



HONG KONG MONETARY AUTHORITY  
香港金融管理局

Our Ref: B1/15C  
C2/5C

21 February 2020

The Chief Executive  
All Authorized Institutions

Dear Sir / Madam,

**Circular Issued by the Insurance Authority (“IA”) on  
Temporary Facilitative Measures to Tackle the Recent Outbreak of  
Novel Coronavirus**

I am writing to draw your attention to the attached circular “Temporary facilitative measures to tackle the recent outbreak of Novel Coronavirus” issued by the IA today (the “IA Circular”) regarding non-face-to-face (“non-F2F”) distribution of Qualifying Deferred Annuity Policy (“QDAP”) and Voluntary Health Insurance Scheme (“VHIS”) products in view of the recent outbreak of novel coronavirus.

Authorized institutions (“AIs”) may adopt the temporary facilitative measures as outlined in the IA Circular in their non-F2F distribution of QDAP and VHIS products on or before 31 March 2020, with a view to minimising the risk of infection during the sale process of insurance policies whilst according protection to the customers.

The HKMA’s circulars on “Selling of Annuity Insurance Products” dated 6 June 2018 and on “Enhanced Measures on Selling of Annuity Insurance Products” dated 25 September 2019 (“the HKMA Circulars”) are applicable to the sale of QDAPs by AIs, subject to the implementation progress of the AIs. In the light of the current circumstances, it is clarified that AIs can provide and explain to the customers the fact sheet for QDAPs setting out important product information as required in the HKMA Circulars through non-F2F methods

under the temporary facilitative measures as illustrated in the IA Circular. Similarly, the requirement of signing by the customer against each of the broad items on the fact sheet for QDAPs can also be met through non-F2F methods. However, if audio-recording of the selling process is not practical in a particular non-F2F method, AIs should not sell QDAPs to vulnerable customers (“VCs”), or non-VCs who choose to have audio-recording arrangement.

In line with the IA Circular, AIs are reminded to continue to comply with applicable regulatory requirements (including product disclosure requirements at the point-of-sale) which are not hindered by non-F2F distribution. AIs should also put in place adequate policies and procedures as well as controls and monitoring, and provide staff training as appropriate for adopting the temporary facilitative measures.

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 Stephen Po, Executive Director (Market Conduct))