Memorandum of Understanding concerning co-operation in insurance supervision

between

The Australian Prudential Regulation Authority (APRA)

and

Autoridade Monetária de Macau (AMCM)

(together “the Authorities”)

Background

1. This Memorandum of Understanding (MOU) sets out a framework for co-operation between the Authorities in areas of common interest where co-operation is essential for the effective and efficient performance of their respective insurance regulation functions.

2. This MOU is a statement of intent and does not create any legally binding obligations on the Authorities.

3. This MOU does not affect the ability of the Authorities to otherwise request:
   (a) documents, information or assistance from each other; or
   (b) documents, information or evidence from individuals;

under relevant laws in their respective jurisdictions, such as, in Australia, section 6 of the Mutual Assistance in Business Regulation Act 1992.

4. For the purpose of this MOU:

Cross-border Establishment means a branch, a subsidiary or any other insurance entity or group within one jurisdiction which falls under the consolidated or group-wide supervision (or prospective supervision) responsibility of the other jurisdiction (Annexure A). Cross-border establishments include those where the Authorities are both host country Authorities (but no list of these entities is to be maintained).
Confidentiality

(BETWEEN APRA AND AWCM)

NOW, "CONFIDENTIAL - RECEIVED UNDER MEMORANDUM OF UNDERSTANDING"

10. The Authorities expect each other to mark all documents received under this Agreement provided to the Authority making the request.

9. The Authorities recognize that the provision of information may be denied on business days.

8. The Authorities expect that requests for assistance or information will be made within ten business days.

7. The Authorities expect, within the framework of this MOU, to provide each other with all reasonable assistance to promote the safe and sound functioning of regulated insurance entities, subject to domestic laws and the Authorities' respecive regulatory and supervisory frameworks.

6. In Australia, the Australian Prudential Regulation Authority (APRA) is the national prudential regulator in Australia, established on 1 July 1998 under the Australian Prudential Regulation Act 1998. APRA administers the prudential framework in relation to financial institutions and superannuation funds authorized to operate in Australia, subject to supervisory arrangements for the supervision of authorized deposit-taking institutions (banks, building societies and credit unions) and insurance/insurance-reinsurance entities. In Macao, China, the Authority of Macao is the national prudential regulator, subject to a similar regulatory framework.

5. The Authorities recognize the Authority which supervises the parent entity, which is supervised in another country.

4. The Authorities expect each other to use information on a need-to-know basis and to ensure that any information they obtain is kept strictly confidential. The Authorities expect each other to use the information only for the purposes for which it was originally provided and to ensure that it is not disclosed to any third party without prior written consent.

3. The Authorities expect each other to cooperate in the exchange of information and to provide assistance in accordance with their respective regulatory frameworks. The Authorities expect each other to ensure that any information provided is accurate, complete, and timely.

2. The Authorities expect each other to adjust existing arrangements to facilitate the exchange of information.
Conducting on-site inspections of cross-border establishments.

Relevant shareholders of a cross-border establishment:

Information on the fitness and propriety of prospective directors, managers and
members expected to share available
need for special arrangements.

Supplementing any information submitted by the applicant entity.

Upon request, the home country authority is expected to notify the host
country authority about the nature of its regulation system and the extent to
make an acquisition in the host-country jurisdiction.

The host country authority is expected to notify the home country authority.

Cross-Border Establishments

Without the consent of the home country, the information be kept confidential and not be further released
country or entity, so far as possible, the authority receiving the
the home country authority about the nature of its regulation system and the extent to
notify the host country authority about the nature of its regulation system and the extent to
make an acquisition in the host-country jurisdiction.

When an authority wishes to disclose information received under this MOU to a
prescribe the confidentiality of the information to the extent permitted by law.

In other circumstances permitted by law:

Freedom of information laws; and,

Where they receive a legally enforceable demand, for example under
Royal Commission:

Where they are legally compelled to do so, for example to a court or

The authorities may disclose information received from each other under this
arrangement in relation to the provision of that information.

approach to the other authority with a view to negotiating a cost-sharing

26. Each authority expects to bear the expenses incurred by them in the

implementation of this MOU. If it appears that an authority is likely to incur

unusual or substantial costs in responding to a particular request for information it may

merely send a request in that regard.

25. The authorities expect to conduct meetings as often as appropriate to discuss

issues concerning insurance entities, or groups that maintain cross-border

cross-border establishments,

transactions, including transactions that have a significant bearing on the activities of

respective national regulatory systems and information about other major

Regulatory Policy Development

violations of the laws governing the insurance institutions subject to the

activities of the cross-border establishments, to manage risk, to implement formal enforcement actions taken, and to

provide on-the-spot inspections, to conduct inspections or to provide relevant information to each other within

Ongoing Supervision

the home country authority.

prior to deciding whether an on-site inspection is necessary, the home country authority or

21. The home country authority is expected to notify the host country authority of

20. Authority may request and review any relevant examination or other

satisfactory arrangements by the home country authority.

19. The home country authority is expected to notify the host country authority of

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5. The authorities expect to conduct meetings as often as appropriate to discuss

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General