

Notice No. : MAS 131 (Amendment) 2021

Issue Date : 15 March 2021

**NOTICE ON INSURANCE RETURNS (ACCOUNTS AND STATEMENTS) FOR
SPECIAL PURPOSE REINSURANCE VEHICLES**

Introduction

- 1 For presentational purposes, the amendments in this document are compared against the version of the MAS Notice 131 on Notice on Insurance Returns (Accounts and Statements) for Special Purpose Reinsurance Vehicles last revised on 30 December 2020.
- 2 This document shall be interpreted as follows:
 - (a) Text which is coloured and struck through represents deletion which will not appear in the untracked version of MAS Notice 131 revised on 15 March 2021, which is published on MAS' website www.mas.gov.sg ("Published Version"); and
 - (b) Text which is coloured and underlined represents insertion which will appear in the Published Version.
- 3 The amendments reflected in this document shall take effect on 16 March 2021.
- 4 This document is to be used for reference only. In the event of discrepancies between the amendments in this document and the Published Version, the Published Version shall prevail.

Notice No. : MAS 131
Issue Date : 28 September 2018

*Last revised on ~~30 December 2020~~ 15 March 2021

NOTICE ON INSURANCE RETURNS (ACCOUNTS AND STATEMENTS) FOR SPECIAL PURPOSE REINSURANCE VEHICLES

Introduction

1 This Notice is issued pursuant to sections 36(3), 36(3A) and 64(2) of the Insurance Act (Cap. 142) (“the Act”) and applies to all Special Purpose Reinsurance Vehicles.

Definitions

2 For the purposes of this Notice:

“Accounting Standards” has the same meaning as in section 4(1) of the Companies Act (Cap. 50);

“Annual Report” means a report of an insurer, including any statement of account, for each financial year issued to the members of the insurer;

“auditor” means an auditor appointed with the approval of the Authority under section 36(6)(c) of the Act;

“Aviation Hull” includes the insurer’s insurance business in Singapore relating to:

- (a) airport operator insurance;
- (b) insurance against aerospace risks;
- (c) insurance against risk of physical loss of or damage to an aircraft that is docked, in operation, or under service, repair or construction; and
- (d) insurance against the risk of any liability arising from the ownership or operation of aircraft referred to in sub-paragraph (c);

“Cargo” includes the insurer’s insurance business in Singapore relating to insurance against risks of loss of, or damage to any cargo in transit, and insurance against the risk of any liability arising from loss of or damage to such cargo in transit;

“Credit/Credit-Related” includes the insurer’s insurance business in Singapore relating to trade credit insurance policies, mortgage insurance policies, and financial guarantee insurance policies;

[Deleted by MAS Notice 131 (Amendment No. 2) 2020]

“Employers’ Liability” includes the insurer’s insurance business in Singapore relating to insurance against risk of an employer’s liability to its employee that may arise under the Work Injury Compensation Act (Cap. 354) or common law;

“Engineering” includes the insurer’s insurance business in Singapore relating to boiler and pressure vessel insurance, construction all risk insurance, engineering all risk insurance, erection all risk insurance, machinery all risk insurance, insurance on any other specialised equipment or machinery that are excluded from the standard property insurance, and insurance against construction, erection, or engineering risks, such as the risk of loss or damage involved in a construction project, and installation and erection of ready-built engineering projects;

“financial guarantee insurance policy” has the same meaning as in regulation 2 of the Insurance (Financial Guarantee Insurance) Regulations;

“Health” refers to the insurer’s insurance business in Singapore relating to health policies;

“health policy” has the same meaning as in Notice No: MAS 120 (Disclosure and Advisory Process Requirements For Accident and Health Insurance Products);

“Marine Hull” includes the insurer’s insurance business in Singapore relating to:

- (a) marine terminal operator insurance;
- (b) insurance against risk of physical loss of or damage to a vessel or ship that is docked, in operation, or under service, repair or construction; and
- (c) insurance against the risk of any liability arising from the ownership or operation of a vessel or ship referred to in sub-paragraph (b);

“MASNET” means MAS Network;

“mortgage insurance policy” has the same meaning as in regulation 2 of the Insurance (Valuation and Capital) Regulations 2004;

“Motor” includes the insurer’s insurance business in Singapore relating to insurance against risk of loss of, damage to or liability arising out of or in connection with the use of, motor vehicles;

“non-participating fund” means an insurance fund which comprises wholly of non-participating policies;

“Offshore Insurance Fund” means an insurance fund established and maintained under section 17(1) of the Act for offshore policies;

“Personal Accident” refers to the insurer’s insurance business in Singapore relating to personal accident policies;

“personal accident policy” has the same meaning as in Notice No: MAS 120 (Disclosure and Advisory Process Requirements For Accident and Health Insurance Products);

“policy liabilities”, in relation to an insurance fund, means liabilities in respect of policies for which the insurance fund is established and maintained under section 17 of the Act;

“Product Liability” includes the insurer’s insurance business in Singapore relating to insurance against risk of the insured’s liability to a third party in respect of bodily injury, property damage or any monetary losses resulting from products manufactured, sold, supplied or distributed by the insured;

“Professional Indemnity” includes the insurer’s insurance business in Singapore relating to directors and officers liability insurance, errors and omission insurance, and insurance covering a professional against risk of his liability to his principal, client, principal's client, or any third party arising out of neglect, omission or error in the discharge of his professional duties;

“Property” includes the insurer’s insurance business in Singapore relating to plate glass insurance, insurance against risk of loss of or damage to property (other than property to which business classes “Cargo”, “Marine Hull”, “Aviation Hull”, “Motor” and “Engineering” relate to), and insurance against consequential losses arising from loss of or damage to such property such as business interruption cover;

“Public Liability” includes the insurer’s insurance business in Singapore relating to insurance against risk of the insured’s liability to any third party in respect of bodily injury, property damage or any monetary losses arising out of negligence (other than liability to which business classes “Cargo”, “Marine Hull”, “Aviation Hull” and “Motor” relate to);

“Singapore Insurance Fund” means an insurance fund established and maintained under section 17(1) of the Act for Singapore policies;

“Special Purpose Reinsurance Vehicle” or “SPRV” has the same meaning as in regulation 2 of the Insurance (General Provisions and Exemptions for Special Purpose Reinsurance Vehicles) Regulations 2018;

“Surety” includes the insurer’s insurance business in Singapore relating to maid insurance and bonds but excludes guarantees which fall under the "Credit/ Credit-Related" business class;

“trade credit insurance policy” has the same meaning as in regulation 2 of the Insurance (Valuation and Capital) Regulations 2004.

- 3 The expressions used in this Notice shall, except where expressly defined in this Notice or where the context otherwise requires, have the same respective meanings as in the Act.

Forms

- 4 The forms and annexes mentioned in this Notice are those set out in the Appendix B.

Submission Requirements

- 5 Every SPRV licensed to carry on the class of insurance business referred to in the first column of the table below must lodge all applicable forms and applicable annexes to such forms and documents set out in the appendices referred to in the

second column of that table, in the form and manner specified in those appendices.

S/No.	<i>First column</i>	<i>Second column</i>
	Class of insurance business	Lodgment requirements
(a)	General business only	Appendix A-1
(b)	Life business only	Appendix A-2
(c)	General business and life business	Appendix A-3

- 6 An SPRV must comply with the signatory requirements specified in Appendices A-1 to A-3, as the case may be, in respect of any form, annex or document that is required to be lodged by the SPRV under paragraph 5 by way of electronic submission via email.

[MAS Notice 131 (Amendment No. 2) 2020]

- 7 Where a form, annex or document is required to be signed by or on behalf of an SPRV's chief executive in Singapore, the SPRV must ensure that —
- (a) the form, annex or document is approved by its chief executive; and
 - (b) if not signed by the SPRV's chief executive, be signed by one of the SPRV's officers in Singapore who is for the time being notified to the Authority as having authority for the purposes of this Notice to sign in place of the chief executive in Singapore.

- 8 An SPRV must —

- a) submit electronically via MASNET, any form, annex or document that has a submission deadline specified in its corresponding row under the columns labelled —
 - (i) “Other Annual Returns” – “Electronic submission via MASNET” – “Submission deadline”; or
 - (ii) “Annual Returns” – “Electronic submission via MASNET” – “Submission deadline”,in each of Appendices A-1 to A-3; and
- b) submit electronically via email any form, annex or document that has a submission deadline specified in its corresponding row under the column labelled “Annual Returns” – “Electronic submission via email” – “Submission deadline”.

[MAS Notice 131 (Amendment No. 2) 2020]

- 8A To avoid doubt, where a form, annex or document has a submission deadline specified in its corresponding row under two or more columns described in paragraph 8(a) above, in each of Appendices A-1 to A-3, an SPRV must submit the form, annex or document electronically via MASNET for every submission deadline.

[MAS Notice 131 (Amendment No. 2) 2020]

- 8B An SPRV must submit the form, annex or document mentioned in paragraph 8(b) to the Authority by sending the form, annex or document by email to the email address specified by written notification sent by the Authority.

[MAS Notice 131 (Amendment No. 2) 2020]

Provisions as to Returns Lodged

- 9 An SPRV must ensure that all of the following requirements are complied with in relation to any form, annex or document that the SPRV is required to lodge under this Notice —
- (a) The form, annex or document is in English; and
 - (b) All monetary amounts referred to in the form, annex or document are in Singapore dollars unless otherwise specified in the applicable form or annex.
- 10 In any form, annex or document which an SPRV is required to prepare in accordance with this Notice, the SPRV must ensure that the value or amount given for an asset or a liability of the SPRV is the value or amount of that asset or liability, as the case may be, as determined in accordance with any applicable regulation under the Insurance (Valuation and Capital) Regulations 2004, any applicable direction in MAS Notice 133 (Notice on Valuation and Capital Framework for Insurers), and any applicable direction issued under the Act.

[MAS Notice 131 (Amendment) 2020]

- 11 In any form, annex or document which an SPRV is required to prepare in accordance with this Notice, the SPRV must ensure that the value or amount given for an income item, an expense item, an equity item or a change in equity item of the SPRV is valued in accordance with —
- (a) the instructions for completion in the forms and annexes; and
 - (b) where there are no applicable instructions for completion in the forms and annexes, the Accounting Standards.
- 12 In any form, annex or document which an SPRV is required to prepare under this Notice, the SPRV must recognise any asset, liability, equity, income, expense and change in equity in accordance with —
- (a) any applicable regulation under the Insurance (Valuation and Capital) Regulations 2004, any applicable direction in MAS Notice 133 (Notice on Valuation and Capital Framework for Insurers), and any applicable direction issued under the Act; and
 - (b) where sub-paragraph (a) does not apply, the recognition requirements in the Accounting Standards.

[MAS Notice 131 (Amendment) 2020]

Audit Requirements

- 13 For the purposes of section 36(3A)(a) of the Act, an SPRV must ensure that any “Annual Returns” that is required to be lodged by the SPRV under paragraph

5 is audited by an auditor where the column labelled “To be audited” of Appendices A-1 to A-3, as the case may be, is marked “Y”. For avoidance of doubt, “Other Annual Returns” do not need to be audited.

Frequency and Deadline for Submission of Returns

- 13A Subject to paragraph 13B, an SPRV must lodge, for each accounting period, every form, annex or document that has a submission deadline specified in its corresponding row under the columns labelled:
- (a) “Other Annual Returns” – “Electronic submission via MASNET” – “Submission deadline”;
 - (b) “Annual Returns” – “Electronic submission via MASNET” – “Submission deadline”; or
 - (c) “Annual Returns” – “Electronic submission via email” – “Submission Deadline”,

in Appendices A-1 to A-3, as the case may be, on or before the last day of the period specified in that row where the period is calculated from the last day of the accounting period.

[MAS Notice 131 (Amendment No. 2) 2020]

- 13B An SPRV must lodge, for each financial year, an “Annual Report of Insurer Incorporated in Singapore”, on or before the last day of the period specified in its corresponding row under the column labelled “Annual Returns” – “Electronic submission via email” – “Submission deadline” in Appendices A-1 to A-3, as the case may be, where the period is calculated from the last day of the financial year.

[MAS Notice 131 (Amendment No. 2) 2020]

- 14 [Deleted by MAS Notice 131 (Amendment No. 2) 2020]

Effective Date and Transitional Provisions

- 15 This Notice shall take effect on 1 January 2019.
- 16 An SPRV must comply with the version of MAS Notice 131 and the Insurance (Valuation and Capital) Regulations 2004, in force immediately before 31 March 2020 for the following periods:
- (a) the accounting period beginning on or after 1 January 2019 and ending on 31 December 2019; and
 - (b) the financial year of the SPRV beginning on any day between 1 January 2019 to 31 December 2019 (both dates inclusive).

[MAS Notice 131 (Amendment) 2020]

Notes on History of Amendments

1. MAS Notice 131 (Amendment) 2020 dated 6 March 2020 with effect from 31 March 2020.
2. MAS Notice 131 (Amendment No.2) 2020 dated 30 December 2020 with effect from 31 December 2020.

3. MAS Notice 131 (Amendment) 2021 dated 15 March 2021 with effect from 16 March 2021.

SUBMISSION REQUIREMENTS

Form	Annex	Title	Special Purpose Reinsurance Vehicles			
			General			
			Quarterly Returns	Other Annual Returns	Annual Returns	
			Electronic submission via MASNET	Electronic submission via MASNET	Electronic submission via MASNET	Electronic submission via email
			Submission deadline	Submission deadline	Submission deadline	Submission deadline
						Signatory requirement
					To be audited	
A1		Statement of Financial Position	From the last day of the quarter	From the last day of the accounting period	From the last day of the accounting period	
	A1-1	Other Investments		3 weeks	3 months	Y
	A1-5	Policy Liabilities (Gross of Reinsurance) and Reinsurers' Share of Policy Liabilities in respect of General Business		3 weeks	3 months	Y
	A1-7	Financial Liabilities		3 weeks	3 months	Y
A2	A2-3	Statement of Profit and Loss Net Investment Income/ (Loss)		3 weeks	3 months	Y
A7		Certificate on the Accounts of the Insurer		3 weeks	4 months	Chief Executive
A8		Independent Auditor's Report			4 months	Auditor
A9		Independent Auditor's Supplementary Report			4 months	Auditor
L2		"L" means only applicable to Life business Statement of Operating Results of Reinsurer in respect of Life Reinsurance Business by Type of Business				
G1	Notes	"G" means only applicable to General business Statement of Operating Results by Line of Business		3 weeks	3 months	Y
				3 months		Y
			From the last day of the financial year			
		Annual Report of Insurer Incorporated in Singapore (Applicable to insurers incorporated in Singapore only)			4 months	Per requirements under the Companies Act
						Y

SUBMISSION REQUIREMENTS

Form	Annex	Title	Special Purpose Reinsurance Vehicles					
			Life				To be audited	
			Quarterly Returns	Other Annual Returns	Annual Returns			
			Electronic submission via MASNET	Electronic submission via MASNET	Electronic submission via MASNET	Electronic submission via email		
			Submission deadline	Submission deadline	Submission deadline	Submission deadline	Signatory requirement	
			From the last day of the quarter		From the last day of the accounting period		From the last day of the accounting period	
A1		Statement of Financial Position			3 weeks	3 months		Y
	A1-1	Other Investments				3 months		
	A1-5	Policy Liabilities (Gross of Reinsurance) and Reinsurers' Share of Policy Liabilities in respect of General Business						
	A1-7	Financial Liabilities			3 months			
A2		Statement of Profit and Loss		3 weeks	3 months			Y
	A2-3	Net Investment Income/ (Loss)		3 weeks	3 months			
A7		Certificate on the Accounts of the Insurer				4 months	Chief Executive	
A8		Independent Auditor's Report				4 months	Auditor	
A9		Independent Auditor's Supplementary Report				4 months	Auditor	
L2		"L" means only applicable to Life business Statement of Operating Results of Reinsurer in respect of Life Reinsurance Business by Type of Business		3 weeks	3 months			
G1		"G" means only applicable to General business Statement of Operating Results by Line of Business						
	Notes							
								From the last day of the financial year
		Annual Report of Insurer Incorporated in Singapore (Applicable to insurers incorporated in Singapore only)				4 months	Per requirements under the Companies Act	Y

SUBMISSION REQUIREMENTS

Form	Annex	Title	Special Purpose Reinsurance Vehicles General and Life						
			Quarterly Returns	Other Annual Returns	Annual Returns				
			Electronic submission via MASNET	Electronic submission via MASNET	Electronic submission via MASNET	Electronic submission via email	To be audited		
			Submission deadline	Submission deadline	Submission deadline	Submission deadline			
			From the last day of the quarter	From the last day of the accounting period	From the last day of the accounting period				
A1		Statement of Financial Position			3 weeks	3 months		Y	
	A1-1	Other Investments				3 months			
	A1-5	Policy Liabilities (Gross of Reinsurance) and Reinsurers' Share of Policy Liabilities in respect of General Business			3 weeks	3 months		Y	
	A1-7	Financial Liabilities				3 months			
A2		Statement of Profit and Loss			3 weeks	3 months		Y	
	A2-3	Net Investment Income/ (Loss)			3 weeks	3 months			
A7		Certificate on the Accounts of the Insurer				4 months	Chief Executive		
A8		Independent Auditor's Report				4 months	Auditor		
A9		Independent Auditor's Supplementary Report				4 months	Auditor		
L2		"L" means only applicable to Life business Statement of Operating Results of Reinsurer in respect of Life Reinsurance Business by Type of Business			3 weeks	3 months			
G1		"G" means only applicable to General business Statement of Operating Results by Line of Business			3 weeks	3 months		Y	
	Notes					3 months		Y	
					From the last day of the financial year				
		Annual Report of Insurer Incorporated in Singapore (Applicable to insurers incorporated in Singapore only)				4 months	Per requirements under the Companies Act	Y	

Appendix B

LIST OF INSURANCE FORMS FOR SPECIAL PURPOSE REINSURANCE VEHICLES

Form	Annex	Title
A1		Statement of Financial Position
	A1-1	Other Investments
	A1-5	Policy Liabilities (Gross of Reinsurance) and Reinsurers' Share of Policy Liabilities in respect of General Business
	A1-7	Financial Liabilities
A2		Statement of Profit and Loss
	A2-3	Net Investment Income/ (Loss)
A7		Certificate on the Accounts of the Insurer
A8		Independent Auditor's Report
A9		Independent Auditor's Supplementary Report
		<u>"L"</u> means only applicable to Life business
L2		Statement of Operating Results of Reinsurer in respect of Life Reinsurance Business by Type of Business
		<u>"G"</u> means only applicable to General business
G1		Statement of Operating Results by Line of Business
	Notes	

NAME OF INSURER _____

FORM A1 – STATEMENT OF FINANCIAL POSITION

AS AT _____

Co Code	Year	Month
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Description	Annex	Row No.	Insurance Funds Established and Maintained by Insurer under the Act						Shareholders Fund			Total	
			Life Business in Singapore					General Business in Singapore	Overseas (Branch) Insurance Operations				
			Singapore Insurance Fund			Offshore Insurance Fund		Singapore Insurance Fund	Offshore Insurance Fund	Life Business	General Business		
			Participating	Non-Participating	Investment-Linked	Participating	Non-Participating						
ASSETS													
Equity securities:													
Listed collective investment schemes		1											
Unlisted collective investment schemes		2											
Other listed equity securities		3											
Other unlisted equity securities		4											
Total (1 to 4)		5											
Debt securities:													
Government debt securities		6											
Qualifying debt securities		7											
Other debt securities		8											
Total (6 to 8)		9											
Cash and deposits		10											
Other investments	A1-1	11											
Loans:													
Policy loans		12											
Other secured loans		13											
Unsecured loans		14											
Total (12 to 14)		15											
Property, plant and equipment:													
Land and buildings		16											
Other property, plant and equipment		17											
Total (16 to 17)		18											
Outstanding premiums	A1-2	19											
Deposits withheld by cedants		20											
Reinsurers' share of policy liabilities	A1-5	21											
Reinsurance recoverables on paid claims	A1-3	22											
Balances due from Head Office/ Shareholders Fund		23											
Balances due from Overseas Branches/ Related corporations		24											
Balances due from other insurance funds		25											
Other assets	A1-4	26											
Total Assets (5 + (9 to 11) + 15 + (18 to 26))		27											
LIABILITIES													
Policy liabilities (gross of reinsurance)	A1-5	28											
Outstanding claims		29											
Annuities due and unpaid		30											
Reinsurance deposits		31											
Amounts owing to insurers		32											
Bank loans and overdrafts		33											
Financial liabilities	A1-7	34											
Balances due to Head Office/ Shareholders Fund		35											
Balances due to Overseas Branches/ Related corporations		36											
Balances due to other insurance funds		37											
Other liabilities	A1-8	38											
Total Liabilities (28 to 38)		39											
NET ASSETS (27 – 39)		40											
EQUITY													
Paid-up capital		41											
Surplus/ Retained earnings		42											
Other reserves	A1-9	43											
Total Equity (41 to 43)		44											

ANNEX A1-1
OTHER INVESTMENTS

AS AT _____

MARKET VALUE

NOTIONAL PRINCIPAL AMOUNT

ANNEX A1-5

POLICY LIABILITIES (GROSS OF REINSURANCE) AND REINSURERS' SHARE OF POLICY LIABILITIES IN RESPECT OF GENERAL BUSINESS

AS AT _____

Description	Row No.	Insurance Funds Established and Maintained by Insurer under the Act					
		General Business in Singapore					
		Singapore Insurance Fund			Offshore Insurance Fund		
		Policy Liabilities (Gross of Reinsurance) [1]	Reinsurers' Share of Policy Liabilities [2]	Policy Liabilities (Net of Reinsurance) [3] = [1] - [2]	Policy Liabilities (Gross of Reinsurance) [4]	Reinsurers' Share of Policy Liabilities [5]	Policy Liabilities (Net of Reinsurance) [6] = [4] - [5]
PREMIUM LIABILITIES							
Cargo	1						
Marine Hull	2						
Aviation Hull	3						
Property	4						
Motor	5						
Employers' Liability	6						
Personal Accident	7						
Health	8						
Public Liability/ Product Liability	9						
Surety	10						
Engineering	11						
Professional Indemnity	12						
Credit/ Credit-related	13						
Others	14						
Liability and Others	15						
Sub-total (1 to 15)	16						
CLAIM LIABILITIES							
Cargo	17						
Marine Hull	18						
Aviation Hull	19						
Property	20						
Motor	21						
Employers' Liability	22						
Personal Accident	23						
Health	24						
Public Liability/ Product Liability	25						
Surety	26						
Engineering	27						
Professional Indemnity	28						
Credit/ Credit-related	29						
Others	30						
Liability and Others	31						
Sub-total (17 to 31)	32						
Total (16 + 32) = Rows 21 and 28 of Form A1	33						

ANNEX A1-7

AS AT _____

MARKET VALUE

NOTIONAL PRINCIPAL AMOUNT

Instructions for completion of Form A1 and Annexes A1-1, A1-5 and A1-7

1. All amounts shown are to be rounded to the nearest dollar. Negative amounts shall be preceded by “—”.
2. For the columns under “Insurance Funds Established and Maintained by Insurer under the Act”, the insurer shall only be required to complete the fields relating to insurance funds that it had established and maintained under the Act.
3. The columns under “Shareholders Fund” shall only be applicable to insurers incorporated in Singapore. The column “Overseas (Branch) Insurance Operations” refers to all branches of the insurer which are located outside Singapore and carrying on insurance business. The column “Non- Insurance Operations” includes overseas branches that do not carry on insurance business.
4. For insurers incorporated in Singapore, the "Total" column refers to the financial position in respect of global business operations. Balances between the insurance funds and shareholders fund (including overseas branches) shall be offset under the "Total" column.
5. The assets and liabilities shall be valued in accordance with Parts IV and V of the Insurance (Valuation and Capital) Regulations 2004 and MAS Notice 133.

[MAS Notice 131 (Amendment) 2020]

6. “Collective investment scheme”, “equity security”, and “debt security” have the same respective meanings as in regulation 2 of the Insurance (Valuation and Capital) Regulations 2004.

[MAS Notice 131 (Amendment) 2020]

7. The amount of debt securities must include any accrued interest relating to the debt securities.

[MAS Notice 131 (Amendment) 2020]

- 7A. “Government debt security” means a debt security that –
 - (a) is issued or fully guaranteed by the Government;
 - (b) is issued or fully guaranteed by a central government or central bank of a country or territory which has a sovereign rating of investment grade; or
 - (c) meets the following criteria:
 - (i) issued or fully guaranteed by a central government or central bank of

- a country or territory which does not have a sovereign rating of investment grade;
- (ii) denominated in the national currency of that country; and
 - (iii) has a residual maturity of 12 months or less.

[MAS Notice 131 (Amendment) 2020]

7B. “Investment grade” has the same meaning as in paragraph 1.5 of MAS Notice 133.

[MAS Notice 131 (Amendment) 2020]

8. “Qualifying debt security” means a debt security that –

- (a) meets the following criteria:
 - (i) issued or fully guaranteed by a central government or central bank of a country or territory which does not have a sovereign rating of investment grade;
 - (ii) denominated in the national currency of that country; and
 - (iii) has a residual maturity of more than one year;
- (b) is issued or fully guaranteed by a statutory board in Singapore;
- (c) is issued or fully guaranteed by a recognised multilateral agency that is listed in Appendix 4C to MAS Notice 133; or
- (d) has a rating of investment grade.

[MAS Notice 131 (Amendment) 2020]

9. “Other debt securities” includes any listed or unlisted bonds issued by corporations and any bill of exchange.

10. “Loans” shall be reported net of provisions.

11. “Other secured loans” includes any loan guaranteed by a bank licensed under the Banking Act (Cap. 19).

12. “Land and buildings” includes any property acquired through foreclosures and in settlement of debts.

13. “Outstanding premiums” refers to premiums owed by insureds, policy owners, cedants and insurance intermediaries. It shall be reported net of premium refunds, commissions payable to insurance intermediaries, and approved claims and reinsurance commissions payable to cedants on an individual account basis. Where the commissions payable to any particular insurance intermediary exceed the premiums owed by that insurance intermediary, the net amount due to that

insurance intermediary shall be reported under “other liabilities”. Where the approved claims and reinsurance commissions payable to any particular cedant exceed the premiums owed by that cedant, the net amount due to that cedant shall be reported under “amounts owing to insurers”. For life business, it shall not include amounts due from insurance intermediaries in respect of financing schemes provided by the insurer.

14. “Deposits withheld by cedants” refers to amounts withheld by cedants under reinsurance inward contracts.

15. “Reinsurers' share of policy liabilities” refers to reinsurance assets, excluding “reinsurance recoverables on paid claims”. For general business, it refers to the sum of reinsurers' share of premium liabilities and reinsurers' share of claim liabilities.

16. “Reinsurance recoverables on paid claims” means any amount that an insurer is entitled to recover, but has yet to recover, from its reinsurance counterparty in respect of claims that have been paid by the insurer and claims that have been approved by the insurer for payment but have not been paid. It shall be offset by any premiums owing to the reinsurer on an individual account basis. Where the premiums owed to any particular reinsurer exceed the reinsurance recoverables on paid claims owed by that reinsurer, the net amount due to that reinsurer shall be reported under “amounts owing to insurers”.

17. “Policy liabilities (gross of reinsurance)” refers to the contractual obligations under insurance policies, excluding any recoveries from reinsurers, “outstanding claims”, “annuities due and unpaid” and “amounts owing to insurers”. For general business, it refers to the sum of premium liabilities (gross of reinsurance) and claim liabilities (gross of reinsurance).

18. “Outstanding claims” refers to claims (gross of reinsurance) which have been approved for payment but have not been paid and includes expenses associated with the settlement of such claims but does not include such claims that are already included in policy liabilities. For life business, the amount also includes claims which have not been approved but the quantum for which is fixed.

19. “Reinsurance deposits” refers to amounts withheld from reinsurers under reinsurance outward contracts.

20. “Amounts owing to insurers” refers to approved claims, profit commissions and reinsurance commissions owing to cedants, and premiums owing to reinsurers. Approved claims, profit commissions and reinsurance commissions owing to the cedant shall be offset by any premiums owed by that cedant on an individual account basis. Where the premiums owed by any particular cedant exceed the

approved claims, profit commissions and reinsurance commissions owed to that cedant, the net amount due from that cedant shall be reported under “outstanding premiums”. Premiums owing to the reinsurer shall be offset by any reinsurance recoverables on paid claims owed by that reinsurer on an individual account basis. Where the reinsurance recoverables on paid claims owed by any particular reinsurer exceed the premiums owed to that reinsurer, the net amount due from that reinsurer shall be reported under “reinsurance recoverables on paid claims”.

21. Notwithstanding instructions 13, 16 and 20, “outstanding premiums”, “reinsurance recoverables on paid claims” and “amounts owing to insurers” shall not be offset against one another if there is no legal right to do so.

22. “Debt securities”, “cash and deposits”, “other investments”, “loans”, “outstanding premiums”, “deposits withheld by cedants”, “reinsurers’ share of policy liabilities”, “reinsurance recoverables on paid claims”, “policy liabilities (gross of reinsurance)”, “outstanding claims”, “annuities due and unpaid”, “reinsurance deposits”, “amounts owing to insurers”, “bank loans and overdrafts” and “financial liabilities” include those in relation to counterparties which are related corporations.

23. Where an insurer has entered into any reinsurance financing contract (by whatever name) that does not involve significant insurance risk transfer by either a ceding insurer or an assuming insurer and that contract commences during the period, that insurer shall disclose, under the section on additional information for Form A1 lodged for that period, the following information:

- (a) a description of the terms of that reinsurance financing contract;
- (b) a description of the accounting treatment adopted and an explanation for adopting that treatment; and
- (c) a description of how items in Form A1 are affected by that reinsurance financing contract in monetary terms.

24. For Form A1 lodged for each period, an insurer shall disclose under the section on additional information a breakdown of any amounts paid and received during the period for each reinsurance financing contract (by whatever name) that does not involve significant insurance risk transfer by either a ceding insurer or an assuming insurer.

25. Any transfer to an insurance fund for the purpose of meeting the solvency requirement for that fund, and any withdrawal from an insurance fund under section 17(9) of the Act, must be reflected under “Surplus/Retained earnings” of the fund.

[MAS Notice 131 (Amendment No. 2) 2020]

NAME OF INSUREE

FORM A2 – STATEMENT OF PROFIT AND LOSS

FROM _____ **TO** _____

Co Code Year Month

ANNEX A2-3
NET INVESTMENT INCOME/ (LOSS)

Instructions for completion of Form A2 and Annex A2-3

1. All amounts shown are to be rounded to the nearest dollar. Negative amounts shall be preceded by “—”.
2. For the columns under “Insurance Funds Established and Maintained by Insurer under the Act”, the insurer shall only be required to complete the fields relating to insurance funds that it had established and maintained under the Act.
3. The columns under “Shareholders Fund” shall only be applicable to insurers incorporated in Singapore. The column “Overseas (Branch) Insurance Operations” refers to all branches of the insurer which are located outside Singapore and carrying on insurance business. The column “Non- Insurance Operations” includes overseas branches that do not carry on insurance business.
4. For insurers incorporated in Singapore, the "Total" column refers to the profit and loss in respect of global business operations. Transactions between the insurance funds and shareholders fund (including overseas branches) shall be offset under the "Total" column.
5. “Gross premiums” refers to gross premiums received or receivable including portfolio premiums, after deduction of discounts and return premiums, which have been entered in the books of the insurer during the period. Commissions shall not be deducted from “gross premiums”.
6. “Outward reinsurance premiums” refers to premiums paid or payable on reinsurance ceded during the period and includes portfolio premiums in respect of ceded business.
7. “Gross claims settled” refers to gross claims paid, including portfolio losses, increase/ (decrease) in “outstanding claims” during the period, and medical and legal expenses incurred directly in the settlement of claims paid in the period, net of recoveries from salvages and subrogation, where applicable. “Outstanding claims” refers to such claims as described in instruction 18 of the Instructions for completion of Form A1 and Annexes A1- 1, A1-5 and A1-7.
8. “Reinsurance recoveries” refers to reinsurance recoveries received or receivable from reinsurance in respect of claims paid, including portfolio losses, during the period.
9. “Increase/ (decrease) in policy liabilities (gross of reinsurance)” excludes those changes in “policy liabilities (gross of reinsurance)” that relate to transfers of insurance business portfolios into or out of any insurance fund established and maintained under the Act, and any changes in exchange translation reserves

resulting from the translation of “policy liabilities (gross of reinsurance)” from a non-Singapore dollar denominated functional currency to the presentation currency in Singapore dollars. In respect of general business, “Increase/ (decrease) in policy liabilities (gross of reinsurance)” refers to the sum of “increase/ (decrease) in premium liabilities (gross of reinsurance)” and “increase/ (decrease) in claim liabilities (gross of reinsurance)”.

10. “Decrease/ (increase) in reinsurers' share of policy liabilities” excludes those changes in “reinsurers' share of policy liabilities” that relate to transfers of insurance business portfolios into or out of any insurance fund established and maintained under the Act, and any changes in exchange translation reserves resulting from the translation of “reinsurers' share of policy liabilities” from a non-Singapore dollar denominated functional currency to the presentation currency in Singapore dollars. In respect of general business, “Decrease/ (increase) in reinsurers' share of policy liabilities” refers to the sum of “decrease/ (increase) in reinsurers' share of premium liabilities” and “decrease/ (increase) in reinsurers' share of claim liabilities”.

11. “Staff costs” includes —

- (a) salaries, bonuses and allowances;
- (b) contribution to the Central Provident Fund, pensions and gratuities;
- (c) staff medical expenses;
- (d) staff training;
- (e) skills development levy; and
- (f) fringe benefits.

12. “Office rent” includes imputed rental expenses on owner-occupied premises used for the insurer's business. Owner-occupied premises are premises owned by the insurer and which are used for the insurer's business.

13. “Head office/ related corporation expenses” refers to charges from the head office or other related corporations for services rendered.

14. “Managing agent's fees” refers to fees paid to an agent appointed by an insurer to both underwrite and manage a portfolio of business.

15. “Other management expenses” includes repairs and maintenance, public utilities, printing, stationery, periodicals, postage, telephone and telex charges, computer charges, hire of office equipment, licence and association fees, advertising expenses, subscriptions, entertainment expenses, and travelling expenses.

16. “Distribution expenses” includes all direct costs such as commissions and bonuses, all indirect costs of benefits and services provided by the insurer in the

distribution of its products, agency allowances and profit commissions. “Distribution income” includes reinsurance commission income and profit commission income.

17. “Other expenses” includes depreciation on property, plant and equipment and any net loss on disposal of insurance business portfolio.

18. “Other income” includes any net gain on disposal of insurance business portfolio.

19. “Realised gains/ (losses) from last reported value” refers to the amount realised on sale of investments, financial liabilities, and land and buildings after deducting expenses incurred, less the relevant amount reported in Form A1 as at the end of the last reporting period or the purchase price, if such purchase is made during the reporting period. Losses on sale of assets or financial liabilities shall only be netted off within the same category of assets or financial liabilities. It includes gains or losses due to exchange rate fluctuations.

20. “Unrealised changes from last reported value” refers to changes in market value, changes in estimated market value, changes in net realisable value or changes in provisions, where applicable, from the relevant amount reported in Form A1 as at end of the last reporting period, or from the purchase price, if such purchase is made during the reporting period. It includes gains or losses due to exchange rate fluctuations.

21. “Rental income” includes imputed rental on owner-occupied premises used for the insurer’s business.

22. “Investment expenses” includes expenses incurred in earning interest, dividend and rents, expenses incurred in the management and sale of the investments, property maintenance costs and property tax.

INSURANCE ACT
(CHAPTER 142)

NOTICE ON INSURANCE RETURNS
(SPECIAL PURPOSE REINSURANCE VEHICLES)

Name of SPRV: _____

FORM A7 — CERTIFICATE ON THE ACCOUNTS OF THE INSURER

FOR THE ACCOUNTING PERIOD ENDED _____

I, the undersigned, hereby certify that in my belief —

- (a) the information provided in Forms _____, including the Notes and Annexes, are complete and accurate, and in accordance with all applicable requirements stipulated under the Insurance Act (Cap. 142) ("the Act"), any regulations made thereunder and any directions and Notices issued by the Authority;
- (b) in the relevant accounting period, no part of the assets and liabilities of the insurance fund(s) established and maintained under the Act has been dealt with in contravention of section 17 or 18 of the Act; and
- (c) during the year, regulations made and directions issued for the purposes of section 19 of the Act have been complied with in relation to those assets,

except

Name and
signature of: _____
Chief Executive

Date: _____

Instructions for completion of Form A7

1. Insurers shall use the template of this Form downloaded from the MAS Network (MASNET) for completion. Any amendments made to the contents of this Form shall be clearly marked on the submitted Form.

[MAS Notice 131 (Amendment No. 2) 2020]

2. An SPRV licensed to carry on general business shall provide certification in respect of Forms A1, A2 and G1.

3. An SPRV licensed to carry on life business shall provide certification in respect of Forms A1, A2 and L2.

4. An SPRV licensed to carry on both general business and life business shall provide certification in respect of Forms A1, A2, L2 and G1.

[MAS Notice 131 (Amendment No. 2) 2020]

INSURANCE ACT
(CHAPTER 142)

NOTICE ON INSURANCE RETURNS
(SPECIAL PURPOSE REINSURANCE VEHICLES)

Name of SPRV: _____

FORM A8 — INDEPENDENT AUDITOR'S REPORT

1. Pursuant to section 36(3A) of the Insurance Act (Cap. 142) ("the Act"), we have audited the attached Statement of Financial Position as at _____, Statement of Profit and Loss and other statutory returns (Forms A1, A2 and G1, including the Notes but excluding the Annexes other than Annex A1-5)/ (Forms A1 and A2, excluding the Annexes)* for the accounting period ended _____. These statements of account and other statements are the responsibility of the SPRV's directors. Our responsibility is to express an opinion on these statements of account and other statements based on our audit.
2. We conducted our audit in accordance with the Singapore Standards on Auditing to the extent that they are relevant to the audit. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the statements of account are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statements of account. An audit also includes assessing the accounting principles, evaluating the presentation of the overall statements of account and the SPRV's internal control systems used in the preparation of the statements of account and other statements. We believe that our audit provides a reasonable basis for our opinion.

3. In our opinion and to the best of the information, and according to the explanations given to us —

- (a) the Statement of Financial Position, Statement of Profit and Loss and other statutory returns (Forms A1, A2 and G1, including the Notes but excluding the Annexes other than Annex A1-5)/ (Forms A1 and A2, excluding the Annexes)* have been prepared in accordance with the provisions of the Act, any regulations made thereunder and any directions issued by the Authority; and
- (b) the Statement of Financial Position presents a fair reflection of the financial position of the SPRV for which the insurance fund(s) are valued as prescribed under the Insurance (Valuation and Capital) Regulations 2004 and as specified under MAS Notice 133, except for

[MAS Notice 131 (Amendment) 2020]

Public Accountants and
Chartered Accountants
Singapore

Date: _____

* Delete as applicable.

INSURANCE ACT
(CHAPTER 142)

NOTICE ON INSURANCE RETURNS
(ACCOUNTS AND STATEMENTS)
FOR SPECIAL PURPOSE REINSURANCE VEHICLES

Name of SPRV: _____

FORM A8 – INDEPENDENT AUDITOR’S REPORT

[Opinion]/ [Qualified Opinion]*

We have audited the attached –

(a) Statement of Financial Position (Form A1 but excluding the Annexes [other than Annex A1-5]* as at <period-end date>; and
(b) Statement of Operating Results by Line of Business (Form G1 including the Notes); and]*
(c) Statement of Profit and Loss (Form A2 but excluding the Annexes)
for the accounting period ended <period-end date>
(together, “the Returns”) of <Name of SPRV> (“the SPRV”).

In our opinion [, except for the effects of the matter described in the Basis for Qualified Opinion section of our report]*, the Returns have been prepared, in all material respects at both the individual fund level and in total for the SPRV, in accordance with the provisions of the Insurance Act (Cap. 142) (“the Act”), any regulations made thereunder and any notices and directions issued by the Monetary Authority of Singapore (“the Authority”).

Basis for [Opinion]/ [Qualified Opinion]*

[Description of basis for qualification]*

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Returns* section of our report. We are independent of the SPRV in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (“ACRA Code”) together with the ethical requirements that are relevant to our audit of the Returns in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our [opinion]/ [qualified opinion]*.

Other Matter – Basis of Accounting

The Returns have been prepared in accordance with provisions of the Act, regulations made thereunder and notices and directions issued by the Authority. The Returns are prepared to assist the SPRV in complying with the requirements of the Act, any regulations made thereunder and any notices and directions issued by the Authority. As a result, the Returns may not be suitable for another purpose.

[Description of emphasis of matter(s) and other matters, if any]*

Responsibilities of Management and Directors for the Returns

Management of the SPRV is responsible for the preparation of the Returns in accordance with the Act, regulations made thereunder and notices and directions issued by the Authority, and for such internal control as management determines is necessary to enable the preparation of the Returns that are free from material misstatement, whether due to fraud or error.

The directors of the SPRV are responsible for overseeing the SPRV's financial reporting process.

Auditor's Responsibilities for the Audit of the Returns

Our objectives are to obtain reasonable assurance about whether the Returns, at both the individual fund level and in total for the SPRV, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Returns.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the Returns, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the SPRV's internal control; and
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We communicate with the management and directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Public Accountants and
Chartered Accountants
Singapore

Date: _____

* Delete as appropriate

[MAS Notice 131 (Amendment) 2021]

Instructions for completion of Form A8

1. Where the auditor intends to issue an unqualified audit opinion and does not intend to include any information in the section on “Description of emphasis of matter(s) and other matters” in Form A8, the insurer insurers shall use the template of this Form downloaded from the MAS Network (MASNET) for completion. Any amendments made to the contents of this Form shall be clearly marked on the submitted Form.

[MAS Notice 131 (Amendment No. 2) 2020]
[MAS Notice 131 (Amendment) 2021]

2. Where the auditor intends to (i) issue a qualified audit opinion; or (ii) include information in the section on “Description of emphasis of matter(s) and other matters” in Form A8, the auditor may download a copy of this Form from MASNET, convert the Form into a word document, and insert such information as is necessary for the completion of the Form for the insurer’s submission to MAS.

[MAS Notice 131 (Amendment) 2021]

23. For an SPRV licensed to carry on general business and an SPRV licensed to carry on both general business and life business, Forms A1, A2 and G1, including the Notes but excluding the Annexes other than Annex A1-5, shall be audited.

[MAS Notice 131 (Amendment No. 2) 2020]
[MAS Notice 131 (Amendment) 2021]

34. For an SPRV licensed to carry on life business, Forms A1 and A2, excluding the Annexes, shall be audited.

[MAS Notice 131 (Amendment) 2021]

INSURANCE ACT
(CHAPTER 142)

NOTICE ON INSURANCE RETURNS
(SPECIAL PURPOSE REINSURANCE VEHICLES)

FORM A9 — INDEPENDENT AUDITOR'S SUPPLEMENTARY REPORT

Date: _____

Chief Executive

Name of SPRV: _____

Dear Sir

INDEPENDENT AUDITOR'S SUPPLEMENTARY REPORT

1. We have audited the Statement of Financial Position, Statement of Profit and Loss and other statutory returns (Forms A1, A2 and G1, including the Notes but excluding the Annexes other than Annex A1-5)/ (Forms A1 and A2, excluding the Annexes) and evaluated the internal control systems of _____ as at _____ and for the accounting period ended _____.
2. Our audit was carried out in accordance with section 36(3A) of the Insurance Act (Cap. 142) ("the Act") for the purpose of expressing our opinion on the accounts drawn up in accordance with the provisions of the Act. Our audit was conducted on a test basis and included such samples as we deemed appropriate. In this connection, we have reviewed the accounting system and internal control systems used in the preparation of the statements of account and other statements, in operation in the SPRV.
3. Based on our audit, we have no comments on the following (except for those matters stated in the Appendix):
 - (a) the books of the SPRV have been properly kept and have recorded fairly the affairs and transaction of the SPRV in respect of its carrying on of insurance business;
 - (b) all necessary and proper apportionments have been made in the Statement of Financial Position, Statement of Profit and Loss and other statutory returns, and such apportionments have been made in an equitable manner;
 - (c) no part of the assets and liabilities of the insurance fund(s) established and maintained under the Act has been applied in contravention of section 17 of the Act;
 - (d) the fund solvency requirement and capital adequacy requirement under section 18 of the Act, in our opinion, have been complied with;
 - (e) no documents of title to assets of the insurance fund(s) established and maintained under the Act have been held in contravention of section 20(1) of the Act and the assets of the insurance fund(s) established and maintained under the Act have been invested and held in accordance with regulations prescribed or specified in directions under section 19 of the Act;
 - (f) the accounting and internal control systems used in the preparation of statements of account and other statements;
 - (g) other areas of material weakness in the operations of the SPRV;

- (h) the implementation of directions and recommendations made by the Authority in respect of internal systems used in the preparation of the statements of account and other statements; and
 - (i) the implementation of the previous year's audit recommendations.
4. During the course of our audit (except for those matters stated in the Appendix), nothing came to our notice that caused us to believe that —
- (a) known bad debts of a material amount had not been written off or fully provided for;
 - (b) adequate provision had not been made for known material doubtful debts and for any material diminution in value of other assets;
 - (c) there was any non-compliance with the Act and regulations, licensing conditions and directions issued by the Authority;
 - (d) the SPRV has not followed up on any recommendation made by the Authority; and
 - (e) there are conflicts of interests involving management or staff in areas such as underwriting, claims settlement and investment resulting or which may result in any person receiving an undue benefit or advantage at the expense of policy owners.

Public Accountants and
Chartered Accountant
Singapore

* Delete as applicable.

Appendix

Independent Auditor's Findings	Independent Auditor's Recommendations	Insurer's Comments

INSURANCE ACT
(CHAPTER 142)

NOTICE ON INSURANCE RETURNS
(ACCOUNTS AND STATEMENTS)
FOR SPECIAL PURPOSE REINSURANCE VEHICLES

Name of SPRV: _____

FORM A9 — INDEPENDENT AUDITOR'S SUPPLEMENTARY REPORT

Date: _____

Chief Executive

<Name of SPRV>

Opinion

We have audited the –

(a) Statement of Financial Position (Form A1 but excluding the Annexes [other than Annex A1-5]* as at <period-end date>; and
[(b) Statement of Operating Results by Line of Business (Form G1 including the Notes); and]*
(c) Statement of Profit and Loss (Form A2 but excluding the Annexes)
for the accounting period ended <period-end date>
(together, “the Returns”) of <Name of SPRV> (“the SPRV”). Our auditor’s report on the Returns was issued on <date>.

During the course of our audit[, except for those matters stated in the Appendix]*, nothing came to our attention that caused us to believe that:

- a) the books of the SPRV have not been properly kept and have not recorded fairly the affairs and transactions of the SPRV in respect of its carrying on of insurance business;
- b) necessary or proper apportionments have not been made in the Returns, or such apportionments have not been made in an equitable manner;
- c) any part of the assets or liabilities of the insurance fund(s) established and maintained under the Insurance Act (Cap. 142) (“the Act”) has been applied in contravention of section 17 of the Act;
- d) the fund solvency requirement or capital adequacy requirement under section 18 of the Act has not been complied with;
- e) any documents of title to assets of the insurance fund(s) established and maintained under the Act have been held in contravention of section 20(1) of the Act or the assets of the insurance fund(s) established and maintained under the Act have not been invested and held in accordance with regulations prescribed or specified in directions under section 19 of the Act;
- f) the accounting and internal control systems used in the preparation of the Returns are inappropriately designed or operating ineffectively, to the extent that we have assessed the design and tested the operating effectiveness over certain controls used in the preparation of the Returns;

- g) there are any areas of material weakness in the operations of the SPRV;
- h) the SPRV has not followed up on any recommendation made by the Monetary Authority of Singapore ("the Authority");
- i) the implementation of notices, directions or recommendations made by the Authority in respect of internal systems used in the preparation of the Returns has not been completed or appropriately carried out;
- j) the implementation of any previous year's audit recommendations has not been completed or appropriately carried out;
- k) known bad debts of a material amount have not been written off or fully impaired;
- l) adequate allowance for impairment have not been made for known material doubtful debts;
- m) adequate allowance have not been made for any known material impairment of any other assets where impairment is applicable;
- n) there has been any non-compliance with the Act and regulations, licensing conditions, notices and directions issued by the Authority;
- o) there are conflicts of interests involving management or staff in areas such as underwriting, claims settlement and investment resulting or which may result in any person receiving an undue benefit or advantage at the expense of policy owners.

Basis for Opinion on the Returns

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Returns* section of our report. We are independent of the SPRV in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the Returns in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Directors for the Returns

Management of the SPRV is responsible for the preparation of the Returns in accordance with the Act, regulations made thereunder and notices and directions issued by the Authority, and for such internal control as management determines is necessary to enable the preparation of the Returns that are free from material misstatement, whether due to fraud or error.

The directors of the SPRV are responsible for overseeing the SPRV's financial reporting process.

Auditor's Responsibilities for the Audit of the Returns

Our objectives are to obtain reasonable assurance about whether the Returns, at both the individual fund level and in total for the SPRV, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Returns.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the Returns, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the SPRV's internal control; and
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We communicate with the management and directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Purpose and Restriction on Distribution and Use

This report is prepared to assist the SPRV to meet the requirements of the Authority. As a result, the report may not be suitable for another purpose. Our report is intended solely for the SPRV and the Authority and should not be distributed to or used by parties other than the SPRV or the Authority.

Public Accountants and
Chartered Accountants
Singapore

Date: _____

* Delete as appropriate

Appendix

AUDIT FOR THE ACCOUNTING PERIOD ENDED <PERIOD-END DATE>

<u>Independent Auditor's Findings</u>	<u>Independent Auditor's Recommendations</u>	<u>SPRV's Comments</u>

[MAS Notice 131 (Amendment) 2021]

Instructions for completion of Form A9

1. Insurers shall use the template of this Form downloaded from the MAS Network (MASNET) for completion. Any amendments made to the contents of this Form shall be clearly marked on the submitted Form.

[MAS Notice 131 (Amendment No. 2) 2020]

2. For an SPRV licensed to carry on general business and an SPRV licensed to carry on both general business and life business, Forms A1, A2 and G1, including the Notes but excluding the Annexes other than Annex A1-5, shall be audited.

[MAS Notice 131 (Amendment No. 2) 2020]

3. For an SPRV licensed to carry on life business, Forms A1 and A2, excluding the Annexes, shall be audited.

NAME OF INSURER _____

FORM L2 – STATEMENT OF OPERATING RESULTS OF REINSURER IN RESPECT OF LIFE REINSURANCE BUSINESS BY TYPE OF BUSINESS

FROM _____ TO _____

Co Code Year Month

SINGAPORE INSURANCE FUND

Description	Row No.	Life (Risk Premium)	Life (Coinsurance)	Accident and Health	Disability Income	Portfolio Cover	Others	Total
PREMIUMS								
Gross premiums								
Reinsurance business accepted -								
In Singapore	1							
From other countries	2							
Total (1 to 2)	3							
Reinsurance business ceded -								
In Singapore	4							
To other countries	5							
Total (4 to 5)	6							
Net premiums written (3 - 6)	7							
Increase/ (decrease) in premium liabilities (gross of reinsurance)	8							
Decrease/ (increase) in reinsurers' share of premium liabilities	9							
Premiums earned during the period (7 - 8 - 9)	10							
CLAIMS								
Gross claims settled								
Reinsurance business accepted -								
In Singapore	11							
From other countries	12							
Total (11 to 12)	13							
Recoveries from reinsurance business ceded -								
In Singapore	14							
To other countries	15							
Total (14 to 15)	16							
Net claims settled (13 - 16)	17							
Increase/ (decrease) in claim liabilities (gross of reinsurance)	18							
Decrease/ (increase) in reinsurers' share of claim liabilities	19							
Net claims incurred (17 + 18 + 19)	20							
DISTRIBUTION EXPENSES/ (INCOME)								
Commission expenses	21							
Reinsurance commission income	22							
Net commission expenses/ (income) (21 - 22)	23							
Other distribution expenses/ (income)	24							
Total distribution expenses/ (income) (23 + 24)	25							
TECHNICAL RESULTS								
Technical results (10 - 20 - 25)	26							

OFFSHORE INSURANCE FUND

Description	Row No.	Life (Risk Premium)	Life (Coinsurance)	Accident and Health	Disability Income	Portfolio Cover	Others	Total
PREMIUMS								
Gross premiums								
Reinsurance business accepted -								
In Singapore	1							
From other countries	2							
Total (1 to 2)	3							
Reinsurance business ceded -								
In Singapore	4							
To other countries	5							
Total (4 to 5)	6							
Net premiums written (3 - 6)	7							
Increase/ (decrease) in premium liabilities (gross of reinsurance)	8							
Decrease/ (increase) in reinsurers' share of premium liabilities	9							
Premiums earned during the period (7 - 8 - 9)	10							
CLAIMS								
Gross claims settled								
Reinsurance business accepted -								
In Singapore	11							
From other countries	12							
Total (11 to 12)	13							
Recoveries from reinsurance business ceded -								
In Singapore	14							
To other countries	15							
Total (14 to 15)	16							
Net claims settled (13 - 16)	17							
Increase/ (decrease) in claim liabilities (gross of reinsurance)	18							
Decrease/ (increase) in reinsurers' share of claim liabilities	19							
Net claims incurred (17 + 18 + 19)	20							
DISTRIBUTION EXPENSES/ (INCOME)								
Commission expenses	21							
Reinsurance commission income	22							
Net commission expenses/ (income) (21 - 22)	23							
Other distribution expenses/ (income)	24							
Total distribution expenses/ (income) (23 + 24)	25							
TECHNICAL RESULTS								
Technical results (10 - 20 - 25)	26							

Instructions for completion of Form L2

1. All amounts shown are to be rounded to the nearest dollar. Negative amounts shall be preceded by “—”.
2. For bundled reinsurance policies covering several types of risk exposure, the premiums shall be shown under the primary exposure. For example, a bundled reinsurance policy with health reinsurance as the primary exposure shall be classified as health reinsurance even if it includes some elements of term insurance.
3. “Gross premiums” refers to gross premiums received or receivable including portfolio premiums, after deduction of discounts and return premiums, which have been entered into the books of the insurer during the period. Commissions shall not be deducted from “gross premiums”.
4. “Reinsurance business ceded” refers to premiums paid or payable on reinsurance ceded during the period and includes portfolio premiums in respect of ceded business.
5. “Increase/ (decrease) in premium liabilities (gross of reinsurance)” excludes those changes in premium liabilities (gross of reinsurance) that relate to transfers of insurance business portfolios into or out of any insurance fund established and maintained under the Act, and any changes in exchange translation reserves resulting from the translation of premium liabilities (gross of reinsurance) from a non-Singapore dollar denominated functional currency to the presentation currency in Singapore dollars.
6. “Decrease/ (increase) in reinsurers' share of premium liabilities” excludes those changes in reinsurers' share of premium liabilities that relate to transfers of insurance business portfolios into or out of any insurance fund established and maintained under the Act, and any changes in exchange translation reserves resulting from the translation of reinsurers' share of premium liabilities from a non-Singapore dollar denominated functional currency to the presentation currency in Singapore dollars.
7. “Gross claims settled” refers to gross claims paid, including portfolio losses, decrease/ (increase) in “outstanding claims” during the period, and medical or legal expenses incurred directly in the settlement of claims paid in the period, net of recoveries from salvages and subrogation, where applicable. “Outstanding claims” refers to such claims as described in instruction 18 of the Instructions for completion of Form A1 and Annexes A1- 1, A1-5 and A1-7.
8. “Recoveries from reinsurance business ceded” refers to reinsurance recoveries received or receivable from reinsurance in respect of claims settled,

including portfolio losses, during the period.

9. “Increase/ (decrease) in claim liabilities (gross of reinsurance)” excludes those changes in claim liabilities (gross of reinsurance) that relate to transfers of insurance business portfolios into or out of any insurance fund established and maintained under the Act, and any changes in exchange translation reserves resulting from the translation of claim liabilities (gross of reinsurance) from a non-Singapore dollar denominated functional currency to the presentation currency in Singapore dollars.

10. “Decrease/ (increase) in reinsurers' share of claim liabilities” excludes those changes in reinsurers' share of claim liabilities that relate to transfers of insurance business portfolios into or out of any insurance fund established and maintained under the Act, and any changes in exchange translation reserves resulting from the translation of reinsurers' share of claim liabilities from a non-Singapore dollar denominated functional currency to the presentation currency in Singapore dollars.

11. “Other distribution expenses/ (income)” includes profit commissions.

NAME OF INSURER _____

FORM G1 – STATEMENT OF OPERATING RESULTS BY LINE OF BUSINESS

FROM _____ TO _____

Co Code Year Month

SINGAPORE INSURANCE FUND

OFFSHORE INSURANCE FUN

Notes to Form G1 (to be shown separately for each fund)

The following shall be stated as Notes to this Form:

Note 1 Items in this Form may be allocated according to a reasonable basis used by the insurer which is acceptable to its external auditor. The bases used shall be stated as a Note to this Form.

Note 2 Amount of gross premiums written for the following lines of business:

- (a) Agriculture;
- (b) Catastrophe excess of loss reinsurance;
- (c) Energy;
- (d) Luxury lines (such as fine art and specie, jewellers block, and yachts);
- (e) Professional indemnity (for Offshore Insurance Fund only);
- (f) Trade credit; and
- (g) Breakdown of Singapore Insurance Fund "Others" and Offshore Insurance Fund "Liability and Others" as follows:
 - (i) Cyber liability;
 - (ii) Environmental liability;
 - (iii) Political risk;
 - (iv) Terrorism;
 - (v) War; and
 - (vi) Others (to specify based on insurer's internal classification).

Instructions for completion of Form G1 and Notes

1. All amounts shown are to be rounded to the nearest dollar. Negative amounts shall be preceded by “—”.
2. For any Note where there are no entries, a “Nil” Note shall be submitted.
3. For the Singapore Insurance Fund, reinsurers shall choose to either —
 - (a) report information relating to “Public Liability/ Product Liability”, “Surety”, “Engineering”, “Professional Indemnity”, “Credit/ Credit-Related” and “Others” lines of business separately; or
 - (b) aggregate information relating to “Public Liability/ Product Liability”, “Surety”, “Engineering”, “Professional Indemnity”, “Credit/ Credit-Related” and “Others” lines of business and report them under “Others” line of business.
4. For the purpose of risk classification, where separate figures for each line of business are not available, as in a combined policy covering several classes of risks, the premiums shall be shown under the predominant class of risk.
5. For annual policies issued in respect of direct risks or facultative reinsurance inward risks, an insurer shall recognise the gross premium income in full when the risks commence. Where the quantum of such gross premium income cannot be ascertained at the policy commencement date, it shall be estimated.
6. “Gross premiums” refers to gross premiums received or receivable including portfolio premiums, after deduction of discounts and return premiums, which have been entered into the books of the insurer during the period. Commissions shall not be deducted from “gross premiums”.
7. “Reinsurance business ceded” refers to premiums paid or payable on reinsurance ceded during the period and includes portfolio premiums in respect of ceded business.
8. “Increase/ (decrease) in premium liabilities (gross of reinsurance)” excludes those changes in premium liabilities (gross of reinsurance) that relate to transfers of insurance business portfolios into or out of any insurance fund established and maintained under the Act, and any changes in exchange translation reserves resulting from the translation of premium liabilities (gross of reinsurance) from a non-Singapore dollar denominated functional currency to the presentation currency in Singapore dollars.
9. “Decrease/ (increase) in reinsurers' share of premium liabilities” excludes those changes in reinsurers' share of premium liabilities that relate to transfers of

insurance business portfolios into or out of any insurance fund established and maintained under the Act, and any changes in exchange translation reserves resulting from the translation of reinsurers' share of premium liabilities from a non-Singapore dollar denominated functional currency to the presentation currency in Singapore dollars.

10. "Gross claims settled" refers to gross claims paid, including portfolio losses, increase/ (decrease) in "outstanding claims" during the period, and medical or legal expenses incurred directly in the settlement of claims paid in the period, net of recoveries from salvages and subrogation, where applicable. "Outstanding claims" refers to such claims as described in instruction 18 of the Instructions for completion of Form A1 and Annexes A1- 1, A1-5 and A1-7.

11. "Recoveries from reinsurance business ceded" refers to reinsurance recoveries received or receivable from reinsurance in respect of claims settled, including portfolio losses, during the period.

12. "Increase/ (decrease) in claim liabilities (gross of reinsurance)" excludes those changes in claim liabilities (gross of reinsurance) that relate to transfers of insurance business portfolios into or out of any insurance fund established and maintained under the Act, and any changes in exchange translation reserves resulting from the translation of claim liabilities (gross of reinsurance) from a non-Singapore dollar denominated functional currency to the presentation currency in Singapore dollars.

13. "Decrease/ (increase) in reinsurers' share of claim liabilities" excludes those changes in reinsurers' share of claim liabilities that relate to transfers of insurance business portfolios into or out of any insurance fund established and maintained under the Act, and any changes in exchange translation reserves resulting from the translation of reinsurers' share of claim liabilities from a non-Singapore dollar denominated functional currency to the presentation currency in Singapore dollars.

14. "Management expenses" has the same meaning as in Form A2.

15. "Other distribution expenses/ (income)" includes agency allowances and profit commissions.

16. "Net investment income" has the same meaning as "Net investment income/ (loss)" in Form A2.