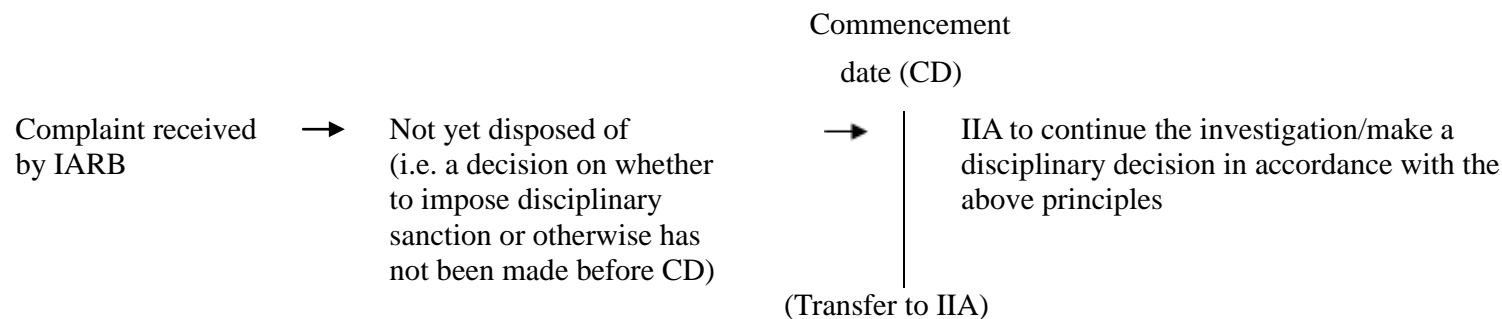


Transitional arrangements relating to intermediaries registered with IARB

A. Transfer of complaints

Principles:

- IIA should take up complaints and disciplinary cases not yet concluded by the SROs before the commencement date of the IIA's statutory licensing regime for insurance intermediaries and any complaints about alleged misconduct that occurred before the commencement date but not yet lodged with the SROs.
- All these pre-IIA cases should be followed up and considered by the IIA according to the conduct standards and applicable sanctions prevailing at the time when the misconduct occurred as far as practicable.
- IIA should act in accordance with the statutory powers and procedures under the relevant legislation in conducting the investigation.
- The range of sanctions which the IIA may impose in relation to these pre-IIA cases will be the same as those that could have been imposed by the SROs under the self-regulatory regime.



B. Deeming of licensee

Background:

4 types of registration with IARB – insurance agency, individual agent, TR of insurance agency/agent & RO of insurance agency.

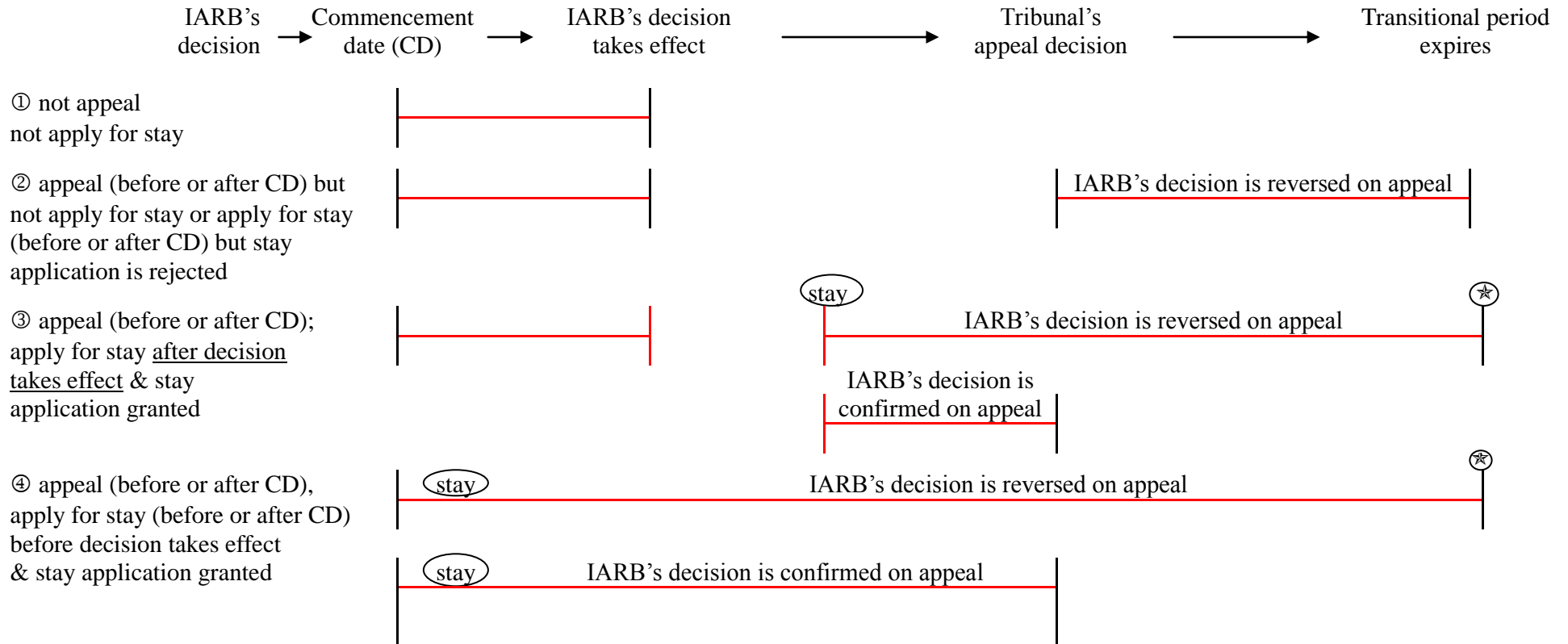
- IARB’s decision on disciplinary action takes effect 14 days after the date on which the notice of decision is served.
- Affected person may appeal within 28 days after the date on which the notice of decision is served.
- When making an appeal, affected person may apply for a stay of execution of IARB’s decision. Stay application may also be made any time after filing the appeal.
- If stay application is granted, IARB’s decision will take effect when the decision is confirmed on appeal or the appeal is withdrawn.

Normal situation:

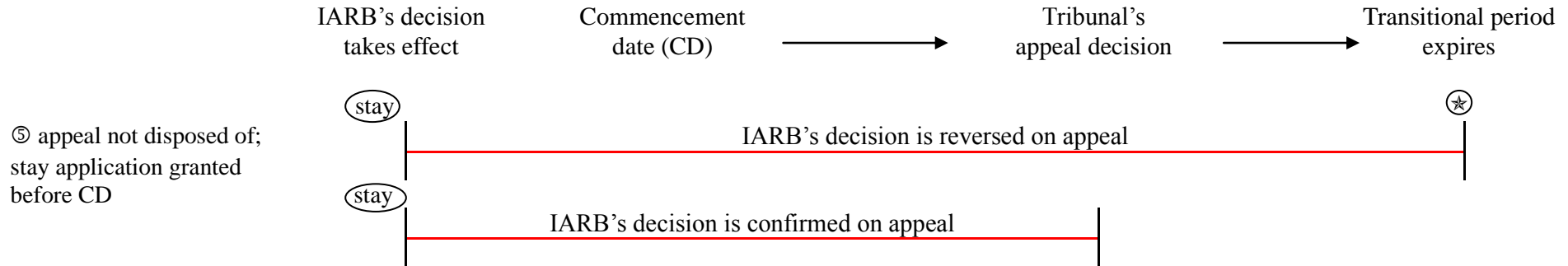


Before commencement date, IARB made a decision that the registration be revoked:

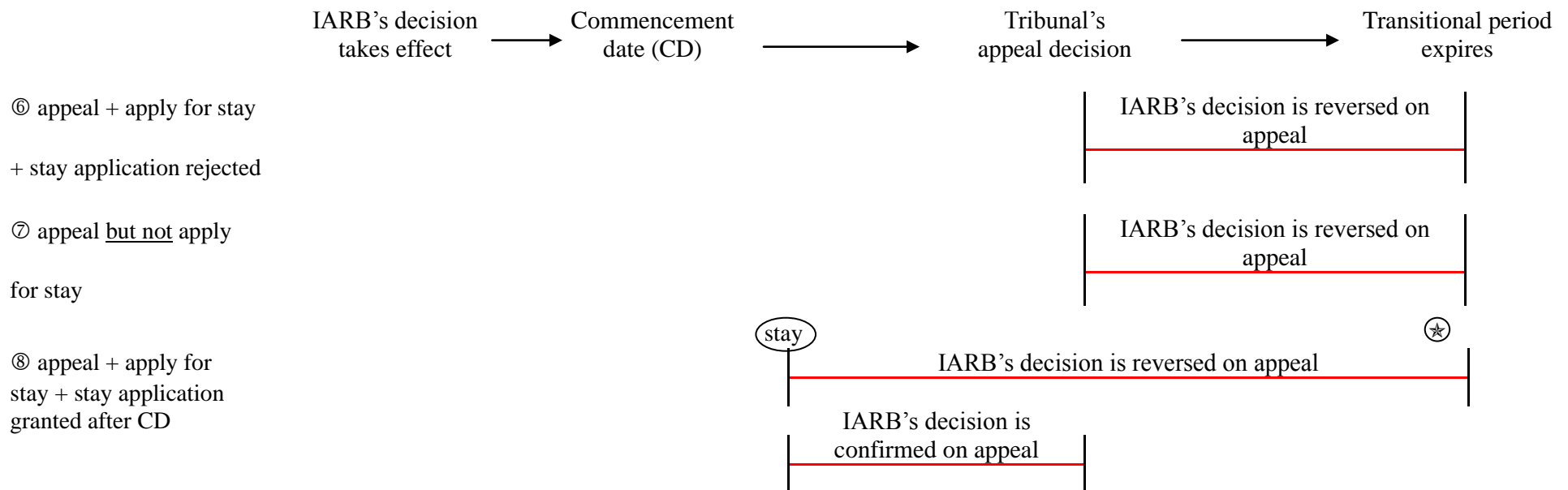
Scenario 1 – On commencement date, decision not yet taken effect



Scenario 2 – On commencement date, stay application already granted but appeal not yet disposed of



Scenario 3 – On commencement date, decision already taken effect. Before or after the commencement date, an appeal filed but not yet disposed of on commencement date



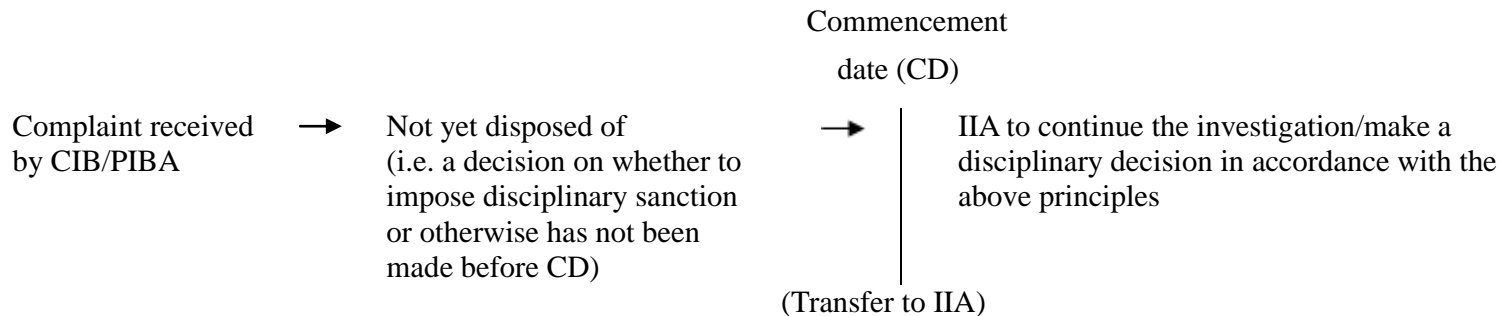
Note: for ③, ④, ⑤ & ⑧ – if appeal not yet disposed of on the date on which transitional period expires, regarded as licensed until that date.

Transitional arrangements relating to brokers registered with CIB/PIBA

A. Transfer of complaints

Principles:

- IIA should take up complaints and disciplinary cases not yet concluded by the SROs before the commencement date of the IIA's statutory licensing regime for insurance intermediaries and any complaints about alleged misconduct that occurred before the commencement date but not yet lodged with the SROs.
- All these pre-IIA cases should be followed up and considered by the IIA according to the conduct standards and applicable sanctions prevailing at the time when the misconduct occurred as far as practicable.
- IIA should act in accordance with the statutory powers and procedures under the relevant legislation in conducting the investigation.
- The range of sanctions which the IIA may impose in relation to these pre-IIA cases will be the same as those that could have been imposed by the SROs under the self-regulatory regime.




B. Deeming of licensee

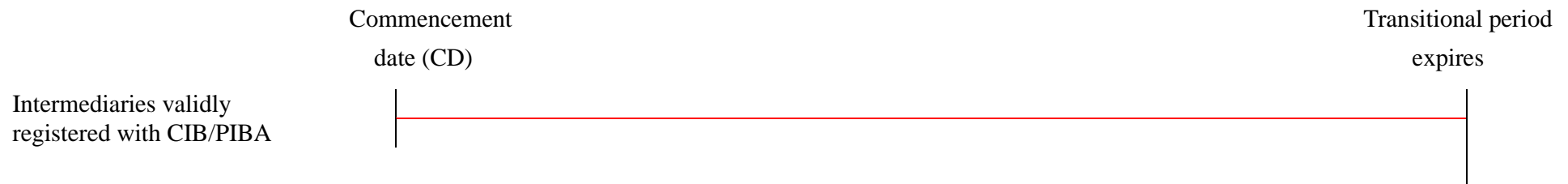
Background

3 types of registration with approved broker bodies (i.e. CIB and PIBA) – member, TR & chief executive.

- CIB and PIBA's decision on disciplinary action takes effect 20 business days and 28 days respectively after the date on which the disciplinary notice is served.
- Affected person may appeal within 20 business days / 28 days (as the case may be) after the date of the disciplinary notice is served.
- If the concerned member / TR / chief executive lodges an appeal, the decision will take effect when the Appeals Committee upholds the decision or the appeal is withdrawn.

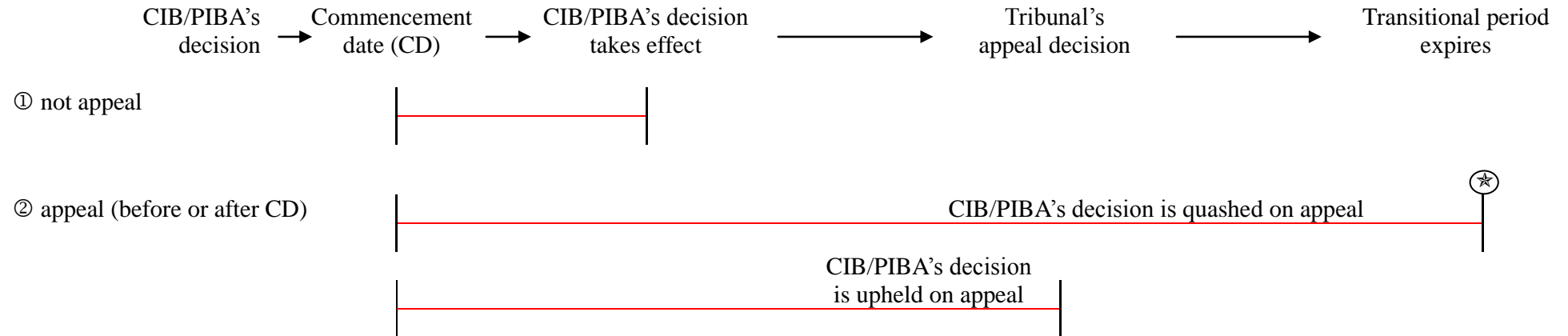
 deemed licence period

Normal situation:



Before commencement date, CIB/PIBA made a decision that the registration be revoked:

On commencement date, decision not yet taken effect



Note: for ② – if appeal not yet disposed of on the date on which transitional period expires, regarded as licensed until that date.