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MEMORANDUM OF UNDERSTANDING (“MoU”)

BETWEEN: Securities and Futures Commission (the “SFC”)

AND: Insurance Authority (the “IA”)

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- (a) where an authorized insurer or a licensed insurance intermediary is (or is not but may be required to be) an SFC-licensed person;
- (b) where an authorized insurer or a licensed insurance intermediary has a subsidiary that is an SFC-licensed person;
- (c) where an SFC-licensed person has a subsidiary that is an authorized insurer or a licensed insurance intermediary;
- (d) where an authorized insurer or a licensed insurance intermediary has involvement in the management, operation or administration or issuance or distribution of any financial products;
- (e) where an SFC-licensed person (which is in a group of companies that has insurance business) has involvement in the management, operation or administration or issuance or distribution of any SFC-authorized investment products;
- (f) where a financial group has both an SFC-licensed person and an entity that is an authorized insurer or a licensed insurance intermediary; and
- (g) where an authorized insurer is seeking to obtain or maintains an authorization by the SFC of a collective investment scheme that is an insurance-related investment product.

The parties will co-ordinate with each other and exchange information to facilitate the supervision of relevant financial groups with SFC-licensed persons, authorized insurers or licensed insurance intermediaries as well as the regulation of SFC-authorized investment products and their operations and distributors.

2 DEFINITIONS

- 2.1 Unless otherwise specified, terms defined in the IO, the SFO, the Code on Investment-Linked Assurance Schemes, the Code on Pooled Retirement Funds and the SFC Code on MPF Products issued by the SFC (together, the Codes are referred to as the “**SFC Codes**”) bear the same meaning when used in this MoU.
- 2.2 The reference to “insurance-related investment products” in this MoU means any contracts of insurance that are also financial products, including investment-linked assurance schemes (“**ILAS**”), approved pooled investment funds (“**APIF**”) under the mandatory provident funds regime and pooled retirement funds (“**PRF**”) under the occupational retirement schemes regime.
- 2.3 The reference to “financial products” in this MoU means any securities, futures contract, collective investment scheme, leveraged foreign exchange contract and structured product as defined under the SFO, including any SFC

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- (p) providing the SFC with such assistance to obtain information not otherwise available to the SFC and/or such assistance to enable the SFC to assess the fitness and properness and/or compliance with the SFO and the rules and regulations made thereunder where such assistance concerns any insurance-related investment products, or any authorized insurer or licensed insurance intermediary that is also licensed by the SFC or any person that is of regulatory interest to the SFC; for the avoidance of doubt, the assistance provided under this paragraph refers only to supervisory assistance; and
- (q) co-operating with and assisting the SFC on matters concerning any insurance-related investment products, or any authorized insurer or licensed insurance intermediary that is also licensed by the SFC, or any approved substantial shareholder of an SFC licensed corporation who is also authorised or licensed by the IA, or any person that is of regulatory interest to the SFC. This may include the provision on a voluntary basis of information which will assist or enable the SFC in the performance of its functions and in such case the terms and conditions of this MoU will apply if the IA specifies that the information is provided under this MoU.

4 RELEVANT RESPONSIBILITIES OF THE SFC UNDER THE MOU

- 4.1 The SFC's responsibilities relating to insurance products include administering certain statutory provisions under the SFO, and the rules and regulations made thereunder, for the authorization of insurance-related investment products that are offered to the public.
- 4.2 The SFC is also responsible under the SFO for the licensing and supervision of persons who are engaged in a regulated activity as defined under the SFO, including dealing in securities and advising on securities. The parties acknowledge that certain authorized insurers and licensed insurance intermediaries subject to the IA's regulatory regime also carry on business in a regulated activity as defined under the SFO and are licensed by the SFC.
- 4.3 Insofar as relevant for the purposes of this MoU, the SFC is responsible for:
 - (a) vetting and authorizing ILAS, APIF and PRF and related marketing materials in accordance with the SFO and the provisions in the respective SFC Codes;
 - (b) licensing persons who carry on business in a regulated activity as defined under the SFO;
 - (c) ongoing supervision through monitoring and inspection, of the activities of SFC-licensed persons in the provision of services with respect to the regulated activity as defined under the SFO carried on by them;

- (d) investigating alleged breaches of the provisions of the SFO and any rules and regulations administered by the SFC, and taking appropriate enforcement actions where necessary;
- (e) handling complaints referred by the IA or made by the public relating to SFC-licensed persons, or other matters relating to any insurance-related investment products that fall under the SFC's regulatory regime, and, where appropriate, referring cases to other regulator(s) concerned (subject to compliance with applicable confidentiality requirements and conditions) as soon as practicable for follow-up action;
- (f) receiving confidential information from the IA regarding any insurance-related investment products, or any authorized insurer or licensed insurance intermediary that is also licensed by the SFC, or any person that is of regulatory interest to the SFC (e.g. a person who applies for a licence from the SFC or approval to be substantial shareholder of an SFC-licensed corporation, or is a director of a corporation applying for a licence with the SFC, or has involvement in the operation or administration or management or issuance or distribution of an SFC-authorized investment product or in managing the business of any SFC-licensed corporation);
- (g) providing the IA with, on a regular basis, information of SFC-licensed persons who are also authorized insurers or licensed insurance intermediaries in a format as mutu2aMln Td (a Tc 0 Tw 1. [(t7f)5 (o)2 (r)8 (-)Tj - 0.40.014 Tc 0.184 Tw 4(o)

shareholder of an SFC-licensed corporation; and (iv) an individual insurance intermediary's application for licence;

(k) exchanging

- (c) each of the parties hereto shall:
 - (i) maintain a good working relationship with the other;
 - (ii) co-operate with the other in complying with the provisions hereof; and
 - (iii) perform its obligations hereunder, fully, in good faith and to the best of its ability;
- (d) this MoU is a public document and the contents hereof may be disclosed and copies may be furnished by either party hereto to any third party without the consent of the other hereto;
- (e) this MoU is a statement of intent that the parties will, on the basis of mutual trust, understanding and respect, perform their obligations under this MoU, provided that any performance of this MoU (including but not limited to the provision of information or assistance) is subject to applicable laws, rules and regulations and may not violate the public interest;
- (f) this MoU is not legally binding and shall not give rise to any legal liability of either party.

10 IMPLEMENTATION, LICENSING, SUPERVISION AND ENFORCEMENT MATTERS / MATTERS OF MUTUAL CONCERN

- 10.1 Recognizing the different regulatory remit of each party, both parties acknowledge the importance of closer co-operation and mutual assistance in matters concerning insurance-related investment products, licensing, supervision and enforcement matters of mutual concern (including, without limitation, enabling a party to understand and assist the other party to assess the compliance by its regulated persons with all applicable regulatory requirements as set out in the rules and regulations made or published from time to time by each party; and enabling a party to assess the fitness and properness of persons licensed or regulated by either party).
- 10.2 In view of paragraph 10.1 above, the IA and the SFC each agrees (subject to applicable provisions of any laws, regulations or requirements to which a party is subject and provided that this would not prejudice a party's performance of its statutory functions

- 12.2 The parties will conduct meetings to discuss matters of mutual interest relating to the performance of their regulatory and supervisory functions on an on-going basis. Such meetings will be chaired alternately by the parties and will be suitably documented.
- 12.3 Ad hoc meetings to deal with specific supervisory concerns may be called by either party and will be chaired by the party who convenes the meeting. These meetings will be suitably documented.

13 STAFF TRAINING AND DEVELOPMENT

- 13.1 Subject to practical needs and availability of resources, the parties agree to assist in providing training for staff of the other party and joint training opportunities for the staff of both parties on relevant topics and consider staff secondment as and when appropriate.

14 EFFECTIVE DATE AND TERMINATION

- 14.1 The parties hereto agree to keep the operation of this MoU under review and to consult each other with a view to improving its operation and resolving any matters.
- 14.2 This MoU may be amended at any time by written agreement between the parties hereto.
- 14.3 This MoU shall take effect from the date of execution by both the IA and the SFC and shall remain in full force and effect until M0.48 0 m Tw 2.2 0 Td ()Tj -0.01 Tc 0.01 T

ANNEX A - LIST OF CONTACT PERSONS

Securities and Futures Commission, Hong Kong

On matters concerning enforcement or disciplinary action:

Executive Director, Enforcement Division

On matters concerning licensing and supervision of intermediaries:

Executive Director, Intermediaries Division

On matters concerning listings and takeovers:

Executive Director, Corporate Finance Division

On any