



HONG KONG MONETARY AUTHORITY  
香港金融管理局

Our Ref: B1/15C  
C2/5C

12 October 2021

The Chief Executive  
All Authorized Institutions

Dear Sir/Madam,

**Explanatory Note on “Regulated Activity” under the Insurance Ordinance issued by the Insurance Authority (“IA”)**

I am writing to draw your attention to the attached Explanatory Note and the covering circular issued by the IA today.

The Explanatory Note provides guidance on the application of the scope of “regulated activity” under the Insurance Ordinance (“IO”) in the context of different business practices.

Authorized institutions (“AIs”) should study the Explanatory Note carefully. In particular, attention should be paid to Case Study 1 in section C of the Explanatory Note where entities which provide financial services as their core business should be mindful when placing insurance advertisements on their websites or apps; and Case Study 4 in section C which sets out the requirements relevant to licensed insurance intermediaries when launching referral schemes for purchase of insurance policies.

AIs are reminded to refrain from carrying on any “regulated activity” under the IO if they are not licensed insurance intermediaries, and to put in place adequate

policies, procedures and controls to ensure their referral schemes (if any) would not risk their customers contravening the IO.

Yours faithfully,

Alan Au  
Executive Director (Banking Conduct)

Encl.

c.c. Insurance Authority – w/o encl.  
(Attn: Mr Peter Gregoire, Head of Market Conduct and General Counsel)