

Notice No: MAS 106
Issue Date: 18 Apr 2013

This Notice replaces MAS 106 issued on 30 April 2008.

APPOINTMENT OF DIRECTOR, CHAIRMAN AND KEY EXECUTIVE PERSON

Introduction

1. This Notice is issued pursuant to section 64(2) of the Insurance Act (Cap. 142) (“the Act”) and applies to all licensed insurers. It comprises both mandatory requirements (Part I) and guidelines (Part II).
- 1A. Paragraphs 7 to 9B of this Notice shall not apply to captive insurers.

Definition

2. For the purposes of this Notice,
 - “Fit and Proper Guidelines” means the Guidelines on Fit and Proper Criteria [Guideline No: FSG-G01] issued by the Authority;
 - “Key executive person” means –
 - (a) a chief executive ;
 - (b) a chief financial officer of a Tier 1 insurer;
 - (c) a chief risk officer of a Tier 1 insurer;
 - (d) an appointed actuary; or
 - (e) a certifying actuary;
 - “Tier 1 insurer” has the same meaning as in regulation 4 of the Insurance (Corporate Governance) Regulations 2013.
3. Any reference to a board of directors shall, in the case of a licensed insurer incorporated outside of Singapore, mean all members of the senior management, collectively, of the insurer’s head office with oversight responsibilities for the insurer’s Singapore operations.
4. 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.

Part I – Mandatory Requirements

Approval of Director, Chairman and Key Executive Person

5. When obtaining the approval of the Authority for the appointment of any director, chairman or key executive person, a licensed insurer shall submit to the Authority the particulars of the person proposed to be appointed in the form set out in Appendix A no later than one month before the proposed date of appointment.
6. A captive insurer, whilst exempted¹ from the requirement to obtain the Authority's approval for the appointment of directors and chairman, shall inform the Authority of any appointments or resignations of their directors or chairman within 30 days of the occurrence of such appointments or resignations. When informing the Authority of the appointment of a director or chairman, the captive insurer shall also submit to the Authority a copy of the appointed director and chairman's curriculum vitae, using the form set out in Appendix A.

Notification to the Authority after Approval of Appointment

7. A licensed insurer shall ensure that its board of directors makes an assessment on whether any proposed arrangement by the insurer, the parent company, the director or the key executive person would give rise to any conflict of interest, or hamper the director or key executive person from discharging his statutory duties in respect of the licensed insurer. Such arrangements include:
 - (i) any proposed arrangement by the insurer for the director or key executive person, in addition to his current position in the licensed insurer, to take on an executive officer position that is not a key executive person position in the insurer;
 - (ii) in the case of a locally incorporated insurer which is a subsidiary of another company (referred to as "parent company") any proposed arrangement by the parent company for the director or key executive person, in addition to his current position in the licensed insurer, to take on a role that would result in the director or key executive person becoming a director or the equivalent of an executive officer, in the parent company or related corporations, as the case may be;
 - (iii) in the case of an insurer incorporated outside Singapore, any proposed arrangement by the head office for the key executive person, in addition to his current position in the licensed insurer, to take on a role that would result in the key executive person becoming director or the equivalent of an executive officer, of the head office or related corporations, as the case may be;

¹ This refers to the exemption under regulation 21 of Insurance (General Provisions and Exemptions for Captive Insurers) Regulations 2004.

- (iv) the director or key executive person taking on directorship in any other companies; and
 - (v) a change in reporting structure of the key executive person.
8. The licensed insurer shall notify the Authority, at least one month before the proposed arrangement, or such shorter period that the Authority may specify in writing, using the form set out in Appendix B of:
- (i) the proposed arrangement and the reason for the decision; and
 - (ii) where the assessment of the board of directors is that there could be a conflict of interest or that the director or key executive persons could be hampered in discharging his statutory duties, the assessment and the measures that the insurer has put into place, or proposes to put into place to mitigate the risks arising from such proposed arrangements.
9. For the purpose of paragraph 7(v), the reporting structure refers to the key executive person's reporting line -
- (i) within the licensed insurer;
 - (ii) in the case of a licensed insurer incorporated in Singapore, to individuals within the parent company or any other related corporation, as the case may be; and
 - (iii) in the case of a licensed insurer incorporated outside Singapore, to individuals within the head office or any related corporation as the case may be.

Notification to the Authority of Additional Equivalent Roles taken up by Appointed Actuary or Certifying Actuary

- 9A. The licensed insurer shall ensure that its board of directors make an assessment, at least annually, on whether any additional engagement accepted by the appointed actuary or certifying actuary to carry out any duty or function that is equivalent to any duty or function of an appointed actuary or a certifying actuary for any other insurer, would adversely affect the quality of work of the appointed actuary or certifying actuary, or result in actual or potential conflict of interest.
- 9B. For the purposes of regulation 12(2) of the Insurance (Actuaries) Regulations 2013 and paragraph 9A of this Notice, the licensed insurer shall submit the form in Appendix C to the Authority, no later than 31st March of each calendar year.

Part II - Guidelines

Fit and Proper Policy

10. Every licensed insurer should have in place a policy approved by the board of directors to ascertain that its director or key executive persons are fit and proper to fulfill their respective roles and responsibilities.
11. The Authority expects such a policy to take into account the Fit and Proper Guidelines.
12. The licensed insurer should ensure that its board of directors identifies and reviews all proposed appointees for the appointment of directors and key executive persons to assess that these candidates are fit and proper for the role of a director or key executive person.
13. The fit and proper policy should cover the recruitment policies, internal control systems and procedures put in place by the licensed insurer to reasonably ensure that the directors and key executive persons meet the fit and proper criteria in the Fit and Proper Guidelines, not just at the time of appointment but on a continuing basis as well. The fit and proper policy should also give due regard to the different types of responsibilities required or expected of different appointments and designations.
14. The board of directors should review the adequacy of the licensed insurer's fit and proper policy at least once a year to ensure its relevance.

Compliance with Guidelines

15. The standards set out in this Part II are not mandatory in that failure by a licensed insurer to comply with any of the standards shall not of itself render the insurer to be in breach of this Notice. However, the Authority expects insurers to observe the standards set forth in this Part II.

Effective Date

16. The Notice shall take effect immediately. MAS Notice 106 dated 30 April 2008 is cancelled.

Appendix A

Application Form for Appointment of Director, Chairman and Key Executive Person

1 APPLICATION IS HEREBY MADE FOR

(Full name of proposed appointee, including any alias and other names.
Please underline family name)

TO BE APPOINTED AS CHIEF EXECUTIVE/ CHAIRMAN OF BOARD
OF DIRECTORS/ DIRECTOR/ APPOINTED ACTUARY/ CERTIFYING
ACTUARY/ OTHERS (PLEASE STATE)
_____ * OF

(Full name of licensed insurer)

WITH EFFECT FROM

(Proposed date of appointment dd/mm/yyyy)

2 PERSONAL PARTICULARS

Set out below the personal particulars of the proposed appointee.

2.1	Residential Address	
2.2	Telephone No.	Home: Office: Mobile:
2.3	Email Address	
2.4	Date of Birth (dd/mm/yyyy)	
2.5	Gender	Male / Female *
2.6	Place of Birth	
2.7	Nationality	
2.8	Identity Card No./Foreign Identification No. (FIN) [#]	
2.9	Passport No. (for non- Singaporean citizen)	
2.10	Whether a permanent resident in another country and if so, which country	

[#]If not currently available, please provide details separately within a week that it has been given.

* please delete accordingly

3 EDUCATIONAL AND PROFESSIONAL QUALIFICATIONS

(i) Set out details of highest academic and professional qualifications attained by the proposed appointee.

Name and location of school/ college/ university	Period (dd/mm/yyyy)		Qualification awarded
	From	To	

Professional qualifications (including any membership with professional bodies)	Institution	Year Conferred

4 EMPLOYMENT HISTORY

(i) Set out details of the proposed appointee's employment history. Enclose a separate attachment if necessary.

Name and address of employer (if self-employed, state so)	Nature of business of employer	Designation and Department	Description of duties	Period (mm/yyyy)	
				From	To

- (ii) Set out the details of any achievements and special positions held presently or previously (please state date of achievement and period of special positions held). Enclose a separate attachment if necessary.

5 DIRECTORSHIPS/ POSITIONS AND SHAREHOLDINGS HELD

- (i) Set out details of any directorship, partnership, sole-proprietorship, or other position (that is, as an employee) currently held, by the proposed appointee in any corporation.

Name of corporation and place of incorporation	Nature of business	Position held	Date of appointment	Percentage shareholding in corporation

- (ii) Set out any substantial shareholdings held by the proposed appointee in any corporation.

Name of corporation and place of incorporation	Nature of business	Date of acquisition (mm/yyyy)	Percentage shareholding in corporation

- (iii) Describe the reporting structure of the proposed appointee within the insurer, where applicable. Please also describe any reporting lines, where applicable, that the proposed appointee would have in relation to individuals at the head office, parent company, or any related corporation, as the case may be.

Appointment of Director, Chairman and Key Executive Person

- (iv) Where the proposed appointee for appointed actuary or certifying actuary is an employee of an external consultancy firm or is directly employed by the insurer's head office, parent company or any related corporation, as the case may be, please set out in the table below the appointments equivalent to that of the appointed actuary or certifying actuary which the proposed appointee is currently holding, at other insurers, whether in Singapore or overseas.

Name of insurer and country where it is registered/licensed	Type of appointment (e.g. appointed actuary or certifying actuary)	Type of insurer ^a	Level of actuarial support ^b	Date of appointment (dd/mm/yyyy)

Notes:

^a Please include information such as whether the insurer is (a) a direct life/general/composite insurer or life/general/composite reinsurer; (b) a going concern or in run-off; and (c) the market share (for overseas insurers).

^b For example, whether the actuarial support comes from the insurer's own actuarial team, the consultancy firm, or the insurer's head office, parent company or any other related corporation, as the case may be.

- (v) If the board of directors has assessed that
- a) the proposed appointee's proposed duties as the chief executive / director / appointed actuary / certifying actuary / others (Please state) _____* and his directorship(s), shareholding(s), position(s) held, or reporting structure as stated above in (i) to (iv); or
 - b) if the proposed appointee, in addition to his proposed appointment as a director or key executive person, is expected to take up or has already taken up an executive officer position within the licensed insurer,

would give rise to any conflict of interest or hamper him from discharging his statutory duties, please provide a written explanation from the board of directors on how this may result in a conflict of interest or hamper the proposed appointee from discharging his statutory duties and the measures that it has put into place, or proposes to put into place, to mitigate the risks arising from such concerns.

6 OTHER INFORMATION

- (i) If the answer to any of the following questions is in the affirmative, please attach annexes and supporting documents, where appropriate, to provide all relevant particulars.

Has the proposed appointee within the past 10 years-		Yes	No
(a)	been refused the right or restricted in its or his right to carry on any trade, business or profession for which a specific license, registration or other authorisation is required by law in any jurisdiction?	<input type="checkbox"/>	<input type="checkbox"/>
(b)	has been issued a prohibition order under any Act administered by the Authority or has been prohibited from operating in any jurisdiction by any financial services regulatory authority?	<input type="checkbox"/>	<input type="checkbox"/>
(c)	been censured, disciplined, suspended or refused membership or registration by the Authority, any other regulatory authority, an operator of a market or clearing facility, any professional body or government agency, whether in Singapore or elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>
(d)	been convicted of any offence, or is being subject to any pending proceedings which may lead to such a conviction, under any law in any jurisdiction?	<input type="checkbox"/>	<input type="checkbox"/>
(e)	been the subject of any proceedings of a disciplinary or criminal nature or has been notified of any potential proceedings or of any investigation which might lead to those proceedings, under any law in any jurisdiction?	<input type="checkbox"/>	<input type="checkbox"/>
(f)	been the subject of any complaint made reasonably and in good faith, relating to activities that are regulated by the Authority or under any law in any jurisdiction?	<input type="checkbox"/>	<input type="checkbox"/>
(g)	had any judgment (in particular, one associated with a finding of fraud, misrepresentation or dishonesty) entered against the relevant person in any civil proceedings or is a party to any pending proceedings which may lead to such a judgment, under any law in any jurisdiction?	<input type="checkbox"/>	<input type="checkbox"/>

Has the proposed appointee within the past 10 years-		Yes	No
(h)	contravened or abetted another person in breach of any laws or regulations, business rules or codes of conduct, whether in Singapore or elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>
(i)	been the subject of any investigations or disciplinary proceedings or been issued a warning or reprimand by the Authority, any other regulatory authority, an operator of a market or clearing facility, any professional body or government agency, whether in Singapore or elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>
(j)	accepted civil liability for fraud or misrepresentation under any law in any jurisdiction?	<input type="checkbox"/>	<input type="checkbox"/>
(k)	had any civil penalty enforcement action taken against it or him by the Authority or any other regulatory authority under any law in any jurisdiction?	<input type="checkbox"/>	<input type="checkbox"/>
(l)	been dismissed or asked to resign from — <ul style="list-style-type: none"> • office; • employment; • a position of trust; or • a fiduciary appointment or similar position, whether in Singapore or elsewhere? 	<input type="checkbox"/>	<input type="checkbox"/>
(m)	been subject to disciplinary proceedings by his current or former employer(s), whether in Singapore or elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>
(n)	been disqualified from acting as a director or disqualified from acting in any managerial capacity, whether in Singapore or elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>
(o)	been an officer found liable for an offence committed by a body corporate as a result of the offence having proved to have been committed with the consent or connivance of, or neglect attributable to, the officer, whether in Singapore or elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>
(p)	been refused a fidelity or surety bond, whether in Singapore or elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>

Appointment of Director, Chairman and Key Executive Person

Has the proposed appointee within the past 10 years-		Yes	No
(q)	been unable to fulfill any of its or his financial obligations, whether in Singapore or elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>
(r)	entered into a compromise or scheme of arrangement with its or his creditors, being a compromise or scheme of arrangement that is still in operation, whether in Singapore or elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>
(s)	been subject to a judgment debt which is unsatisfied, either in whole or in part, whether in Singapore or elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>
(t)	been the subject of a bankruptcy petition or has been adjudicated a bankrupt and the bankruptcy is undischarged, whether in Singapore or elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>
(u)	been subject to any other process outside Singapore that is similar to those referred to in (t).	<input type="checkbox"/>	<input type="checkbox"/>

Has the proposed appointee within the past 10 years been a director, partner, substantial shareholder or concerned in the management of a business that has -		Yes	No
(v)	been censured, disciplined, or prosecuted or convicted of a criminal offence, or been the subject of any disciplinary or criminal investigation or proceeding, in Singapore or elsewhere, in relation to any matter that took place while the appointee was a director, partner, substantial shareholder or concerned in the management of the business?	<input type="checkbox"/>	<input type="checkbox"/>
(w)	been suspended or refused membership or registration by the Authority, any other regulatory authority, operator or market or clearing facility, professional body or government agency, in Singapore or elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>
(x)	gone into insolvency, liquidation or administration during the period when, or within a period of one year after, the appointee was a director, partner or concerned in the management of the business, whether in Singapore or elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>

- (ii) Set out any additional information that the proposed appointee considers to be relevant or material to this application.

7 DECLARATION

I declare that all information given in this application and in the attached annex(es) (if any) is true and correct.

Signature of Proposed Appointee : _____

Date : _____
(dd/mm/yyyy)

Appendix B

Notification of Changes in Roles and Responsibilities/ Reporting Structure of Directors and Key Executive Persons to the Authority

Name of insurer	
Name of director/key executive person	
Current position	<input type="checkbox"/> Chief executive <input type="checkbox"/> Director <input type="checkbox"/> Appointed actuary <input type="checkbox"/> Certifying actuary <input type="checkbox"/> Others, please state: _____ <i>(Please tick accordingly)</i>
Type and description of change	
Date that the above change will take effect (dd/mm/yyyy)	
Date of notification to the Authority (dd/mm/yyyy)	
Where applicable, please include a written explanation from the board of directors on (i) reasons for finding that the proposed arrangement results in a conflict of interest, or hampers the proposed appointee from discharging his statutory duties; and (ii) the measures that the insurer has put into place, or proposes to put into place to mitigate the risks arising from such proposed arrangements.	

Appendix C

NOTIFICATION TO MAS OF ADDITIONAL EQUIVALENT ROLES TAKEN UP BY APPOINTED ACTUARY/ CERTIFYING ACTUARY

Name of insurer	
Name of appointed actuary/ certifying actuary	
Appointed actuary/ certifying actuary	<input type="checkbox"/> Appointed actuary (“AA”) <input type="checkbox"/> Certifying actuary (“CA”) <i>(Please tick accordingly)</i>
Type of change	Taking up Additional Equivalent AA/CA Roles with Other Insurers (including insurers overseas)
Date of notification to the Authority (dd/mm/yyyy)	

DETAILS OF ADDITIONAL ENGAGEMENTS

Please set out the details of any additional equivalent roles that the AA/CA has in other insurers

Name of insurer and country of licensing/registration	Type of appointment (e.g. AA or CA)	Type of insurer ^a	Run- off/Active	Date of appointment (dd/mm/yyyy)	Other information (e.g. market share of insurer)

Notes:

^a Please include information such as:

- (a) whether the insurer is a direct life/general/composite insurer or life/general/composite reinsurer;
- (b) whether the insurer is a going concern or in run-off; and
- (c) where the insurer is not in Singapore, the market share of that insurer in the country of registration/licensing.

ASSESSMENT FROM INSURER

If the board of directors assessed that the additional engagements of the AA or CA, as the case may be, would result in a compromise of the quality of work or potential conflict of interest, please include a written explanation from the board of directors, on the measures that the insurer has put into place, or proposes to put into place, to mitigate the risks arising from such concerns.