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

Circular No. ID 08/24

24 April 2024

To Chief Executive Officers
All Authorised Reinsurers

Dear Sir/Madam

ISSUANCE OF MAS NOTICE 135 ON BANK COVENANTS IN LIEU OF DEPOSITS

Under section 47(1) of the Insurance Act 1966 ("the Act"), an authorised reinsurer may lodge with the Monetary Authority of Singapore (MAS) a bank covenant that complies with the requirements imposed by MAS in lieu of the deposit required under section 46(1) of the Act.

2 With effect from 30 April 2024, MAS will be adopting eGuarantee@Gov[1] in relation to the bank covenants required from authorised reinsurers. Accordingly, MAS Notice 135 has been issued to replace MAS Notice IA/PP-N02.1a (Bank Covenants in lieu of Deposits). The new Notice is available on MAS website and it takes effect on 30 April 2024.

3 For avoidance of doubt, an authorised reinsurer that has lodged a bank covenant under MAS Notice IA/PP-N02.1a prior to 30 April 2024 shall be deemed to have complied with the requirements of MAS Notice 135, if that bank covenant remains effective and the sum in cash that the bank covenants to deposit with MAS on account of the authorised reinsurer's deposit under section 46(1) of the Act is an amount that is no less than the amount of reinsurance deposit to be maintained by the authorised reinsurer under regulation 4 of the Insurance (Authorised Reinsurers) Regulations.

4 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

[1] For more information on eGuarantee@Gov, please visit www.eguarantee.gov.sg.