

Existing disciplinary proceedings of the Self-regulatory Organizations (“SROs”)

At the meeting of the Working Group held on 3 February 2015, the three SROs conducted a presentation on key steps of their existing disciplinary proceedings (Ref: WG Paper No. 1/2015). This paper outlines the differences between the existing disciplinary proceedings of the SROs and summarizes Working Group members’ suggestions on the disciplinary proceedings of the independent Insurance Authority (“IA”).

Differences between the Disciplinary Proceedings

2. Based on information provided by the SROs, differences in the key steps between the three sets of disciplinary proceedings are highlighted below –

	Insurance Agents Registration Board (“IARB”)	Hong Kong Confederation of Insurance Brokers (“CIB”)	Professional Insurance Brokers Association (“PIBA”)
Collection of evidence and statements	<ul style="list-style-type: none"> • Written submission • Interview (if necessary) 	<ul style="list-style-type: none"> • Written submission 	<ul style="list-style-type: none"> • Written submission • Interview by case officers
Oral hearing / written submission	<ul style="list-style-type: none"> • Upon request • When IARB considers necessary • The regulatee can make mitigation submission after receiving the decision 	<ul style="list-style-type: none"> • Mandatory for all prima facie cases (except minor cases where a penalty has been imposed) • The regulatee can make 	<ul style="list-style-type: none"> • Only for validation of information submitted or collection of further facts by case officers • The regulatee can make

	on the charges.	mitigation submission after receiving the decision on the charges.	written submission after receiving the Notice of Disciplinary Proceeding (which sets out the preliminary decision) and has the right to be heard before the final decision is made.
Cross examination	• Allowed	• Allowed	• Not allowed

Views of the SROs

3. CIB and IARB considered that cross-examination should be retained in IIA’s disciplinary regime for insurance intermediaries, as they opined that this process could facilitate the Disciplinary Committee’s validation of the statements received and assessment of the credibility of the witnesses. PIBA considered it important to conduct interviews with the complainant and intermediary concerned as it would help clarify details which were not well-expressed in writing. It should be noted that as present, the three SROs do not have statutory powers to conduct investigations. The above information will serve as a reference for IIA in formulating its relevant guidelines.

**Financial Services and the Treasury Bureau
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