term Insurance paper before he can be registered to be engaged in Long Term (including Linked Long Term) Business; and/or</p> <p>(d) the Travel Insurance Agents Examination paper before he can be registered to be engaged in the Restricted Scope Travel Business.</p>
Amend clause 55 as shown on right-hand side	55. An individual shall be exempted from papers (a), (b), and (c) and (e) as appropriate of the Qualifying Examination if he:-
Add clause 55A immediately following clause 55	55A. Other than clause 55, an individual shall be exempted from paper (e) of the Qualifying Examination if he has passed the papers on (i) Principles and Practice of Insurance and (ii) General Insurance of the Qualifying Examination.
Amend clause 57 as shown on right-hand side	57. Subject always that no insurance agent shall be engaged in a class of insurance business other than that his Principal is authorized to carry on, an insurance agent who has been exempted under clause 55(a)(i) is only eligible to be engaged in the Line of Insurance Business only for (i) General Business or Restricted Scope Travel Business, and (ii) Long Term (excluding Linked Long Term) Business only in which he has been engaged for five years within the six-year period immediately before 1 January 2000 or has substantially been engaged during that five-year period.
Amend clause 58 as shown on right-hand side	58. Subject always that no insurance agent shall be engaged in a class of insurance business other than that his Principal is authorized to carry on, an insurance agent who has been exempted under clause 55 (a)(ii) is eligible to carry on general insurance agency business or restricted scope travel insurance agency business only.
Amend clause 59 as shown on right-hand side	59. Subject always that no insurance agent shall be engaged in a class of insurance business other than that his Principal is authorized to carry on, an insurance agent who has been exempted under clause 55 (b)(i) to (vi) is eligible to carry on both general and long term (excluding linked long term) insurance agency business and restricted scope travel insurance agency business ; and an insurance agent who has been exempted under clause 55 (b)(vii) to (x) and clause 56 (b)(iv) to (vii) is eligible to carry on both general and long term (including linked long term) insurance agency business and restricted scope travel insurance agency business.

New/Existing Clause	Addendum (Bold Words)
<p>Add "and Restricted Scope Travel Business" immediately following the sub-heading "Conduct of Insurance Agents for General Insurance Business" under Part F: "Minimum Requirements of Model Agency Agreement"</p>	<p>Conduct of Insurance Agents for General Insurance Business and Restricted Scope Travel Business</p>
<p>Amend clause 67 as shown on right-hand side</p>	<p>67. In considering whether a person is fit and proper to act or continue acting as a Responsible Officer or Technical Representative, the IARB shall take into account whether that person is fit to act as a general insurance agent for the relevant or proposed Responsible Officer or Technical Representative intending to be engaged in general insurance agency business), long term (excluding linked long term) insurance agent [for the relevant or proposed Responsible Officer or Technical Representative intending to be engaged in long term (excluding linked long term) insurance agency business] or long term (including linked long term) insurance agent [for the relevant or proposed Responsible Officer or Technical Representative intending to be engaged in long term (including linked long term) insurance agency business] if he applied as an individual in the particular Line of Business in which he intends to be registered as being engaged in the same manner as for an application for registration by an individual insurance agent. In this connection, the provision in clauses 49, 52 to 65 may, as appropriate, apply to the relevant or proposed Responsible Officer or Technical Representative as if he were an insurance agent.</p>
<p>Amend clause 70 as shown on right-hand side</p>	<p>70. A Principal is required to appoint an insurance agent under a written agency agreement that meets the minimum requirements of a model agency agreement adopted by the HKFI. The HKFI will from time to time publish a model agency agreement. The minimum requirements of this model agency agreement will be the inclusion of the Conduct of Insurance Agents as follows for gGeneral insurance bBusiness and Restricted Scope Travel Business and for lLong tTerm insurance bBusiness.</p>
<p>Under clause 73, add sub-clause (ba) immediately following sub-clause (b)</p>	<p>73. An insurance agent shall: (ba) display his name and registration number on the name plate put in front of the service desk or counter if he is registered as engaging in the Restricted Scope Travel Business and provides face-to-face insurance service at service desk or counter;</p>

~ End ~

For Applicants **without**
prospective appointing
insurance agents

Guidance Note 9 issued on 25 January 2008

Notice of Intention to Register as a Responsible Officer/Technical Representative of an Insurance Agent (being a Travel Agent) for Engaging in Restricted Scope Travel Business

(to be submitted by fax (28387125) or by mail no later than 30 April 2008)

Date: _____ 2008

To: THE INSURANCE AGENTS REGISTRATION BOARD (IARB)

As required under the Guidance Note on Restricted Scope Travel Business, please find attached a copy of my Hong Kong Identity Card.

Signature _____

Name _____

Telephone number _____

Address _____

(For completion by IARB)

Receipt acknowledged by the IARB on _____ 2008.

Identification number: _____

(please provide a copy of this Notice when you file the application for registration in future)

GUIDANCE NOTE ON RESTRICTED SCOPE TRAVEL BUSINESS

This Guidance Note aims to:

- A. provide waiver for a person who has not completed education to a level of Form 5 or equivalent but wishes to be registered with the Insurance Agents Registration Board ("IARB") in order to be engaged in Restricted Scope Travel Business only (the "Applicant"); and
- B. facilitate the identification of the registration status of insurance agents, Responsible Officers and Technical Representatives engaging in Restricted Scope Travel Business.

A. Waiver of Requirement for Form 5 Education

Clause 52(c) of the *Code of Practice for the Administration of Insurance Agents* ("Code") which states "he has completed education to a level of Form 5 or equivalent unless he was engaged in the insurance intermediary business in Hong Kong immediately before 1 January 2000 and has not since ceased to be engaged in insurance-related work in the insurance industry in Hong Kong for two consecutive years; and" will not be applicable to the Applicant. Instead, the following criteria will be applicable only to and must be met by the Applicant:

- i. he was engaged in the travel agency business in Hong Kong immediately before 15 May 2006 and has not since ceased to be engaged in travel-related work in Hong Kong for two consecutive years;
- ii. he has proven relevant experience in travel agency business in Hong Kong for a cumulative period of at least five years within the six-year period immediately before 15 May 2006;
- iii. for an Applicant who has not passed the paper on Travel Insurance Agents Examination under the Insurance Intermediaries Qualifying Examination recognized by the Insurance Authority (the "Examination Paper"):
 - a. he must notify the IARB of his intention to do so by forwarding to the IARB on or before 30 April 2008 via his prospective appointing insurance agent or by himself (only if he does not have a prospective appointing insurance agent) the appropriate form of Notice attached together with a copy of his Hong Kong Identity Card; and
 - b. on or before 30 April 2009, he has to pass the Examination Paper; and
- iv. for an Applicant who has already passed the Examination Paper, he must on or before 30 April 2008 either:
 - a. make an application for registration with the IARB; or
 - b. notify the IARB (should he decide not to apply for registration with the IARB for the time being) as stated in A.iii.a. above.

The IARB will **not** accept any application for registration under this waiver **after** 30 April 2008 **unless** the appropriate Notice has been filed with the IARB on or before 30 April 2008.

Other than Clause 52(c), the Applicant must meet the Minimum Qualifications for Persons Acting as Insurance Agents specified in the Code.

Unless and until the Applicant has been successfully registered with the IARB, he shall not be engaged in Restricted Scope Travel Business.

Should the Applicant wish to be engaged in any other lines of business other than Restricted Scope Travel Business, he must fulfill all the requirements specified under the Code, including Clause 52(c).

B. Identification of the Registration Status of Insurance Agents, Responsible Officers and Technical Representatives Engaging in Restricted Scope Travel Business

The IARB may consider a person not fit and proper to act or continue acting as an insurance agent, a Responsible Officer or a Technical Representative engaging in Restricted Scope Travel Business, who provides face-to-face insurance service at service desks or counters, if he does not show his name and registration number, whether printed or in handwriting, on receipts for premium on travel insurance directly arranged by him for his clients.

For Applicants **with** prospective appointing insurance agents

Notice of Intention to Register as a Responsible Officer/Technical Representative of an Insurance Agent (being a Travel Agent) for Engaging in Restricted Scope Travel Business

(to be submitted by fax (28387125) or by mail no later than 30 April 2008)

Date: _____ 2008

To: THE INSURANCE AGENTS REGISTRATION BOARD (IARB)

As required under the Guidance Note on Restricted Scope Travel Business, please find

attached _____ copy(ies) of the Hong Kong Identity Card(s) of the following applicant(s):

1. _____
2. _____
3. _____

Submitted by:

Chop of travel agency

Name & telephone number of person submitting Notice

Travel agency's registration number with IARB (if applicable)

(For completion by IARB)

Receipt acknowledged by the IARB on _____ 2008.

Identification number: _____

(please provide a copy of this Notice when you file the application for registration in future)

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The Code of Practice for the Administration of Insurance Agents

New Clause No.	Addendum
7A	<p>Without prejudice generally to the IARB's powers of delegation, the IARB may at any time establish a Panel or Panels which shall consist of at least one Board member. A Panel shall consider and deal with such matters and things referred to it by the IARB. Subject to clause 7B below, the IARB may delegate any of its powers or functions to the Panels as it thinks fit, and any Panel so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the IARB.</p>
7B	<p>In the event that a Panel refers a complaint to an insurer and the insurer fails:</p> <ul style="list-style-type: none">(a) to investigate the complaint;(b) to report to the Panel the findings of the investigation and the action taken, if any; or(c) to take disciplinary action as required by the Panel; <p>the insurer is deemed to be in breach of this Code, and the Panel shall refer the matter back to the IARB.</p>

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GUIDANCE NOTE ON COMPLIANCE WITH THE REQUIREMENTS OF THE CONTINUING PROFESSIONAL DEVELOPMENT (CPD) PROGRAMME FOR REGISTERED PERSONS WHO ARE REGISTERED AS ENGAGING IN RESTRICTED SCOPE TRAVEL BUSINESS (RSTB) ONLY

1. Background

The Code of Practice for the Administration of Insurance Agents (the Code) specifies that the Insurance Agents Registration Board (IARB) may issue Guidance Notes from time to time as to how it intends to exercise its powers and fulfil its responsibilities under the Code. This Guidance Note aims to assist Registered Person(s) (RP) who are registered as engaging in RSTB only to comply with the annual CPD requirements. For RPs engaging in other line(s) of business, please refer to Guidance Note 7.

For the purpose of this *Guidance Note*, any reference to "RP(s)" shall include insurance agent(s), responsible officer(s) and technical representative(s).

Part E "Fit and Proper Criteria" of the *Code* stipulates:

- (a) the minimum qualifications an individual must fulfill before he may be considered by the IARB to be fit and proper to be registered as an RP; and
- (b) that an RP shall comply with the CPD requirements in such manner and form as specified by the Insurance Authority (IA).

2. CPD Requirements

The IA has specified that: "*From 1 August 2008 onwards, travel insurance agents, their responsible officers and technical representatives are required to earn 3 CPD hours every year. The first assessment date for compliance with the CPD requirements will be 31 July 2009. Any excess CPD hours accumulated within a particular year cannot be carried forwarded to any other years.*"

Subject to compliance with other fitness and properness criteria, the IARB shall deem an RP who is registered as engaging in RSTB only having complied with the CPD requirements under the Fit and Proper Criteria of the Code as qualified for maintaining his registration status for another 12 months if he completes all 3 CPD hours for the assessment year within a 12-month period ending on 31 July every year (i.e. from August of a particular year to 31 July of the following year) ("**Assessment Year**").

3. CPD Assessment

In order to comply with the CPD requirements, the following shall apply:

- (a) The assessment will only take into account CPD hours earned from 1 August 2008 onwards.
- (b) For the sake of clarity and easy reference:
 - (i) calendar month shall be used as the basis for calculating CPD requirements irrespective of the day of the month on which registration of an RP takes place (i.e. regardless of whether an RP is registered on, say, 1 January or 31 January, January shall be used for calculation of the required CPD hours);
 - (ii) please refer to Annexes 2 and 4 as appropriate for the CPD hours to be reported.

- (c) If the registration of an RP has been cancelled for less than six consecutive calendar months, such RP shall be required to fulfill the CPD requirements for the entire Assessment Year, including the period of cancellation, which shall be reported as follows:
- (i) on the assessment date immediately following re-registration (if both the cancellation date and the re-registration date fall within the same Assessment Year) (see Example 1 in Annex 1 attached); or
 - (ii) at the time of re-registration (if the re-registration date falls within the next Assessment Year) (see Example 2 in Annex 1 attached).
- (d) If the registration of an RP has been cancelled for six consecutive calendar months or more, such RP shall **not** be required to earn any CPD hours before re-registration, provided that such RP shall not be registered with the IARB as an RP engaging in other line(s) of business; or otherwise registered as an insurance broker or a chief executive/technical representative of an insurance broker during such period. Instead, he is required to only report his CPD hours from the date of re-registration on a pro rata basis by the assessment date immediately following re-registration. Please see Annex 2 for the pro rata CPD hours required.

For the avoidance of doubt, this clause does not apply to an RP whose registration is revoked by the IARB due to non-compliance with the CPD requirements. Such person shall be required to complete all outstanding CPD hours at the time of registration.

- (e) For an RP who is registered as engaging in RSTB, if his registration is cancelled and within the same month is successfully registered with the IARB as engaging in a line of business other than RSTB, for that Assessment Year he would be required to:
- (i) report his CPD hours for the months he is registered as engaging in RSTB (excluding the month referred to in (e) above) in accordance with this Guidance Note 10; **and**
 - (ii) report his CPD hours for the months he is registered as engaging in a line of business other than RSTB (including the month referred to in (e) above) in accordance with Guidance Note 7.

Please see Example 1 in Annex 3.

- (f) For an RP who is registered as engaging in a line of business other than RSTB, if his registration is cancelled and within the same month is successfully registered with the IARB as engaging in RSTB only, for that Assessment Year he would be required to:
- (i) report his CPD hours for the months he is registered as engaging in the line of business other than RSTB (excluding the month referred to in (f) above) in accordance with Guidance Note 7; **and**
 - (ii) report his CPD hours for the months he is registered as engaging in RSTB (including the month referred to in (f) above) in accordance with this Guidance Note 10.

Please see Example 2 in Annex 3.

- (g) If the registration of an RP engaging in RSTB has been cancelled for less than six consecutive calendar months before he is successfully re-registered as engaging in a line

of business other than RSTB, or vice versa, the CPD requirements for the months that he is not registered with the IARB will be based on the line of business of his re-registration, to be reported in accordance with (c) above.

Please see Examples 3 and 4 in Annex 3.

4. Assessment for Newly Registered RPs

An RP who is newly registered (meaning a person who has never been registered as (i) an insurance agent or (ii) the responsible officer or a technical representative of an insurance agent or (iii) an insurance broker or (iv) the chief executive or technical representative of an insurance broker) may choose **either** to report:

- (a) On a pro rata basis on 31 July immediately following his registration (e.g. if an RP was first registered in November 2008, he would report 2 CPD hours on 31 July 2009). Please see Annex 2 for the pro rata CPD hours required; **or**
- (b) On the next assessment date also on a pro rata basis (by using the same example above, he may report his CPD hours on 31 July 2010, i.e. 5 CPD hours for this 21-month registration period). Please see Annex 4 for the pro rata CPD hours required.

The above is also applicable to an RP who has been re-appointed after ceasing to be engaged in insurance-related work in the insurance industry in Hong Kong for two consecutive years.

5. Assessment for Professionally Qualified RP

For RPs who are qualified pursuant to "List of specified qualifications" of the CPD Information Sheet published by the IA, they are considered to have satisfied the 3 CPD hours requirement if (a) the institutes granting such qualifications have a specific CPD programme for holders of such qualifications; and (b) they have satisfied the CPD requirements specified by the institutes granting such qualifications. Evidence of holding such qualifications/ titles should be submitted by the RPs to the IARB upon request. They should also be able to produce documentary proof that compliance with the respective institutes' CPD programmes is essential for the holding of such qualifications/titles.

6. Maintaining CPD records and Monitoring of CPD Compliance

- (a) Responsibilities of Responsible Officers (RO):
 - (i) decide on the appointing insurer responsible for reporting their CPD hours and notify all appointing insurers accordingly (if applicable);
 - (ii) inform all appointing insurers if they should change the appointing insurer responsible for reporting their CPD hours (if applicable);
 - (iii) complete and file a Declaration Form specified by the IARB within 2 weeks from the assessment date (i.e. by 14 August) as follows:
 - to the appointing insurer responsible for reporting their CPD hours; and
 - to all other appointing insurer(s) by providing each of them with a signed copy of the Declaration Form; and
 - (iv) retain their proof of compliance with CPD requirements (including a copy of the Declaration Forms and originals of the evidence/record of attendance) for at least a period of 3 years after the assessment date. The proof of compliance with CPD requirements should be produced as and when required by the IARB.

- (b) Responsibilities of Technical Representatives (TR):
- (i) complete and file a Declaration Form specified by the IARB within 2 weeks from the assessment date (i.e. by 14 August) to their appointing insurance agency; and
 - (ii) retain their proof of compliance with CPD requirements (including a copy of the Declaration Forms and originals of the evidence/record of attendance) for at least a period of 3 years after the assessment date. The proof of compliance with CPD requirements should be produced as and when required by the IARB.
- (c) Responsibilities of insurance agencies who have appointed TRs:
- (i) dispatch copies of Declaration Form to all of their TRs for their completion;
 - (ii) arrange sufficient CPD training for their TRs, if necessary;
 - (iii) issue evidence/record of attendance to prove a TR who has completed a course organized by the insurance agency with the number of CPD hours printed on evidence/record of attendance;
 - (iv) monitor the compliance of their TRs with the CPD requirements;
 - (v) collect Declaration Forms from their TRs by 14 August;
 - (vi) file the Annual Return to the IARB and report on those who fail to achieve the CPD hours by 15 September; and
 - (vii) offer help to their TRs in maintaining proof of compliance with CPD requirements.
- (d) Responsibilities of all insurers:
- (i) dispatch copies of Declaration Form to all of the RO of their insurance agencies for their completion;
 - (ii) obtain confirmation from all the RO of their insurance agencies as to which appointing insurer would be responsible for reporting their CPD hours by 14 August;
 - (iii) arrange sufficient CPD training for the RO of their insurance agencies, if necessary;
 - (iv) issue evidence/record of attendance to an RO of their insurance agencies who has completed a course organized by the insurer with the number of CPD hours printed on the evidence/record of attendance;
 - (v) monitor the compliance of the RO of their insurance agencies with the CPD requirements;
 - (vi) collect Declaration Forms from the RO of their insurance agencies by 14 August as follows:
 - originally signed Declaration Forms for those insurers responsible for reporting CPD hours; or
 - signed copy of Declaration Forms for those insurers NOT responsible for reporting CPD hours;

- (vii) for those insurers responsible for reporting CPD hours, file the Annual Return to the IARB and report on those who fail to achieve the CPD hours by 15 September; and
- (viii) offer help to the RO of their insurance agencies in maintaining proof of compliance with CPD requirements.

7. Consequence of Non-Compliance

In the circumstances that an RP fails to meet the CPD requirements, his registration shall be revoked for 3 months as a starting point by the IARB. Such RP shall be required to complete all outstanding CPD hours at the time of re-registration.

In the circumstances that an RP makes a false declaration in reporting his CPD hours, his registration shall be revoked for 12 months as a starting point by the IARB. Such RP shall be required to complete all outstanding CPD hours at the time of re-registration.

In the circumstances that an RP fails to respond to the request of the IARB to produce proof of compliance with the CPD programme, his registration shall be revoked for a specified period of time as determined by the IARB. The future application for registration of such RP will not be processed unless he can produce proof of compliance.

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EXAMPLES OF CALCULATION OF CPD HOURS

Example 1

Registration date: 1 January 2008

*De-registration date: 1 April 2009

**Re-registration date: 1 June 2009 (less than 6 consecutive calendar months from the de-registration date)

Both the de-registration date* and the re-registration date** fall within the same Assessment Year.

**Report CPD hours on the assessment date immediately following re-registration:
31 July 2009**

Total number of months for report of CPD hours: 12 (from 1 August 2008 to 31 July 2009)

CPD hours to be reported: 3

Example 2

Registration date: 1 January 2009

(assuming the RP has complied with the CPD requirements on 31 July 2009)

De-registration date: 1 June 2010

Re-registration date: 1 October 2010 (less than 6 consecutive calendar months from the de-registration date)

Report CPD hours at time of re-registration: 1 October 2010 (date falls on the next Assessment Year)

Total number of months for report of CPD hours: 12 (from 1 August 2009 to 31 July 2010)

CPD hours to be reported: 3

Number of CPD hours to be reported by RPs whose registrations have been cancelled for 6 consecutive calendar months or more, by the assessment date (i.e. 31 July) immediately following re-registration

<u>Re-registration/Registration Month</u>	<u>Total No. of Months for reporting</u>	<u>CPD Hours</u>
August	12	3
September	11	3
October	10	3
November	9	2
December	8	2
January	7	2
February	6	1
March	5	1
April	4	1
May	3	0
June	2	0
July	1	0

This table also applies to newly registered RPs and who choose to report their CPD hours on the assessment date immediately following registration.

FURTHER EXAMPLES ON CALCULATION OF CPD HOURS

Applicable to cancellation of registration and re-registration within the same month

Example 1

If an RP is registered for RSTB in August; then his registration is cancelled in November and he is re-registered for a line of business other than RSTB **in the same month** as follows:

Period of registration	No. of months registered for		CPD hours required
	RSTB	Line of business other than RSTB	
August – October	3		0 (from Annex 2)
November (month of re-registration) – July of the following year		9	7 (from Annex 5)

The total CPD hours required for the Assessment Year will be **7**.

Example 2

If an RP is registered for a line of business other than RSTB in August; then his registration is cancelled in November and he is re-registered for RSTB **in the same month** as follows:

Period of registration	No. of months registered for		CPD hours required
	Line of business other than RSTB	RSTB	
August – October	3		2 (from Annex 5)
November (month of re-registration) – July of the following year		9	2 (from Annex 2)

The total CPD hours required for the Assessment Year will be **4**.

Applicable to cancellation of registration and re-registration NOT within the same month

Example 3:

If an RP is registered for RSTB in August, then his registration is cancelled in December and he is re-registered for a line of business other than RSTB in March of the following year as follows:

Period of registration	No. of months registered for		CPD hours required
	RSTB	Line of business other than RSTB	
August – December	5		1 (from Annex 2)
January - February (registration cancelled)		2	5 (from Annex 5)
March – July		5	

The total CPD hours required for the Assessment Year will be **6**.

Example 4:

If an RP is registered for a line of business other than RSTB in August, then his registration is cancelled in December and he is re-registered for RSTB in March of the following year as follows:

Period of registration	No. of months registered for		CPD hours required
	Line of business other than RSTB	RSTB	
August – December	5		4 (from Annex 5)
January - February (registration cancelled)		2	2 (from Annex 2)
March – July		5	

The total CPD hours required for the Assessment Year will be **6**.

Number of CPD hours to be reported by newly registered RPs (commencing August 2008) by the next Assessment Year immediately following registration

<u>Registration Month</u>	<u>Total No. of Months for reporting</u>	<u>CPD Hours</u>
August	24	6
September	23	6
October	22	6
November	21	5
December	20	5
January	19	5
February	18	4
March	17	4
April	16	4
May	15	3
June	14	3
July	13	3

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The following table is extracted from Guidance Note 7 for the calculation of relevant CPD hours required of RP having been engaged in a line of business other than RSTB during an Assessment Year

<u>Registration Month</u>	<u>No. of Months for reporting</u>	<u>CPD Hours</u>
August	12	10
September	11	9
October	10	8
November	9	7
December	8	6
January	7	5
February	6	5
March	5	4
April	4	3
May	3	2
June	2	1
July	1	0