



HONG KONG MONETARY AUTHORITY  
香港金融管理局

Our Ref: B1/15C  
C2/5C

5 August 2020

The Chief Executive  
All Authorized Institutions

Dear Sir / Madam,

**Circular Issued by the Insurance Authority (“IA”) on  
Sandbox Application for the Distribution of Long Term Insurance Policies  
via Video Conferencing Tools**

I am writing to draw your attention to the attached circular “Sandbox application for the distribution of long term insurance policies via video conferencing tools” issued by the IA today (the “Circular”). Authorized institutions (“AIs”) that intend to distribute long term insurance products via video conferencing tools should observe the requirements in the Circular and submit, through their appointing authorized insurers, the InsurTech Sandbox applications to the IA. The Hong Kong Monetary Authority (“HKMA”) will work with the IA in reviewing those applications involving AIs.

The Circular specifies the requirements for using video conferencing tools to distribute long term insurance products and the information required for such InsurTech Sandbox applications. Among other things, insurers and/or intermediaries should put in place control and monitoring measures to ensure compliance with the applicable requirements, including the Guideline on Financial Needs Analysis (“GL30”), and submit such information in the InsurTech Sandbox applications.

AIs are reminded that the use of video conferencing tools should not affect their compliance with the applicable regulatory requirements of the HKMA on AIs' sale of long term insurance products. For example, the requirement of signing by customers against each of the broad items on the fact sheet for annuity insurance products (under the HKMA's circulars on "Selling of Annuity Insurance Products" dated 6 June 2018 and "Enhanced Measures on Selling of Annuity Insurance Products" dated 25 September 2019) can be met through non-face-to-face methods. AIs are also reminded to put in place effective information technology ("IT") management and oversight framework to ensure the adequacy of IT controls and quality of their computer systems in using video conferencing tools.

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 (Acting) & General  
Counsel)