

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

January - June 2019



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Changes in insurance regulation: China

January – June 2019

Subject	Update	Key date(s)	Link
<p>Further measures to be introduced to open up China's insurance sector to Foreign Investors</p>	<p>The Chairman of the China Banking and Insurance Regulatory Commission (the "CBIRC") has announced that to further open up China's financial and insurance sector to foreign investors, the CBIRC proposes to introduce twelve new policies and measures. In particular, the following new policies and measures are most relevant to the insurance sector:</p> <ol style="list-style-type: none"> 1. overseas financial institutions will be allowed to invest in foreign-invested insurance companies located in China; 2. the requirement for foreign insurance brokerage companies to be established for at least 30 years, and have total assets of not less than USD200m in order to conduct an insurance brokerage business in China will be removed; 3. the cooperation of overseas financial institutions with privately-funded banking and insurance institutions in China will be encouraged and supported; 4. overseas insurance group companies will be allowed to invest and establish their own insurance institutions in China; and 5. the establishment of insurance institutions in China by foreign-invested insurance group companies, with reference to the qualification requirements for Chinese insurance group companies, will be allowed. 	<p>Release date: 1 May 2019</p>	<p>http://www.cbirc.gov.cn/chinese/newShouDoc/BA010F215FBE45D1A26A91AD046A3C83.htm (CBIRC's official notice in Chinese)</p>
<p>Asset-backed schemes offered by an insurance asset management institution now</p>	<p>Following the issuance of the Circular on <i>Matters Concerning Registration of Asset-backed Schemes</i> by the CBIRC, asset-backed schemes issued by insurance asset management institutions will now be regulated by registration. The</p>	<p>Release date: 17 June 2019</p>	<p>http://bxjg.circ.gov.cn/web/site0/tab5225/info3973453.htm (CBIRC's official</p>

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administered by registration	implementation of this registration system marks the introduction of a unified regulatory approach to the insurance industry, which is an approach that has already been applied to the regulation of banks, issuers, and other institutions that issue asset-backed schemes.		notice in Chinese)
The State Administration of Foreign Exchange ("SAFE") further facilitates foreign exchange settlement by insurance companies	To further open up the insurance industry market, and protect the insurance industry from financial and regulatory non-compliance risks, SAFE issued its Circular on <i>Further Promoting the Facilitation of Capital Settlement of Insurance Companies</i> (the " Insurance Company Capital Settlement Circular ") on 5 June 2019, in order to consolidate and streamline the administration of foreign currency by insurance companies. In particular, insurance companies are now allowed to directly handle the settlement of foreign exchange funds raised through an overseas listing, as well as directly handle foreign capital funds with the relevant foreign exchange financial institutions. Moreover, insurance agencies and brokerages may, after the completion of a transaction, use the foreign exchange account designated for that transaction to handle any transfers of original currency transferred under an insurance scheme, and can use indemnity funds to purchase foreign exchange. In both situations however, the relevant insurance companies, agencies and brokerages must also satisfy certain reporting safeguards now imposed by the CBIRC.	Release date: 5 June 2019 Effective Date: 1 July 2019	http://m.safe.gov.cn/safe/2019/0605/13375.html (SAFE's official notice in Chinese)
Circular on Tightening Management of Intermediary Channel Business of Insurance ("Intermediary	To strengthen the regulation of financial risk and the insurance industry as a whole, the CBIRC has issued its Intermediary Insurance Management Circular, requesting that insurance companies strengthen their responsibilities for managing and controlling the regulatory compliance of its intermediary insurance business channels. In particular, the	Release date: 26 February 2019	http://www.cbrc.gov.cn/chinese/newShouDoc/4A01FFE48B87431EAFF28A33D2BA4A16.html (CBIRC's official notice in Chinese)

Subject	Update	Key date(s)	Link
Insurance Management Circular)	<p>CBIRC requires in its Intermediary Insurance Management Circular that insurance companies:</p> <ul style="list-style-type: none"> – establish a clear management system for intermediary business channels; – strengthen supervision and control over intermediaries with whom the insurance companies collaborate with; – refrain from using intermediary business channels to carry out any activities that are illegal, or are in violation of relevant regulations; and – improve overall oversight over intermediary business channels, and the regulatory compliance of such channels. 		
Implementing Measures for the Administrative Licensing and Record-filing of Insurance Intermediaries (Draft) is issued	<p>Following previous notices regarding regulatory requirements on insurance brokerages, insurance compensating assessors and insurance agencies in 2018, the CBIRC has now published the <i>Implementing Measures for the Administrative Licensing and Record-filing of Insurance Intermediaries (Draft)</i> (the “Draft Implementing Measures”), which is now open for comment by the insurance industry. The <i>Draft Implementing Measures</i> aim to clarify various requirements for qualification, including the qualification requirements in relation to (i) insurance brokerages, (ii) the establishment of insurance intermediaries, and (iii) shareholder and capital. Notably, the <i>Draft Implementing Measures</i> further require that persons applying to establish insurance intermediaries must also take a risk assessment test, in order to determine the future insurance intermediary’s potential for illegal activities.</p>	Release date: 4 June 2019	https://www.yicai.com/news/100212761.html (Media report in Chinese)
Expansion of securities investments that may be invested in by	<p>In recent months, the CBIRC has issued a number of statements and circulars (including the <i>Circular on Issues Concerning the Investment of Insurance Funds in Bank Capital Supplemental Bonds</i> and the <i>Circular on the</i></p>	Release date: 28 January 2019 25 January 2019	http://www.cbrc.gov.cn/chinese/newShouDoc/A91DA8B7D9DC44B39426300432FEB1D8.html

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insurance funds	<p><i>Participation of Insurance Funds in the Business of Credit Risk Mitigation Instruments and Credit Protection</i>) concerning the investment by insurance companies into securities. In particular, the CBIRC has announced that:</p> <ul style="list-style-type: none"> – insurance companies are encouraged to purchase listed securities using funds in long term accounts, and should diversity the types of securities held. In particular, special products should be processed through trusts or brokerage asset management plans in order to attract investment from the insurance sector; 	28 April 2019	<p>(CBIRC's official notice in Chinese)</p> <p>http://www.cbirc.gov.cn/chinese/newShouDoc/490E3D4753824502947038C72B1F1B4C.html</p>
	<ul style="list-style-type: none"> – insurance funds may now be invested in qualified secondary capital bonds and perpetual capital bonds of banks. In terms of practice, the CBIRC has clarified that the minimum capital required for investment into perpetual capital bonds offered by qualified banks must be calculated in accordance with the <i>Regulatory Rules for Solvency of Insurance Companies No.8: Minimum Capital Requirements for Credit Risk</i>; – insurance companies may use credit derivatives to hedge against credit risks, but are not permitted to actually assume such credit risks. In addition, any insurance institutions that use credit derivatives must have the capacity to use derivatives and to manage credit risks, and must be in compliance with the regulatory requirements for using insurance funds; and – the CBIRC plans to strengthen its supervision of insurance institutions that use credit derivatives and other credit risk mitigation tools and will impose penalties on institutions and personnel who act in violation of any 	7 May 2019	<p>(CBIRC's official notice in Chinese)</p> <p>http://www.cbirc.gov.cn/chinese/newShouDoc/4E7E20EC71774D19923253309E823CB1.html</p> <p>(CBIRC's official notice in Chinese)</p> <p>http://www.gov.cn/xinwen/2019-05/17/content_5392447.htm</p> <p>(Central People's Government's official notice in Chinese)</p>

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	<p>promote the premium quality of insurance products. More importantly, the Second Circular now imposes an obligation upon insurance institutions to produce written reports to the CBIRC every six months, concerning their compliance with relevant laws and regulations.</p>		
<p>Adoption of the Foreign Investment Law of the People's Republic of China</p>	<p>On 15 March 2019, the National People's Congress voted to officially promulgate the <i>Foreign Investment Law of the People's Republic of China</i>, which will come into effect on 1 January 2020. In replacing the <i>Law of the People's Republic of China on Sino-foreign Equity Joint Ventures</i>, the <i>Law of the People's Republic of China on Wholly Foreign-owned Enterprises</i>, and the <i>Law of the People's Republic of China on Sino-foreign Cooperative Joint Ventures</i>, the <i>Foreign Investment Law of the People's Republic of China</i> unifies and replaces the existing piecemeal laws on foreign investment.</p> <p>For further details and discussion on the <i>Foreign Investment Law of the People's Republic of China</i>, please refer to our Alert.</p>	<p>Release date: 15 March 2019</p> <p>Effective date: 1 January 2020</p>	<p>http://www.npc.gov.cn/englishnpc/c2763/201903/a9aa7291d6674390943574b1d1201920.shtml</p> <p>(NPC's official release in English)</p> <p>https://f.datasrvr.com/fr1/819/48729/Hogan_Lovells_New_FDL_opens_new_door.PDF</p> <p>(Full alert prepared by Hogan Lovells for the Foreign Investment Law)</p>
<p>Industry News</p>			
<p>First foreign-invested pension insurance company is approved for preparation</p>	<p>The CBIRC has approved the preparation of the first foreign-funded pension insurance company, Heng An Standard Pension Insurance Co., Ltd., which is funded by Heng An Standard Life Insurance Co., Ltd through a Sino-British joint venture. This follows the CBIRC's recent approvals of various foreign investments into the insurance industry, including U.S.-based Chubb Limited's increase of its shareholding in Huatai Insurance Group Co., Ltd, and the establishment of branches of various</p>	<p>Release date: 27 March 2019</p>	<p>http://www.cbirc.gov.cn/chinese/newShouDoc/C2F8BB C5FB7F45DB8B1A A831368788EC.html</p> <p>(CBIRC's report in Chinese)</p>

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<p>Shanghai Fenwei Insurance Agency Co., Ltd. punished for promoting overseas insurance products</p>	<p>foreign banks in China.</p> <p>In August 2018, Shanghai Fenwei Insurance Agency Co., Ltd (“Fenwei”) reportedly "conducted sales training and promotion of Hong Kong insurance products at the business end, and invited customers to attend special salon activities concerning insurance, which included overseas asset allocation (involved Hong Kong insurance products including Hong Kong AIA and FTLife)". In light of these actions, the Shanghai Banking and Insurance Regulatory Bureau decided on 21 May 2019 to give Fenwei a warning, and to fine Fenwei RMB 10,000.</p>	<p>Release date: 21 May 2019</p>	<p>http://bxjg.circ.gov.cn/web/site7/tab3427/info4142481.htm</p> <p>(Shanghai CBIRC's penalty decision in Chinese)</p>

Changes in insurance regulation: Hong Kong

January – June 2019

Subject	Update	Key date	Link
<p>Consultation on the Revised Draft Guideline on Enterprise Risk Management</p>	<p>The Insurance Authority ("IA") conducted a consultation on the draft Guideline on Enterprise Risk Management ("Guideline") in May 2018 and received comments from the insurance industry and professional bodies. The IA has subsequently revised the draft Guideline for further consultation.</p> <p>The revised draft Guideline, proposed to be effective on 1 January 2020, has also taken into account the overarching principles of developing the Risk-based Capital ("RBC") regime that include, amongst others, compliance with the Insurance Core Principles published by the International Association of Insurance Supervisors; market landscape and needs of the insurance industry; financial health and resilience of the insurance industry for the protection of policyholders; and not being excessive and unnecessarily burdensome.</p>	<p>Release date: 3 January 2019</p>	<p>Press release: https://www.ia.org.hk/en/legislative_framework/circulars/reg_matters/files/cir_20190103.pdf</p> <p>Revised Guideline on Enterprise Risk Management: https://www.ia.org.hk/en/legislative_framework/circulars/reg_matters/files/Revised_Draft_Guideline_on_Enterprise_Risk_Management.pdf</p>
<p>Insurance Authority welcomes insurance-related initiatives announced in the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area</p>	<p>The IA welcomed the State Council's announcement on the initiatives for the insurance industry under the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area ("Outline Development Plan").</p> <p>Those initiatives include promoting cross-boundary Renminbi reinsurance business; supporting joint development by insurance institutions in Guangdong, Hong Kong and Macao of innovative and cross-boundary motor vehicle and medical insurance products; exploring the development of a trading platform for innovative insurance elements such as international marine insurance; and providing facilitation services such as underwriting, investigation and claims for</p>	<p>Release date: 18 February 2019</p>	<p>Press release: https://www.ia.org.hk/en/infocenter/press_releases/20190218.html</p>

	<p>cross-boundary policy holders.</p> <p>Further, the Outline Development Plan seeks to promote cross-boundary transactions of financial products which include insurance products within the Greater Bay Area. It also supports eligible Hong Kong insurance institutions in their setting up of operations in designated areas in the Greater Bay Area.</p>		
GL19: Guideline on Qualifying Deferred Annuity Policy	<p>The IA has issued GL19 - Guideline on Qualifying Deferred Annuity Policy. GL19 sets out the criteria that the Insurance Authority will adopt in certifying whether a deferred annuity insurance policy is to be recognized as a qualifying deferred annuity policy, which means a certain amount of premium which is paid for such policy will be eligible for tax deduction under salaries tax and tax under personal assessment. GL19 also sets out the process for obtaining the certification and the ongoing requirements which authorized insurers have to meet in respect of the promotion, arrangement and administration of Qualifying Deferred Annuity Policies.</p>	<p>Effective date: 1 April 2019</p>	<p>GL19 - Guideline on Qualifying Deferred Annuity Policy : https://www.ia.org.hk/en/legislative_framework/files/GL19.pdf</p>
Consultation on proposed guideline on pecuniary penalties for licensed insurance intermediaries	<p>The IA published consultation conclusions on two sets of rules regarding the new statutory regulatory regime for insurance intermediaries:</p> <p>The Insurance (Maximum Number of Authorized Insurers) Rules stipulate a cap on the number of insurers which a licensed individual insurance agent or insurance agency may represent. After considering the industry's diverse views on the cap, the IA decided to maintain the cap at four insurers.</p> <p>The Insurance (Financial and Other Requirements for Licensed Insurance Broker Companies) Rules set out requirements on licensed insurance broker companies relating to financial and other aspects. After considering the industry's feedback, the IA decided to adopt most of</p>	<p>Release date: 29 April 2019</p> <p>Effective date: 23 September 2019</p>	<p>Press release: https://www.ia.org.hk/en/infocenter/press_releases/20190429.html</p> <p>Consultation Conclusions: (1) Draft Insurance (Maximum Number of Authorized Insurers) Rules https://ia.org.hk/en/infocenter/files/final_Max_Number_Rules_Conclusions_Eng.pdf</p>

	<p>the proposals in the consultation paper. The IA will extend the transitional period for existing broker companies to effect the necessary capital injection for one additional year to slightly more than four years. The proposed increase of minimum indemnity limit under PII policy will not be pursued.</p>		<p>(2) Draft Insurance (Financial and Other Requirements for Licensed Insurance Broker Companies) Rules https://ia.org.hk/en/infocenter/files/final_Broker_Rules_Conclusions_Eng.pdf</p>
<p>Insurance Authority to commence direct regulation over insurance intermediaries on 23 September 2019</p>	<p>The IA will take over from the three Self-Regulatory Organizations ("SROs") and be responsible for all aspects of the regulation of insurance intermediaries in Hong Kong from 23 September 2019 onwards. This will include granting licenses, conducting inspections and investigations, and imposing disciplinary sanctions where applicable.</p> <p>For transitional arrangements, all insurance intermediaries validly registered with the SROs immediately before 23 September 2019 will be deemed as licensees for a period of three years. Furthermore, the new regime will not have retrospective effect on complaints and non-compliance cases that are not yet resolved by the SROs as at 23 September 2019, i.e. they will be followed up in accordance with the previous rules.</p>	<p>Release date: 14 May 2019</p> <p>Effective date: 23 September 2019</p>	<p>Press release: https://www.ia.org.hk/en/infocenter/press_releases/20190514.html</p>
<p>Consultation conclusions on the guideline on pecuniary penalty for licensed insurance intermediaries</p>	<p>The IA published the consultation conclusions on the Guideline on Exercising Power to Impose Pecuniary Penalty in Respect of Regulated Persons under the Insurance Ordinance (Cap. 41) (the "Guideline").</p> <p>Under the Guideline, a pecuniary penalty should be effective, proportionate and fair, and the IA will consider all circumstances of the case and take into account all</p>	<p>Release date: 28 June 2019</p> <p>Effective date: 23 September 2019</p>	<p>Press release: https://www.ia.org.hk/en/infocenter/press_releases/20190628.html</p> <p>Consultation Conclusion: https://www.ia.org.hk/en/infocenter/press_releases/20190628.html</p>

	<p>relevant factors including the nature, seriousness and impact of the conduct, behavior of the person since the conduct was identified, and disciplinary and compliance records when considering whether to impose a pecuniary penalty and the amount of the penalty.</p> <p>Also, under the Guideline, the IA may publicize its decisions of imposition of a pecuniary penalty against a regulated person. From this, the industry would be able to discern the kind of penalties the IA would impose for different non-compliance or misconduct.</p>		<p>r/files/Consultation_Conclusions_on_Pecuniary_Penalty_GL_Eng.pdf</p>
<p>Gazettal of subsidiary legislation on Insurance Authority's collection of new user fees</p>	<p>The Government has gazetted the Insurance (Prescribed Fees) (Amendment) Regulation 2019 ("Amendment Regulation") to enable the IA to collect new user fees to recover the cost of providing specific services.</p> <p>The Amendment Regulation seeks to introduce the second batch of 12 user fee items. The items cover mainly fees in relation to transfer of businesses and various modifications to the accounting requirements under different sections of the Insurance Ordinance (Cap. 41) and apply primarily to insurance companies or their auditors.</p>	<p>Release date: 27 March 2019</p>	<p>Press release: https://www.info.gov.hk/gia/general/201903/27/P2019032500806.htm</p>

Changes in insurance regulation: Singapore

January – June 2019

Subject	Update	Key dates	Links
<p>Guidance to Capital Markets Intermediaries on Enhancing AML/CFT Frameworks and Controls</p>	<p>The guidance sets out Monetary Authority of Singapore’s (“MAS”) supervisory expectations of sound Anti Money Laundering (“AML”) and Combatting Financing of Terrorism (“CFT”) practices for capital markets intermediaries (“CMIs”). The paper is based on inspections of CMIs, but the takeaways are applicable to other financial institutions, with the appropriate calibrations.</p> <p>The guidance paper does not impose any additional legal requirements on financial institutions, but seeks to clarify MAS’ supervisory expectations of existing AML and CFT requirements through the sharing of key observations on aspects of the three pillars from the MAS’ recent CMI inspections.</p> <p>MAS applies a three-pillar framework comprising governance, risk awareness and execution in their AML and CFT inspections.</p> <p>a) Governance: the board and senior management plays an important role to maintain sound governance frameworks for active management of money laundering (“MF”) and terrorist funding (“TF”) risks. Setting a firm tone from the top with adequate oversight for effective AML and CFT controls should be a priority.</p> <p>b) Risk Awareness: strong risk awareness across the financial institution is needed to enhance the assessment of the nature and level of ML and TF risks faced by the firm, and strengthen the financial institution’s ability to properly identify and escalate risk issues as well as determine appropriate risk mitigation measures.</p> <p>c) Execution: affective execution of controls within the organisation is necessary to achieve desired outcomes of detecting, preventing and deterring ML and TF risks.</p>	<p>Issue date: 4 January 2019</p>	<p>Press release: https://www.mas.gov.sg/regulation/guidance-to-cmi-on-enhancing-amlcft-frameworks-and-control</p>

<p>MAS Notice 122 Asset & Liability Exposures for Insurers</p>	<p>Updates for insurers in regards to submission of information on their asset and liability exposures to the MAS.</p> <p>Insurers are required to make both quarterly and annual submissions to the MAS regarding a breakdown of, among other things, equity and debt securities, loans, derivatives and foreign currency exposure. Other submissions include a breakdown on Singapore and offshore exposure of insurance.</p> <p>The majority of amendments came into force on 30 May 2019 (save for paragraphs 4(b)(iv) and 5(c)) and apply to all licensed insurers, except captive insurers, foreign insurers carrying on insurance business under foreign insurer scheme established under section 35B of the Insurance Act and marine mutual insurers.</p>	<p>Issue date: 30 May 2019</p> <p>Effective Date: Except for paragraphs 4(b)(iv) and 5(c), this notice shall take effect on 30 May 2019</p> <p>Paragraphs 4(b)(iv) and 5(c) shall take effect from the accounting period ending on 31 December 2019</p>	<p>Press release: https://www.mas.gov.sg/regulation/notices/notice-122</p>
<p>MAS 105 Notice on Insurers' Appointment of Custodians</p>	<p>The MAS notice was issued pursuant to section 64(2) of the Insurance Act (Cap. 142) and comprises mandatory requirements and guidelines concerning the appointment and on-going monitoring of custodians and sub-custodians and custody arrangements.</p> <p>The notice states that a licensed insurer must ensure that every custodian and, where applicable, sub-custodian, which holds any asset of its insurance fund established and maintained under section 17 of the Act, is licensed, approved, registered or otherwise regulated for its business or activity of providing custodial services by the relevant authority in the jurisdiction where the respective custody account or sub-custody account is maintained.</p> <p>Furthermore, the MAS expects a licensed insurer to put in place proper custody arrangements to safeguard its interest and ensure the safe custody of its insurance fund assets. The insurer should assess the legal risks associated with custody arrangements and</p>	<p>Issue Date: 30 May 2019</p> <p>Effective Date: 1 January 2020</p>	<p>Press release https://www.mas.gov.sg/regulation/notices/notice-105</p>

	<p>exercise due care in drafting and reviewing the contractual provisions of the custody agreement.</p> <p>In particular, the insurer should pay attention to any provision in the custody agreement that excludes the custodian's or sub-custodian's liability.</p> <p>This notice is due to take effect on 1 January 2020.</p>		
<p>Effective Practices to Detect and Mitigate the Risk from Misuse of Legal Persons</p>	<p>MAS conducted a series of thematic AML and CFT inspections targeted at assessing the effectiveness of banks' controls in mitigating risks from the misuse of legal persons.</p> <p>This guidance paper summarises the key findings from the inspections, and sets out MAS' supervisory expectations of sound practices, for effective AML and CFT frameworks and controls to address misuse of legal persons risks and typologies. 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 this guidance paper is derived from MAS' banking inspection findings, the key findings would be relevant and applicable to other financial institutions with the appropriate modifications. Financial institutions should also note that the takeaways in this paper are non-exhaustive, and they should continue to strengthen their AML and CFT controls in detecting and mitigating shell company risks as typologies and risks evolve over time.</p>	<p>Issue Date: 25 June 2019</p>	<p>Press release https://www.mas.gov.sg/regulation/guidance/effective-practices-to-detect-and-mitigate-the-risk-from-misuse-of-legal-persons</p>

Changes in insurance regulation: Indonesia

January – June 2019

Subject	Update	Key Date	Link
<p>Domestic Insurance for Export and Import Activities</p>	<p>The Ministry of Trade issued Ministry of Trade Regulation No. 82 of 2017, as amended (“Regulation 82”), on the obligation to engage domestic maritime transportation and insurance companies for export and import of certain goods.</p> <p>Regulation 82 was issued to promote export and import activities of domestic insurance and shipping companies. Under this regulation, the export and import of certain goods must be carried out through domestic insurance companies and vessels from domestic sea transportation companies. Goods that are required to be insured by domestic insurance companies include coal, crude palm oil, and rice.</p> <p>The requirements to engage domestic insurance companies were scheduled to be effective as of 1 February 2019. However, we understand that the effective date has been postponed by the authority as the market was not ready.</p> <p>Regulation 82 also sets out administrative sanctions for failure to comply with the requirements, which range from warnings to revocation of business licence.</p>	<p>Issued on 31 October 2017. Certain provisions regarding national insurance for export and import of certain goods are effective as of 1 February 2019.</p>	<p>http://jdih.kemendag.go.id/backend/image/regulasi/02070813_PERMENDAG_NOMOR_80_TAHUN_2018.PDF.pdf</p>
<p>Investment-linked Insurance Products</p>	<p>As an implementing regulation of OJK Regulation No. 23/POJK.05/2015 and 69/POJK.05/2016, OJK plans to issue a circular letter to regulate investment-linked insurance products.</p> <p>Pursuant to this draft, insurance companies that market investment-linked insurance products (“Investment Insurance Companies”) must meet a few requirements, such as having:</p> <p>a) a company’s actuary with certain qualifications from the Indonesian actuary association;</p>	<p>Draft per 23 April 2019.</p>	<p>https://ojk.go.id/id/regulasi/otorigitas-jasakeuangan/rancaingan-regulasi/Pages/Permintaan-Tanggapan-atas-RSEOJK-tentang-Produk-Asuransi-yang-Dikaitkan-dengan-Investasi.aspx</p>

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	<p>b) an investment expert, with a minimum experience of three years in managing investment;</p> <p>c) a proper system to support investment-linked insurance products; and</p> <p>d) supporting resources, such as competent employees.</p> <p>The draft also provides a minimum capital requirement for Investment Insurance Companies, as follows:</p> <p>a) IDR 250bn for insurance companies; and</p> <p>b) IDR 150bn for sharia insurance companies.</p> <p>In addition to the above, OJK also intends to regulate marketing activities, insurance policy, and agreement between the Investment Insurance Companies and custodian banks under this draft.</p>		

Changes in insurance regulation: Vietnam

January – June 2019

Subject	Update	Key Date	Link
<p>Amendment to the Law on Insurance Business</p>	<p>On 14 June 2019, the National Assembly enacted Law Amending and Supplementing the Law on Insurance Business No. 24/2000/QH10 (as amended by Law No. 61/2010/QH12).</p> <p>We note that even though the law is enacted, the official version of the law has not been published. Therefore, we comment based on the latest draft of the law which is available. The key points of the new Law are as follows:</p> <p>Introduction of "insurance auxiliary services":</p> <ul style="list-style-type: none"> – Despite already existing in practice, the concept of "insurance auxiliary services" has for the first time been officially introduced into Vietnam's regulatory framework as a result of the country's accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership. – Under the new Law, insurance auxiliary services include the following activities: insurance consultancy, actuary services, insurance risk assessment, insurance loss assessment, and claim settlement services. <p>Provision of insurance auxiliary services:</p> <ul style="list-style-type: none"> – Individuals can only provide insurance consultancy services (not other types of insurance auxiliary services). – On the other hand, insurance enterprises, insurance brokerage enterprises and other legal entities can provide all types of insurance auxiliary services. These enterprises are together called "organisations providing 	<p>This law was issued on 14 June 2019 and will take effect on 1 November 2019</p>	

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	<p>insurance auxiliary services".</p> <ul style="list-style-type: none"> – Individual and organisational providers of insurance auxiliary services must comply with certain conditions and professional qualification requirements set out under this Law and further guidelines to be issued by the Government and the Ministry of Finance. – Providers must ensure client confidentiality and purchase professional liability insurance for their business activities. – Contracts for the provision of insurance auxiliary services must be in written form. <p>Conditions for the provision of insurance auxiliary services:</p> <ul style="list-style-type: none"> – Individual providers must be at least 18 years old, with full civil capacity and professional qualifications. – Organisational providers must be duly established, with a legal personality and proper professional qualifications to provide such services. <p>Provision of cross-border insurance auxiliary services:</p> <ul style="list-style-type: none"> – Foreign individuals are permitted to provide insurance consultancy services into Vietnam on a cross-border basis. – Foreign organisations are permitted to provide insurance auxiliary services into Vietnam on a cross-border basis. – The Government will provide further guidance on the scope and conditions of such cross-border provision of these services, including entities eligible to use cross-border insurance auxiliary services. 		

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	<p>Transitional provision:</p> <ul style="list-style-type: none">– A one-year grace period (from the date the new Law takes effect) is given for individuals and organisations which are currently providing insurance auxiliary services to comply with the requirements of the new Law.		

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