



# MONETARY AUTHORITY OF SINGAPORE

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## APPLICATION TO ESTABLISH A SPECIAL PURPOSE REINSURANCE VEHICLE IN SINGAPORE

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### IMPORTANT NOTES

- 1) Interested applicants are strongly encouraged to contact the Monetary Authority of Singapore ("the Authority") (Tel: +65 6225 5577/ Email: [id\\_registry@mas.gov.sg](mailto:id_registry@mas.gov.sg)) for a preliminary discussion on their business plans and other relevant information before completing this application form.
- 2) Please refer to the MAS website (<http://www.mas.gov.sg/>) for the admission criteria.
- 3) The completed application form should be submitted in softcopy machine-readable PDF format\* to:

Executive Director  
Insurance Department  
Monetary Authority of Singapore

Email: [id\\_registry@mas.gov.sg](mailto:id_registry@mas.gov.sg)

Please submit the completed application form and any accompanying attachments in a single password protected zip file using AES 256 or stronger encryption. The password for the zip file should contain a minimum of 12 characters, including both upper and lower case letters, and have at least one numerical digit and one special character (e.g. @, #). Please provide a contact person in the email for MAS to obtain the password from.

- 4) Applicants may be requested to submit certain information in the completed application form in text-extractable format (i.e. one which content can be directly copied into other electronic documents).
- 5) The expected processing time for straightforward applications is 2 to 4 weeks upon receipt of complete information. An application is considered complete when the application form and all other required documents are duly submitted.

\* The applicant can affix digital signature(s) to the PDF submission; or scan the relevant page which is physically signed and attach it to the PDF submission.

## **EXPLANATORY NOTES**

This application form is to be used by any person who desires to set up a Special Purpose Reinsurance Vehicle (“SPRV”), as defined in the Insurance (General Provisions and Exemptions for Special Purpose Reinsurance Vehicles) Regulations 2018 (“SPRV Regulations”), to apply to the Authority for a licence under section 11 of the Insurance Act 1966 (“the Act”).

This form comprises the following sections -

Section I	-	Basic information
Section II	-	Documents to be submitted
Section III	-	Overview of global operations of the applicant
Section IV	-	Overview of global operations of the originator
Section V	-	Detailed information on the proposed Singapore operations
Section VI	-	Detailed information on the insurance securitisation transaction

Applicants should provide complete information for all the sections above. Where any section or area is not applicable, please state “N.A.”.

Please note that all information supplied should reflect both the existing scope of activities undertaken as well as projections and plans over the term of the reinsurance contract. Applicants are expected to adopt a longer term approach and disclose these plans in the application, if there are any.

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**SECTION I - BASIC INFORMATION**


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- 1) Please indicate the class(es) of business you are applying for.

Class of business	<input type="checkbox"/> Life Business	<input type="checkbox"/> General Business
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- 2) Details of applicant.

*Note: The applicant should be the ceding insurer.*

Name of Applicant:

(Company Name)

Address:

Telephone:

Fax:

Country of Incorporation:

Website Address:

- 3) Contact person and/ or senior officer of the applicant to whom queries on the application can be directed.

Name:

(in BLOCK LETTERS with  
surname underlined)

Designation:

Telephone:

Email:

- 4) Details of insurance supervisory authority in your country, if it is not the Authority.

Name of Authority/

Agency:

Address:

Name of Contact Person:

Designation of Contact Person:

Email of Contact Person:

Telephone:

Fax:

- 5) State any restrictions imposed on your company by the insurance supervisory authority or any other regulatory authorities/ government agencies in your country for originating an SPRV or ceding risks to an SPRV outside your country, and any foreign exchange controls on the movement of funds into and out of your country.

6) Submission of application form and declaration.

*Note: This application should be submitted by the Group CEO or a representative of the Board of Directors of the applicant, who should attest that the information submitted is true to the best of his/her knowledge.*

**I hereby submit this application and declare that all information given in this application (including any annexes and appendices attached) is true and complete to the best of my knowledge and belief. I understand that any misrepresentation or omission of material facts may be grounds for the rejection of the application. I understand that I may be required to furnish additional information relating to this application upon request by the Authority.**

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Name (in BLOCK LETTERS with surname underlined):

\_\_\_\_\_  
Designation: \_\_\_\_\_

Telephone: \_\_\_\_\_

Email: \_\_\_\_\_

\_\_\_\_\_  
*Under section 142(1)(b) and (2) of the Act, any person who provides the Authority with any information under or for the purposes of any provision of the Act must use due care to secure that the document or information is not false in any material particular; and if the person does not use due care in this behalf and the document or information is false in a material particular, the person shall be guilty of an offence and shall be liable on conviction, in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both; or in any other case, to a fine not exceeding \$250,000.*

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## **SECTION II                      -                      DOCUMENTS TO BE SUBMITTED**

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The following documents are to be submitted along with this application.

- 1) A copy of the annual report and financial statements of both the applicant and its ultimate parent company for each of the last three years.
- 2) A copy of the feasibility study conducted in respect of the proposed Singapore operations. Please include the following:
  - (i) financial projections for the proposed Singapore operations (e.g. revenue, profitability and start-up and development costs by business line, assets, capital, fund solvency margins and capital adequacy ratios for the next 3 years) and state the assumptions made; and
  - (ii) estimated timeline to incorporate the SPRV and execute the insurance securitisation transaction, if not already provided.
- 3) If requested by the Authority, an actuarial investigation of underlying business, taking into account the financial projections provided above, to demonstrate that the SPRV is fully funded at all times in accordance with the requirements of the SPRV Regulations. The actuary performing the investigation should state in the report, his/her name and professional qualifications, and where the actuary is an employee of the applicant or its related company, the capacity in which he/she is carrying out the investigation, and that, to the best of the actuary's knowledge and experience, the set of scenarios and cashflow projections included in the investigation is a sufficient representation of all reasonably foreseeable scenarios and reliably demonstrates that the SPRV is fully funded at all times in accordance with the requirements of the SPRV Regulations.
- 4) A written opinion from an independent external legal counsel confirming the following:
  - (i) the SPRV is or will be a legal entity separate from any third party involved in its establishment;
  - (ii) the proposed legal documents/agreements of the SPRV governing the issuance of the insurance securitisation transaction set out in the application form, includes a condition that for any debt security issued or to be issued by the SPRV, the holders of the debt securities undertake not to initiate or participate in winding up proceedings against the SPRV until the debt securities are discharged; and
  - (iii) description of any other measures to enable the SPRV to remain solvent and thus not be petitioned into bankruptcy at all times.

Note: The name and professional qualifications of the legal counsel should be included in the opinion. A draft copy of the written opinion is acceptable at the point of application but the final signed copy should be submitted once the in-principle approval is given by the Authority for the establishment of the SPRV.

- 5) Constituent documents of the proposed Singapore operations which should include the permissible activities of the SPRV and any restrictions on such activities, such as the ability to enter into additional reinsurance contracts, issue or invest in additional securities, to borrow money or to make loans to other persons, and any provisions for the modification of the constituent documents of the relevant entity.
- 6) Draft copies of the following documents:
  - a) Reinsurance agreement(s) to be entered between the proposed SPRV and the ceding insurer(s);
  - b) Reinsurance trust agreement and Deed of Charge;
  - c) Indenture and the Series Supplement; and
  - d) Management agreement to be entered between the proposed SPRV and the appointed insurance management company (if any).

The final copies of the above documents should be submitted to the Authority once the insurance securitisation transaction has been executed.

- 7) Rating agency's report on the preliminary rating given to the SPRV or the ILS, if any.

*Note: A certified English translation is required for any document which is not in English. Any person making an offer of securities is required to comply with the requirements in the Securities and Futures Act 2001 ("SFA"). Any submission with regard to the ILS under this application does not constitute lodgment under the SFA.*

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**SECTION III                      -                      OVERVIEW OF GLOBAL OPERATIONS OF THE APPLICANT**

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- 1) Provide a brief history of the applicant, the ultimate parent company and the Group (including date and place of incorporation, listing on any stock exchanges and number of employees in the Group).
- 2) Provide a brief description of the business activities of the applicant and the Group, especially any areas of insurance and other financial activities which the Group has particular strength in, both globally and regionally. Please include supporting statistics.
- 3) Provide a brief description of the applicant's experience with insurance securitisation. Please include supporting statistics.
- 4) Provide details of the ultimate parent company of the applicant and a diagrammatic structure of the Group. Give details of the international network of branches, subsidiaries, representative offices, joint ventures and any special purpose vehicles that have been set up (including names, business activities, country of incorporation/ location, effective percentage interest owned by the ultimate parent company for each entity in the Group) and information on the extent and type of related party transactions between material entities within the Group. Also, provide an organisation chart of the reporting channels within the Group.
- 5) Provide information on the financial position and performance of the applicant for each of the last 3 years, according to the format given in Appendix 1.
- 6) Provide information on the applicant and the Group's financial strength ratings or equivalent for the last 3 years.

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## SECTION IV - OVERVIEW OF GLOBAL OPERATIONS OF THE ORIGINATOR<sup>1</sup>

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- 1) Provide a brief description of the business activities of the originator and the Group<sup>2</sup>, especially any areas of insurance and other financial activities which the originator's group has particular strength in, both globally and regionally. Please include supporting statistics.
- 2) Provide a brief description of the originator's experience with insurance securitisation. Please include supporting statistics.
- 3) Provide information on the financial position and performance of the originator for each of the last 3 years, according to the format given in Appendix 1.
- 4) Provide information on the originator's financial strength ratings or equivalent for the last 3 years.

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<sup>1</sup>This is not applicable if the applicant is the originator. The "originator" refers to –

- (a) any entity which, either itself or through related entities, directly or indirectly, creates the liabilities being reinsured, which are then being securitised; or
- (b) any entity which purchases, or advises, or causes an SPRV to reinsure, the liabilities of a third party, which are then being securitised.

<sup>2</sup>"Group", where used throughout this form, refers to the ultimate parent company (of the applicant) and its subsidiaries.



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**SECTION V                      -                      DETAILED INFORMATION ON THE  
PROPOSED SINGAPORE OPERATIONS**

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- 1) State the proposed name of the SPRV to be licensed in Singapore. *(Note: The use of any proposed name for a company is subject to the acceptance of the Accounting and Corporate Regulatory Authority.)*
- 2) Provide information on the proposed amount of issued and paid-up share capital.
- 3) Provide information on the proposed legal structure of the SPRV, and the names, nationalities and addresses of all proposed shareholders and their respective shareholdings.
- 4) Provide the names and particulars of all proposed directors as specified in MAS 106. (Please download MAS 106 Appendix A from the MAS website.) *(Note: The appointment of any director is subject to the approval of the Authority.)*
- 5) Provide the name and particulars of the proposed Chief Executive as specified in MAS 106. (Please download MAS 106 Appendix A from the MAS website.) *(Note: The appointment of the Chief Executive is subject to the approval of the Authority.)*
- 6) Provide any other information that will support this application.

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## SECTION VI      -      DETAILED INFORMATION ON THE INSURANCE SECURITISATION TRANSACTION

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- 1) Describe the reinsurance contract to be issued by the SPRV, including the following information:
  - i) the form and structure of the risk transfer (e.g. quota share reinsurance, excess-of-loss reinsurance, modeled loss or parametric triggers);
  - ii) the coverage (types of perils, risks and territories covered or the nature of the cash flows to be exchanged between the applicant and the SPRV) and premiums;
  - iii) the triggering events;
  - iv) aggregate limits, if any; and
  - v) any other pertinent information that would be useful in understanding the substance of the risk transfer.
- 2) Describe the method by which losses that occur prior to but continue to develop after the termination of the contract period, and are covered by the SPRV reinsurance contract, are to be addressed under the SPRV contract.
- 3) Provide cashflow schematics to illustrate the flow of funds between the SPRV and the relevant stakeholders at different intervals including but not limited to the following: (i) date of issuance of the ILS; (ii) periodic payments; (iii) principal repayment; (iv) loss payment; and (v) termination of the SPRV.
- 4) Summarise how the cash flows generated by the asset pool will be allocated among the different classes of ILS after deducting fees and expenses, to the extent necessary to understand the payment characteristics of each class of ILS being offered.
- 5) Identify any optional or mandatory redemption or termination features of the ILS.
- 6) Identify any enhancement for the ILS being offered and briefly describe what protection or support is provided by the enhancement, including details relating to the potential use of financial guarantors on any of the tranches of notes to be issued.
- 7) Indicate whether or not the ILS will be listed for quotation on any securities exchange, and provide the name of the securities exchange, if any.
- 8) Describe the nature and terms of the applicant's direct and indirect economic interest in the transactions of issuance of the reinsurance contract and ILS.
- 9) Provide details of the investors that the ILS will be offered to.
- 10) Provide information on the risk control systems of the SPRV, including descriptions on how the SPRV will be fully funded, retrocession arrangements, underwriting and claims arrangements, outsourcing arrangements, anti-money laundering arrangements, investment arrangements, information technology arrangements,

capital management, business continuity arrangements, internal audit arrangements, enterprise risk management and corporate governance framework, if applicable, and whether any of these arrangements are made with the applicant or a related company of the applicant.

- 11) Provide names of the appointed advisors and service providers, and their experience in insurance securitisation.
- 12) Provide information on the types of permitted investments that the SPRV can invest in, including details of the tenor, credit ratings and past performance of the instruments, where applicable.
- 13) Provide details on the circumstances under which the SPRV will be voluntarily wound-up and the intended winding-up procedures to be implemented at that time.
- 14) Provide any other relevant information.

## Appendix 1

## FINANCIAL POSITION AND PERFORMANCE INDICATORS

Company Name: \_\_\_\_\_  
 Financial Year End: \_\_\_\_\_

Year	20__	20__	20__
Currency			
<b>Capital and Assets</b>			
Paid up capital			
Shareholders' funds			
Total assets			
<b>Income</b>			
Gross premiums written			
Net premiums written			
<b>Profitability (Life Business)</b>			
Total claims			
Total expenses			
Net investment income			
Net income/ (loss) after tax			
<b>Profitability (General Business)</b>			
Claims ratio			
Combined ratio			
Underwriting profit/ (loss)			
Net investment income			
Net income/ (loss) after tax			