Monetary Authority of Singapore

Consultation Paper
P013-2026 – July 2026

Consultation Paper on Proposed Framework for Protected Cell Companies in Singapore

Contents

1. Preface

1.1. To support the growth of alternative risk transfer solutions and deepen Singapore's role as a global risk management hub, the Monetary Authority of Singapore (MAS) proposes to establish a legislative framework for a new corporate structure – the Protected Cell Company (PCC).

1.2. The PCC structure allows assets and liabilities to be segregated into individual "cells" within a single legal entity. This enables multiple risk arrangements to be housed under a common platform, while ensuring that the assets and obligations of each cell remain legally ring-fenced from one another. The framework is designed to support a range of insurance use cases, specifically captive insurance, insurance-linked securities (ILS), and sovereign risk pools (collectively, "Insurance Use Cases"). We envisage that a PCC structure will provide market participants with a more cost-efficient, streamlined, and flexible structuring option, as compared to using traditional standalone entities which require separate incorporation and duplicated operational overheads. The PCC structure can help expand the supply of risk capacity by lowering barriers to entry for participation in the alternative risk transfer market, and strengthen Singapore's position as a leading centre for insurance and risk financing innovation.

1.3. MAS invites interested parties to submit their views and comments on the proposed framework set out in this paper.

1.4. Please note that all submissions received will be published and attributed to the respective respondent unless they expressly request MAS not to do so. As such, if respondents would like:

(a) their whole submission or part of it (but not their identity), or

(b) their identity along with their whole submission,

to be kept confidential, please expressly state so in the submission to MAS. MAS will only publish non-anonymous submissions. In addition, MAS reserves the right not to publish any submission received where MAS considers it not in the public interest to do so, such as where submission appears to be libelous or offensive.

1.5. Please submit written comments by **7 August 2026** via the *FormSG link*.

Defined Terms

ACRA	Accounting and Corporate Regulatory Authority
AGM	Annual general meeting
AML/CFT	Anti-money laundering and countering the financing of terrorism
CA	Companies Act 1967
Captive Insurance	Captive insurance is a self-insurance programme for a corporation's own or its affiliates' risks, allowing it to manage its risks and premium rate volatility arising from reliance on the commercial insurance market.
FSMA	Financial Services and Markets Act 2022
GST	Goods & Services Tax
High Court	High Court of Singapore
IA	Insurance Act 1966
ILS	Insurance-linked Securities are financial instruments that securitise insurance contracts, allowing insurers and reinsurers to transfer specific risks to the capital markets. This enables third party investors to participate in insurance markets and provide an additional source of reinsurance capacity to traditional reinsurance.
IRDA	Insolvency, Restructuring and Dissolution Act 2018
MAS	Monetary Authority of Singapore
PCCs	Protected Cell Companies
Sovereign Risk Pools	Sovereign risk pools are typically set up by multiple participating governments to share and manage risks in a diversified portfolio and secure insurance coverage against catastrophic events such as natural disasters or climate shocks.
VCCs	Variable Capital Companies
VCCA	Variable Capital Companies Act 2018

2. Background

2.1. MAS is consulting on the establishment of a legislative framework for PCCs, which is a new type of corporate structure comprising a single corporate vehicle where assets and liabilities are statutorily segregated within the same entity, administered under a common governance.

2.2. With the PCC framework, we seek to provide additional flexibility over most existing corporate structures, where the legal segregation of assets and liabilities can typically only be achieved through setting up separate corporate entities or vehicles. This can increase costs, reduce operational efficiency, and limit the ability to scale or tailor risk financing structures. PCCs offer a more efficient alternative by enabling such legal segregation of multiple portfolios or books of insurance business within a single corporate vehicle.

2.3. This corporate structure will be available to MAS-licensed entities carrying out the Insurance Use Cases. In developing the framework, MAS has studied the applicable laws and practices in other PCC jurisdictions and considered its relevance to local insurance activities and interests of policyholders.

2.4. Under the proposed framework, a PCC will comprise of a "Core" and one or more "Cells". The Core will be responsible for central administrative functions while each Cell will carry on insurance business, with assets and liabilities statutorily segregated from those of other Cells and from the Core.

2.5. MAS proposes to introduce the proposed framework through a new PCC Act. There will be similarities between the features of PCCs and that of existing corporate structures (such as companies and umbrella VCCs). PCCs will also have certain features which are unique and set out in the new PCC Act. Given that the PCC corporate structure will only be available to entities licensed or intending to be licensed by MAS, MAS will administer the PCC Act and its subsidiary legislation.

2.6. The PCC framework will complement existing corporate structures in Singapore. A business conducting regulated insurance activities can still choose to structure itself as a public or private company under the CA.

2.7. To accommodate insurance activities conducted by PCCs, consequential amendments to IA will have to be made. Apart from the amendment to the definition of "captive insurer" as mentioned under paragraph 3.3, further consequential amendments to the IA may include expanding the scope of eligible licence applicants and definition of "transferee" to include PCCs and making it clear that directions issued to a PCC relate to matters involving the Cells.

2.8. MAS will adopt a phased consultation approach. This consultation paper will focus on the policy proposals to be included in the new PCC Act, while the proposed draft Act and the policy proposals to be included in the subsidiary legislation under the new PCC Act or IA will be consulted at a later stage.

3. Structure Governing PCCs

Permitted use of the PCC structure

3.1. MAS proposes to introduce the PCC framework to be used for the three Insurance Use Cases at the outset. MAS will consider if there is industry demand for the PCC structure for other financial services regulated by MAS in the future.

3.2. In the captive insurance market, the primary use case of a PCC structure is the rent-a-captive model. Under this model, the PCC is typically set up and managed by an insurance manager. A corporation (unrelated to the insurance manager) can contract with the PCC to rent a Cell to underwrite insurance risks covering the corporation's exposures and/or those of its related corporations. However, the IA currently defines a "captive insurer" as an insurer whose licence is restricted to the carrying on of insurance business consisting principally of risks of its related corporations. In this regard, a PCC seeking to operate the rent-a-captive model in Singapore would not meet this definition, as its Cells serve unrelated corporations rather than the PCC's own related corporations.

3.3. To accommodate the rent-a-captive use case under the IA, MAS intends to amend the definition of "captive insurer" to encompass two distinct types: a standalone captive insurer and a PCC rent-a-captive insurer. This recognises that both types of captives serve the same purpose, that is to provide captive risk solutions to firms, while operating through different corporate structures.

Question 1. MAS seeks comments on the proposal that the PCC structure be limited, at the outset, to entities that carry out the three Insurance Use Cases.

Question 2. MAS seeks comments on whether there are other MAS-regulated financial services use cases to which the PCC structure could be applied in future, as well as the potential market demand for such use cases.

Question 3. MAS seeks comments on the proposal for the definition of "captive insurer" in the IA to be amended such that a "captive insurer" refers to either a standalone captive insurer or a PCC rent-a-captive insurer.

Legal Personality

3.4. A PCC is a single legal entity comprising the Core (which is the non-Cell part of the PCC) and one or more Cells. Neither the Core nor each Cell has its own legal personality. Transactions take place through the PCC, including issuance of shares and holding of assets, on behalf of the Core and the Cells. The intended purpose of the Core is to administer the PCC and not to assume any insurance risk or undertake any insurance liability. The PCC may only carry on insurance business through its Cells, which at the onset will be limited to the three Insurance Use Cases. This proposed structure reduces administrative burden and costs, as governance requirements are complied with by the PCC and costs borne may be shared amongst the Cells[1].

3.5. To ensure that a PCC has commercial substance, MAS proposes to legislate that a PCC must at all times have at least one Cell.

Question 4. MAS seeks comments on the proposal regarding the PCC's legal personality.

Question 5. MAS seeks comments on the proposed activities of the Core. Are there any additional factors MAS should consider?

Question 6. MAS seeks comments on the proposal for a PCC to have at least one Cell at all times.

[1] In practice, the relationship between the Core and each Cell is typically bound by a management or service agreement.

4. Segregation of Assets and Liabilities

Segregation principle

4.1. A defining feature of the PCC framework is the legal segregation of the assets and liabilities between each Cell and between the Cells and the Core. Otherwise, the Cells would be exposed to contagion risks as the creditors of one Cell or the Core would have recourse to the assets of another Cell. MAS proposes to legislate that –

(a) all assets held by and liabilities incurred by the PCC must be recorded as assets or liabilities of either the Core or a Cell[2];

(b) assets of the Core must not be used to discharge liabilities of any Cell;

(c) assets of one Cell must not be used to discharge liabilities of another Cell, or of the Core;

(d) any liabilities of the Core / a Cell must be discharged solely out of the assets of the Core / that Cell respectively;

(e) creditors with claims against the Core / a Cell for liabilities shall only have recourse to the respective Core's / Cell's assets; and

(f) any charge created over an asset of the Core / a Cell must only be for securing a liability or obligation of the Core / that Cell.

4.2. Where there are non-Cell-specific assets acquired or liabilities incurred by the PCC in order to enable the operations of the Cells and the Core, MAS proposes to allow the PCC to allocate these between the Cells and the Core in a fair and reasonable manner.

4.3. In addition, MAS proposes safeguards against the risk of cross-cell contagion within a PCC. Firstly, MAS proposes to void any provisions (e.g. in the constitution or in agreements entered into by PCCs) which are inconsistent with the abovementioned segregation principle. Secondly, MAS proposes to imply such segregation principles in a PCC's constitution, so as to provide the shareholders of the PCC[3] with an avenue of legal recourse in the event of a breach.

[2] An asset or liability can be allocated to more than one of these (see paragraph 4.2), but each portion allocated to the Core or a Cell must be recorded as an asset or liability of the Core or that Cell.

[3] The shareholders of the PCC comprise the shareholders of the Core and the shareholders of the Cells of the PCC – see paragraph 5.1.

Question 7. MAS seeks comments on introducing provisions in the PCC Act that mandates the segregation of assets and liabilities between the Cells and between the Core and the Cells.

Question 8. MAS seeks comments on the proposed safeguards against the risk of cross-cell contagion within a PCC.

Disclosure requirements and implied contractual terms

4.4. It is important that all parties dealing with a PCC in respect of a Cell or the Core are aware of the segregated nature of the PCC, to ensure that only the assets of that Cell or the Core are used to satisfy the liabilities to such parties.

4.5. To this end, MAS proposes to require a PCC to make appropriate disclosures in correspondences and agreements when it is dealing with third parties. This includes identifying itself as a PCC, and where such correspondences or agreements are for the purpose of a specific Cell or the Core, specifying and identifying the Cell or the Core on whose behalf it is acting, and making clear that the Cell's or the Core's assets and liabilities are segregated in accordance with the legislated segregation principles.

4.6. To further reinforce the segregation principle, MAS proposes for the following terms to be implied by statute into contracts entered into between a PCC and a contracting party:

(a) the contracting party may only assert its right under the contract against the PCC in respect of the Core or Cell(s) on whose behalf the PCC enters into the contract ("Contracting Core/Cell");

(b) the contracting party waives any right to make a claim against the PCC in respect of any non-Contracting Core/Cell; and

(c) if the contracting party obtains any assets of non-Contracting Core/Cell, the contracting party will transfer those assets to the PCC without delay, and until the transfer takes effect, hold these assets on trust for the benefit of the non-Contracting Core/Cell.

Question 9. MAS seeks comments on the proposed disclosure requirements required for PCCs.

Question 10. MAS seeks comments on the proposal to imply the specified terms into contracts entered into by a PCC.

Transactions within a PCC

4.7. Circumstances may arise where different parts of the same PCC would need to transact with each other. For example, the Core may charge management fees to the Cells. MAS proposes allowing for transactions within the same PCC, subject to the following principles being met:

(a) the transaction is necessary to facilitate the operations of the PCC or any of its Cells;

(b) the transaction is conducted on an arm's length principle, meaning it is entered into on terms equivalent to those that would be agreed between unrelated parties in comparable circumstances; and

(c) the segregation principle is upheld.

Question 11. MAS seeks comments on the proposal to allow transactions within the same PCC, subject to the proposed principles.

Question 12. MAS seeks comments on examples of transactions which may require a Cell to transact with another Cell of the same PCC.

5. Funding for PCCs

Funding mechanisms

5.1. The ability of PCCs to raise funds is essential for their operations. As set out above, a PCC comprises of a Core and one or more Cells but only the PCC possesses legal personality, hence MAS proposes to allow PCCs to issue shares and/or debentures on behalf of the Core or a Cell. Shareholders of a PCC comprise shareholders of the Core (i.e. any person holding a share issued in respect of the Core) and shareholders of the Cells (i.e. any person holding a share issued in respect of a Cell). Further, MAS does not intend to restrict Cell shares to non-voting shares only. Proceeds from the issuance of such securities will be assets of the Core or that Cell. These securities issued by the PCCs shall be transferable, subject to similar conditions governing such transfers as set out in the CA, such as lodging a notice of transfer to the Registrar.

Question 13. MAS seeks comments on the proposals concerning PCCs' issuance of shares and debentures.

Question 14. MAS seeks views on the proposal to allow shares and debentures in the PCCs to be transferable, subject to similar conditions governing such transfers as set out in the CA.

Circular Shareholding

5.2. MAS proposes to disallow:

(i) the PCC on behalf of the Core from holding shares issued by the PCC in respect of any of its Cells;

(ii) the PCC on behalf of a Cell from holding shares issued by the PCC in respect of the Core; and

(iii) the PCC on behalf of a Cell from holding shares issued by the PCC in respect of another Cell.

As mentioned in paragraph 3.4, the purpose of the Core is to administer the PCC whilst the Cells underwrite insurance risks. As such, MAS views there to be limited commercial utility for such circular shareholding arrangements. This proposal will not affect the PCC's ability to hold "treasury shares"[4],

[4] These shares are akin to "treasury shares" under section 76H of the CA.

i.e. shares in respect of the Core that a PCC holds on behalf of the Core or shares in respect of a Cell that the PCC holds on behalf of that Cell, via share buybacks[5].

5.3. MAS notes that there are also potential issues with such circular shareholding. For example, the insolvency of a Cell may directly impact the Core's balance sheet if the assets of the Core includes shares issued in respect of that Cell. The same applies in relation to the situation where the assets of a Cell includes shares issued in respect of another Cell. In addition, where the PCC on behalf of a Cell holds shares issued in respect of the Core, the Cell may potentially have undue control or influence over the Core's management, resulting in potential conflicts of interest and undermining proper PCC governance.

Question 15. MAS seeks comments on the proposal to disallow circular shareholding within PCCs.

Capital Reduction and Share Buybacks

5.4. Currently, insurers incorporated under the CA are permitted to reduce their share capital through methods such as capital reduction and share buybacks, subject to certain conditions being met. We propose to allow similar methods of capital reduction and share buybacks for both the Core and Cells, to enable a PCC to efficiently manage its capital by returning any excess capital to its shareholders. MAS also proposes to additionally require that any capital reduction or share buyback must be funded solely from the assets of the Core or relevant Cell. As the PCC corporate structure will only be available to the MAS-licensed Insurance Use Cases, relevant requirements under the IA will also apply.

Question 16. MAS seeks comments on the proposal to allow both the Core and Cells of a PCC to reduce their capital via capital reduction and share buybacks.

Dividends

5.5. The ability to distribute profits in the form of dividends offers investors a direct return on their capital, whether invested in the Core or a Cell and enables structured profit distribution beyond capital reductions or share buybacks. Thus, MAS proposes to allow a PCC to pay dividends on any share issued in respect of the Core or a Cell, subject to the following conditions:

(a) dividends can only be paid out of profits to ensure that it is paid from realised gains instead of capital, thereby safeguarding the financial stability of the Core and the Cells; and

[5] See paragraph 5.4 below.

(b) to further uphold the segregation principle, dividends paid on a share issued in respect of the Core must be funded solely from profits of the Core, and dividends paid on a share issued in respect of a Cell must be funded solely from the profits of that specific Cell.

Question 17. MAS seeks comments on the proposal to allow a PCC to pay dividends on shares issued in respect of the Core or a Cell, subject to the conditions mentioned.

6. Re-domiciliation and Corporate Conversion

Re-domiciliation

6.1. MAS recognises that some market participants may currently operate under equivalent cell company structures in other jurisdictions. To facilitate the inward re-domiciliation of such structures to Singapore, MAS proposes to adopt the same requirements under CA's inward re-domiciliation regime for PCCs. This would allow a foreign corporate entity that is equivalent to a PCC to transfer its registration to Singapore as a PCC, subject to applicable regulatory approvals under the IA.

Question 18.	*MAS seeks comments on the proposal to adopt the same requirements on inward re-domiciliation under the CA for PCCs.*

Corporate Conversions into and out of PCC

6.2. Captive insurers, ILS vehicles, and sovereign risk pools are currently established in Singapore as companies incorporated under the CA. MAS recognises that there may be demand for mechanisms that allow such companies to be converted into a PCC, with its own Core and Cell(s).

6.3. MAS proposes to provide for a statutory mechanism for the conversion of an existing CA-incorporated company limited by shares to a PCC. MAS intends for the conversion to apply only where the following criteria are met and the requisite approval is obtained from the Registrar under the PCC Act:

(a) the company has passed special resolution(s) evidencing its intention to convert to a PCC, to be submitted to the Registrar as part of the application, with details on the following matters:

(i) the nature of shares to be allotted to its shareholders in place of their shares in the company, including whether these are shares in respect of the Core or the Cell;

(ii) the allocation of all the assets and liabilities of the company to the Core or Cell(s) post-conversion; and

(iii) the assignment of all existing contracts of the company to the Core or Cell(s) post-conversion;

(b) the company has notified all the creditors of the intended conversion (together with the key details mentioned in sub-paragraph (a) to the extent applicable to the creditor) and has given them the opportunity to raise any objection; and

(c) the company's directors have provided declarations, to be submitted to the Registrar as part of the application, confirming that no creditor will be materially prejudiced and the reasons for its assessment.

6.4. On approval of the Registrar under the PCC Act, the Registrar will issue a notification to register it as a PCC. The PCC Act will also provide for any necessary operational matters, such as the transfer and vesting of assets and liabilities of the company in the PCC in accordance with the special resolution(s).

6.5. The conversion is also subject to applicable regulatory approvals under the IA.

6.6. Similarly, there may be demand for exit mechanisms allowing a PCC or its Cell(s) to convert into a CA-incorporated company limited by shares. MAS intends to provide a similar statutory conversion mechanism.

Question 19.	*MAS invites views on the anticipated size and source of demand for entry and exit conversion mechanisms.*
Question 20.	*MAS welcomes feedback on the conversion mechanisms and any other policy and operational considerations that should inform their design.*

External Transfer of Cellular Assets

6.7. MAS proposes to allow a Cell within a PCC to transfer to another PCC, as there may be reasons such as greater operational synergies, access to different management arrangements. Given that such Cells carry on insurance activities as part of MAS-licensed entities, MAS views the transfer of a Cell, together with its assets and liabilities, to be a transfer of insurance business subject to the requirements under Sections 116 to 119 of the IA.

Question 21.	*MAS seeks views on allowing the transfer of an entire Cell from its PCC to another PCC.*

7. Corporate Governance and Administration

Board of directors

7.1. As with existing corporate structures in Singapore, the board of directors of a PCC plays a central role in overseeing the management and direction of a PCC on behalf of its shareholders, and is responsible for acting in the PCC's best interests. As such, MAS intends to establish PCC corporate governance standards and requirements which are aligned with the CA. These include requirements relating to the minimum number and qualification of directors, directors' duties and powers, grounds for disqualification, as well as procedures for the appointment and removal of directors. For example, similar to the CA, PCCs will be required to have at least one director who is ordinarily resident in Singapore.

7.2. Given that the PCC corporate structure will only be available to the MAS-licensed Insurance Use Cases, the relevant corporate governance requirements under the IA will apply. As mentioned earlier in paragraph 2.8, this will be consulted at a later stage.

Naming requirements

7.3. To clearly distinguish an insurer incorporated as a PCC from an insurer incorporated as other corporate structures, MAS proposes to require a PCC to have "PCC" or "Protected Cell Company" as part of and at the end of its name. In addition, in line with the CA, other naming prohibitions, such as those against undesirable name or a name that is identical to other entities, are proposed to be similarly applied to PCCs.

Constitution requirements

7.4. To ensure that the PCC operates within certain agreed upon boundaries, MAS intends to require a PCC's constitution to contain details that are broadly aligned with those as required under the CA and VCCA. This includes information on the subscribers to the PCC's constitution (e.g. full name, address and occupation) and shareholders' rights. Additionally, MAS proposes to require the object of a PCC to be limited to the Insurance Use Cases.

7.5. To clearly establish a default set of rights and obligations that apply to every PCC even when the constitution is silent on these matters, MAS proposes to legislate a set of implied provisions similar to that in the VCCA. For instance, the implied provisions will make clear that circular shareholding is prohibited, and the segregation principles mentioned in paragraph 4.1.

Question 22. *MAS seeks comments on the proposed requirements on PCC's directors.*

Question 23. *MAS seeks comments on the proposed naming requirements for a PCC.*

Question 24. *MAS seeks comments on*

(i) adopting constitution requirements similar to that in the CA and VCCA, and

(ii) the proposal to legislate implied constitution terms for a PCC similar to that in the VCCA.

8. Meetings, Accounts and Registers

Meetings

8.1. Given that the assets and liabilities of each part of the PCC (that is, the Core or the Cells) are legally segregated, shareholders of one part of the PCC would generally be concerned with their respective part. As such, a PCC's AGM typically only deals with administrative matters such as the appointment of auditors and directors.

8.2. Given the administrative nature of a PCC's AGM, MAS proposes to allow the AGM to be dispensed with if:

(a) directors provide at least 60 days' written notice to shareholders of the PCC; or

(b) audited financial statements are provided to shareholders of the PCC not later than 5 months after the end of the financial year.

Nonetheless, shareholder(s) holding 10% or more of the total voting rights may require an AGM to be held by giving the PCC 14 days' notice before the date by which the AGM would have been required to be held.

Question 25. MAS seeks comments on the proposal to allow for the dispensation of AGMs.

Audit and accounting

8.3. For assurance that the financial statements of PCCs will be prepared appropriately, MAS proposes to require all PCCs to appoint a public accountant registered under the Accountants Act 2004, to audit their accounts annually. As a MAS-licensed insurer, Section 94(7) of the IA on auditor requirements would apply where relevant.

8.4. To ensure proper segregation of assets and liabilities of the Core and Cells, MAS proposes that financial information of the Core and each Cell must be kept separate. PCCs should therefore maintain accounting records for the Core and each Cell with transactions and financial position of each recorded clearly and separately. Consistent with the CA, the accounting records will have to be retained for a minimum period of five years.

8.5. Similar to companies incorporated under the CA, PCCs would be required to prepare financial statements using the relevant Singapore accounting standards, for the PCC (inclusive of the Core and all its Cells).

8.6. In alignment with the CA, MAS intends for all audited financial statements of a PCC to be made publicly accessible as these statements would not contain proprietary information.

Question 26.	*MAS seeks comments on the proposals for the appointment of auditors, as well as the preparation and disclosure of financial statements of PCCs.*
Question 27.	*MAS also seeks comments on the proposal to require PCCs to maintain accounting records at the level of the Core and Cell, with transactions and financial position of each recorded clearly and separately.*

Registers

8.7. Aligned with the CA, MAS proposes to require PCCs to maintain the following set of registers with the same level of accessibility:

Registers to be Publicly Accessible

(a) Register of Charges;

(b) Register of Directors' Shareholdings;

(c) Register of Chief Executive Officer's shareholdings;

(d) Register of Members (i.e. Core and Cell shareholders); and

Registers only Accessible to Restricted Persons

(e) Register of Debenture Holders, only accessible to registered debenture holders and shareholders in the PCC.

8.8. Aside from the above, the following registers will also be maintained by the Registrar in line with the CA, with the same level of accessibility:

Registers to be Publicly Accessible

(a) Registers of Directors, Secretaries and Auditors;

(b) Registers of Chief Executive Officers; and

(c) Register of Charges.

8.9. As set out above, MAS proposes for the Register of Members to be publicly accessible, to promote corporate transparency, deter misuse by illicit actors and facilitate due diligence by investors and creditors. Nonetheless, MAS welcomes feedback on why a different level of accessibility for the Register of Members may be more appropriate and what level of accessibility this would be.

Question 28. MAS seeks comments on the proposal for the registers that would be required for PCCs as set out in paragraphs 8.7 and 8.8.

Question 29. MAS also invites comments on the proposal for the Register of Members to be publicly accessible and reasons why a different level of accessibility may be more appropriate.

9. Corporate Insolvency and Winding up

Winding up for PCCs and its cells

9.1. The proposed winding-up regime for PCCs and its Cells will be based on the winding-up regime for companies incorporated under the CA which are set out in the IRDA. Each Cell of a PCC may be wound up as if it was a separate legal person, and the winding up of a Cell will not affect any other parts of the PCC.

9.2. To prevent the dissolution of a PCC from disrupting any existing operations, MAS proposes to provide that a PCC may only be dissolved when the PCC (including remaining Cell(s) if any) ceases to carry on any insurance business.

Question 30. MAS seeks comments on the proposal to adopt a winding-up regime similar to that under the IRDA for PCCs and its Cells, as well as the proposed conditions.

Corporate Insolvency

9.3. As PCCs will be limited to the Insurance Use Cases, consistent with licensed insurers incorporated under the CA, MAS proposes to adapt the Schemes of Arrangement regime from the CA and receivership regime under the IRDA for PCCs and its Cells. Doing so would allow the MAS-licensed PCC or any of its Cells to undergo a court-approved Scheme of Arrangement subject to requirements under the FSMA, and the property of a PCC or the property of any of its Cells to be placed under receivership.

Question 31. MAS seeks comments on the proposal to adopt (i) a receivership regime similar to that under the IRDA and (ii) a Schemes of Arrangement regime similar to that under the CA, for PCCs and its Cells.

10. AML/CFT requirements

10.1. As PCCs will be licensed insurers under the IA, existing AML/CFT requirements set out under the relevant MAS Notices/guidelines applicable to insurers will apply to PCCs. MAS therefore does not propose to set out separate AML/CFT requirements under the PCC Act. This is consistent with the treatment of other MAS-licensed financial institutions, where AML/CFT requirements are imposed pursuant to powers set out under the FSMA.

10.2. PCCs will be required to maintain updated and accurate beneficial ownership information aligned with the Financial Action Task Force standards, and such information must be made available to MAS at the point of licensing and upon any subsequent change in effective controller or substantial shareholder, which requires MAS' approval under the IA. MAS will provide more information and seek views at a later time on the parties that will be regarded as beneficial owners, depending on the use case.

10.3. Financial institutions that are licensed, approved, registered or regulated by MAS are exempted from the CA requirement to maintain and file with ACRA a Register of Controllers, Register of Nominee Directors and Register of Nominee Shareholders. As PCCs will be licensed insurers, the same exemption will apply, and MAS does not propose to include these registers under the PCC Act.

10.4. MAS recognises that the additional ownership layers inherent in PCC structures may require more effort to identify beneficial owners accurately. MAS will consider the additional beneficial ownership requirements or reporting, if any, that should be imposed on PCCs. The requirements will be included in the subsequent consultation on the details of MAS' licensing, regulatory and supervisory regime for PCCs.

Question 32. MAS seeks comments on the proposed approach to AML/CFT requirements for PCCs.

11. Tax Framework

11.1. The taxation of a PCC structure will generally follow existing tax principles, taking into account that the PCC is treated as a single legal entity.

11.2. In that regard, the corporate tax treatment of a PCC structure would take the following approach:

(a) the sum of the chargeable income of the cells is subject to prevailing corporate income tax at the PCC level, as the PCC is treated as a single legal entity for tax purposes;

(b) the income of a PCC that is chargeable to tax at the prevailing corporate tax rate can enjoy prevailing tax exemption schemes that apply to companies, including the Partial Tax Exemption Scheme, and Tax Exemption Scheme for New Start-up Companies. The PCC is also eligible for corporate tax rebate, where such rebates are available. The exempt amount and tax rebate are computed at the PCC level. The PCC and its shareholders may agree on the allocation of the exempt amount and tax rebate between its cells;

(c) the unabsorbed capital allowances, losses and donations of a cell can be deducted against the income of that cell, but will not be available for deduction against the income of another cell or any other income of the PCC, as each cell has legally segregated assets and liabilities; and

(d) the unabsorbed capital allowances, losses and donations of a cell can be carried forward or carried back to offset against that cell's future or past income if amongst other things, there is no substantial change in its shareholders and their shareholding as at relevant dates. The existing rules for carry forward and carry back of such capital allowances, losses and donations apply.

11.3. GST treatment for a PCC would apply at cell level, given the segregation of assets and liabilities between cells. Accordingly, GST registration, accounting and filing, should be performed by the individual cells, if separately liable.

11.4. The following stamp duty treatment would apply:

(a) each PCC cell is treated as a separate person for stamp duty purposes, in line with the principle that each cell's assets and liabilities are legally segregated; and

(b) when dutiable instruments are executed, whether by a PCC or a PCC cell, stamp duty is payable within 14 days of execution if the instrument is executed in Singapore, or within 30 days of receipt in Singapore if the instrument is executed overseas. Instruments executed for the acquisition of shares and properties in (i) a PCC, and/or (ii) a cell of a PCC, are subject to the same stamp duty (e.g. share duty) as an acquisition of shares in a company (e.g., share duty, Additional Conveyance Duties, Buyer's Stamp Duty, Additional Buyer's Stamp Duty, and/or Seller's Stamp Duty).

Question 33. MAS seeks comments on the proposed tax framework for PCCs.

Annex A: List of Questions