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

Circular No: ID 07/25

24 July 2025

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

Dear Sir/Madam

ISSUANCE OF CONSULTATION PAPER ON PROPOSED CHANGES TO THE GROUP CAPITAL FRAMEWORK FOR DESIGNATED FINANCIAL HOLDING COMPANIES (LICENSED INSURER)

The Monetary Authority of Singapore (MAS) has issued the consultation paper on Proposed Changes to the Group Capital Framework for Designated Financial Holding Companies (Licensed Insurer) ("DFHC (Licensed Insurer)") today.

2 MAS is looking to finetune the enhanced risk-based capital framework ("RBC 2 framework") for insurers in Singapore, which would encompass the group capital framework applicable to DFHC (Licensed Insurer). 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, we are proposing the following, specifically for the group capital framework:

(a) Incorporating the risk charging approach for non-insurance entities of a DFHC (Licensed Insurer);
(b) Enhancing the capital treatment for joint ventures of a DFHC (Licensed Insurer); and
(c) Introducing a limit to the recognition of capital from non-controlling interests in group financial resources.

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

Consultation Paper on Proposed Changes to the Group Capital Framework for Designated Financial Holding Companies (Licensed Insurer)

4 Please submit your comments on the consultation paper by 25 August 2025 via the link provided [link]. Thank you.

Yours faithfully

[sent via MASNET]

DANIEL WANG
EXECUTIVE DIRECTOR
INSURANCE DEPARTMENT

Monetary Authority of Singapore
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ANNEX 1

Group Capital
Notice- Consultation I