

# Legal Update

## COVID-19 Related Circulars or Guidance (Non-Exhaustive) Published By Financial Services Regulators of Hong Kong (Last Updated: 2 April 2020)

We have compiled the following chronology table which serves as a quick reference point to track the circulars and guidance published by HK financial services regulators in relation to COVID-19. We will update the table regularly. Kindly note that the table is not intended to capture all regulatory publications on an exhaustive basis.

	TITLE	SUMMARY	DATE	LINK	REMARKS
1	Joint Statement in relation to General Meetings in light of the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation	The SFC and the Hong Kong Stock Exchange (SEHK) published a joint statement regarding the impact of the recently introduced Prevention and Control of Disease (Prohibition on Group Gathering) Regulation (Cap. 599G) on corporate annual general meetings (AGM), extraordinary general meetings (EGM) and special general meetings (SGM). The SFC and SEHK clarified that AGMs fall under an exemption in Cap. 599G, while EGMs and SGMs can also fall under the same exemption under certain circumstances. The SFC and SEHK also set out some guidelines for listed issuers to consider when deciding on the timing of their meetings.	1 April 2020	<a href="#">Click here</a>	
2	FAQ – Licensing related matters in light of the COVID-19 pandemic	The SFC published an FAQ on concerns and issues faced by intermediaries and licence applicants relating to licensing related matters. The FAQ cover issues such as working from home, and arrangements relating to an extension of the timeline for filing audited accounts or an extension of the timeline for completing annual Continuous Professional Training (CPT) requirements.	31 March 2020	<a href="#">Click here</a>	

	TITLE	SUMMARY	DATE	LINK	REMARKS
3	Circular to intermediaries – Extended deadlines for implementation of regulatory expectations and reminder of order recording requirements under COVID-19 pandemic	The SFC published a circular on the extension of implementation deadlines for a number of upcoming regulatory expectations by six months, including expectations on the use of external electronic data storage, new measures to protect client assets (client asset acknowledgement letters), and data standards for life cycles. The SFC also reminded intermediaries of their need to continue to comply with the order recording requirements under paragraph 3.9 of the Code of Conduct for Persons Licensed by or Registered with the SFC.	31 March 2020	<a href="#">Click here</a>	Please also see Legal Update <a href="#">here</a>
4	Circular to intermediaries - Reminder of important obligations to ensure suitability and timely dissemination of information to clients	The SFC published a circular reminding licensed and registered persons of their obligations under the Code of Conduct for Persons Licensed by or Registered with the SFC. In particular, the SFC emphasised the need to observe the suitability obligations when they make a solicitation or recommendation and the obligation to disseminate information in a timely manner when they hold an investment product directly or indirectly on behalf of clients, as well as the need to act in the best interests of their clients.	27 March 2020	<a href="#">Click here</a>	Please also see Legal Update <a href="#">here</a>
5	Circular to management companies and trustees and custodians of SFC-authorized funds	The SFC published a circular reminding managers, trustees, and custodians of SFC-authorized funds of their obligations to properly manage the liquidity of their funds and ensure fair treatment of investors in the wake of the market volatility caused by the COVID-19 outbreak. The SFC has stepped up its monitoring of authorized funds in light of the current market conditions.	27 March 2020	<a href="#">Click here</a>	Please also see Legal Update <a href="#">here</a>
6	Further Guidance on the Joint Statement in relation to Results Announcements in light of the COVID-19 Pandemic	The SFC and the Hong Kong Stock Exchange (SEHK) provided further guidance on the joint statement of 4 February 2020 regarding the release of results by listed companies. The SFC and SEHK provided clarifications on a number of issues, such as guidance for issuers who are unable to publish a preliminary results announcement in accordance with the Listing Rules by 31 March 2020 and guidance for both Growth Enterprise Market (GEM) and Main Board issuers on the publication of annual reports by the respective 31 March 2020 and 30 April 2020 deadlines.	16 March 2020	<a href="#">Click here</a>	

	TITLE	SUMMARY	DATE	LINK	REMARKS
7	Joint Statement in relation to Results Announcements in light of Travel Restrictions related to the Severe Respiratory Disease associated with a Novel Infectious Agent	The SFC and the Hong Kong Stock Exchange (SEHK) issued a joint statement to listed issuers and auditors regarding the impact of the COVID-19 outbreak on the ability of listed issuers to meet reporting requirements under the Listing Rules, namely announcement of their financial information and results by the 31 March 2020 deadline. The SFC and SEHK noted that travel and other restrictions caused by the outbreak may cause disruption to the reporting and audit processes of listed issuers, and encouraged them to consult the SEHK and provide details of the circumstances which would prevent them from meeting the requirements. The SEHK will then provide further guidance in conjunction with the SFC.	4 February 2020	<a href="#">Click here</a>	Please also see the FAQ on the joint statement <a href="#">here</a>

## Hong Kong Monetary Authority (HKMA) Circulars/Guidelines

	TITLE	SUMMARY	DATE	LINK	REMARKS
1	Deferral of Basel III implementation and HKMA's supervisory actions in response to COVID-19	The HKMA published a circular in response to the decision by the Group of Central Bank Governors and Heads of Supervision (GHOS) to defer the implementation of Basel III by one year, to allow banks time to deal with current issues arising from the COVID-19 outbreak. The HKMA stated that it would accordingly delay its own implementation of Basel III to 1 January 2023, in line with GHOS.	30 March 2020	<a href="#">Click here</a>	
2	Requirements under section 60 of the Banking Ordinance (Cap. 155) and disclosure requirements under the Banking (Disclosure) Rules (Cap. 155M)	The HKMA published a circular regarding the requirement for authorized institutions (AIs) incorporated in or outside Hong Kong to file audited annual accounts and other documents with the HKMA under section 60 of the Banking Ordinance. The HKMA will allow AIs to apply in writing for an extension of the deadline to do so, if necessary due to operational difficulties caused by the COVID-19 outbreak.	7 February 2020	<a href="#">Click here</a>	
3	Measures to relieve impact of the novel coronavirus	The HKMA published a circular outlining measures that authorized institutions (AI) should implement to relieve the impact of COVID-19 on their customers. The measures include temporary relief measures to lessen the impact of financial stress, such as principal moratorium for residential and commercial mortgages and fee reduction for credit card borrowing. The HKMA also suggested AIs should adopt a sympathetic stance in dealing with customers facing financial stress, and communicate their policies to relevant staff to ensure consistent treatment of customers.	6 February 2020	<a href="#">Click here</a>	

## Insurance Authority (IA) Circulars/Guidelines

	TITLE	SUMMARY	DATE	LINK	REMARKS
1	Phase 2 of the temporary facilitative measures to tackle the outbreak of COVID-19	The IA published a circular introducing phase 2 of the temporary facilitative measures in response to the COVID-19 outbreak. Phase 2 extends the measures to cover term insurance policies, refundable insurance policies without a substantial savings component, and renewable insurance policies without cash value that provide insurance protection (e.g. hospital cash, medical, critical illness, personal accident, disability or long-term care cover).	27 March 2020	<a href="#">Click here</a>	Please also see Legal Update <a href="#">here</a>
2	Submission of Audited Financial Statements and Auditor's Report under Section 73(1) of the Insurance Ordinance (Cap.41) ("IO")	The IA published a circular regarding the requirement for licensed insurance broker companies to submit audited financial statements and an auditor's report under section 73(1) of the Insurance Ordinance (Cap.41). The IA will allow broker companies to apply for an extension to the deadline to submit these documents under section 79 of Cap.41, if such companies encounter difficulties in complying with the deadline due to the COVID-19 outbreak. The IA will consider the circumstances and impact of the outbreak on each individual broker in assessing the application.	24 February 2020	<a href="#">Click here</a>	
3	Temporary facilitative measures to tackle the recent outbreak of Novel Coronavirus	The IA published a circular introducing temporary facilitative measures in response to the COVID-19 outbreak. The measures largely involve the facilitation of the distribution of Qualifying Deferred Annuity Policy (QDAP) and Voluntary Health Insurance Scheme (VHIS) products via non-face-to-face methods, provided that authorized insurers adopt two compensating measures – upfront disclosure and an extended cooling-off period. The circular also sets out guidelines on the implementation of non-face-to-face distribution methods.	21 February 2020	<a href="#">Click here</a>	Please also see Legal Update <a href="#">here</a>

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