



Circular No. ID 14/21

24 September 2021

To the Chief Executives of all Insurers

Dear Sir/Madam

## **AMENDMENTS TO MAS NOTICE 106**

### ***Amendments to MAS Notice 106***

The Monetary Authority of Singapore (“MAS”) has made amendments to the MAS Notice 106 (“the Notice”).

2 Currently, paragraph 8 of the Notice requires insurers to notify MAS of any proposed arrangements<sup>1</sup> relating to a director or key executive person<sup>2</sup> at least one month before it takes effect. In the notification, insurers are required to provide details and reason for the proposed arrangement, and an assessment of the board of directors on whether the proposed arrangement could result in conflict of interest or

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<sup>1</sup> Proposed arrangement includes an arrangement that results in a director or key executive person taking on additional executive officer position or directorship, or that results in a change in the reporting structure of a key executive person.

<sup>2</sup> Key executive person is defined in MAS Notice 106 as a person holding any of the following appointments: chief executive, deputy chief executive, chief financial officer of a Tier 1 insurer, chief risk officer of a Tier 1 insurer, appointed actuary, or certifying actuary.

hamper the director or key executive person from discharging his/her statutory duties. MAS has reviewed the requirement and has removed the above-mentioned notification requirement in relation to proposed arrangements for directors. This is in consideration that prior to every annual general meeting, the board of directors or nominating committee has the responsibility to assess whether the directors remain qualified for office under regulations 13(2)(b) and 22(2)(b) of the Insurance (Corporate Governance) Regulations 2013. It is also further stipulated in paragraph 4.4 of the Guidelines on Corporate Governance For Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers which are Incorporated In Singapore that the board of directors or nominating committee should assess, annually, whether a director is able to and has been adequately carrying out his duties as a director of the company, taking into consideration the director's board representations and other principal commitments.

3 While the notification requirement in relation to a key executive person's proposed arrangement remains, MAS has considered the feedback received from the industry, and has amended the Notice to allow insurers to notify MAS as soon as practicable in the event that it is not possible for the insurer to be aware of the additional appointment at least one month before it takes effect.

4 With reference to Circular ID 13/21 on Launch of Key Appointment Holders E-Service Module on MASNET, MAS will be launching the Key Appointment Holders ("KAH") e-service module on MASNET on 27 September 2021. The Notice has been amended to require insurers to submit KAH applications<sup>3</sup> via the KAH e-service module on MASNET and Appendix A of the Notice has been replaced with the new application form found in the KAH e-service module.

5 The amendments to the Notice will take effect on 27 September 2021. The revised Notice is available on the MAS website.

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<sup>3</sup> Please refer to Annex A of Circular number: ID 04/20 Online Submission of Applications for Approval of Key Officers dated 22 January 2020, for the list of KAH applications to be submitted via the KAH e-service module.

***Update on Consultation Paper on Legislative Changes Relating to Requirements on Key Executive Persons and Directors for Insurers***

6 In August 2012, MAS issued a consultation paper on “Legislative changes relating to requirements on key executive persons and directors for insurers”, and a consultation response was published on 21 May 2013. The consultation paper proposed to prescribe the roles, responsibilities and appointments of all key executive persons in a new set of regulations, and to repeal the Insurance (Actuaries) Regulations 2004. The intention was to consolidate, for ease of reference, the requirements relating to all key executive persons in a single piece of legislation. MAS has since reviewed the proposal and plans to instead provide other forms of guidance to the industry for ease of reference to MAS’ requirements, including requirements relating to key executive persons. Hence, MAS will not be issuing a new set of regulations, and will retain the existing Insurance (Actuaries) Regulations 2004. We will provide more details to the industry in due course.

7 If you have any queries, please contact your company’s liaison officer in MAS. Thank you.

Yours faithfully

[Sent via MASNET]

DANIEL WANG  
EXECUTIVE DIRECTOR  
INSURANCE DEPARTMENT