

# Changes in insurance regulation: Mainland China / Hong Kong / Singapore / Indonesia / Vietnam

July - December 2019



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# Changes in insurance regulation: Mainland China

## July – December 2019

Subject	Update	Key date(s)	Link
<b>Further progress on opening up the Chinese insurance market</b>	<p>On 20 July 2019, the Office of the Financial Stability and Development Committee under the State Council released 11 relevant new measures to substantially further open up China's financial sector to foreign investment<sup>1</sup>.</p> <p>Among others, the following are related to the insurance sector:</p> <ol style="list-style-type: none"> <li>1. The restriction on the foreign shareholding ratio in life insurance companies will be lifted in 2020, which is a year ahead of the schedule announced in 2018;</li> <li>2. The requirement that domestic insurance companies must hold in aggregate not less than 75% of the shares of insurance asset management companies will be lifted, and foreign insurance companies are therefore permitted to hold shares in insurance asset management companies without any cap on the percentage of shares held; and</li> <li>3. The requirement that foreign insurers must have at least 30 years' experience in insurance business before the establishment of a foreign-invested insurance company in China will be lifted.</li> </ol>	Release date: 20 July 2019	<a href="http://www.gov.cn/guowuyuan/2019-07/20/content_5412220.htm">http://www.gov.cn/guowuyuan/2019-07/20/content_5412220.htm</a> (The State Council's official circular in Chinese.)
	<p>On 30 September 2019, the State Council published the Decision on Revising the 'Foreign Insurers in China Regulations' and the 'Foreign-Invested Banks Administrative Regulations', which became effective on the same day<sup>2</sup>.</p> <p>The main amendments include:</p>	Effective date: 30 September 2019	<a href="http://www.gov.cn/zhengce/content/2019-10/15/content_5439956.htm">http://www.gov.cn/zhengce/content/2019-10/15/content_5439956.htm</a> (The State Council's official

<sup>1</sup> For more details on these 11 measures, please see our previous alert: "[Open for business: China ignores 'background noise' and forges ahead with opening up its financial sector](#)".

<sup>2</sup> For more details on the Decision, please see our previous alert: "[Open for business: China adopts new legislation to further open up its insurance and banking sectors to foreign investors](#)".

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	<ol style="list-style-type: none"> <li>1. Lifting the requirement that a foreign insurer must have been operating for 30 years and have maintained a China Banking and Insurance Regulatory Commission ("<b>CBIRC</b>") approved insurance representative office in China for two years before it can establish a foreign-invested insurance company in China;</li> <li>2. Foreign insurance groups are allowed to establish a foreign-invested insurance company in China; and</li> <li>3. All types of overseas financial institutions are now permitted to invest in foreign-invested insurance companies in China.</li> </ol> <p>In a press conference held by the State Council on 15 October 2019, Fushou Liu, the chief legal counsel of the CBIRC, stated that amendments to the Administrative Regulations of the People's Republic of China Foreign-Invested Insurance Companies Implementation Rules are in the drafting process and will be released in the near future.</p>		circular in Chinese.)
<p><b>CBIRC reinforces its supervision over insurance asset and liability management</b></p>	<p>On 11 December 2017, the CBIRC issued the Measures for Regulation of Insurance Asset and Liability Management (Draft for Comments), which was mentioned in our regulatory tracker for the fourth quarter of 2017. On 24 July 2019, the CBIRC released its final version - the Interim Regulatory Measures for Supervision of Insurance Asset-Liability Management ("<b>Asset-Liability Management Measures</b>"), which aims to further prevent risks arising from asset-liability mismatches, and to improve insurers' asset-liability management capabilities.</p> <p>The Asset-Liability Management Measures require insurers to establish</p>	<p>Release date: 24 July 2019</p> <p>Effective date: 24 July 2019</p>	<p><a href="http://www.gov.cn/xinwen/2019-08/08/content_5419763.htm">http://www.gov.cn/xinwen/2019-08/08/content_5419763.htm</a> (CBIRC's official circular in Chinese.)</p>

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	<p>and improve their asset-liability management systems, which involves continuous formulation, implementation, monitoring and enhancement of asset-liability related strategies, based on their risk preferences and other constraints. The CBIRC will impose differentiated supervisory policies on insurers, based on their asset-liability management capabilities and asset-liability matching; there are 3 grades of management capabilities: "Good", "Fair" and "Poor". Insurers with high asset-liability management capabilities and a good asset-liability matching ratio would, subject to their actual operating conditions and market demand, be accorded incentive policies in terms of the scope, mode and ratio of fund use, as well as insurance products and other aspects. Insurers with prudent and stable operations are encouraged to play a leading role.</p> <p>Furthermore, the assessment of asset-liability management capacities will be considered by the CBIRC in evaluating the prudential and other capabilities of such insurers in investing in equity, real estate and derivatives.</p> <p>The Asset-Liability Management Measures also apply to the branches of foreign insurers in China.</p>		
<p><b>CBIRC reinforces its supervision over related party transactions by insurance companies</b></p>	<p>On 3 May 2018, the CBIRC issued the Regulations Governing Insurance Companies' Related Party Transactions (Exposure Draft), which were mentioned in our regulatory tracker for the second quarter of 2018. On 25 August 2019, the CBIRC released the Measures for the Administration of Related Party Transactions of Insurance Companies ("<b>Related Party Measures</b>"). The Related Party Measures clarify the principles of strengthening the depth of</p>	<p>Release date: 25 August 2019</p> <p>Effective date: 25 August 2019</p>	<p><a href="http://www.cbirc.gov.cn/cn/view/pages/ItemDetail.html?docId=843902&amp;itemId=915&amp;generalType=0">http://www.cbirc.gov.cn/cn/view/pages/ItemDetail.html?docId=843902&amp;itemId=915&amp;generalType=0</a> (CBIRC's official circular in Chinese.)</p> <p><a href="http://news.cnstock.com/news,bwxx-">http://news.cnstock.com/news,bwxx-</a></p>

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	<p>management and supervision regulation, and establishes a complete monitoring and reporting mechanism through end-to-end supervision of related party transactions ("<b>RPT</b>").</p> <p>Compared to the exposure draft, the Related Party Measures:</p> <ul style="list-style-type: none"> <li>• further strengthen the depth of regulation principle, by requiring insurance companies to establish a thorough monitor system through tracking the flow of insurance funds to effectively prevent risks from being transferred across different companies, industries and areas;</li> <li>• enacts the depth of regulation rules, by requiring insurance company to identify its actual controller(s), persons acting in concert, and ultimate beneficiaries of financial products, based on the substance over form principle. The CBIRC shall also have the power to identify related parties using the same principles;</li> <li>• further improves the reporting and disclosure requirements of RPT. Depending on the specific situation, RPT must be reported case-by-case, on a quarterly or annual basis. Case-by-case reports and quarterly report must be released to the public through a designated website; and</li> <li>• further specifies that RPT must be fair and reasonable, and must not deviate from market pricing.</li> </ul> <p>The Related Party Measures apply to insurance holding companies, insurance companies, and insurance asset management companies established in China, and will replace the Administration of Affiliated Transactions of Insurance Companies Interim</p>		<p><a href="https://www.cbirc.gov.cn/eng/pressroom/201909-4428588.htm">201909-4428588.htm</a>            (Media reports on CBIRC's Q&amp;A issued on September 9, 2019.)</p>

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<p><b>Recent regulatory developments on insurance agency:</b></p> <p><b>CBIRC Seeks comments from insurance sector on the Development of Exclusive Insurance Agents for Insurance Companies Administrative Measures</b></p>	<p>Measures and their supplemental rules.</p> <p>Based on media reports, the CBIRC recently started drafting the Development of Exclusive Insurance Agents for Insurance Companies Administrative Measures ("<b>Draft Agency Measures</b>"). These are currently undergoing a consultation process within the insurance sector to eliminate issues arising from the traditional pyramid sales and agency mechanisms.</p> <p>Based on the Draft Agency Measures, an insurance company that intends to engage an exclusive independent insurance agent must complete prior record-filing with the CBIRC and satisfy the following conditions:</p> <ul style="list-style-type: none"> <li>(i) having been profitable for at least the most recent two consecutive years, the comprehensive solvency adequacy ratio and the core solvency adequacy ratio in the last year were above 200%, and the comprehensive risk rating for the most recent two consecutive quarters was rated Class B or above;</li> <li>(ii) in the 2 years prior to the application, there were no serious regulatory violations or records of disciplinary actions by the financial regulatory authority and the applicant has not been investigated by the CBIRC for any serious illegal acts;</li> <li>(iii) having a good corporate governance structure with sound internal controls and stable business operations;</li> <li>(iv) having a complete intermediary channel management system with a management department and</li> </ul>	<p>Publication date: 10 July 2019</p>	<p><a href="http://news.cnstock.com/news.yw-201907-4399026.htm">http://news.cnstock.com/news.yw-201907-4399026.htm</a> (Media reports in Chinese)</p>



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	<p>responsible personnel;</p> <p>(v) having carried out a specialized feasibility study; and</p> <p>(vi) undertaking to assume legal liability relating to the exclusive independent insurance agent mechanism.</p> <p>An exclusive independent insurance agent would also be subject to certain qualification requirements and can be registered as an individual industrial and commercial household or sole proprietorship enterprise.</p>		
<p><b>CBIRC clarifies the rules on mutual agency among insurance companies</b></p>	<p>Based on media reports, the CBIRC has issued the Circular for Ensuring Effective Mutual Agency among Insurance Companies to its local bureaus and all insurance companies to clarify specific requirements for mutual agency between insurance companies, including:</p> <ul style="list-style-type: none"> <li>• Insurance companies acting as insurance agents for other insurance companies are required to obtain the administrative license for concurrent insurance agency business from the CBIRC; such license is valid for three years; and</li> <li>• A property and casualty insurance company can only act as the agent of one life insurance company in one fiscal year and vice versa; while an insurance company may act as the agent of multiple insurance companies within one group company.</li> </ul>	<p>Publication date: 18 September 2019</p>	<p><a href="http://news.cnstock.com/news/bwxx-201909-4431672.htm">http://news.cnstock.com/news/bwxx-201909-4431672.htm</a> (Media reports in Chinese; the circular itself has not been made available to the public.)</p>
<p><b>CBIRC has published an exposure draft of the CBIRC On-site Inspection Measures (for Trial</b></p>	<p>The CBIRC released the CBIRC for the On-site Inspection Measures (for Trial Implementation) (Exposure Draft) ("<b>Draft On-site Inspection Measures</b>") to solicit public comments.</p> <p>The Draft On-site Inspection Measures stipulate the procedures for launching</p>	<p>Release date: 18 September 2019</p> <p>Deadline for public comments:</p>	<p><a href="http://www.cbirc.gov.cn/cn/view/pages/ItemDetail.html?docId=845485&amp;itemId=951&amp;generalType=2">http://www.cbirc.gov.cn/cn/view/pages/ItemDetail.html?docId=845485&amp;itemId=951&amp;generalType=2</a> (CBIRC's official</p>



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<b>Implementation) Measures</b>	<p>on-site inspections, including:</p> <ul style="list-style-type: none"> <li>(i) strictly regulating the project establishment procedures for on-site inspections. Without prior project establishment and approval, on-site inspections cannot be conducted;</li> <li>(ii) enhancing the review methodology and manner for carrying out on-site inspections. On-site inspections must strengthen the use of information technology, and, where necessary, explore the possibility of online and offline examination and use of audit inquiry letters; and</li> <li>(iii) encouraging the inspected institution to conduct self-inspection. Where the inspected institution voluntarily discovers, promptly corrects and reports any issues during its self-inspection before an on-site inspection, an opinion for light, mitigated, or exemption from administrative punishments will be given in accordance with law.</li> </ul>	22 October 2019	<p>circular in Chinese.)</p> <p><a href="http://www.cbirc.gov.cn/chinese/files/2019/97A8E35D57CE4846956849B4AFCA6BA0.doc">http://www.cbirc.gov.cn/chinese/files/2019/97A8E35D57CE4846956849B4AFCA6BA0.doc</a> (CBIRC's accompanying circular in Chinese.)</p>

# Changes in insurance regulation: Hong Kong

July – December 2019

Subject	Update	Key date	Link
<b>GL21: Guideline on Enterprise Risk Management</b>	<p>The Insurance Authority (“IA”) has published GL21 – Guideline on Enterprise Risk Management.</p> <p>GL21 sets out the objectives and requirements on enterprise risk management and the own risk and solvency assessment; and provides the impetus for insurers to establish effective tools to identify, monitor, manage and mitigate risks.</p>	<p>Release date: 5 July 2019</p>	<p>IA circular: <a href="https://www.ia.org.hk/en/legislative-framework/circulars/reg_matters/files/cir_20190705.pdf">https://www.ia.org.hk/en/legislative-framework/circulars/reg_matters/files/cir_20190705.pdf</a></p> <p>GL21: <a href="https://www.ia.org.hk/en/legislative-framework/circulars/reg_matters/files/GL21.pdf">https://www.ia.org.hk/en/legislative-framework/circulars/reg_matters/files/GL21.pdf</a></p>
<b>GL22: Guideline on Exercising Power to Impose Pecuniary Penalties in respect of Regulated Persons under the Insurance Ordinance (Cap. 41)</b>	<p>The IA has published GL22 - Guideline on Exercising Power to Impose Pecuniary Penalties in Respect of Regulated Persons under the Insurance Ordinance (Cap.41) (“<b>Insurance Ordinance</b>”).</p> <p>GL22 sets out the considerations that the IA will take into account when determining whether to impose a pecuniary penalty on regulated persons and the amount of the penalty. GL22 will come into effect immediately upon the implementation of the new statutory regulatory regime for insurance intermediaries on 23 September 2019.</p>	<p>Release date: 12 July 2019</p> <p>Effective date: 23 September 2019</p>	<p>IA circular: <a href="https://www.ia.org.hk/en/legislative-framework/circulars/reg_matters/files/Circular_of_G_L22.pdf">https://www.ia.org.hk/en/legislative-framework/circulars/reg_matters/files/Circular_of_G_L22.pdf</a></p> <p>GL22: <a href="https://www.ia.org.hk/en/legislative-framework/circulars/reg_matters/files/Guideline_on_Pecuniary_Penalty_English.pdf">https://www.ia.org.hk/en/legislative-framework/circulars/reg_matters/files/Guideline_on_Pecuniary_Penalty_English.pdf</a></p>
<b>Delegation of powers from the Insurance Authority to the Hong Kong Monetary Authority and signing of new Memorandum of Understanding</b>	<p>Pursuant to the statutory regulatory regime for insurance intermediaries under the Insurance Ordinance and the approval of the Chief Executive in Council, the IA has announced a delegation of its inspection and investigation powers to the Hong Kong Monetary Authority (“HKMA”), taking effect on 23 September 2019 (when the statutory regime comes into operation).</p> <p>To strengthen co-operation between the IA and the HKMA under the statutory regime, and to ensure regulatory</p>	<p>Release date: 19 July 2019</p> <p>Effective date: 23 September 2019</p>	<p>Press release: <a href="https://www.hkma.gov.hk/eng/key-information/press-releases/2019/20190719-3.shtml">https://www.hkma.gov.hk/eng/key-information/press-releases/2019/20190719-3.shtml</a></p> <p><a href="https://www.ia.org.hk/en/infocenter/press_releases/20190719.html">https://www.ia.org.hk/en/infocenter/press_releases/20190719.html</a></p>

	<p>consistency, the two parties entered into a new Memorandum of Understanding dated 19 July 2019 which sets out, amongst others, the arrangements on supervision, complaint handling and enforcement in relation to insurance related activities carried on by authorised institutions ("AIs").</p> <p>The delegation of the IA's powers of inspection and investigation to the HKMA in relation to insurance-related businesses of the IA aims to improve efficiency and to minimise possible regulatory overlap.</p>		
<p><b>China Banking and Insurance Regulatory Commission continues to offer preferential treatment to the Hong Kong reinsurance industry</b></p>	<p>The CBIRC today has announced an agreement to continue the preferential treatment given to Hong Kong under the "China Risk-Oriented Solvency System", allowing lower capital requirements for Mainland insurers who cede business to qualified Hong Kong professional reinsurers.</p>	<p>Release date: 22 July 2019</p>	<p>Press release: <a href="https://www.ia.org.hk/en/infocenter/press_releases/20190722.html">https://www.ia.org.hk/en/infocenter/press_releases/20190722.html</a></p>
<p><b>Consultation conclusions of the guidelines on "Fit and Proper" criteria and continuing professional development requirements for licensed insurance intermediaries</b></p>	<p>The IA has published the conclusions of the consultation exercise in respect of two draft regulatory instruments - the Guideline on "Fit and Proper" Criteria for Licensed Insurance Intermediaries under the IA and the Guideline on Continuing Professional Development for Licensed Insurance Intermediaries.</p> <p>Proposals in relation to the below were widely endorsed:</p> <ul style="list-style-type: none"> <li>• New licensees must attain a standard of Level 2 or above for five subjects in the Hong Kong Diploma of Secondary Education Examination (including Chinese or English and Mathematics), while new Responsible Officers of insurance agencies and broker companies must possess a bachelor degree in addition to the requisite experience;</li> <li>• Increasing the minimum Continuing</li> </ul>	<p>Release date: 31 July 2019</p>	<p>Press release: <a href="https://www.ia.org.hk/en/infocenter/press_releases/20190731.html">https://www.ia.org.hk/en/infocenter/press_releases/20190731.html</a></p>

	<p>Professional Development (“CPD”) hours from 10 to 15 per year, with e-learning courses available for this purpose; and</p> <ul style="list-style-type: none"> <li>Organisational competence requirements on insurance agencies and brokerage companies.</li> </ul>		
<p><b>Conclusions of consultations on codes of conduct for licensed insurance agents and licensed insurance brokers</b></p>	<p>The IA has published the conclusions of the consultation in respect of two draft regulatory instruments – the Code of Conduct for Licensed Insurance Agents and the Code of Conduct for Licensed Insurance Brokers.</p> <p>The two codes will take effect immediately upon commencement of the new statutory regulatory regime for insurance intermediaries, on 23 September 2019.</p> <p>In order to allow sufficient time for transition, the IA will adopt a flexible approach in considering insurance intermediaries’ compliance with the codes in the initial few months, and expects licensees to fully comply with the codes from 1 January 2020 onwards.</p>	<p>Release date: 3 September 2019</p> <p>Effective date: 23 September 2019</p>	<p>Press release: <a href="https://www.ia.org.hk/en/infocenter/press_releases/20190903.html">https://www.ia.org.hk/en/infocenter/press_releases/20190903.html</a></p> <p>Conclusions of the consultations on Draft Code of Conduct for Licensed Insurance Brokers: <a href="https://www.ia.org.hk/en/infocenter/files/Consultation_Conclusions_Brokers_Code_Eng.pdf">https://www.ia.org.hk/en/infocenter/files/Consultation_Conclusions_Brokers_Code_Eng.pdf</a></p> <p>Conclusions of the consultations on Draft Code of Conduct for Licensed Insurance Agents: <a href="https://www.ia.org.hk/en/infocenter/files/Consultation_Conclusions_Agents_Code_Eng.pdf">https://www.ia.org.hk/en/infocenter/files/Consultation_Conclusions_Agents_Code_Eng.pdf</a></p> <p>Code of Conduct for Licensed Insurance Brokers (First Edition, September 2019): <a href="https://www.ia.org.hk/en/supervision/reg_ins_intermediaries/files/Broker_Code_Eng.pdf">https://www.ia.org.hk/en/supervision/reg_ins_intermediaries/files/Broker_Code_Eng.pdf</a></p> <p>Code of Conduct</p>

			for Licensed Insurance Agents (First Edition, September 2019): <a href="https://www.ia.org.hk/en/supervision/reg_ins_intermediaries/files/Agent_Code_Eng.pdf">https://www.ia.org.hk/en/supervision/reg_ins_intermediaries/files/Agent_Code_Eng.pdf</a>
<b>Sufficiency of authority of responsible officers of licensed insurance intermediaries which are authorized institutions</b>	<p>The HKMA has issued a circular to AIs who are (or intend to apply to be) licensed insurance intermediaries to provide guidance regarding the sufficiency of authority of responsible officers ("RO"), such as:</p> <ol style="list-style-type: none"> <li>1) If any of the individuals responsible for directly supervising the conduct of regulated insurance activities of an AI is the AI's chief executive, alternate chief executive or director as defined in the Banking Ordinance (Cap. 155) ("<b>Banking Ordinance</b>"), such individual is expected to be appointed as an RO of the AI.</li> <li>2) If the situation in (1) above is not applicable, the RO should be the highest ranking individual responsible for directly supervising the AI's regulated insurance activities.</li> <li>3) An AI must ensure that at least one RO is the chief executive, an alternate chief executive, a director or a manager of the AI as defined under the Banking Ordinance.</li> </ol>	Release date: 11 September 2019	HKMA circular: <a href="https://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2019/20190911e1.pdf">https://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2019/20190911e1.pdf</a>
<b>Various Guidelines for the Sale of Long Term Insurance Policies (GL25 - GL30) issued by the Insurance Authority</b>	<p>The IA has reviewed the Hong Kong Federation of Insurers' codes or guidance notes and consolidated them into the 6 sets of guidelines, which will be applicable to both insurers and insurance intermediaries under the new regime, with effect from 23 September 2019:</p> <ol style="list-style-type: none"> <li>1) Guideline on Offering of Gifts (GL25);</li> <li>2) Guideline on Sale of Investment-Linked Assurance Scheme ("<b>ILAS</b>")</li> </ol>	<p>Release date: 13 September 2019</p> <p>Effective date: 23 September 2019</p>	<p>IA circular: <a href="https://www.ia.org.hk/en/legislative_framework/circulars/reg_matters/files/Circular_to_insurers_re_6_sets_of_guidelines.pdf">https://www.ia.org.hk/en/legislative_framework/circulars/reg_matters/files/Circular_to_insurers_re_6_sets_of_guidelines.pdf</a></p> <p>GL25: <a href="https://www.ia.org.hk/en/legislative">https://www.ia.org.hk/en/legislative</a></p>

	<p>Products (GL26);</p> <ol style="list-style-type: none"> <li>3) Guideline on Long Term Insurance Policy Replacement (GL27);</li> <li>4) Guideline on Benefit Illustrations for Long Term Insurance Policies (GL28);</li> <li>5) Guideline on Cooling-off Period (GL29); and</li> <li>6) Guideline on Financial Needs Analysis (GL30).</li> </ol> <p>Transitional provisions are available for all the guidelines above, except for GL26.</p>		<p><a href="https://www.ia.org.hk/en/legislative-framework/files/GL25_English.pdf">framework/files/GL25_English.pdf</a></p> <p>GL26: <a href="https://www.ia.org.hk/en/legislative-framework/files/GL26_English.pdf">https://www.ia.org.hk/en/legislative-framework/files/GL26_English.pdf</a></p> <p>GL27: <a href="https://www.ia.org.hk/en/legislative-framework/files/GL27_English.pdf">https://www.ia.org.hk/en/legislative-framework/files/GL27_English.pdf</a></p> <p>GL28: <a href="https://www.ia.org.hk/en/legislative-framework/files/GL28_English.pdf">https://www.ia.org.hk/en/legislative-framework/files/GL28_English.pdf</a></p> <p>GL29: <a href="https://www.ia.org.hk/en/legislative-framework/files/GL29_English.pdf">https://www.ia.org.hk/en/legislative-framework/files/GL29_English.pdf</a></p> <p>GL30: <a href="https://www.ia.org.hk/en/legislative-framework/files/GL30_English.pdf">https://www.ia.org.hk/en/legislative-framework/files/GL30_English.pdf</a></p>
<p><b>Amendments to the Insurance Authority's Guidelines in relation to Anti-Money Laundering and Counter-Terrorist Financing (GL3 &amp; GL3A) and FAQs</b></p>	<p>The IA published the following revised guidelines, which will come into operation on 23 September 2019 and shall supersede any previous version of such guidelines:</p> <ol style="list-style-type: none"> <li>1) Guideline on Anti-Money Laundering and Counter-Terrorist Financing (GL3); and</li> <li>2) Guideline on Exercising Power to Impose Pecuniary Penalty in respect of Anti-Money Laundering and Counter Terrorist Financing (GL3A).</li> </ol>	<p>Release date: 13 September 2019</p> <p>Effective date: 23 September 2019</p>	<p>IA circular: <a href="https://www.ia.org.hk/en/legislative-framework/circulars/antimoney_laundering/files/circular_aml_20190913_1.pdf">https://www.ia.org.hk/en/legislative-framework/circulars/antimoney_laundering/files/circular_aml_20190913_1.pdf</a></p> <p>The revised GL3 (showing marked-up changes against the previous version): <a href="https://www.ia.org.hk/en/legislative-framework/circulars/antimoney_laundering/files/20190913_1.pdf">https://www.ia.org.hk/en/legislative-framework/circulars/antimoney_laundering/files/20190913_1.pdf</a></p>

			<p><a href="#">90913_1_Appendix_A.pdf</a></p> <p>The revised GL3A (showing marked-up changes against the previous version):  <a href="https://www.ia.org.hk/en/legislative_framework/circulars/antimoney_laundering/files/20190913_1_Appendix_C.pdf">https://www.ia.org.hk/en/legislative_framework/circulars/antimoney_laundering/files/20190913_1_Appendix_C.pdf</a></p> <p>FAQs published by the IA (updated from time to time and to be read in conjunction with the latest GL3):  <a href="https://www.ia.org.hk/en/infocenter/faqs/faqs_9.html">https://www.ia.org.hk/en/infocenter/faqs/faqs_9.html</a></p>
<p><b>Commencement of new regulatory regime for insurance intermediaries (insurance brokers)</b></p>	<p>A number of changes in relation to the following matters will take effect on 23 September 2019:</p> <ol style="list-style-type: none"> <li>1) Regulatory instruments;</li> <li>2) Insurance intermediary licence applications;</li> <li>3) Insurance intermediary licence numbers;</li> <li>4) Reporting of CPD; and</li> <li>5) Submission of audited financial statements and auditor's reports.</li> </ol>	<p>Release date: 17 September 2019</p> <p>Effective date: 23 September 2019</p>	<p>IA circular:  <a href="https://www.ia.org.hk/en/legislative_framework/circulars/reg_matters/files/Circular_Brokers.pdf">https://www.ia.org.hk/en/legislative_framework/circulars/reg_matters/files/Circular_Brokers.pdf</a></p>
<p><b>Commencement of new regulatory regime for insurance intermediaries (authorized insurers)</b></p>	<p>A number of changes in relation to the following matters will take effect on 23 September 2019:</p> <ol style="list-style-type: none"> <li>1) Regulatory instruments;</li> <li>2) Insurance intermediary licence applications;</li> <li>3) Insurance intermediary licence numbers;</li> </ol>	<p>Release date: 17 September 2019</p> <p>Effective date: 23 September 2019</p>	<p>IA circular:  <a href="https://www.ia.org.hk/en/legislative_framework/circulars/reg_matters/files/Circular_Insurers.pdf">https://www.ia.org.hk/en/legislative_framework/circulars/reg_matters/files/Circular_Insurers.pdf</a></p>



	<p>4) Licensing of staff; and</p> <p>5) Reporting of CPD.</p>		
<p><b>Circular providing Interpretation Notes relating to the Guideline on Sale of Investment-Linked Assurance Scheme (“ILAS”) Products</b></p>	<p>The IA issued this circular with the aim of providing further guidance to authorized insurers and licensed insurance intermediaries in respect of the sale process for ILAS products under the Guideline on Sale of Investment-Linked Assurance Scheme Products (GL26).</p>	<p>Release date: 20 September 2019</p>	<p>IA circular: <a href="https://www.ia.org.hk/en/legislative-framework/circulars/reg_matters/files/Circular_providing_Interpretation_Notes_relating_to_the_Guideline_on_Sale_of_Investment_Linked_Assurance_Scheme_Products.pdf">https://www.ia.org.hk/en/legislative-framework/circulars/reg_matters/files/Circular_providing_Interpretation_Notes_relating_to_the_Guideline_on_Sale_of_Investment_Linked_Assurance_Scheme_Products.pdf</a></p> <p>IA Interpretation Notes: <a href="https://www.ia.org.hk/en/legislative-framework/circulars/reg_matters/files/Interpretation_Notes.pdf">https://www.ia.org.hk/en/legislative-framework/circulars/reg_matters/files/Interpretation_Notes.pdf</a></p>
<p><b>Register of licensed insurance intermediaries is available on the Insurance Authority’s website</b></p>	<p>This register is established and maintained in accordance with section 64O of the Insurance Ordinance to provide information about all insurance intermediaries who are licensed in the Hong Kong Special Administrative Region on or after 23 September 2019 (i.e. the commencement date of the new regulatory regime for insurance intermediaries).</p> <p>Although the register is updated every working day, it may not contain the most up-to-date information of all licensed insurance intermediaries, as there is a time lag in processing and updating the information of the insurance intermediaries on the register.</p>	<p>Release date: 23 September 2019</p>	<p>IA What's New: <a href="https://iir.ia.org.hk/#/index">https://iir.ia.org.hk/#/index</a></p>
<p><b>Insurance Authority starts direct regulation of insurance intermediaries</b></p>	<p>Starting from 23 September 2019, the IA will take over from the three Self-Regulatory Organisations, namely the Insurance Agents Registration Board, the Hong Kong Confederation of Insurance Brokers and the Professional Insurance</p>	<p>Release date: 23 September 2019</p>	<p>Press release: <a href="https://www.ia.org.hk/en/infocenter/press_releases/20190923.html">https://www.ia.org.hk/en/infocenter/press_releases/20190923.html</a></p>

	<p>Brokers Association (“<b>PIBA</b>”), the responsibility for direct regulation of some 110,000 insurance intermediaries in Hong Kong.</p> <p>Under the new regulatory regime, the IA has introduced changes in areas such as basic academic qualifications, annual CPD training, codes of conduct, as well as minimum capital and net asset requirements for broker companies. The IA is also responsible for handling complaints related to the conduct of insurance intermediaries, conducting investigation into alleged cases of non-compliance, and taking enforcement actions in accordance with the law and established regulations, codes and guidelines.</p>		
<p><b>Insurance Authority authorizes first non-life virtual insurer under fast track procedures</b></p>	<p>The IA announced that it has granted the first authorization of a non-life insurer owning and operating solely through digital distribution channels under the fast track procedures (“<b>Fast Track</b>”). The first life virtual insurer under Fast Track was authorized in December 2018.</p> <p>The first non-life virtual insurer authorized under Fast Track is a local Hong Kong company, whose strategic focus is providing innovative and customer-centric products, like health and travel insurance for under-served segments through bespoke digital distribution channels without the involvement of intermediaries.</p> <p>The Fast Track scheme was introduced by the IA in September 2017 to provide a dedicated queue for newcomers seeking to operate solely through digital distribution channels.</p>	<p>Release date: 8 October 2019</p>	<p>IA circular: <a href="https://www.ia.org.hk/en/infocenter/press_releases/20191008.html">https://www.ia.org.hk/en/infocenter/press_releases/20191008.html</a></p>
<p><b>Explanatory Note on the Licensing Requirements for the Banking Sector under the</b></p>	<p>The Explanatory Note aims to provide guidance on the extent to which certain banking activities related to insurance would be regarded as regulated activities under the Insurance Ordinance, and thus</p>	<p>Release date: 22 October 2019</p>	<p>IA circular: <a href="https://www.ia.org.hk/en/legislative_framework/circulars/reg_matters/files/Circular_EN_f">https://www.ia.org.hk/en/legislative_framework/circulars/reg_matters/files/Circular_EN_f</a></p>

<p><b>Regulatory Regime for Insurance Intermediaries (the “Explanatory Note”)</b></p>	<p>requiring licensing of the relevant authorized institution and its staff.</p> <p>It contains a set of Frequently Asked Questions (“FAQs”) to illustrate the relevant requirements. The FAQs are not intended to be exhaustive, and will be kept under review and updated when necessary.</p>		<p><a href="#">or Banking.pdf</a></p> <p>HKMA circular:  <a href="https://www.hkma.gov.hk/media/en/doc/key-information/guide-lines-and-circular/2019/20191022e1.pdf">https://www.hkma.gov.hk/media/en/doc/key-information/guide-lines-and-circular/2019/20191022e1.pdf</a></p> <p>Explanatory Note on Licensing Requirements for Banking Sector:  <a href="https://www.ia.org.hk/en/legislative-framework/circulars/reg_matters/files/Explanatory_Note_on_Licensing_Requirements_for_Banking_Sector.pdf">https://www.ia.org.hk/en/legislative-framework/circulars/reg_matters/files/Explanatory_Note_on_Licensing_Requirements_for_Banking_Sector.pdf</a></p>
<p><b>Updated FAQs for Employees’ Compensation Insurance Standardized Practice</b></p>	<p>The Employees’ Compensation Insurance Standardized Practice came into effect on 1 January 2019 and was circulated to members of the PIBA on 7 December 2018. In order to enhance the comprehension of members with respect to standardized practice, the PIBA has published the updated FAQ (Chinese Version only).</p>	<p>Release date: 8 November 2019</p>	<p>PIBA circular:  <a href="http://www.piba.org.hk/administrator/components/com_extra/data/news_circulars_en_tbl/ori/193_filelink.pdf">http://www.piba.org.hk/administrator/components/com_extra/data/news_circulars_en_tbl/ori/193_filelink.pdf</a></p>
<p><b>Frequently Asked Questions on the Insurance (Financial and Other Requirements for Licensed Insurance Broker Companies) Rules issued under the Insurance Ordinance (Cap. 41) (the “Rules”)</b></p>	<p>The FAQs aim to provide clarification on the requirements under the Rules. The FAQs are not intended to be exhaustive, and will be kept under review and updated when necessary.</p>	<p>Release date: 20 November 2019</p>	<p>IA circular:  <a href="https://www.ia.org.hk/en/legislative-framework/circulars/reg_matters/files/Circular_20.11.2019.pdf">https://www.ia.org.hk/en/legislative-framework/circulars/reg_matters/files/Circular_20.11.2019.pdf</a></p> <p>Frequently Asked Questions on the Insurance (Financial and Other Requirements for Licensed Insurance Broker</p>

			Companies) Rules: <a href="https://www.ia.org.hk/en/legislative-framework/circulars/reg_matters/files/Circular_2011.2019_Enclosure.pdf">https://www.ia.org.hk/en/legislative-framework/circulars/reg_matters/files/Circular_2011.2019_Enclosure.pdf</a>
<b>GL31: Guideline on Medical Insurance Business</b>	<p>Pursuant to section 133(1) of the Insurance Ordinance, the IA has published GL31 – Guideline on Medical Insurance Business.</p> <p>To ensure fair treatment of customers is applied across all aspects of medical insurance business, licensed insurance brokers are expected to meet the minimum standards prescribed in GL31. GL31 shall take effect from 23 September 2020.</p>	<p>Release date: 29 November 2019</p> <p>Effective date: 23 September 2020</p>	<p>IA circular to Insurers: <a href="https://www.ia.org.hk/en/legislative-framework/circulars/reg_matters/files/cir_20191129_ins.pdf">https://www.ia.org.hk/en/legislative-framework/circulars/reg_matters/files/cir_20191129_ins.pdf</a></p> <p>IA circular to Insurance Broker Companies: <a href="https://www.ia.org.hk/en/legislative-framework/circulars/reg_matters/files/cir_20191129_bro.pdf">https://www.ia.org.hk/en/legislative-framework/circulars/reg_matters/files/cir_20191129_bro.pdf</a></p> <p>GL31: <a href="https://www.ia.org.hk/en/legislative-framework/circulars/reg_matters/files/GL31_20191129e.pdf">https://www.ia.org.hk/en/legislative-framework/circulars/reg_matters/files/GL31_20191129e.pdf</a></p>

# Changes in insurance regulation: Singapore

July – December 2019

Subject	Update	Key dates	Links
<p><b>MAS Notice 507 Cyber Hygiene</b></p>	<p>This notice provides details for registered insurance brokers relating to their cyber hygiene requirements.</p> <p>The MAS notice was issued pursuant to section 64(2) of the Insurance Act (Cap. 142) and details the cyber hygiene practises registered insurance brokers are required to follow including:</p> <ul style="list-style-type: none"> <li>a) maintenance of secure administrative accounts;</li> <li>b) undertaking security patches to address system vulnerabilities or instituting controls to reduce any risk posed by such vulnerability where a patch is not available;</li> <li>c) maintaining and ensuring conformity with a written set of security standards for every system or instituting controls to reduce any risk posed by non-conformity to the security standards (if applicable);</li> <li>d) implementing network perimeter defence controls;</li> <li>e) ensuring malware protection measures are implemented on every system where such malware protection measures are available and can be implemented; and</li> <li>f) subject to an available exemption, providing multi-factor authentication on specified accounts and administrative accounts in respect of any critical system.</li> </ul> <p>The notice also provides details of those instances in which a registered insurance broker may not be required to comply with the relevant hygiene requirements such as:</p> <ul style="list-style-type: none"> <li>a) where the registered insurance broker cannot exercise direct control over the system in question to ensure compliance;</li> <li>b) where the registered insurance broker cannot exercise indirect control over the</li> </ul>	<p>Issue Date: 6 August 2019</p> <p>Effective Date: 6 August 2020</p>	<p><a href="https://www.mas.gov.sg/regulation/notices/notice-507">https://www.mas.gov.sg/regulation/notices/notice-507</a></p>

	<p>system in question to ensure compliance; or</p> <p>c) where the registered insurance broker cannot reasonably find an alternative system provider which would allow them to exercise the necessary indirect control to ensure compliance.</p>		
<p><b>MAS Notice 1119 Cyber Hygiene</b></p>	<p>This notice provides details for financial holding companies relating to their cyber hygiene requirements.</p> <p>The MAS notice was issued pursuant to section 28(3) of the Monetary Authority of Singapore Act (Cap. 186) and details the cyber hygiene practises approved financial holding companies are required to follow including:</p> <p>a) maintenance of secure administrative accounts;</p> <p>b) undertaking security patches to address system vulnerabilities or instituting controls to reduce any risk posed by such vulnerability where a patch is not available;</p> <p>c) maintaining and ensuring conformity with a written set of security standards for every system or instituting controls to reduce any risk posed by non-conformity to the security standards (if applicable);</p> <p>d) implementing network perimeter defence controls;</p> <p>e) ensuring malware protection measures are implemented on every system where such malware protection measures are available and can be implemented; and</p> <p>f) subject to an available exemption, providing multi-factor authentication on specified accounts and administrative accounts.</p> <p>The notice also provides details of those instances in which an approved financial holding company may not be required to comply with the relevant hygiene requirements such as:</p> <p>a) where the approved financial holding</p>	<p>Issue Date: 6 August 2019</p> <p>Effective Date: 6 August 2020</p>	<p><a href="https://www.mas.gov.sg/regulation/notices/notice-1119">https://www.mas.gov.sg/regulation/notices/notice-1119</a></p>

	<p>company cannot exercise direct control over the system in question to ensure compliance;</p> <p>b) where the approved financial holding company cannot exercise indirect control over the system in question to ensure compliance; or</p> <p>c) where the approved financial holding company cannot reasonably find an alternative system provider which would allow them to exercise the necessary indirect control to ensure compliance.</p>		
<p><b>MAS Notice 132 Cyber Hygiene</b></p>	<p>This notice provides details for licensed insurers and insurance agents relating to their cyber hygiene requirements.</p> <p>The MAS notice was issued pursuant to section 64(2) of the Insurance Act (Cap. 142) and details the cyber hygiene practises licensed insurers and non-excepted insurance agents are required to follow including:</p> <p>a) maintenance of secure administrative accounts;</p> <p>b) undertaking security patches to address system vulnerabilities or instituting controls to reduce any risk posed by such vulnerability where a patch is not available;</p> <p>c) maintaining and ensuring conformity with a written set of security standards for every system or instituting controls to reduce any risk posed by non-conformity to the security standards (if applicable);</p> <p>d) implementing network perimeter defence controls;</p> <p>e) ensuring malware protection measures are implemented on every system where such malware protection measures are available and can be implemented; and</p> <p>f) subject to an available exemption, providing multi-factor authentication on specified accounts and administrative accounts.</p> <p>The notice also provides details of those</p>	<p>Issue Date: 6 August 2019</p> <p>Effective Date: 6 August 2020</p>	<p><a href="https://www.mas.gov.sg/regulation/notices/notice-132">https://www.mas.gov.sg/regulation/notices/notice-132</a></p>



	<p>instances in which a licensed insurer or non-expected insurance agent may not be required to comply with the relevant hygiene requirements such as:</p> <ul style="list-style-type: none"> <li>a) where the licensed insurer or non-expected insurance agent cannot exercise direct control over the system in question to ensure compliance;</li> <li>b) where the licensed insurer or non-expected insurance agent cannot exercise indirect control over the system in question to ensure compliance; or</li> <li>c) where the licensed insurer or non-expected insurance agent cannot reasonably find an alternative system provider which would allow them to exercise the necessary indirect control to ensure compliance.</li> </ul>		
<p><b>Insurance (Approved Marine, Aviation and Transit Insurers) (Amendment) Regulations 2019</b></p> <p><b>Insurance (Approved Marine, Aviation and Transit Insurers, Brokers and Approved Reinsurance Brokers) (Amendment) Regulations 2019</b></p>	<p>The two MAS issued Regulations amended the existing Insurance (Approved Marine, Aviation and Transit Insurers) Regulations and Insurance (Approved Marine, Aviation and Transit Brokers and Approved Reinsurance Brokers) Regulations respectively to give effect to commitments made under the European-Singapore Free Trade Agreement by including a member state of the European Union as a “designated country” under the above mention Regulations.</p> <p>The aim of the agreement was to move towards increasingly liberal cross-border supply of international marine, aviation and goods in transit insurance and broking.</p>	<p>Issue Date: 19 November 2019</p> <p>Effective Date: 21 November 2019</p>	<p><a href="https://sso.agc.gov.sg/SL-Supp/S765-2019/Published/20191119?DocDate=20191119">https://sso.agc.gov.sg/SL-Supp/S765-2019/Published/20191119?DocDate=20191119</a></p> <p><a href="https://sso.agc.gov.sg/SL-Supp/S764-2019/Published/20191119?DocDate=20191119">https://sso.agc.gov.sg/SL-Supp/S764-2019/Published/20191119?DocDate=20191119</a></p>
<p><b>Guidance to Enhance Operational Controls in Payments and Electronic Funds Transfer Operations</b></p>	<p>MAS conducted a thematic review on banks’ operational controls in their Payments and Electronic Funds Transfer operations from 2016 to 2019 ("<b>Guidance Paper</b>").</p> <p>The Guidance Paper summarises the key findings from the inspections, and elaborates</p>	<p>Issue Date: 6 December 2019</p>	<p><a href="https://www.mas.gov.sg/regulation/guidance/guidance-to-enhance-operational-controls-in-">https://www.mas.gov.sg/regulation/guidance/guidance-to-enhance-operational-controls-in-</a></p>

	<p>on how banks' controls in payments and electronic funds transfer operations can and should be enhanced, while also providing insight into the implementation of baseline SWIFT customer security programme controls. In addition, illustrative case examples and best practices observed from the inspections can be found within the paper, which other financial institutions could consider emulating.</p> <p>While the central focus of the Guidance Paper is on banks, MAS' findings from the inspection can also, to varying degrees, be of use to other financial institutions assuming the appropriate modifications are made. It should be noted, however, that the Guidance Paper itself does not provide an exhaustive list of all measures entities should adopt and therefore financial institutions should continue to maintain, review and improve the controls they have in place to mitigate operational risks.</p>		<a href="#">payments-and-electronic-funds-transfer-operations</a>
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# Changes in insurance regulation: Indonesia

## July – December 2019

Subject	Update	Key Date	Link
<b>Mutual Insurance Companies</b>	<p>The Government of Indonesia issued Government Regulation No. 87 of 2019 on Insurance Business in the Form of Mutual Insurance Companies (“<b>PP No. 87/2019</b>”) to provide a legal basis for mutual insurance companies, as mandated by the Law No. 40 of 2017 on Insurance.</p> <p>Currently, there is only one mutual insurance company in Indonesia, namely Asuransi Jiwa Bumiputera.</p> <p>PP No. 87/2019 provides general requirements for mutual insurance companies, including internal structure, financial soundness, public accountant and remuneration policies.</p>	Effective as of 26 December 2019.	<a href="https://jdih.setkab.go.id/PUUdoc/176010/PP_Nomor_87_Tahun_2019.pdf">https://jdih.setkab.go.id/PUUdoc/176010/PP_Nomor_87_Tahun_2019.pdf</a>
<b>Explanation on “Simple Risk” Coverage</b>	<p>OJK issued Regulation No. 19 /POJK.05/2019 on the Amendment of OJK Regulation No. 14/POJK.05/2015 on Self Retention and Support of Domestic Reinsurance (“<b>POJK No. 19/2019</b>”) on 27 August 2019.</p> <p>This new regulation provides further details of “simple risk” coverage under OJK Regulation No. 14/POJK.05/2015.</p> <p>POJK No. 19/2019 specifies certain insurances that are categorised as “simple risk”, such as vehicles, health, and life insurances.</p> <p>Meanwhile, certain sectors including property, freight, aircraft, and satellite insurances, as well as insurances with coverage value of more than the minimum limit of the domestic reinsurance support are excluded from “simple risk” category.</p>	Effective as of 30 August 2019	<a href="https://www.ojk.go.id/id/regulasi/Documents/Pages/Retensi-Sendiri-dan-Dukungan-Reasuransi-dalam-Negeri/pojk%2019-2019.pdf">https://www.ojk.go.id/id/regulasi/Documents/Pages/Retensi-Sendiri-dan-Dukungan-Reasuransi-dalam-Negeri/pojk%2019-2019.pdf</a>
<b>Business Plan of Non-bank Financial Institutions</b>	<p>OJK issued Regulation No. 24 of 2019 on Business Plans of Non-bank Financial Institutions (“<b>POJK No. 24/2019</b>”) which provides requirements with respect to</p>	Effective as of 27 September 2019.	<a href="https://www.ojk.go.id/id/regulasi/Documents/Pages/Rencana-">https://www.ojk.go.id/id/regulasi/Documents/Pages/Rencana-</a>

Subject	Update	Key Date	Link
	<p>preparation of business plan for all non-bank financial institutions, including insurance companies.</p> <p>POJK No. 24/2019 revokes several requirements under various regulations, including Article 68 of OJK Regulation No. 73/POJK.05/2016 on Good Corporate Governance of Insurance Companies (“<b>POJK No. 73/2016</b>”), which requires insurance companies to prepare the following: (i) a corporate plan (rencana korporasi), and (ii) a business plan (rencana bisnis).</p> <p>Under POJK No. 24/2019, non-bank financial institutions are required to have a realistic business plan, by considering various aspects, including but not limited to mid or long-term plan and implementation of risk management. If needed, OJK may request insurance companies to make a presentation or provide explanation regarding the business plan.</p> <p>POJK No. 24/2019 also requires Insurance Companies to submit a business plan report to OJK every six months.</p> <p>For insurance companies that were supervised by OJK at the time this regulation was enacted, provisions under this regulation shall come into force for the 2020 Business Plan.</p>		<a href="https://www.ojk.go.id/id/regulasi/Documents/Pages/Perubahan-Atas-Peraturan-Otoritas-Jasa-Keuangan-Nomor-73-tentang-Tata-Kelola-Perusahaan-Bisnis-Lembaga-Jasa-Keuangan-Non-Bank/POJK%2024-2019.pdf">Bisnis-Lembaga-Jasa-Keuangan-Non-Bank/POJK%2024-2019.pdf</a>
<b>Appointment of a Compliance Director</b>	<p>OJK issued Regulation No. 43 /POJK.05/2019 on the Amendment of POJK No. 73/2016 on 27 December 2019 to enhance the compliance of insurance companies with insurance laws and regulations.</p> <p>Under this new regulation, OJK requires insurance companies to appoint one director to carry out the compliance function.</p> <p>The compliance director shall not have a dual position as the technical insurance,</p>	<p>Effective as of 31 December 2019.</p>	<a href="https://www.ojk.go.id/id/regulasi/Documents/Pages/Perubahan-Atas-Peraturan-Otoritas-Jasa-Keuangan-Nomor-73-tentang-Tata-Kelola-Perusahaan-Keuangan-Non-Bank/POJK%2024-2019.pdf">https://www.ojk.go.id/id/regulasi/Documents/Pages/Perubahan-Atas-Peraturan-Otoritas-Jasa-Keuangan-Nomor-73-tentang-Tata-Kelola-Perusahaan-</a>

Subject	Update	Key Date	Link
	finance or marketing director.		<a href="#">yang-Baik-bagi-Perusah/pojk%2043-2019.pdf</a>

# Changes in insurance regulation: Vietnam

July – December 2019

Subject	Update	Key Date	Link
<p><b>New regulations on insurance auxiliary services</b></p>	<p>Following the recent amendment to the Law on Insurance Business in relation to insurance auxiliary services, the Vietnam government issued new guidelines on insurance auxiliary services provided by insurers and insurance auxiliary services providers to the Vietnam market, Decree No. 80/2019/ND-CP ("<b>Decree 80</b>").</p> <p>We set out below summary of new points in Decree 80.</p> <ul style="list-style-type: none"> <li>• <u>Conditions for Provision of Insurance Auxiliary Services:</u> <ul style="list-style-type: none"> <li>➤ Decree 80 requires that individuals and organizations providing insurance auxiliary services must purchase professional liability insurance for such provision.</li> <li>➤ It is further stipulated that individuals directly providing insurance auxiliary services in a company providing insurance auxiliary services must:               <ul style="list-style-type: none"> <li>○ for insurance consultancy: have (i) Bachelor's Degree (or higher) in an Insurance Major; or (ii) Bachelor's Degree (or higher) in other major and Insurance Consultancy Certificate;</li> <li>○ for risk assessment: have (i) Bachelor's Degree (or higher) in an Insurance Major; or (ii) Bachelor's Degree (or higher) in other major and Risk Assessment Certificate;</li> <li>○ for actuarial calculation in a life/health insurance company: (i) have 10 years of experience of insurance actuarial calculation in life and health insurance and fellow membership in an internationally recognized Actuarial Association or</li> </ul> </li> </ul> </li> </ul>	<p><u>Decree 80</u></p> <p>Issue Date and Effective Date: 1 November 2019</p>	<p><a href="http://congbao.chinhphu.vn/no-i-dung-van-ban-so-80-2019-nd-cp-29894">http://congbao.chinhphu.vn/no-i-dung-van-ban-so-80-2019-nd-cp-29894</a></p>

Subject	Update	Key Date	Link
	<p>an Association which is currently a full member of the International Actuarial Association; and (ii) fully abide by the Actuaries Moral Rules of Professional Conduct;</p> <ul style="list-style-type: none"> <li>○ for actuarial calculation in a non-life insurance/reinsurance company: (i) be an Associate of an Actuarial Association which is currently a full member of the International Actuarial Association; and (ii) fully abide by the Actuaries Moral Rules of Professional Conduct;</li> <li>○ for loss assessment: have (i) Associate's Degree (or higher) in major appropriate for assessment activities; (ii) Insurance Loss Assessment Certificate; and (iii) at least 3 years of experience in assessment; and</li> <li>○ for claim assistance: have (i) Associate's Degree (or higher) in any major; and (ii) Insurance Claim Assistance Certificate.</li> </ul> <ul style="list-style-type: none"> <li>● <u>Cross-border Insurance Auxiliary Services</u> <ul style="list-style-type: none"> <li>➤ Offshore providers of insurance auxiliary services are required to be from countries to which Vietnam has entered into market-access commitments regarding cross-border insurance auxiliary services.</li> <li>➤ Decree 80 provides for additional conditions to which an offshore provider may be subject to depending on the form of cross-border service supply. <ul style="list-style-type: none"> <li>○ for cross-border provision to an insurance or insurance brokerage company: an offshore provider must (i) be permitted to provide cross-</li> </ul> </li> </ul> </li> </ul>		



Subject	Update	Key Date	Link
	<p>border insurance auxiliary services under the law of the offshore provider's home state; (ii) have been lawfully operating for at least 10 years up to the time of service provision into Vietnam; (iii) have not committed violation of any regulations on provision of insurance auxiliary services for three consecutive years; and (iv) have been operating with profit for three consecutive years; and</p> <ul style="list-style-type: none"> <li>○ for cross-border provision to an individual or organization that is not insurance or insurance brokerage company: Decree 80 requires the offshore provider to cooperate with an insurance auxiliary service provider that has been legally established and operating in Vietnam.</li> <li>➤ Decree 80 also stipulates for penalties for offshore providers that fail to satisfy the conditions, which include: <ul style="list-style-type: none"> <li>○ monetary fine for providing services not from the country to which Vietnam has entered into market-access commitments on cross-border insurance auxiliary services (VND 90-100 million (approx. USD 3,900-4,300) for a violating individual provider, and VND 180-200 million (approx. USD 7,720-8,600) for a violating institutional provider); and</li> <li>○ suspension of operation for not satisfying other condition as mentioned above. The suspension term will be three to six months for first time violation, and six to twelve months if such violation continues.</li> </ul> </li> </ul>		

Subject	Update	Key Date	Link
	<p>Furthermore, the Vietnam Ministry of Finance issued other guidelines on training, examination, issuance and recognition of insurance auxiliary certificates, which is Circular No. 65/2019/TT-BTC ("<b>Circular 65</b>").</p> <p>The key new points on Insurance Auxiliary Certificate and recognition of foreign certificates are as follows:</p> <ul style="list-style-type: none"> <li>➤ Insurance Auxiliary Certificate is a generally defined term for Insurance Consultancy Certificate, Risk Assessment Certificate, Insurance Loss Assessment Certificate, and Insurance Claim Assistance Certificate.</li> <li>➤ Individuals wishing to obtain Insurance Auxiliary Certificate can study and take exams at local licensed institutions. The exams are held on a monthly basis and the specific schedule for each year will be notified annually by the Center on Insurance Research and Training before 31 December. For those who have Insurance Auxiliary Certificate issued by foreign institutions, they can apply to the Insurance Supervisory Authority ("<b>ISA</b>") for recognition of Insurance Auxiliary Certificate issued by foreign institutions. Of note, the ISA will consider recognizing foreign certificates based on one of the following grounds: <ul style="list-style-type: none"> <li>○ there must be a certification of passing an exam held by foreign insurance management authorities or state-founded foreign insurance authorities; or</li> <li>○ certificates are from international insurance institutions, including: Australian and New Zealand Institute of Insurance and Finance</li> </ul> </li> </ul>	<p><u>Circular 65</u></p> <p>Issue Date: 16 September 2019</p> <p>Effective Date: 1 November 2019</p>	<p><a href="http://congbao.chinhphu.vn/no-i-dung-van-ban-so-65-2019-tt-btc-29766">http://congbao.chinhphu.vn/no-i-dung-van-ban-so-65-2019-tt-btc-29766</a></p>

Subject	Update	Key Date	Link
	<p>(ANZIIF), Chartered Insurance Institute (CII), Insurance Institute of Canada (IIC), Institute of Risk Management (IRM), Risk Management Institute of Australia (RMIA), Chartered Institute of Loss Adjusters (CILA), Australian Institute of Chartered Loss Adjusters (AICLA), Lloyd's Maritime Academy; or</p> <ul style="list-style-type: none"> <li>○ certificates from institutions in countries with mutual recognition agreements with the Vietnam government regarding Insurance Auxiliary Services.</li> </ul>		

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