

Summary of amendments to the Risk-Based Capital Framework for Insurers (RBC)

A. Issuance date: 17 December 2018

1. The issuance of this RBC is to introduce a new policy with respect to the assets pledged for the purpose of repurchase agreement (repo) and to clarify submission requirements by the licensed insurers.
2. The specific updates in the relevant paragraphs in this RBC are listed in the table below.

No.	Changes	References
1	<p>Amendments to deduction from total capital available (TCA)</p> <p>Assets pledged for a repurchase agreement (repo) entered into by a licensed insurer are recognised under the TCA, subject to a limit.</p>	<p>(i) Paragraph 4.2 (Part A Overview)</p> <p>(ii) Paragraph 8.2 (Part B Capital Adequacy)</p>
2	<p>Editorial updates and clarification</p> <p>(i) Submission of RBC reporting forms</p> <p>(ii) Submission of supplementary information on sources of surplus arising</p> <p>(iii) Updated references to the RBC Reporting Forms in the prescribed format of the actuarial valuation report</p> <p>(iv) Deletion of appendices containing extracts and abridged version of the RBC Reporting Forms as direct references have been provided in Appendix VII(a) (Sections B and E)</p>	<p>Paragraph 26.5 (Part G Relevant Issues)</p> <p>Paragraph 26.6 (Part G Relevant Issues)</p> <p>Appendix VII(a) (Sections B and E)</p> <p>(i) Appendix VII(a)(i)</p> <p>(ii) Appendix VII(b)(ii)</p>

B. Issuance date: 31 May 2017

1. The issuance of this RBC is to update its content to align with the provisions under the Financial Services Act 2013 (FSA). Please note that the changes in this RBC Framework include the following:
 - (a) references to the repealed Insurance Act 1996 and the Banking and Financial Institutions Act 1989 have been substituted with the corresponding provisions under FSA and any other relevant legal instruments or documents currently applicable to the licensed insurers, as the case may be;
 - (b) deletion of appendix IX on the Appointed Actuary and Signing Actuary which were superseded by the policy document on Appointed Actuary: Appointment and Duties issued on 28 April 2014; and

(c) general editorial amendments to enhance clarity.

2. The specific updates in the relevant paragraphs in this RBC are listed in the table below.

No.	Changes	References
1	<p>Updates to Legal Provisions paragraph to align with the FSA effective 1 June 2017:</p> <p>(i) Revocation of licensing condition on imposition of the RBC to licensed insurers; and</p> <p>(ii) Specification of RBC as prudential standards pursuant to section 47 of the FSA and application of section 143 on requirement relating to submission of documents or information to the Bank.</p>	Paragraph 2.1 and paragraph 4.1 (Part A Overview)
2	<p>Deletion of superseded requirements</p> <p>Appointed Actuary and Signing Actuary</p>	Appendix IX Appointed Actuary and Signing Actuary
3	<p>Updates on references to repealed Act</p> <p>(i) Replacement of references to provisions under the repealed Insurance Act 1996 (IA) with corresponding provisions under FSA</p> <p>(ii) Replacement of references to provisions under the IA (without corresponding provisions under FSA) with appropriate references to the policy document on Management of Insurance Funds issued on 28 June 2013</p>	<p>(i) Paragraph 17.1 (Part D Valuation of Assets and Liabilities)</p> <p>(ii) Paragraph 27.1 (Part G Relevant Issues)</p> <p>(i) Paragraph 8.1(iii) Footnote 7 under Part B Capital Adequacy</p> <p>(ii) Paragraph 4.1 (Appendix VI Valuation Basis for General Insurance Liabilities)</p>
4	<p>Editorial updates and clarification</p> <p>(i) Amendments to the terms used in the RBC to be consistent with corresponding definitions under FSA, Islamic Financial Services Act 2013 (IFSA), and Development Financial Institutions Act 2002 (DFIA):</p> <p>(a) Licensed insurers (to replace “insurers”)</p> <p>(b) Licensed banks and licensed investment banks (to replace “institutions licensed under the Banking and Financial Institutions</p>	<p>Throughout the RBC</p> <p>Throughout Appendix I Credit Risk Capital Charges and Appendix III Investment and Individual Counterparty Limits</p>

No.	Changes	References
	<p>Act 1989”);</p> <p>(c) Licensed Islamic banks (to replace “institutions licensed under the Islamic Banking Act 1983”);</p> <p>(d) Prescribed development financial institutions (to replace “institutions prescribed under the Development Financial Institutions Act 2002”); and</p> <p>(e) Appointed Actuary (to replace “Signing Actuary”)</p> <p>(ii) Editorial enhancements for greater clarity and to facilitate continued enforcement of the requirements</p>	<p>Throughout Appendix VI Valuation Basis for General Insurance Liabilities, Appendix VI(a) The Report on Reserves for General Insurance Business for the year ended 20XX and Appendix VI(b) Additional Guidance for Inwards Reinsurance</p> <p>Throughout the RBC</p>