



HONG KONG MONETARY AUTHORITY  
香港金融管理局

Our Ref: B1/15C  
C2/5C

4 March 2022

The Chief Executive  
All Authorized Institutions

Dear Sir / Madam,

**Circular Issued by the Insurance Authority (“IA”) on  
Further Facilitative Measures under the COVID-19 Pandemic**

I am writing to draw your attention to the attached circular “Further Facilitative Measures under the COVID-19 Pandemic” issued by the IA today (the “IA Circular”), setting out a number of further facilitative measures regarding the distribution of long term insurance products in view of the latest development of the COVID-19 situation. The expectation of the Hong Kong Monetary Authority (“HKMA”) on the adoption of the further facilitative measures by authorized institutions (“AIs”) are set out in the ensuing paragraphs.

***Extension of Phase 2 of the Temporary Facilitative Measures (“TFM”) and  
Distribution of in-scope TFM products via Virtual Onboarding (“VO”) Sandbox***

AIs may continue to adopt the TFM outlined in the circular “Phase 2 of the temporary facilitative measures to tackle the outbreak of COVID-19” issued by the IA on 27 March 2020 for their non-face-to-face (“non-F2F”) distribution of the in-scope TFM products until **30 September 2022**.

For AIs that distribute long term insurance products via video-conferencing tools under the InsurTech sandbox of the IA (i.e. the VO Sandbox), in distributing in-scope TFM products under TFM (i.e. all the requirements in relation to the adoption of TFM are met), the requirement of end-to-end recording of every video conference session can be dispensed with according to the IA Circular.

For the avoidance of doubt, the clarifications and reminder set out in the circular entitled “Circular Issued by the Insurance Authority (“IA”) on Phase 2 of the Temporary Facilitative Measures (“TFM”) to Tackle the Outbreak of COVID-19” issued by the HKMA on 27 March 2020 remain applicable. In particular, AIs should continue to comply with the audio-recording requirements for sale of annuity insurance products<sup>1</sup> in selling Qualifying Deferred Annuity Policies.

#### *Extension of the VO Sandbox to all long term insurance products*

As communicated with the industry earlier, following the issuance of the new supervisory requirements related to Investment-Linked Assurance Scheme (“ILAS”) by the Securities and Futures Commission and the IA on 1 November and 28 December 2021 respectively, the HKMA aims to set out the corresponding requirements on AIs’ selling process through a revised guideline, and aims to consult the industry later this year. AIs that intend to distribute any ILAS product, including Protection Linked Plan, should provide prior notification to and discuss with the HKMA before launching such product.

#### *Fast track for VO Sandbox applications*

AIs that intend to distribute long term insurance products via video conferencing tools can continue to submit VO Sandbox application to the IA through their appointing insurers. The HKMA will work with the IA in reviewing VO Sandbox applications involving AIs.

---

<sup>1</sup> Please refer to the HKMA circulars “Selling of Annuity Insurance Products” of 6 June 2018, “Enhanced Measures on Selling of Annuity Insurance Products” of 25 September 2019 and “Investor Protection Measures in respect of Investment, Insurance and Mandatory Provident Fund Products” of 25 September 2019.

If you have any question on this circular, please contact Ms Candy Tam at 2878-1292 or Mr Chris Wong at 2878-1450.

Yours faithfully,

Alan Au  
Executive Director (Banking Conduct)

Encl.

c.c. Insurance Authority  
(Attn: Ms Carol Hui, Executive Director (Long Term Business)  
Mr Peter Gregoire, Head of Market Conduct and General  
Counsel)