

12 June 2020

Our Ref: MC/CPD/CIR

By email only

To: Chief Executives of all authorized insurers, Responsible Officers of all licensed insurance agencies and licensed insurance brokers companies

Dear Sirs,

Compliance with CPD Requirements under the New Regulatory Regime for Insurance Intermediaries – Additional Facilitative Measures

The Insurance Authority (“IA”) issued a circular on 28 February 2020 regarding a temporary facilitative measure to extend the Continuing Professional Development (“CPD”) fulfillment deadline this year by 3 months to 31 October 2020 (“First CPD Fulfillment Deadline”). We recognize, however, that practical difficulties continue to be encountered by individual licensees in completing CPD hours due to the ongoing vigilance required with the COVID-19 situation. In view of this, the IA considers it reasonable to roll out further measures to facilitate individual licensees’ ability to comply with CPD requirements. Details of such measures are set out below.

Merger of the 2019/2020 and 2020/2021 CPD Assessment Periods

The IA has decided to merge the CPD assessment period for 23 September 2019 to 31 July 2020 (“the First CPD Assessment Period”) with the CPD assessment period for 1 August 2020 to 31 July 2021 (“the Second CPD Assessment Period”). This means as follows –

- Each individual licensee will be considered as CPD-compliant provided that by the end of the Second CPD Assessment Period, i.e. **31 July 2021**, he or she has earned sufficient CPD hours required for both the First and the Second Assessment Periods.
- Accordingly, if an individual licensee is unable to complete the requisite CPD hours for the First CPD Assessment Period by the First CPD Fulfillment Deadline, he or she can make up the shortfall by the end of the Second CPD Assessment Period, i.e. 31 July 2021 (in addition to completing the CPD hours for the Second CPD Assessment Period).
- Each individual licensee will be required to report his or her CPD compliance for the First and Second CPD Assessment Periods no later than **30 September 2021**. Details of the CPD compliance reporting procedures will be announced in due course.

Additional Facilitative Measures regarding CPD

A. Raising the Cap on CPD hours which may be completed by E-learning Activities in the First and Second Assessment Periods

The maximum cap on the number of CPD hours that can be obtained through Type 1 and Type 7 E-learning Activities for each of the First and Second CPD Assessment Periods is increased from 5 CPD hours to 7 CPD hours. This means that, out of the total number of CPD hours across both the First and the Second Assessment Periods, a maximum of 14 CPD hours can be earned via E-learning Activities.

B. No Cap on CPD hours to be earned through CPD Activities Delivered via Virtual Classroom Platforms

The IA regards Type 1 and Type 7 Qualified CPD Activities, as defined in the Guideline on [Continuing Professional Development for Licensed Insurance Intermediaries](#) (“GL24”), which are delivered via virtual classrooms (e.g. Microsoft Teams, Cisco Webex, Zoom) as an acceptable form of CPD activity¹. For CPD activities to be delivered via virtual classrooms, the participants must attend the virtual classroom at the time of the delivery of the CPD activities and there must be live interaction between the speaker and participants. For the avoidance of doubt, such CPD activities are not classified as E-learning Activities (as defined in GL24) and are therefore not subject to the cap referenced in paragraph A above.

Responsibilities of Principals and Individual Licensees

A. Principals

Principals are required under GL 24 to ensure that each of their appointed individual licensees comply with their applicable CPD requirements. This requires principals to have in place controls and procedures to monitor and ensure compliance by their appointed individual licensees. As part of their monitoring and controls, even though the First and Second CPD Assessment Periods are merged, principals are encouraged to take proactive steps to ensure that their appointed individual licensees attend CPD activities/courses evenly throughout the First and Second Assessment Periods as far as possible, and do not leave a significant shortfall to be made up in the weeks leading up to the 31 July 2021 deadline. Principals should also request, check and verify documents evidencing completion of CPD hours by their appointed individual licensees.

¹ Type 1 Qualified CPD Activities delivered via virtual classrooms are subject to the prior approval of the Hong Kong Council for Accreditation of Academic and Vocational Qualifications, the appointed CPD assessment authority.

B. Individual Licensees

The IA will conduct CPD compliance audits for the First and Second CPD Assessment Periods subsequent to the reporting deadline of 30 September 2021. Upon request, individual licensees selected for such compliance checks should promptly produce for the IA's inspection the original documentation evidencing completion of their CPD requirements. Individual licensees should therefore retain sufficient documentation to evidence their CPD compliance for the First and Second CPD Assessment Periods.

Consequence of CPD Non-compliance

Completing CPD hours is an important means by which individual licensees ensure their knowledge is kept up-to-date so they are able to carry on regulated activities and serve policyholders to the requisite standards of professionalism. Given the flexibility afforded by the measures outlined in this letter, tolerance will be in short supply for any failure to comply with the CPD requirements for the First and Second Assessment Periods by the deadline of 31 July 2021. Any such failure can be expected to be met with disciplinary action. Principals should disseminate this message, as well as the facilitative measures contained in this circular, to their appointed individual licensees.

Frequently Asked Questions

To enable principals and individual licensees to have a better understanding of the CPD requirements as set out in GL24, the IA has issued a set of Frequently Asked Questions ("FAQs") and accompanying answers to provide explanation and basic rules for calculating the minimum number of CPD hours required for individual licensees with different registration or licensing histories. These FAQs are available on the dedicated [CPD webpage on the IA website](#).

If you have any questions concerning this circular, please send an email to cpd@ia.org.hk, or contact Ms Anita Ng at 3899 9746 or Ms Lillian Kwan at 3899 9763.

Yours faithfully,

Peter Gregoire
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General Counsel
Insurance Authority

c.c. The Hong Kong Federation of Insurers
Professional Insurance Brokers Association
The Hong Kong Confederation of Insurance Brokers