



HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref: B1/15C
C2/5C

22 October 2019

The Chief Executive
All Authorized Institutions

Dear Sir / Madam,

Explanatory Note on Licensing Requirements for Banking Sector under Regulatory Regime for Insurance Intermediaries issued by the Insurance Authority (“IA”)

I attach herewith the captioned Explanatory Note with the covering circular (**Annexes 1 and 2**) issued by the IA to authorized institutions (“AIs”).

The regulatory regime for insurance intermediaries under the Insurance Ordinance (“IO”) is activity-based. Under the regime, any person carrying on a regulated activity under the IO is required to be licensed by the IA. The Explanatory Note provides guidance on the extent to which certain insurance related banking activities would be regarded as regulated activities and thus AIs and their staff would be required to be licensed under the IO.

AIs and their staff are reminded to refrain from carrying on any regulated activity under the IO if they are not licensed insurance intermediaries. AIs should study the Explanatory Note carefully, and put in place adequate policies, procedures and controls as well as provide sufficient training to their staff to ensure compliance with the relevant requirements under the IO.

Yours faithfully,

Alan Au
Executive Director (Banking Conduct)

Encl.

c.c. IA
(Attn: Mr Stephen Po, Executive Director (Market Conduct))