Monetary Authority of Singapore
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Circular No: ID 13/23

15 November 2023

To 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 THE GROUP CAPITAL NOTICE FOR DESIGNATED FINANCIAL HOLDING COMPANIES (LICENSED INSURER) ("MAS NOTICE FHC-N133")

The Monetary Authority of Singapore ("MAS") has issued MAS Notice FHC-N133 that applies to any designated financial holding company that has a subsidiary that is a licensed insurer incorporated, formed or established in Singapore ("DFHC (Licensed Insurer)") today. MAS Notice FHC-N133 sets out the valuation and capital requirements for a DFHC (Licensed Insurer) based on the enhanced valuation and capital framework ("RBC 2") consolidation approach.

2 MAS has incorporated feedback received from the October 2022 public consultation, thus MAS Notice FHC-N133 includes refinements to the approach to determine the interest rate mismatch risk requirement and the scope of the FHC group[1] in the calculation to determine whether it satisfies the capital adequacy requirement. There are also other changes made to improve the clarity of the requirements and guidelines set out in the Notice.

3 As communicated in the Response Paper issued in July 2023, MAS Notice FHC-N133 will come into effect on 1 January 2024. Accordingly, a DFHC (Licensed Insurer) has to prepare the statutory returns for the quarter ending 31 March 2024 based on MAS Notice FHC-N133 and the revised MAS Notice FHC-N129. The revised MAS Notice FHC-N129 will be issued before the end of this year. Besides the statutory returns in MAS Notice FHC-N129, the DFHC (Licensed Insurer) should also complete the "MAS_RBC 2 Group Capital Workbook" which is available on MAS website. The completed workbook should be submitted by the DFHC (Licensed Insurer) to the company's liaison officer in MAS.

[1] "FHC group", in relation to a financial holding company, means the financial holding company, its subsidiaries and any other company or entity treated as part of the financial holding company's group of companies according to the Accounting Standards.

4 If you have queries on this matter, please contact your company’s liaison officer in MAS.

Yours faithfully

[sent via MASNET]

DANIEL WANG
EXECUTIVE DIRECTOR
INSURANCE DEPARTMENT