



Information Checklist for Investment-linked Assurance Schemes

This checklist should not be interpreted as a replacement of or any departure from the Code on Investment-linked Assurance Schemes (“ILAS Code”). Compliance with this checklist does not mean or guarantee full compliance with the ILAS Code. It is very important that this checklist should be read in conjunction with the full ILAS Code and reference should be made to the relevant sections of the ILAS Code in case of doubt.

Introduction

An applicant seeking authorization of an investment-linked assurance scheme (“ILAS”) and its offering document(s) pursuant to sections 104 and 105 of the Securities and Futures Ordinance respectively must complete this information checklist and submit it to the Investment Products Department of the Securities and Futures Commission (“Commission” or “SFC”), together with relevant documents as set out in section 1 herein. References to the Scheme in this information checklist refer to the applicant scheme. The Commission reserves the right to request for more information and/or documents in reviewing and considering each application.

Name of the Scheme :

Name of Applicant :

1. Documents to be supplied to the Commission

Please note that documents submitted should be in advanced form, in good order and suitable for clearance. The Commission reserves the right to reject draft documents that are not in advanced form.

Please notify the Commission immediately if there are any changes to the information provided.

The list below is not exhaustive. The Commission may require additional information.

	Submitted?			Reference to documents / Comments
	Yes	No	N/A	
(1) Application Form				
(2) Principle Brochure				
(3) Product Key Facts Statement and its checklist				
(4) Illustration document and a written explanation of the methodology of computation of the surrender values by the appointed actuary of the applicant company.				
(5) Constitutive documents				
(6) A letter nominating an approved person				
(7) Confirmation letter for the compliance of the ILAS Code ¹				
(8) A cheque for the payment of the application fee				

¹ See Annex A for a form of confirmation to be provided by the applicant.

2. Instructions for completing the Information Checklist

Below is a checklist that sets out the basic documentary/disclosure requirements in support of an ILAS application pursuant to the ILAS Code. This checklist should not be considered as an exhaustive list of the information required by the SFC. Where appropriate, it should be tailored to provide other or further information in order to cater for a Scheme with special features. **All information that is deemed material and relevant to the Scheme should also be submitted in addition to this checklist.**

This checklist must contain proper cross-references to the relevant pages in the documents submitted in connection with the application.

When completing this checklist, please note the following:

1. each relevant requirement in this checklist should be referenced to the page number in the document where the requirement is complied with;
2. if more space is required for comments, you may attach a separate sheet of paper to supplement this checklist and cross-reference all such comments to the appropriate requirement when necessary; and
3. where your answer to an item on this checklist is “No” or “Not Applicable” (“N/A”), the reason(s) for such response should be disclosed clearly in the “Reference to documents / Comments” column and, if necessary, on a separate page cross-referenced to this checklist.

This is a standard form document. When completing this checklist, please do not make any deletion, addition or amendment to the form or headings. The applicant undertakes that it will give prompt notice to the SFC when any information given under this checklist is no longer accurate.

A tick placed in the “yes” column of the following pages shall be read as a representation that the requirements set out opposite the tick have been satisfied.

The SFC reserves the right to return forthwith, without processing, an incomplete application to the extent this information checklist and/or the accompanying documents are not properly or fully completed, and/or where negative responses in this information checklist are not properly explained, and/or such application is accompanied by documents that do not meet the requirements of the ILAS Code.

Please note that documents submitted should be in good order and suitable for clearance. The SFC reserves the right to reject draft documents that are not in good order and suitable for clearance and the right to request the applicant to submit updated and duly signed information checklist before authorization of the Scheme.

Unless otherwise specified, terms used in this checklist are as defined in the ILAS Code.

Disclosed/Submitted (as applicable)?			Reference to documents / Comments
Yes	No	N/A	

Principal brochure (pursuant to Appendix A to the ILAS Code)

(1) Name and type of scheme

The name and description of the scheme must not be misleading to potential scheme participants and should be an accurate reflection of the type of scheme and its objectives.

(2) Parties involved

The names and registered address of all parties involved in the operation of the scheme with a brief description of the applicant company.

(3) Investment returns

(i) Details of how the investment return of the scheme is determined.

(ii) Except where the scheme's investment returns are subject to a non-variable guarantee, a warning should be stated to the effect that investment involves risks.

(iii) A statement to the effect that the unit(s) allocated to the policy is notional and is solely for the purpose determining the value of the policy shall be included.

If the nature of the investment policy so dictates, a warning should be given that investment in the scheme or investment option linked to a scheme is subject to abnormal risks, together with a description of the risks involved.

	Disclosed/Submitted (as applicable)?			Reference to documents / Comments
	Yes	No	N/A	
(4) Fees and charges				
<p>Explanations of fees and charges may be abbreviated, but should be clearly identified to include:</p> <p>(i) the level of all fees and charges payable by a scheme participant, including all charges levied on subscription, redemption and switching;</p> <p>(ii) the level of all fees and charges payable by the scheme or an investment option linked to the scheme; and</p> <p>(iii) details of whether charges are subject to change and the relevant notice period.</p> <p>A summary of all fees and charges in tabular form should be provided to give scheme participants an overview of the fees structure at a glance. Where complex calculations are required to disclose fees and charges, illustrative examples should be given for clarity.</p>				
(5) Investment objectives and restrictions				
<p>Summary of investment objective of the scheme or investment option(s) linked to a scheme, including, where applicable:</p> <p>(i) the types of intended investments, and their relative proportions in the portfolio;</p>				

	Disclosed/Submitted (as applicable)?			Reference to documents / Comments
	Yes	No	N/A	
(ii) the geographical distribution of the intended investments;				
(iii) the investment and borrowing restrictions; and				
(iv) if the nature of the investment policy so dictates, a warning that investment in the scheme is subject to abnormal risks, and a description of the risks involved.				
Where the return of an investment option is determined with reference to one or more SFC-authorized funds, a statement as to how to make available offering documents of such SFC-authorized fund(s) shall be included.				
For other cases, the specific investments, associated risks e.g. the use of financial derivative instrument, or leverage (if any) and a statement that the return of the investment option is calculated with reference to a pool of assets internally managed on a discretionary basis by the Authorized Insurer are required to be disclosed.				
(6) Borrowing powers				
The circumstances under which the scheme or investment option(s) linked to a scheme may have outstanding borrowings and the purpose for which and extent to which such outstanding borrowings were or may be incurred.				

	Disclosed/Submitted (as applicable)?			Reference to documents / Comments
	Yes	No	N/A	
(7) Summary of provisions in constitutive documents. A summary of the provisions described in paragraphs (d), (f), (g), (h) and (k) of Appendix B to the ILAS Code with respect to: <ul style="list-style-type: none"> - Valuation of Property and Pricing - Characteristics of Premiums/Contributions - Benefits - Maturity and Early Surrender Values - Conditions of Termination 				
(8) Application and Surrender Procedures A summary of procedures for application and surrender.				
(9) Warning statements The following warning statements shall be disclosed in the principal brochure, where applicable, in a prominent manner: (i) Investment-linked assurance schemes are insurance policies issued by the Authorized Insurer. (ii) A scheme participant's investments are therefore subject to the credit risks of such Authorized Insurer. (iii) The premiums paid by a scheme participant towards the insurance policy will become part of the assets of the Authorized Insurer. A scheme participant does not have				

	Disclosed/Submitted (as applicable)?			Reference to documents / Comments
	Yes	No	N/A	
any rights or ownership over any of those assets. The recourse of a scheme participant is against the Authorized Insurer only.				
(iv) A scheme participant's return on investments is calculated or determined by the Authorized Insurer with reference to the performance of the underlying funds*/assets.				
(v) Where the return of the scheme is based on investment options linked to the scheme which is calculated or determined by the Authorized Insurer with reference to the performance of a corresponding SFC-authorized fund, a warning statement that the return of investments under the scheme shall be subject to the charges of the scheme and may be lower than the return of the corresponding SFC-authorized fund.				
(vi) Early surrender or withdrawal of the policy/suspension of or reduction in premium may result in a significant loss of principal and/or bonuses awarded. Poor performance of underlying funds*/assets may further magnify the scheme participant's investment losses, while all charges are still deductible.				

* "Underlying fund(s)" can be used by an Authorized Insurer in the event that it has disclosed in the offering document that it will be investing the net premium received from the scheme participants into the funds corresponding to the investment options as selected by the scheme participants for such Authorized Insurer's asset liability management. Otherwise, the Authorized Insurer should adopt the term "reference fund(s)".

	Disclosed/Submitted (as applicable)?			Reference to documents / Comments
	Yes	No	N/A	
(vii) The investment options available under the scheme can have very different features and risk profiles. Some may be of high risk.				
Other warning statements as required by the ILAS Code must be prominently displayed in the offering document.				
(10) Other features				
(i) Information on “guarantee” feature (if applicable), including but not limited to terms and conditions of guarantee, guarantee charge and mechanism pursuant to Chapter 6 of the ILAS Code.				
(ii) Information on bonus (if applicable), including but not limited to terms and conditions of bonus, mechanism of bonus claw back.				
(iii) Information on death benefit and insurance charge (if applicable).				
(iv) Information on market value adjustment / with-profits or similar features (if applicable), including but not limited to the mechanism pursuant to Chapter 6 of the ILAS Code.				
(v) All the situations that may affect investment return / principal / benefits of the scheme, e.g. partial withdrawal, premium holiday, premium reduction, etc.				

	Disclosed/Submitted (as applicable)?			Reference to documents / Comments
	Yes	No	N/A	
(vi) The term “underlying fund(s)” in the offering documents can be used by an Authorized Insurer in the event that it has disclosed in the offering document that it will be investing the net premium received from the scheme participants into the funds corresponding to the investment options as selected by the scheme participants for such Authorized Insurer’s asset liability management. Otherwise, the Authorized Insurer should adopt the term “reference fund(s)”.				
(11) Cooling-off period				
A summary of the provisions described in 5.12 and 5.13 of the ILAS Code with respect to the cooling-off period.				
(12) General information				
(i) A list of constitutive documents and an address in Hong Kong where they can be inspected free of charge or purchased at a reasonable price.				
(ii) A statement that the Authorized Insurer accepts full responsibility for the accuracy of the information contained in the offering document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement misleading.				
(iii) A statement that the Commission does not take any responsibility for				

	Disclosed/Submitted (as applicable)?			Reference to documents / Comments
	Yes	No	N/A	
the contents of the offering document, makes no representation as to its accuracy or completeness, expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the offering document.				
(iv) Where a scheme is described as having been authorized by the SFC, the prominent note as required under 7.15 of the ILAS Code should be disclosed.				
(v) If available, website address of the scheme which contains publication of its offering document, principal brochures, circulars, notices, announcements, financial reports and the latest available offer and redemption prices or net asset value.				
(13) Governing law				
The governing law of the scheme should be disclosed and an acknowledgment that the parties involved have the right to bring legal action in a Hong Kong court as well as in any court elsewhere which has a relevant connection with the scheme.				
(14) Taxation				
Where the likely tax benefits to be enjoyed by scheme participants are described, the principal brochure should also briefly explain the applicant company's understanding of the tax implications for Hong Kong scheme participants, based on expert advice received by the applicant company.				

- Scheme participants should also be advised to seek professional advice regarding their own particular tax circumstances.
- (15) Date of publication of the principal brochure
- All facts and figures in the principal brochure should be as reasonably up to date as possible.
- (16) Authorization statement
- Where a scheme is described as having been authorized by the Commission, it must be stated that authorization does not imply official recommendation as set out in 7.15 of the ILAS Code.

Disclosed/Submitted (as applicable)?			Reference to documents / Comments
Yes	No	N/A	

Illustration Document

- (17) A written explanation of the methodology of computation of the surrender values by the appointed actuary of the applicant company.
- (18) Prescribed statements
- a. The following statements should appear in the illustration document:
- THE ASSUMED RATES USED BELOW ARE FOR ILLUSTRATIVE PURPOSES. THEY ARE NEITHER GUARANTEED NOR BASED ON PAST PERFORMANCE. THE ACTUAL RETURN MAY BE DIFFERENT!
- IMPORTANT:
- THIS IS A SUMMARY ILLUSTRATION OF THE SURRENDER VALUES OF

[Name of Product]. IT IS INTENDED TO SHOW THE IMPACT OF FEES AND CHARGES ON SURRENDER VALUES BASED ON THE ASSUMPTIONS STATED BELOW AND IN NO WAY AFFECTS THE TERMS OF CONDITIONS STATED IN THE POLICY DOCUMENT.

b. The following statements should be clearly disclosed before the scheme participant's signature:

Warning: You should only invest in this product if you intend to pay the premium for the whole of your chosen premium payment term. Should you terminate this product early, you may suffer a significant loss.

I confirm having read and understood the information provided in this illustration and received the principal brochure.

Disclosed/Submitted (as applicable)?			Reference to documents / Comments
Yes	No	N/A	

Material Contracts

(19) Copies of any material contracts

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Confirmations

(20) Confirmation of compliance with the ILAS Code that all documents required to be submitted to the SFC for the purpose of application for authorization of the Scheme under the ILAS Code

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	Disclosed/Submitted (as applicable)?			Reference to documents / Comments
	Yes	No	N/A	
have been submitted and are in compliance with the ILAS Code. ²				
(21) Consistency confirmation of the principal brochure – the content of the principal brochure is consistent with the policy contract and constitutive documents. ²				
(22) Chinese translation confirmation – to confirm that the Chinese version of the principal brochure is a fair and accurate translation of the English version. ³				
Note: This confirmation may be submitted when the Chinese principal brochure is ready before final authorization is given.				

Constitutive Documents (pursuant to Appendix B to the ILAS Code)

(23) Name and type of scheme				
(24) Parties involved				
A statement to specify the parties involved including, as applicable, the applicant company, the management company, the guarantor, the trustee and the auditor, giving full particulars of their functions, duties and obligations.				
(25) Investment Returns				

² See Annex A for a form of confirmation to be provided by the Applicant.

³ See Annex B for a form of Chinese translation certificate to be provided by the Applicant.

	Disclosed/Submitted (as applicable)?			Reference to documents / Comments
	Yes	No	N/A	
<p>A detailed description of how the investment returns of the scheme is determined, for example, with reference to:</p> <ul style="list-style-type: none"> (i) an investment option or its assets held in the name of the policy issuer; (ii) any notional fund (with its basis stated); or (iii) a rate determined at the discretion of the policy issuer. 				
(26) Valuation of Property and Pricing				
<ul style="list-style-type: none"> (i) For schemes linked to unitized investment options; <ul style="list-style-type: none"> - the method of determining the value of the assets and liabilities of the property of the scheme; - the method of calculating the issue and redemption prices; - how frequently prices are established; - the lead times for the allocation of premiums to units and the realization of units; and - the circumstances under which the above might change; or (ii) For schemes linked to investment options which are not unitized; <ul style="list-style-type: none"> - how and when investment option is valued; - how and when the investment 				

	Disclosed/Submitted (as applicable)?			Reference to documents / Comments
	Yes	No	N/A	
<p>return is calculated and distributed amongst the scheme participants; and</p> <ul style="list-style-type: none"> - the circumstances under which the above might change. 				
<p>(27) Guarantee</p> <p>Whether investment performance or capital is guaranteed and if so details of:</p> <ul style="list-style-type: none"> (i) the rate or amount guaranteed; (ii) the conditions under which the rate or amount may be altered or discontinued; (iii) the nature of the guarantee, e.g. capital, income, flat guarantee, year on year, or compounded; (iv) how and when the guarantee is invoked or revoked; (v) any charges or consideration for the guarantee; (vi) the date of expiry of the guarantee; (vii) if the guarantor is an entity other than the policy issuer, the provisions for appointment, retirement or removal; (viii) where applicable, the methods of determining the discretionary benefits to be paid to scheme participants in excess of the guaranteed amount; and (ix) where applicable, the extent to which, and the basis on which, the policy issuer may set up a reserve, by whatever name called, so as to 				

	Disclosed/Submitted (as applicable)?			Reference to documents / Comments
	Yes	No	N/A	
smooth the progression of unit prices or rates of return.				
(28) Premiums and Contributions				
(i) The full amount to be paid.				
(ii) The currency of payment.				
(iii) To whom and where paid.				
(iv) How paid and the options if any for payment.				
(v) The frequency, due dates and for what periods premiums must be paid.				
(vi) If there are fixed due dates, the grace period and penalties if any for late payment.				
(vii) The proportion or amount of the premiums paid which will be applied for investment purposes and if these proportions change as the scheme progresses, the stages at which these changes occur and the manner in which they change.				
(viii) The consequences and options if any should payment of premiums be discontinued at any time.				
(29) Benefits				
The currency, dates and places of payment of benefits.				
(30) Maturity and Early Surrender Value				
(i) The maturity value.				
(ii) The methods of calculation of full				

	Disclosed/Submitted (as applicable)?			Reference to documents / Comments
	Yes	No	N/A	
<p>surrender value, partial surrender value and death benefit.</p> <p>(iii) Any notice periods for full or partial surrenders.</p> <p>(iv) Other settlement options or rights.</p> <p>(v) The circumstances under which payment of benefits may be deferred or suspended.</p> <p>(vi) The maximum interval between the receipt of a properly documented request for surrender and the date of payment.</p> <p>(vii) Whether interest is payable in respect of the period between the effective date of claim and the date of payment.</p>				
(31) Fees and charges				
<p>(i) All specific fees and charges under the scheme whether calculated by way of an amount, percentage or otherwise.</p> <p>(ii) All indeterminable fees and charges.</p> <p>(iii) Information as to when and on what event the fees and charges will fall due.</p> <p>(iv) Any taxes and expenses charged to the scheme or levied against investment option(s) linked to the scheme on a basis deemed fair and reasonable by an actuary or other person of professional standing.</p> <p>(v) Any fees payable to, as applicable,</p>				

	Disclosed/Submitted (as applicable)?			Reference to documents / Comments
	Yes	No	N/A	
the applicant company, management company, trustee, guarantor or any other party.				
(32) Investment and borrowing restrictions				
The restrictions on the investment of the scheme or investment option(s) linked to a scheme (if any) and borrowing restrictions. <i>(Note: The maximum borrowing limit of the scheme or any investment option linked to a scheme should not exceed 25% of net asset value, inclusive of short-term borrowings to cover redemptions or other special situations.)</i>				
(33) Termination of the scheme				
The circumstances in which a class of scheme or an investment option linked to a scheme may be terminated and the relevant notice to be given to scheme participants.				
(34) Governing law				
The governing law of the scheme must be specified.				
(35) Cooling-off period				
The detailed provision of a cooling-off period, as in 5.12 and 5.13 of the ILAS Code, within which a scheme participant may withdraw unconditionally, subject to a market value adjustment, if any.				
(36) 7.4 of the Overarching Principles Section of the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked				

Assurance Schemes and Unlisted Structured Investment Products:

Product Providers should provide in their offering documents information regarding how investors' enquiries and complaints will be handled.

Disclosed/Submitted (as applicable)?			Reference to documents / Comments
Yes	No	N/A	

Miscellaneous

(37) Latest audited report and corporate information of new Applicant.

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We hereby confirm that all information contained in this Information Checklist and such other documents submitted to the Commission in connection herewith is true and accurate.

Signed on behalf of the Applicant⁴:

Applicant : _____

Name of authorized signatory⁵ : _____

Position : _____

Date : _____

Signature : _____

⁴ The Applicant should be the insurer of the ILAS scheme.

⁵ Insert name of the senior management of the Applicant or in the case of legal adviser, insert name of the firm and the name of the signatory.

FORM OF CONFIRMATION

To: Securities and Futures Commission (SFC)

From: [*Name of the Applicant*]

Date: [*Date of application*]

We hereby confirm that:

- (1) all documents required to be submitted to the SFC for the purposes of application for authorization of [*name of the ILAS*] (the “Scheme”) under the ILAS Code (set out in Section III of the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products (the “Handbook”)) have been submitted and are in compliance with the ILAS Code and the applicable provisions in the Overarching Principles Section of the Handbook; and
- (2) the content of the principal brochure in respect of the Scheme is consistent with the policy contract and constitutive documents of the Scheme.

Signed on behalf of the Applicant:

Name of Applicant : _____

Name of authorized signatory : _____

Position of authorized signatory : _____

Signature : _____

FORM OF CHINESE TRANSLATION CONFIRMATION

Option 1: One confirmation to be issued

To: Securities and Futures Commission (SFC)

From: [*Name and title of authorized signatory*]Date: [*Date of application*] / [*Date prior to final authorization is given*]

Name of the scheme: [*] (the "Scheme")

I hereby confirm that:

- (1) [I have appointed [*name*], who is fully conversant in the Chinese language and competent to review and ensure the truth and accuracy of the Chinese translation of [*name of relevant document(s)*] (the "Relevant Chinese Document(s)") in respect of the Scheme, to review and ensure the truth and accuracy of the Relevant Chinese Document(s); and]

OR

[I am fully conversant in Chinese Language and competent to review and ensure the truth and accuracy of the Chinese translation of [*name of relevant document(s)*] (the "Relevant Chinese Document(s)") in respect of the Scheme, and have reviewed and ensured the truth and accuracy of the Relevant Chinese Document(s); and]

- (2) the Relevant Chinese Document(s) is/are the true and accurate translation of the English version(s) of the same documentation.

[*Name of the party issuing confirmation*]⁶ :

Name of authorized signatory :

Position of authorized signatory :

Signature :

⁶ Please refer to the FAQ relating to Investment-Linked Assurance Schemes which can be downloaded at http://www.sfc.hk/sfc/doc/EN/fags/products/faq_ilas_201006.pdf

Option 2: Two confirmations to be issued (comprising the First Confirmation and Second Confirmation below)

First Confirmation

To: Securities and Futures Commission (“SFC”)

From: [*Name and title of authorized signatory*]

Date: [*Date of application*] / [*Date prior to final authorization is given*]

Name of the scheme: [*] (the “Scheme”)

I hereby certify and confirm that I have appointed [*name of the translator*], who is fully conversant in the Chinese language and competent to review and ensure the truth and accuracy of the Chinese translation of [*name of relevant document(s)*] (the “Relevant Chinese Document(s)”) in respect of the Scheme, to review and ensure the truth and accuracy of the Relevant Chinese Document(s).

[*Name of the party issuing confirmation*]⁶ :

Name of authorized signatory :

Position of authorized signatory :

⁶ Please refer to the FAQ relating to Investment-Linked Assurance Schemes which can be downloaded at http://www.sfc.hk/sfc/doc/EN/faqs/products/faq_ilas_201006.pdf

Second Confirmation

To: Securities and Futures Commission (“SFC”)

From: [*Name and title of authorized signatory*]

Date: [*Date of application*] / [*Date prior to final authorization is given*]

Name of the scheme: [*] (the “Scheme”)

I hereby certify and confirm that (i) I have been appointed by [*name of appointing party*] to review the Chinese translation of [*name of relevant document(s)*] (the “Relevant Chinese Document(s)”) in respect of the Scheme; (ii) I am fully conversant in the Chinese language and competent to review and ensure the truth and accuracy of the Relevant Chinese Document(s); and (iii) the Relevant Chinese Document(s) is/are the true and accurate translation of the English version(s) of the same documentation.

[*Name of the translator*]⁶

:

Name of authorized signatory

:

Position of authorized signatory

:

⁶ Please refer to the FAQ relating to Investment-Linked Assurance Schemes which can be downloaded at http://www.sfc.hk/sfc/doc/EN/fags/products/faq_ilas_201006.pdf