Monetary Authority of Singapore
10 Shenton Way MAS Building Singapore 079117 Telephone: (65) 6225 5577 Facsimile: (65) 6229 9229

Circular No: ID 02/25

27 March 2025

To the Chief Executives
All Licensed Insurers except for Captive Insurers, Marine Mutual Insurers and SPRVs
All Designated Financial Holding Companies (Licensed Insurer)

Dear Sir/Madam

**CONSULTATION PAPER ON PROPOSED EQUITY COUNTER-CYCLICAL ADJUSTMENT AND INCLUSION OF ADDITIONAL CRITERIA FOR ADDITIONAL TIER 1 AND TIER 2 CAPITAL INSTRUMENTS FOR INSURERS**

The Monetary Authority of Singapore (MAS) has issued the consultation paper on Proposed Equity Counter-cyclical Adjustment and Inclusion of Additional Criteria for Additional Tier 1 and Tier 2 Capital Instruments for Insurers today.

2 MAS is looking to finetune the enhanced risk-based capital framework ("RBC 2 framework") for insurers in Singapore, which has been implemented with effect from 31 March 2020. Such further enhancements will take into account, amongst others, global regulatory changes and market developments. MAS will continue to consult and engage the industry and public on the ongoing finetuning of the RBC 2 framework. For the purpose of this consultation paper, MAS is proposing the following:

(a) Introducing a counter-cyclical adjustment for the equity investment risk requirement; and
(b) Inclusion of additional criteria for Additional Tier 1 and Tier 2 capital instruments.

3 Please refer to Annex 1 for a copy of the consultation paper, which is also publicly available on the MAS website:

https://www.mas.gov.sg/publications/consultations/2025/consultation-paper-on-proposed-equity-cca-and-capital-instruments

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4 Please submit your comments on the consultation paper by 28 April 2025 via the link provided [Response to CP-P001-2025]. Thank you.

Yours faithfully

[sent via MASNET]

DANIEL WANG
EXECUTIVE DIRECTOR
INSURANCE DEPARTMENT

Monetary Authority of Singapore
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ANNEX 1 – CONSULTATION ON PROPOSED EQUITY COUNTER-CYCLICAL ADJUSTMENT AND INCLUSION OF ADDITIONAL CRITERIA FOR ADDITIONAL TIER 1 AND TIER 2 CAPITAL INSTRUMENTS FOR INSURERS

Consultation Paper
on Proposed Equity C