

L.N. 262 of 2020

Insurance (Designation and Annual Fees for Designated Insurance Holding Companies) Regulation

(Made by the Chief Executive in Council under section 128(1) of the Insurance Ordinance (Cap. 41) after consultation with the Insurance Authority)

1. Commencement

This Regulation comes into operation on 29 March 2021.

2. Interpretation

In this Regulation—

annual fee (年費) means a fee payable under section 95F(1)(b) of the Ordinance;

date of designation (指定當日) has the meaning given by section 95A(1) of the Ordinance;

designation fee (指定費) means the designation fee payable under section 95F(1)(a) of the Ordinance.

3. Payment of designation and annual fees

- (1) The designation fee payable by a designated insurance holding company must be paid within 60 days beginning on the date of designation of the company.
- (2) An annual fee payable by a designated insurance holding company—
 - (a) becomes payable on each 1 April (*relevant date*) after the date of designation of the company; and
 - (b) must be paid by the 31 May that follows the relevant date.

4. Amounts of designation and annual fees

- (1) Subject to subsection (2), the amount of the designation fee or an annual fee payable by a designated insurance holding company is—
 - (a) subject to paragraph (b), the amount calculated by multiplying the group insurance liabilities of the company by 0.0026% (*calculated amount*); or
 - (b) if the calculated amount is—
 - (i) less than \$10,000,000—\$10,000,000; or
 - (ii) more than \$60,000,000—\$60,000,000.
- (2) If the date of designation of a designated insurance holding company does not fall on 1 April of a year, the amount of the designation fee payable by the company is to be calculated in accordance with the following formula—

$$A \times \frac{B}{C}$$

- where:
- A means the amount of the designation fee calculated in accordance with subsection (1);
 - B means the number of days in the period that—
 - (a) begins on the date of designation; and
 - (b) ends at the beginning of the 1 April that follows the date of designation; and
 - C means the number of days in the period that—
 - (a) begins on the 1 April that precedes the date of designation; and

(b) ends at the beginning of the 1 April that follows the date of designation.

(3) In this section—

group insurance liabilities (集團保險負債), in relation to a designated insurance holding company, means an amount that—

- (a) is reported in a written return deposited by the company under section 95F(2) of the Ordinance; and
- (b) reflects the total insurance liabilities of the supervised group of the company as at the specified date;

specified date (指明日期), in relation to a designated insurance holding company, means—

- (a) for calculating the amount of the designation fee payable by the company—the end date of the last financial year of the company that ends before its date of designation; and
- (b) for calculating the amount of an annual fee payable by the company in a year—the end date of the last financial year of the company that ends before 1 April of that year.

Wendy LEUNG
Clerk to the Executive Council

COUNCIL CHAMBER

8 December 2020

Explanatory Note

This Regulation prescribes the following matters in relation to the fees payable under section 95F(1) of the Insurance Ordinance (Cap. 41) by a designated insurance holding company on designation and at prescribed intervals—

- (a) the payment due dates;
- (b) the prescribed intervals; and
- (c) the amounts of such fees.