Monetary Authority of Singapore

December 2024

Guidelines to MAS Notice 134 on Recovery and Resolution Planning

CONTENTS

1 Introduction

1.1. Recovery and resolution planning is an important process to address potential negative externalities posed by an insurer or a DFHC (Licensed Insurer) in the event of distress or failure. A recovery plan outlines actions that an insurer or a DFHC (Licensed Insurer) can take to stabilise and restore its financial strength and viability under situations of severe stress. Resolution planning mitigates the risks posed by a distressed insurer or DFHC (Licensed Insurer) to the stability of the financial system, ensure the continuity of functions that are critical to the economy, and allow a distressed insurer or DFHC (Licensed Insurer) to be restructured or to exit the market in an orderly manner. The Monetary Authority of Singapore ("the Authority") requires insurers and DFHC (Licensed Insurer)s notified by the Authority to comply with the requirements set out in MAS Notice 134 on Recovery and Resolution Planning ("Notice 134"). These Guidelines provide further guidance and elaboration on these requirements, and should be read in conjunction with Notice 134.

1.2. The recovery and resolution planning process is an iterative one. The Authority will engage and collaborate closely with notified insurers and notified DFHC (Licensed Insurer)s to clarify their obligations and the Authority's expectations with regard to the recovery and resolution plan as part of the Authority's supervisory interaction with the notified insurers and notified DFHC (Licensed Insurer)s.

1.3. These Guidelines take effect on 1 January 2025.

2 Definitions

2.1. In these Guidelines –

"core business lines" are business lines that are material to the notified insurer's or notified DFHC (Licensed Insurer)'s franchise value or will cause serious impact to the group if there is discontinuation without contingency arrangements made;

"designated financial holding company" has the meaning given by section 2(1) of the Financial Holding Companies Act 2013;

"DFHC (Licensed Insurer)" means a designated financial holding company that has a subsidiary that is a licensed insurer incorporated, formed or established in Singapore;

"licensed insurer" means an insurer licensed under section 11 of the Insurance Act 1966;

"notified DFHC (Licensed Insurer)" means a DFHC (Licensed Insurer) which has received a direction issued by the Authority under section 52(1) of the Financial Services and Markets Act 2022 ("FSM Act"); and

"notified insurer" means a licensed insurer which has received a direction issued by the Authority under section 52(1) of the FSM Act.

2.2. Except where defined in these Guidelines or if the context otherwise requires, the expressions used in these Guidelines have the same meanings as in the FSM Act and Notice 134.

3 Recovery Planning

3.1 General

3.1.1. A notified DFHC (Licensed insurer) should undertake recovery planning on a consolidated basis, taking into consideration the holding company, local and overseas subsidiaries and branches, as well as any material non-insurance legal entities. For a notified DFHC (Licensed Insurer) which is a subsidiary of another parent insurer or bank, it should ensure that the recovery plan is prepared in consultation with its parent company.

3.1.2. For a notified insurer, it should ensure that the recovery plan is prepared in consultation with its parent company or head office (where relevant). Where a group recovery plan exists, it is important to ensure alignment between the group recovery plan and the notified insurer's recovery plan, and for the notified insurer to identify and document applicable dependencies on the group recovery plan in its own recovery plan.

3.1.3. The recovery plan should take into account any legal, reputational and operational impediments to recovery.

3.1.4. The notified insurer and notified DFHC (Licensed Insurer) should put in place a robust governance structure and sufficient resources to support its recovery planning process. The roles and responsibilities of each person involved in the recovery planning process should be clearly assigned within the notified insurer and notified DFHC (Licensed Insurer) and specified in the recovery plan. This should include the executive officers, committees and business or functional units, the parent company or head office (where relevant), and overseas subsidiaries/branches (for notified DFHC (Licensed Insurer)).

3.1.5. The recovery planning process should be integrated into a notified insurer's and a notified DFHC (Licensed Insurer)'s overall governance processes and risk management framework. This includes the development, review, approval, monitoring, escalation, activation and implementation of the recovery plan.

3.1.6. The recovery plan should reflect the nature, size, complexity, interconnectedness, level of substitutability and scale of the cross-border operations of the notified insurer and notified DFHC (Licensed Insurer).

3.1.7. The recovery plan should take into account specific circumstances of the notified insurer and notified DFHC (Licensed Insurer), including the unique organisational and legal structure, business model, risk profile, characteristics of the markets the notified insurer and notified DFHC (Licensed Insurer) operate in, amongst others.

3.1.8. The notified insurer and notified DFHC (Licensed Insurer) should not assume extraordinary assistance from the Authority or from authorities of other jurisdictions.

3.1.9. The notified insurer and notified DFHC (Licensed Insurer) should establish a formal process for reviewing and updating the recovery plan at least annually, and upon the occurrence of an event that could materially impact the recovery plan.

3.1.10. The notified insurer and notified DFHC (Licensed Insurer) should review the findings from the tests on the feasibility, credibility and effectiveness of its recovery plan and improve its recovery plan where necessary. Findings from these tests should be used to improve the recovery plan.

3.2 Recovery Triggers

3.2.1 The notified insurer and notified DFHC (Licensed Insurer) should identify and develop criteria and procedures that are clearly defined and calibrated to trigger timely activation and implementation of recovery options within the recovery plan. The recovery plan should clearly indicate the actions to be taken upon the occurrence of a trigger event.

3.2.2 In formulating the recovery triggers, the notified insurer should consider stress scenarios that are sufficiently severe to threaten the going concern and survivability of the notified insurer, while the notified DFHC (Licensed Insurer) should consider the same for the notified DFHC (Licensed Insurer) and its group. The notified insurer and notified DFHC (Licensed Insurer) should consider both idiosyncratic and market-wide stress scenarios, including the potential impact of cross-border contagion, as well as simultaneous stress situations in markets that are significant to the notified insurer and notified DFHC (Licensed Insurer).

3.2.3 The recovery triggers should be comprehensive and robust, and incorporate leading indicators where possible. The notified insurer and notified DFHC (Licensed Insurer) should consider a combination of quantitative and qualitative indicators. The indicators should be calibrated to be sufficiently sensitive to emerging signs of stress, and provide enough time for the implementation of recovery options.

3.2.4 The notified insurer and notified DFHC (Licensed Insurer) should implement processes and have sound management information systems to monitor these recovery triggers. The recovery triggers should be monitored on a regular basis to allow timely activation and implementation of recovery options where necessary. These triggers would also serve as a reference for the notified insurer and notified DFHC (Licensed Insurer) to assess whether the recovery actions have succeeded in restoring financial strength and viability.

3.3 Recovery Options

3.3.1. The menu of recovery options should specify measures that are within the direct control of the notified insurer and notified DFHC (Licensed Insurer). Where the execution of any recovery option is dependent on other entities or stakeholders, for example, the parent company or head office, these dependencies and the processes to coordinate the execution of the recovery options, should be clearly set out in the recovery plan.

3.3.2. The notified insurer and notified DFHC (Licensed Insurer) should detail, in the recovery plan, the steps and estimated time needed to implement each recovery option, the underlying assumptions for each recovery option, as well as the circumstances which could render the option unavailable. The compatibility of recovery options should also be assessed to ascertain if actions can be used in combination, or if any action constrains the use of subsequent actions.

3.3.3. The notified insurer and notified DFHC (Licensed Insurer) should assess the potential effectiveness and feasibility of each recovery option. This should take into account the impact, timeliness, ease of execution and any associated risks that may arise from implementing the recovery option. Both quantitative and qualitative (e.g. reputational and operational) impact should be considered. The financial impact of recovery options to recapitalise or to restore liquidity shortfall should be quantified. For options that take an extended period to execute, steps should be taken through ex-ante preparations to reduce the time taken to implement the options.

3.3.4. The recovery plan should include measures to reduce the risk profile of the notified insurer's and notified DFHC (Licensed Insurer)'s group and conserve capital, as well as strategic options, such as the divestiture of business lines and restructuring of liabilities.

3.3.5. Where the recovery plan of the notified insurer or notified DFHC (Licensed Insurer) includes disposal options of a part or the whole of the notified insurer or notified DFHC (Licensed Insurer) or its business or assets, the notified insurer and notified DFHC

(Licensed Insurer) should also establish processes for determining the value and marketability of such operations, businesses and assets.

3.3.6. The notified insurer and notified DFHC (Licensed Insurer) should identify the potential hurdles, challenges and constraints that it may face for each recovery option. These should be documented in the recovery plan, along with the measures that the notified insurer or notified DFHC (Licensed Insurer) intends to take to address these impediments.

3.4 Communication

3.4.1. The communication plan should address communications with relevant stakeholders, including shareholders, employees, key group entities, customers, regulators and the media, and provide guidance on how communications can be tailored for different stress scenarios and recovery options.

3.4.2. The communication plan should also specify the roles and responsibilities of persons involved in the communication to stakeholders, and include ready templates where applicable.

4 Resolution Planning

4.1 General

4.1.1 Resolution plans developed by the Authority facilitate the effective use of resolution powers with the aim of making feasible the resolution of a notified insurer or a notified DFHC (Licensed Insurer) without severe systemic disruption while protecting systemically important functions. Resolution planning involves developing a substantive resolution strategy for a notified insurer or a notified DFHC (Licensed Insurer) and an operational plan for the implementation of the resolution strategy.

4.1.2 The notified insurer and notified DFHC (Licensed Insurer) should maintain the essential information to facilitate resolution planning.

4.1.3 The notified insurer and notified DFHC (Licensed Insurer) should inform the Authority in the event of a material change to the notified insurer's or notified DFHC (Licensed Insurer)'s business or structure, so as to facilitate resolution planning.

4.1.4 Paragraphs 4.2.1 to 4.2.3 and 4.2.4 to 4.2.6 set out guidance on the information requirements for notified DFHC (Licensed Insurer)s and notified insurers, respectively.

4.1.5 The resolution plan is expected to include, amongst others, information on:

(a) functions for which continuity is critical;

(b) resolution options to preserve these critical functions or wind them down in an orderly manner;

(c) data requirements on the notified insurer's and notified DFHC (Licensed Insurer)'s business operations, structures, and critical functions;

(d) potential barriers to effective resolution and actions to mitigate those barriers;

(e) actions to protect policyholders; and

(f) options or principles for the notified insurer's and notified DFHC (Licensed Insurer)'s exit from the resolution process.

4.2 Information Requirements

Notified DFHC (Licensed Insurer)

4.2.1 A notified DFHC (Licensed Insurer) should maintain the required information for resolution planning on a consolidated basis, taking into consideration local and overseas subsidiaries and branches, as well as any material non-insurance legal entities ("consolidated group").

4.2.2 A notified DFHC (Licensed Insurer) should establish communication facilities and procedures for providing relevant stakeholders with access to information during resolution.

4.2.3 A notified DFHC (Licensed Insurer) should maintain the following information for resolution planning:

(a) Organisational structure

(i) A complete organisational chart detailing the legal structure, relationships and shareholdings of all entities[1] within the consolidated group;

(ii) A list of entities within the consolidated group that are assessed by the notified DFHC (Licensed Insurer) to be material ("material entities")[2] and the factors or criteria used by the notified DFHC (Licensed Insurer) to assess their materiality; and

(iii) A list of entities that are systemically significant or critical to the domestic economy and financial markets of the jurisdictions they operate in.

(b) Material entities

In relation to each material entity -

(i) The name of the entity and place of incorporation or operation;

[1] "Entities" include insurance and non-insurance subsidiaries, branches and affiliates.

[2] "Material entities" could be identified through each entity's contribution to the group's balance sheet (e.g. total assets) and profit and loss statement (e.g. gross premium or net income), or by other relevant criteria or factors that the DFHC (Licensed Insurer) uses.

(ii) The names of directors, executive officers and key crisis management personnel and their contact information;

(iii) The unconsolidated financial statements, including:

(A) a list of assets that are encumbered and whether they are intra-group or external encumbrances; and

(B) a list of invested assets and the custody arrangements.

(iv) A description of the business activities or functions within each material entity, including the products/services offered, its geographical reach, customer segments, and contribution to the consolidated group based on internal metrics such as gross premiums or assets; and

(v) Information on material operational dependencies within the consolidated group or on third parties, including:

(A) the name, designation, contact information, and location of key staff;

(B) the location and name of the entity hosting the systems and data;

(C) the location and name of the entity hosting the backup systems and data;

(D) the name, designation, contact information, and location of key support personnel; and

(E) the details of any processes to support retention of key staff and key support personnel.

(c) Information on all policies issued by each insurance subsidiary and branch, including the number and type of insurance policies, benefits due to each policy owner, and details of eligibility for protection under policy owner protection schemes and the scope of protection for eligible policy owners.

(d) Core business lines

(i) A list of the business lines that are assessed by the consolidated group to be material, and the factors or criteria used to assess their materiality.

(ii) In relation to each core business line –

(A) A list of the entities involved in operating the business line;

(B) The location of these entities;

(C) Whether the entities are regulated in their respective jurisdictions and the authorities in charge[3];

(D) Information on the location and name of the entity (or a support unit within the entity) that processes transactions for the business line identified; and

(E) Information on material operational dependencies within the consolidated group or on third parties, including:

(I) the name, designation, contact information, and location of key staff;

(II) the location and name of the entity hosting the systems and data;

(III) the location and name of the entity hosting the backup systems and data; and

(IV) the name, designation, contact information, and location of key support personnel; and

(V) the details of any processes to support retention of key staff and key support personnel.

(e) Critical functions

(i) A list of functions performed by the consolidated group that are assessed to be critical functions;

(ii) The relevant metrics used to assess criticality of functions;

(iii) A mapping of the critical functions to the material entities under which they are conducted; and

[3] Both the names of the supervisory and the resolution authority should be provided if these roles are played by different agencies.

(iv) An assessment on impact of cessation of critical functions.

(f) Dependencies

(i) Capital allocation and mobility

To provide for each material entity –

(A) A breakdown of regulatory capital;

(B) A breakdown of capital currently allocated[4]; and

(C) The notified DFHC (Licensed Insurer)'s analysis and planning assumption with regard to the mobility of capital amongst entities within the consolidated group.

(ii) Critical shared services

(A) A list of critical shared services;

(B) A mapping of the critical shared services to the entities under which they are conducted, and a mapping of all service agreements which are material and all internal service-level agreements to the entities which have entered into the agreements;

(C) The relevant criticality metrics used to assess critical shared services; and

(D) Information on critical shared services, including:

(I) the name, designation, contact information, and location of key staff;

(II) the location and name of the entity hosting the systems and data;

(III) the location and name of the entity hosting the backup systems and data; and

(IV) the name, designation, contact information, and location of key support personnel; and

[4] This includes capital that does not qualify as regulatory capital.

(V) the details of any processes to support retention of key staff and key support personnel.

(iii) Information on reinsurance arrangements for each insurance subsidiary and branch held by the DFHC (Licensed Insurer).

(iv) Intra-group guarantees

(A) A description of how and when intra-group guarantees are used;

(B) The type of intra-group guarantees extended; and

(C) The circumstances under which the guarantees will be enforced.

(v) Funding arrangements

(A) A description of funding arrangements within the consolidated group, including the main sources of funding and intra-group flows of funds. Branches and subsidiaries that play significant roles in intra-group funding should be highlighted;

(B) A list of significant intra-group balances;

(C) Information on major funding sources other than that described in paragraphs 4.2.3(f)(v)(A) and 4.2.3(f)(v)(B); and

(D) Identification and details of necessary funding strategies to maintain adequate liquidity in relevant currencies.

(vi) Financial institution counterparties

(A) A list of financial institution counterparties that the consolidated group or its material entities have significant dealings or relationships with, and the key metrics or indicators that the notified DFHC (Licensed Insurer) measures, such as ceded premiums, sum (re)insured, etc.

(vii) Joint ventures and alliances

(A) A list of joint ventures and alliances that the notified DFHC (Licensed Insurer) has entered into, with the name and an overview of the roles and responsibilities of each joint venture partner.

(viii) Payment and settlement services, clearing services, cash services and other services

(A) A list of services and functions provided by external parties to the DFHC (Licensed Insurer);

(B) The relevant metrices such as transaction and flow volumes on an average day;

(C) A list of interfaces with the systems identified above; and

(D) The location of users with the authority to administer access to the systems. If system access is effected by a user who is different from a user with the authority to administer access to the systems, the location for both sets of users.

(ix) Others

(A) A description of any other significant linkages and dependencies amongst the material entities within the consolidated group or with external entities that are not already covered above, and the notified DFHC (Licensed Insurer)'s assessment of possible external factors or internal constraints that could impact such linkages and dependencies.

(g) Contingency analysis

(i) The notified DFHC (Licensed Insurer)'s assessment of the extent to which entity-specific information is available upon request by authorities in respect of the notified DFHC (Licensed Insurer)'s recovery and resolution planning;

(ii) The notified DFHC (Licensed Insurer)'s assessment of the extent to which material entities, core business lines, and critical functions, can be separated from the consolidated group, taking into consideration staffing, technology, operations, intra-group and external dependencies, legal and other aspects, in order to enable the consolidated group to continue operating with minimal disruption; and

(iii) The notified DFHC (Licensed Insurer)'s assessment of financial resources needed in resolution, including resources needed to support the continuity or mitigate the service disruption of any critical shared services.

(h) Foreign jurisdictions

(i) A description of the legal and regulatory frameworks of the foreign jurisdictions in which the notified DFHC (Licensed Insurer)'s group operates, including the resolution and insolvency regimes of each jurisdiction.

Notified insurers

4.2.4 A notified insurer should maintain the required information for resolution planning for its material subsidiaries and branches.

4.2.5 A notified insurer should establish communication facilities and procedures for providing relevant stakeholders with access to information during resolution, particularly stakeholders in Singapore.

4.2.6 A notified insurer should maintain the following required information for resolution planning:

(a) Organisational structure

(i) A complete organisational chart detailing the legal structure, relationships and shareholdings of all entities[5] held by the notified insurer that have linkages or dependencies with operations in Singapore; and

(ii) A listing of entities within the group that have linkages or dependencies with operations in Singapore, and that are assessed to be material to the operations in Singapore ("material entities")[6], and the factors or criteria used to assess their materiality.

(b) Material entities

[5] "Entities" include insurance and non-insurance subsidiaries, branches and affiliates.

[6] "Material entities" could be identified through each entity's contribution to the notified insurer's balance sheet (e.g. total assets) and profit and loss statement (e.g. gross premium or net income), or by other relevant criteria or factors that the notified insurer uses.

In relation to each material entity -

(i) The name of the entity and place of incorporation or operation;

(ii) The names of directors, executive officers and key crisis management personnel and their contact information;

(iii) The unconsolidated financial statements, including:

(A) a list of assets that are encumbered and highlight if they are intra-group or external encumbrances;

(B) a list of invested assets and the custody arrangements.

(iv) A description of the business activities or functions within each material entity, including the products/services offered, its geographical reach, customer segments, and contribution to the group based on internal metrics such as gross premiums or assets; and

(v) Information on material operational dependencies within the group or on third parties, including:

(A) the name, designation, contact information, and location of key staff;

(B) the location and name of the entity hosting the systems and data;

(C) the location and name of the entity hosting the backup systems and data;

(D) the name, designation, contact information, and location of key support personnel; and

(E) the details of any processes to support retention of key staff and key support personnel.

(c) Information on all policies issued by the notified insurer and each of its insurance subsidiary and branch, including the number and type of insurance policies, benefits due to each policy owner, and details of eligibility for protection under policy owner protection schemes and the scope of protection for eligible policy owners.

(d) Core business lines

(i) A list of the core business lines in Singapore, and the factors or criteria used to assess their materiality to the operations in Singapore; and

(ii) In relation to each core business line in Singapore –

(A) A list of the other entities of the group that are involved in operating the business line;

(B) The location of these entities;

(C) Whether the entities are regulated in their respective jurisdictions and the authorities in charge[7];

(D) Information on the location and name of the entity (or a support unit within the entity) that processes transactions for the business line identified; and

(E) Information on material operational dependencies within the group or on third parties, including:

(I) the name, designation, contact information, and location of key staff;

(II) the location and name of the entity hosting the systems and data;

(III) the location and name of the entity hosting the backup systems and data; and

(IV) the name, designation, contact information, and location of key support personnel; and

(V) the details of any processes to support retention of key staff and key support personnel.

(e) Critical functions

(i) A list of functions performed by the notified insurer that are assessed to be critical functions;

[7] Both the names of the supervisory and the resolution authority should be provided if these roles are played by different agencies.

(ii) The relevant metrics used to assess criticality of functions;

(iii) A mapping of the critical functions to the material entities under which they are conducted; and

(iv) An assessment on impact of cessation of critical functions.

(f) Dependencies

(i) Capital allocation and mobility

To provide for each material entity –

(A) A breakdown of regulatory capital;

(B) A breakdown of capital currently allocated[8]; and

(C) The notified insurer's analysis and planning assumption with regard to the mobility of capital amongst entities held by the notified insurer.

(ii) Critical shared services

(A) A list of critical shared services for the notified insurer;

(B) A mapping of the critical shared services to the entities under which they are conducted, and a mapping of all service agreements which are material and all internal service-level agreements to the entities which have entered into the agreements; and

(C) The relevant criticality metrics used to assess critical shared services; and

(D) Information on critical shared services, including:

(I) the name, designation, contact information, and location of key staff;

(II) the location and name of the entity hosting the systems and data;

[8] This includes capital that does not qualify as regulatory capital.

(III) the location and name of the entity hosting the backup systems and data; and

(IV) the name, designation, contact information, and location of key support personnel; and

(V) the details of any processes to support retention of key staff and key support personnel.

(iii) Information on reinsurance arrangements for the notified insurer and each insurance subsidiary and branch held by the notified insurer.

(iv) Intra-group guarantees

(A) A description of how and when intra-group guarantees are used;

(B) The type of intra-group guarantees extended; and

(C) The circumstances under which the guarantees will be enforced.

(v) Funding arrangements

(A) A description of funding arrangements between the notified insurer and other group entities, including the main sources of funding and intra-group flows of funds. Branches and subsidiaries that play significant roles in intra-group funding should be highlighted;

(B) A list of significant intra-group balances;

(C) Information on major funding sources other than that described in paragraphs 4.2.6(f)(v)(A) and 4.2.6(f)(v)(B); and

(D) Identification and details of funding strategies to maintain adequate liquidity in relevant currencies.

(vi) Financial institution counterparties

(A) A list of financial institution counterparties that the notified insurer has significant dealings or relationships with, and the key metrics or indicators that the notified insurer measures, such as the ceded premiums, sum (re)insured, etc.

(vii) Joint ventures and alliances

(A) A list of joint ventures and alliances that the notified insurer has entered into, with the name and an overview of the roles and responsibilities of each joint venture partner.

(viii) Payment and settlement services, clearing services, cash services and other services

(A) A list of services and functions provided by external parties to the notified insurer;

(B) The relevant metrices such as transaction and flow volumes on an average day;

(C) A list of interfaces with the systems identified above; and

(D) The location of users with the authority to administer access to the systems. If system access is effected by a user who is different from a user with the authority to administer access to the systems, the location for both sets of users.

(ix) Others

(A) A description of any other significant linkages and dependencies between the notified insurer and other entities within the group or external entities that are not already covered above, and the notified insurer's assessment of possible external factors or internal constraints that could impact such linkages and dependencies.

(g) Contingency analysis

(i) The notified insurer's assessment of the extent to which entity-specific information is available upon request by regulators in respect of the notified insurer's recovery and resolution planning;

(ii) The notified insurer's assessment of the extent to which material entities, core business lines, and critical functions, can be separated from the group, taking into consideration staffing, technology, operations, intra-group and external dependencies, legal and other aspects, in order to enable the group to continue operating with minimal disruption; and

(iii) The notified insurer's assessment of financial resources needed in resolution, including resources needed to support the continuity or mitigate the service disruption of any critical shared services.

(h) Foreign jurisdictions

(i) A description of the legal and regulatory framework of the foreign jurisdictions (including the resolution and insolvency regimes of the jurisdictions) in which the notified insurer's parent company or head office is headquartered, and in jurisdictions where the notified insurer's subsidiaries or branches operate. Where the resolution authority responsible for implementing the notified insurer's resolution plan is located in another jurisdiction, the notified insurer should also include a description of the legal and regulatory framework of that jurisdiction.

5 Management Information Systems

5.1 The notified insurer and notified DFHC (Licensed Insurer) should maintain management information systems that are capable of producing information necessary for recovery and resolution planning, resolvability assessment and the conduct of resolution. Such information should be produced in a timely manner, whenever requested by the Authority.

5.2 In relation to management information systems, the notified insurer and notified DFHC (Licensed Insurer) should:

(a) maintain a detailed inventory, including a description and the location of the key management information systems used in its material entities, mapped to its critical functions and critical shared services;

(b) identify and address exogenous legal constraints on the exchange of management information among the constituent entities of a group;

(c) demonstrate as part of the recovery and resolution process, that the notified insurer or notified DFHC (Licensed Insurer) is able to produce the essential information needed to implement such plans within a short period of time, including, for example, information on the source, use and positioning of liquidity and any unencumbered collateral; and

(d) maintain specific information at a legal entity level, including, for example, information on intra-group guarantees and intra-group balances.

5.3 The notified insurer and notified DFHC (Licensed Insurer) should maintain up-to-date details of financial contracts entered into by the notified insurer or notified DFHC (Licensed Insurer), including records of counterparties. The notified insurer and notified DFHC (Licensed Insurer) may maintain such information through a global system as long as they are able, at any point in time, to identify the relevant information in respect of the specific financial contracts under Singapore's resolution regime. Similarly, the notified insurer and notified DFHC (Licensed Insurer) should maintain up-to-date details of non-financial contracts pertaining to its critical functions and critical shared services.

6 Operational Continuity

6.1 The notified insurer and notified DFHC (Licensed Insurer) should ensure that they have in place appropriate contingency arrangements that enable their critical functions and critical shared services to continue to operate while resolution or recovery measures are being implemented. This may include but is not limited to arrangements to enable the functioning of IT systems, supplier and employee contracts, and arrangements to ensure continued rights of use and access to operational assets such as property and office space.

6.2 The notified insurer and notified DFHC (Licensed Insurer) should put in place adequate measures such that outsourcing arrangements and third-party arrangements which support critical functions and critical shared services can be maintained in crisis situations and in resolution. The underlying contracts should include provisions that prevent termination from being triggered by recovery or resolution events and facilitate transfer of the contract to a bridge institution or a third party acquirer where necessary.

6.3 Where relevant, notified insurer and notified DFHC (Licensed Insurer) should engage financial market infrastructures (FMIs) and FMI intermediaries to establish procedures that would be triggered by the notified insurer's or notified DFHC (Licensed Insurer)'s entry into resolution, and the terms and conditions under which access can be maintained. The notified insurer and notified DFHC (Licensed Insurer) should also prepare contingency plans to maintain access to FMIs in crisis situations and in resolution.

6.4 The notified insurer and notified DFHC (Licensed Insurer) should assess the additional requirements that may be needed in order to maintain its membership in FMIs during crisis situations. The notified insurer and notified DFHC (Licensed Insurer) should identify options for addressing the additional requirements, for example, a plan for the sourcing of additional collateral, and assessment of potential constraints on the notified insurer's and notified DFHC (Licensed Insurer)'s total payment flows.