

15 June 2021

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Council for Trade in Services

Original: English

**NOTIFICATION PURSUANT TO ARTICLE III:3 OF THE
GENERAL AGREEMENT ON TRADE IN SERVICES**

The following notification, dated 14 June 2021, from the delegation of Macao, China, is being circulated to Members of the Council for Trade in Services.

1 MEMBER NOTIFYING:

Macao, China

2 NOTIFICATION UNDER:

Article III:3 of the General Agreement on Trade in Services

3 DATE OF ENTRY INTO FORCE:

22 September 2020

3.1 Duration:

Indefinite

4 AGENCY RESPONSIBLE FOR ENFORCEMENT OF THE MEASURE:

Monetary Authority of Macao

5 DESCRIPTION OF THE MEASURE:

In order to cope with economic evolution and business development of the local insurance market, enhance the regulatory system and strengthen the protection of policyholders and beneficiaries, the Macao SAR Government amended the Macao Insurance Ordinance (Decree Law No. 27/97/M of 30 June) and promulgated it by Law No. 21/2020 in September 2020. According to the revised Ordinance, the conditions and criteria for the granting of authorisation have become more stringent, and yet Macao, China applies non-discrimination to all applicants in terms of market-access conditions.

The major revisions of Law No. 21/2020 include:

- a. To raise the application thresholds for establishing an insurer and extend the scope of eligibility vetting for applicants, strengthen the requirements for the insurance industry's risk management, internal monitoring, mechanism of preventing and combating money laundering and countering terrorist financing, and ensure that insurance companies have sound governance policies;
- b. To raise the capital and guarantee requirements, double the capital requirements for existing insurers and applicants, and revise the technical reserve requirements to effectively achieve the objective of stable operations;

- c. To adopt a principle-based supervision approach and introduce consolidated supervision to strengthen supervisory measures;
- d. To revise the intervention system and strengthen penalties, increase and clarify the conditions and measures applicable to the intervention system, optimise the penal provisions, and strengthen the deterrence of the penalty system.

6 MEMBERS SPECIFICALLY AFFECTED, IF ANY:

None

7 TEXTS AVAILABLE FROM:

The full text of the Regulation is available from:

https://www.amcm.gov.mo/files/insurance_sector/rules_and_guidelines/main_regulation_on_insurance_activity_and_private_pension_funds/en_lw_27_97_m.pdf

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