Monetary Authority and Insurance Authority sign MoU

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The following is issued jointly by the Monetary Authority and Insurance Authority:

The Monetary Authority (MA) and the Insurance Authority (IA) today (September 19) signed a Memorandum of Understanding(MoU) which aims to enhance the co-operation, exchange of information and mutual assistance between the two authorities.

The MoU conforms with one of the recommendations of the Financial Sector Assessment Programme on Hong Kong conducted by the International Monetary Fund earlier this year, which called for more profound supervisory co-operation among financial regulators in supervising the cross-market activities of financial institutions.

Under the MoU, the MA and the IA agree to work together:

* to co-ordinate the supervision of the insurance-related activities of authorized institutions (AIs) (such as when they act as insurance intermediaries) and authorized insurers that are connected to AIs; and

* to promote information exchange and sharing, as permitted under the Banking Ordinance and the Insurance Companies Ordinance, between the MA and the IA in order to assist each other to exercise their respective statutory functions.

Under the terms of the MdU, the MA and the IA will determine together which agency should be the co-ordinating regulator for financial groups that are engaged in both banking and insurance. They will also establish principal points of contact to ensure the smooth operation of arrangements set out in the MdU. Furthermore, the two authorities agree to hold meetings at regular intervals to discuss current or evolving supervisory issues, and to hold ad hoc meetings to deal with specific supervisory concerns.

The main text of the MoU can be viewed at the websites of the Hong Kong Monetary Authority (HKMA) (http://www.info.gov.hk/hkma) and the Office of the Commissioner of Insurance (OCI) (http://www.info.gov.hk/oci).

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