

17 May 2021

Our Ref: INS/TEC/6/96
<By Email only>

To: Chief Executives of Designated Insurance Holding Companies

Dear Sirs,

Guideline on Group Supervision (GL32)

I enclose herewith a copy of the Guideline on Group Supervision (GL32) (“GL32”) issued on 14 May 2021, which can be downloaded from the website of the Insurance Authority (“IA”).

The legislative amendments on the group-wide supervision (“GWS”) framework became effective on 29 March 2021. Pursuant to the new section 95C of the Insurance Ordinance (Cap. 41), the IA may designate an insurance holding company within an insurance group as a designated insurance holding company (“DIHC”). Upon designation, the DIHC will be subject to direct regulatory powers exercisable by the IA under the GWS legislative framework.

The GL32 sets out the principles and standards for DIHCs in respect of their supervised groups on a wide range of areas including enterprise risk management, corporate governance, capital requirements and public disclosure.

The GL32 came into effect on 14 May 2021. The IA recognizes that a DIHC, following its designation, may require time to update its controls, systems and processes to align its supervised group fully with certain requirements in the GL32. The IA may, therefore, in its discretion issue a Transitional Notice to specify transitional arrangements to a DIHC upon receipt of a formal request from the DIHC.

Should you have any questions, please contact your case officers.

Yours faithfully,

Carol Hui
Executive Director
Long Term Business Division
Insurance Authority

Encls.

c.c. The Hong Kong Federation of Insurers