

Delegation of powers from Insurance Authority to Monetary Authority and signing of new Memorandum of Understanding

The following is issued on behalf of the Hong Kong Monetary Authority:

Pursuant to the statutory regulatory regime for insurance intermediaries under the Insurance Ordinance and the approval of the Chief Executive in Council, the Insurance Authority (IA) today (July 19) announced to delegate its inspection and investigation powers to the Monetary Authority (MA), taking effect on September 23, 2019 when the statutory regime comes into operation.

The MA is responsible for supervising authorised institutions (AIs)* in accordance with the Banking Ordinance. The IA, under the statutory regime, is responsible for regulation of insurance intermediaries which includes granting of licences, setting regulatory requirements and conduct standards, conducting inspections and investigations, and imposing disciplinary sanctions. The delegation of IA's powers of inspection and investigation to the MA in relation to insurance related businesses of AIs aims to improve efficiency and to minimise possible regulatory overlap.

To strengthen the co-operation between the IA and the MA under the statutory regime and to ensure regulatory consistency, the two parties today entered into a new Memorandum of Understanding which sets out, amongst others, the arrangements on supervision, complaint handling and enforcement in relation to insurance related activities carried on by AIs.

"At present, the insurance intermediary businesses are carried on by over 40 AIs. Close collaboration between the IA and the Hong Kong Monetary Authority (HKMA) helps enhance efficiency and efficacy in regulating these institutions." said the Chief Executive Officer of the IA, Mr Clement Cheung.

The Chief Executive of the HKMA, Mr Norman Chan, said, "The delegation of inspection and investigation powers by the IA to the MA supports effective supervision of insurance related activities carried on by AIs. We look forward to continuing the close collaboration with the IA."

* Authorised institutions mean licensed banks, restricted licence banks and deposit-taking companies.