Monetary Authority of Singapore
10 Shenton Way MAS Building Singapore 079117

Circular No: ID 12/25

9 October 2025

To 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 INCLUSION OF ADDITIONAL CRITERIA FOR ADDITIONAL TIER 1 AND TIER 2 CAPITAL INSTRUMENTS FOR INSURERS – RESPONSE TO FEEDBACK

On 27 March 2025, MAS issued a consultation paper to seek feedback on the proposed equity counter-cyclical adjustment (CCA) and inclusion of additional criteria for Additional Tier 1 (AT1) and Tier 2 capital instruments for insurers.

2 MAS would like to thank all respondents for their feedback on the proposals. MAS' responses to the feedback received on the proposed equity CCA for insurers under the RBC 2 framework were issued on 25 August 2025. We have carefully considered the remaining comments received and our response for the inclusion of additional criteria for AT1 and Tier 2 capital instruments is now available on the MAS website (link).

3 We plan to proceed with the proposal to recognise a capital instrument issued by insurer as AT1 or Tier 2 Capital under the RBC 2 framework if the capital instrument is sold only to a person that is not a retail investor in Singapore, with effect from 1 January 2026. After considering feedback from the industry, MAS has decided not to include point of non-viability features in the AT1 and Tier 2 capital instruments within the RBC 2 framework, at this juncture.

4 Please contact your company's liaison officer in MAS should you have any queries.

Yours faithfully

[sent via MASNET]

DANIEL WANG
EXECUTIVE DIRECTOR
INSURANCE DEPARTMENT