

Notice No : **MAS 105**
Issue Date : **26 January 2004**

APPOINTMENT OF CUSTODIAN AND FUND MANAGER

Introduction

1. This Notice is issued pursuant to section 64(2) of the Insurance Act (Cap. 142) [“the Act”] and applies to all registered insurers.

Definition

2. The expressions used in this Notice shall have the same respective meanings as in the Act.

Appointment of overseas custodian

Mandatory requirement

3. A registered insurer shall lodge with the Authority within 3 months from the last day of the accounting period a statement in the format set out in Appendix A of this Notice setting out:

(a) the list of the assets of all insurance funds established and maintained under the Act by the insurer (“insurance fund assets”) where documents evidencing titles are kept by custodians for the insurer as at the end of that accounting period; or

(b) a nil return, where the registered insurer as at the end of the accounting period:

(i) does not have such insurance fund assets; or

(ii) has not as yet established and maintained insurance funds for its policies.

[MAS 105 (Amendment) 2010]

Non-mandatory best practice standards

4. The Authority expects insurers, as a matter of good corporate governance, to exercise due care and diligence when they appoint overseas custodians. Insurers should have in place systems or controls to monitor the appropriateness of maintaining assets with overseas custodians. Before appointing any overseas custodian, an insurer should

consider the candidate's practices, procedures, internal controls, financial strength, general reputation and standing.

5. An overseas custodian should have financial strength rating of at least investment grade (a rating of BBB by Standard and Poors or its equivalent). Where the candidate does not meet this financial strength benchmark, the insurer should exercise added care and prudence in assessing the quality of the candidate to ensure safe custody of insurance fund assets.

Appointment of fund manager

6. A registered insurer shall notify the Authority prior to —
- (a) any appointment of a person to act as a fund manager for the insurer; or
 - (b) the revocation of any such appointment.

Contravention of requirements imposed

7. Contravention of any requirement set out in paragraph 3 or 6 of this Notice is an offence and attracts the penalty specified in section 55(2) of the Act.

Commencement and cancellation

8. This Notice shall take effect on 26 January 2004. MAS Notice 105 dated 10 January 2002 is cancelled.

PARTICULARS OF LIFE/GENERAL INSURANCE FUND ASSETS WHERE DOCUMENTS EVIDENCING TITLES
ARE HELD BY CUSTODIANS AS AT 31 DEC _____

NAME AND ADDRESS OF CUSTODIAN*:

	Description of assets (1)	Market value (2) S\$	Book value (3) S\$	Name and address of owner shown in the title (4)	Address/place of custody (5)	Change in custodian since previous return (6)
I	Singapore Insurance Fund <Particulars of assets and identity of documents>					
II	Offshore Insurance Fund <Particulars of assets and identity of documents>					

* A separate appendix shall be prepared for each custodian.