



The Government of the Republic of the Union of Myanmar

Ministry of Planning and Finance  
Financial Regulatory Department

Office No . 34 , Nay Pyi Taw

Date: 4<sup>th</sup> February 2019

Dear All,

**EXPRESSION OF INTEREST (EOI) TO FORM JOINT VENTURE (JV) TO CARRY ON NON-LIFE INSURANCE BUSINESS IN MYANMAR**

**Response to Request For Clarification (RFC) No. 01**

- 1 We refer to the abovementioned EOI and append our Responses to the Request for Clarification (RFC) No. 01 for your information.
- 2 Please refer to Appendix 1 for the list of clarifications requested by the Applicants and potential foreign JV partners, as well as the Ministry of Planning and Finance's ("MoPF") replies.
- 3 MoPF's replies to the list of clarifications should be taken into consideration in your submission. All terms and conditions in the Invitation Letter for the above mentioned EOI remain unchanged.
- 4 The initial submission closing date and time will remain on **11<sup>th</sup> February 2019 at 1200 hours local time.**
- 5 The follow up submission closing date and time will remain as on **26<sup>th</sup> April 2019 at 1200 hours local time.**

Yours sincerely,

U Zaw Naing  
Director General  
Financial Regulatory Department  
Ministry of Planning and Finance, Building No 34, Nay Pyi Taw, Myanmar

## RFCs FROM APPLICANTS, POTENTIAL FOREIGN JV PARTNERS AND MoPF'S REPLIES

**Note:** This list does not include clarifications that have been indicated to be treated in confidence by the Applicants.

**Category A: General Information**

Sr. No.	Invitation Document Reference No.	Clarifications Requested By The Applicants	MoPF's Reply To Applicants
1.	General Question	Are there any particular items that you consider as important in the EOI questions?	The EOI will be assessed holistically.
2.	General Question	Is it required to place a Proposal Bond (USD 400,000) after RFP selection same as the situation to life insurer after RFP. How is the requirement for JV for non-life insurer?	Further details regarding the RFP will be shared on the announcement date of shortlisted Applicants.
3.	General Question	Is "Myanma Insurance" included in "Applicants"?	"Myanma Insurance" is not included in "Applicants".
4.	General Question	Is there legal binding by submitting this EOI? (If parties subsequently decide not to establish JV after submission of Eoi, is it possible not to submit RFP?)	No. The EOI is not legally binding.

## RFCs FROM APPLICANTS, POTENTIAL FOREIGN JV PARTNERS AND MoPF'S REPLIES

Category A: General Information (cont'd)

Sr. No.	Invitation Document Reference No.	Clarifications Requested By The Applicants	MoPF's Reply To Applicants
5.	General Question	Is there legal binding by submitting this RFP? (Is it possible to decide not to invest (or postpone of investment) as a result of due diligent and others between the parties after getting approval of JV? In that case, will the Authority exercise any power (e.g. limitation of future application)?	<p>If the JV is approved by MoPF, but the formation of the JV does not materialise, any Proposal Bond, if so imposed, at the RFP stage may be forfeited.</p> <p>The MoPF will consider all future Applications holistically, including past experiences in formation of JVs (whether in Myanmar or otherwise).</p>
6.	P.4 VI. Evaluation Process And Result	Are there any fees such as registration fee on submission of RFP or thereafter?	Final details will be shared during the RFP stage. However, it is anticipated that there will be application fees, licensing fees and annual fees.
7.	P.8 Section I: Basic Information Item No. 6	Shall a signer be the representative of the company? (ex. A senior management executive in charge of overseas operations.)	<p>For the Applicant: Signor has to be the CEO or a representative of the Board of Directors of the Applicant, or the Group CEO of the Applicant's Group.</p> <p>For the foreign JV partner: Signor has to be the CEO or a representative of the Board of Directors of the foreign JV partner, or the Group CEO of the foreign JV partner's Group.</p>

## RFCs FROM APPLICANTS, POTENTIAL FOREIGN JV PARTNERS AND MoPF'S REPLIES

Category A: General Information (cont'd)

Sr. No.	Invitation Document Reference No.	Clarifications Requested By The Applicants	MoPF's Reply To Applicants
8.	P.12 Section IV: Information On Proposed Myanmar Operations Item No. 1	Can we understand that this item requires qualitative business plan (quantitative figures are not required)?	Both qualitative and quantitative responses are accepted. For the purposes of EOI however, the focus can be on qualitative. If successfully shortlisted, a more detailed business plan will be required during the RFP stage - at which point both qualitative and quantitative responses are mandatory.
9.	P.12 Section IV: Information On Proposed Myanmar Operations Item No. 1	Are there any areas that the authorities particularly look forward to regarding 'Myanmar Economy / Contribution to the Insurance Industry'?	Please refer to the objectives stated under "Annex A - Introduction". You may expand on (a) Areas of Operations, (b) Product Offering, (c) Training plans and (d) Manpower projection plans.
10.	Annex B, Section IV, Question 3	Will the joint venture company be permitted to set the terms and conditions of each insurance policy (e.g. amount and currency of the premium, claims procedure, residency or nationality of customers, etc.) as it sees fit having regard to the commercial considerations?	Product features and pricing of the insurance product can be suggested by the JV company, although these are subject to the final approval of the Insurance Business Regulatory Board (IBRB).
11.	Annex B, Section IV, Question 4	For purposes of submitting the Form, can the Applicant assume that distribution of insurance products can be undertaken through the distribution channels in the "pipeline" (i.e. brokers, bancassurance, and online)?	For purposes of submitting the Form, the Applicant may assume that distribution of insurance products can be undertaken through the distribution channels in the "pipeline" (i.e. brokers, bancassurance, and online). However, such pipeline initiatives are subject to further developments and approvals.

## RFCs FROM APPLICANTS, POTENTIAL FOREIGN JV PARTNERS AND MoPF'S REPLIES

Category A: General Information (cont'd)

Sr. No.	Invitation Document Reference No.	Clarifications Requested By The Applicants	MoPF's Reply To Applicants
12.	Annex A, Section VI	Are there any on-site inspection before the shortlisting and/or granting a final approval for the joint venture? If so, please advise on the scope, timing and evaluation criteria of the on-site inspection.	At the discretion of MoPF, there could be on-site inspection before the shortlisting and/or granting of final approval of the joint venture. MoPF will notify Applicants in due course.
13.	Annex A, Section VI	Once the Applicant is shortlisted, can the Applicant and the Foreign JV Partner expect to receive the final approval upon fulfilling certain conditions prescribed by FRD? If so, please elaborate on the procedure to obtain a final approval for the joint venture, after an Applicant has been shortlisted.	The eventual grant of an approval would be at the sole and absolute discretion of the MoPF.
14.	Annex A, Section VI	What level of agreement of the operations of the JV between the Applicant and Foreign JV Partner is expected have been made by the time of announcement of the shortlisted applicants?	This is a commercial decision. No current level of agreement is expected at the EOI stage as the negotiations of the various partners would vary.
15.	N/A	Will the Foreign JV Partner be permitted to remit the profits/revenue back to its jurisdiction without having to obtain a separate approval of the Central Bank of Myanmar?	The Foreign JV Partner is required to obtain a separate approval from the Central Bank of Myanmar in order to remit the profits/revenue back to its jurisdiction

## RFCs FROM APPLICANTS, POTENTIAL FOREIGN JV PARTNERS AND MoPF'S REPLIES

Category A: General Information (cont'd)

Sr. No.	Invitation Document Reference No.	Clarifications Requested By The Applicants	MoPF's Reply To Applicants
16.	Annex B, Section I, Question 1.	Please clarify if the authorised contact person (the details of which are required to be filled under question no. 1 of Section I) and the representative of the board of directors of the Applicant (who will sign and submit the form and declaration under question no. 6 of Section 1) should be the same person.	No, the authorised contact person does not need to be the same person as the signor of the form under Question 6 of Section I.
17.	Annex B, Section I, Question 4.	If there are no requirements in the jurisdiction of the foreign JV partner for the insurance supervisory authority of that jurisdiction to carry out inspection or on-site review on the foreign JV partner and instead the insurance supervisory authority of that jurisdiction advocates real time and forward looking monitoring system, please clarify if the applicant should indicate 'Not applicable' in response to this question no. 4 or would you require the foreign JV partner to provide any other information or document since the inspection / on site review report is not generated and hence not applicable.	If there is a "real time and forward-looking monitoring system" in place of an inspection or on-site review on the foreign JV partner by the relevant insurance supervisory authority, please provide us with any identified deficiencies arising from such monitoring for the last 5 financial years. Also, state the corrective or risk mitigating measures in response to identified deficiencies and whether the deficiencies have now been resolved.

## RFCs FROM APPLICANTS, POTENTIAL FOREIGN JV PARTNERS AND MoPF'S REPLIES

Category A: General Information (cont'd)

Sr. No.	Invitation Document Reference No.	Clarifications Requested By The Applicants	MoPF's Reply To Applicants
18.	Annex B, Section I, Question 6.	If a representative of the board of directors of the Applicant and/or foreign JV partner is signing the form, please clarify if a copy of the board resolution or other similar appointment document authorizing the representative of the board of directors to sign the form is required to be furnished along with the application.	<p>If a representative of the board of directors of the Applicant and/or foreign JV partner is signing the form, a copy of the board resolution or other similar appointment document authorizing the representative of the board of directors to sign the form is required to be furnished along with the application.</p> <p>A duly notarised and legalised Power of Attorney can be submitted to prove the authority of the signor.</p> <p>Applicant may also show from its Memorandum &amp; Articles of Association or constitution that authority has been conferred on officers of the company, and then show evidence that the signor has been appointed to that particular office in the company.</p>
19.	Section II, Question 1	The foreign JV partner is able to provide an original certification of insurance license (in a letter form), signed by the insurance supervisory authority in the country of the foreign JV partner since paper copy of the license is not available. Is this sufficient for the purposes of complying with the requirements of Section II?	Yes, an original certification of insurance license (in a letter form), signed by the insurance supervisory authority in the country of the foreign JV partner, suffices for the purposes of complying with the requirements of Section II, Question 1.

## RFCs FROM APPLICANTS, POTENTIAL FOREIGN JV PARTNERS AND MoPF'S REPLIES

Category A: General Information (cont'd)

Sr. No.	Invitation Document Reference No.	Clarifications Requested By The Applicants	MoPF's Reply To Applicants
20.	Section III, Question 4	Please clarify if the foreign JV partner is expected to provide supporting documents (such as a letter from its bank stating that the foreign JV partner has good financial standing or a copy of its bank statement etc.) in response to the question stated under this question no. 4 of Section III.	The provision of such supporting documents is not required at the EOI stage.



## RFCs FROM APPLICANTS, POTENTIAL FOREIGN JV PARTNERS AND MoPF'S REPLIES

Category B: Split of Life and Non-Life Insurance License for Composite Local Insurers

Sr. No.	Invitation Document reference no.	Clarifications Requested by the Applicants	MoPF's Reply to Applicants
1.	Annex B, Section I, Question 2.	The local insurer which is already incorporated in Myanmar and holding a composite insurance business license, is currently undergoing licensing process to operate as only a non-life insurance business in Myanmar. In this regard, please clarify if this existing entity can submit application to form joint venture to carry out non-life insurance business in Myanmar in its own name.	The local insurer should work on the basis that there will be two separate licenses (i.e. 1 life and 1 non-life) that will eventually be issued to you prior to the RFP stage if you are successfully shortlisted post the EOI stage. In other words, if you are currently a composite insurer who has not received the split, you are entitled to submit two EOIs - 1 for life insurance entity and 1 for non-life insurance entity.
2.	Para I (Introduction) to Annex A	In connection with the clarification sought under serial no. 1 above, kindly clarify if the details of the local non-life insurer should be the existing legal entity holding composite insurance license (i.e. both life and non-life insurance business license) or is the applicant expected to split its business between two entities, one for life insurance and other for non-life insurance, before 11 February 2019 in which case the details of the local non-life insurer to be inserted in the form should be the entity that is carrying out only non-life insurance business.	

RFCs FROM APPLICANTS, POTENTIAL FOREIGN JV PARTNERS AND MoPF’S REPLIES

Category C: Eligibility of a Foreign Joint Venture Partner

Sr. No.	Invitation Document reference no.	Clarifications Requested by the Applicants	MoPF’s Reply to Applicants
1.	Cover Letter, Paragraph 2	As foreign insurers have not been issued insurance business licences in Myanmar, the foreign insurers have not been registered for a specific type of insurance. Please clarify how a representative office will be categorised as “non-life”, “life” or “composite” insurance business (e.g. based on the insurance business licence of its parent company, or based on the “Representative Office List in Myanmar” which was released together with the EOI by FRD). Will it include representative offices under the process of registration as of 31 December 2018?	<p>The representative office will be classified according to the “Representative Office List in Myanmar” that is found in the FRD website (<a href="http://www.frd.gov.mm/?q=en/content/insurance-market-liberalization-foreign-entities-myanmar">http://www.frd.gov.mm/?q=en/content/insurance-market-liberalization-foreign-entities-myanmar</a>).</p> <p>Those that are still in progress for application as of 31 December 2018 will not be considered for the purposes of the foreign JV partnership.</p>
2.	Cover Letter, Paragraph 2	Where insurance regulations of the parent company of the Foreign JV Partner in its jurisdiction permit subsidiaries of a non-life insurance company to conduct life insurance business, could the representative office of that Foreign JV Partner be considered as being registered to operate composite insurance business?	No, the representative office of that Foreign JV Partner will not be considered as being registered to operate composite insurance business.

## RFCs FROM APPLICANTS, POTENTIAL FOREIGN JV PARTNERS AND MoPF'S REPLIES

Category D: Structure of the Joint Venture Company

Sr. No.	Invitation Document reference no.	Clarifications Requested by the Applicants	MoPF's Reply to Applicants
1.	P.1 Cover Letter "Foreign JV Partner"	<p>Shall a foreign JV partner (foreign insurer) be an insurance company?</p> <p>Does it include an intermediate holding company (100% wholly-owned by the foreign insurance company) without an insurance license?</p>	<p>The MoPF will allow a foreign company which satisfies the following conditions to function as the foreign JV partner:-</p> <p>(i) the company has a local representative office registered for non-life/composite insurance as at 31 December 2018 <u>or</u> has a subsidiary (as defined in the Myanmar Companies Law 2017) with a local representative office registered for non-life/composite insurance as at 31 December 2018;</p>
2.	Invitation letter for EOI	<p>To check if the following understanding is correct: FRD would allow investment (JV partnership) through a company including a mezzanine holding company within the group that possesses an insurance company under which its representative office has been set up in Myanmar.</p>	<p>(ii) the company possesses a non-life/composite insurance licence <u>or</u> has a holding company (as defined in the Myanmar Companies Law 2017) with a non-life/composite insurance licence. There are no restrictions on the country issuing the non-life/composite insurance licence. However, an application based on non-life/composite insurance licence from a country with a less developed insurance market may be scored lower.</p> <p>Please note that, in the event that an application is based on the non-life/composite insurance licence of a holding company of the intended foreign JV partner, a copy of the said non-life/composite insurance licence must be submitted together with the application for the Licensing Committee's review.</p>

## RFCs FROM APPLICANTS, POTENTIAL FOREIGN JV PARTNERS AND MoPF'S REPLIES

Category D: Structure of the Joint Venture Company (cont'd)

Sr. No.	Invitation Document reference no.	Clarifications Requested by the Applicants	MoPF's Reply to Applicants
3.	Annex B, Section I, Question 3	For the purposes of completing details of foreign JV partner under Question 3 of Section I, please clarify if these details to be provided should be of the representative office registered in Myanmar or of the foreign company whose representative office is registered in Myanmar.	For the purposes of completing details of foreign JV partner under Question 3 of Section I, this should be details of the foreign JV partner identified, and not the representative office. Refer to Category D Sr. No. 1 and 2 for more details on the foreign JV partner.
4.	P.4 VI. Evaluation Process And Result	Does "approval of JV" includes either "additional capital injection to a local insurance company or purchase of existing local insurance company's stock"?	MoPF currently prefers joint ventures to be formed by the foreign JV partner subscribing for new shares in the Applicant. More details will be released to shortlisted Applicants during the RFP phase. Regardless, JVs must not breach the minimum capital requirement set out in the Myanmar Insurance Business Rules.
5.	P.10 Section III: Information On Global Operations Of The Foreign J Annex A, Section VI Partner Item No. 5	Can we understand that the estimated amount of equity contribution is the maximum likely amount? Is it acceptable to submit the amount in a certain range? (How can we describe it when we plan to increase the amount that we contribute after JV licensing?)	

## RFCs FROM APPLICANTS, POTENTIAL FOREIGN JV PARTNERS AND MoPF'S REPLIES

Category D: Structure of the Joint Venture Company (cont'd)

Sr. No.	Invitation Document reference no.	Clarifications Requested by the Applicants	MoPF's Reply to Applicants
6.	P.10 Section III: Information On Global Operations Of The Foreign JV Partner Item No. 5	Is there any target of expected equity contribution by the authority (ex. Minimum capital standard after foreign JV partnership is approved)?	MoPF currently prefers joint ventures to be formed by the foreign JV partner subscribing for new shares in the Applicant. More details will be released to shortlisted Applicants during the RFP phase. Regardless, JVs must not breach the minimum capital requirement set out in the Myanmar Insurance Business Rules.
7.	Annex A, Section I	Are there any restrictions on the transaction structure that may be taken to form the joint venture – for instance, share subscription to new shares of the Applicant, purchase of existing shares from the shareholders of the Applicant, or combination of both?	
8.	Annex B, Section III, Questions 4 & 5	If the joint venture involves share subscription by the Foreign JV Partner in the Applicant, and the Applicant will be required to satisfy the minimum capital requirement prior to foreign participation, are there any prescriptions on the capital contribution by the Foreign JV Partner (e.g. Minimum amount, timing of injection, etc.)?	

## RFCs FROM APPLICANTS, POTENTIAL FOREIGN JV PARTNERS AND MoPF'S REPLIES

Category D: Structure of the Joint Venture Company (cont'd)

Sr. No.	Invitation Document reference no.	Clarifications Requested by the Applicants	MoPF's Reply to Applicants
9.	P.10 Section Iii: Information On Global Operations Of The Foreign J Annex A, Section VI Partner Item No. 5	Is it solely a negotiation between the parties (local company & foreign JV partner) regarding the procedure, timing, etc. Of equity contribution? Will the progress be managed by the authorities (needs to be reported)?	The arrangement of equity contribution will be a commercial negotiation between the parties. However, the MoPF may impose a pre-approval condition that requires the arrangement to be seen through before the approval of successful Applicants.
10.	N/A	We note that under the Myanmar Companies Law 2017, companies may issue different classes of shares. Are there any restrictions or conditions on insurance companies in this respect?	Although the Myanmar Companies Law 2017 does provide for the issuance of different classes of shares, Applicants should seek their own legal advice on whether the terms of the different classes of shares held by the foreign JV partner would comply with applicable laws and the relevant foreign ownership restrictions.
11.	Annex B, Section III, Question 5	Is there any prescribed debt to equity ratio? Can certain types of debt qualify as capital?	There is no prescribed debt to equity ratio. However, all capital injected for paid-up capital must be in cash. Any other proposed types of capital are subjected to MoPF's assessment and approval.

## RFCs FROM APPLICANTS, POTENTIAL FOREIGN JV PARTNERS AND MoPF'S REPLIES

Category D: Structure of the Joint Venture Company (cont'd)

Sr. No.	Invitation Document reference no.	Clarifications Requested by the Applicants	MoPF's Reply to Applicants
12.	Annex B, Section III, Question 4	Upon approval of the joint venture, will the local insurer's parent company be permitted to: (a) withdraw the 10% of its total paid-up capital deposited with Myanma Economic Bank; and/or (b) transfer title to the government treasury bonds (amounting to 30% of its paid-up capital) in its name to the joint venture company?	Regardless, the approved JV must meet the regulations set out in Clause 7 of the Myanmar Insurance Business Rules.  For reference, Rule 7 of Myanmar Insurance Business Rules stipulates the following: "The IBRB shall: (a) direct an insurer or underwriting agent to open an account at the Myanma Economic Bank with a deposit equal to 10% of the paid-up capital.; and (b) direct an insurer or underwriting agent to purchase in their joint names Government Treasury Bonds worth 30% of the paid-up capital."
13.	Annex B, Section III, Question 4	Is the MMK 40 billion minimum capital requirement supposed to be borne by the local insurer and the Foreign JV Partner in proportion to their proposed respective shareholdings, or as agreed mutually between the local insurer and the Foreign JV Partner?	This is a commercial decision to be agreed mutually between the local insurer and the foreign JV partner, provided that the maximum 35% foreign shareholding limit is not exceeded.

## RFCs FROM APPLICANTS, POTENTIAL FOREIGN JV PARTNERS AND MoPF'S REPLIES

Category D: Structure of the Joint Venture Company (cont'd)

Sr. No.	Invitation Document reference no.	Clarifications Requested by the Applicants	MoPF's Reply to Applicants
14.	Annex B, Section III, Question 4	Given that local insurance companies were permitted to withdraw half of the paid up capital, will the joint venture partners be permitted to withdraw or use the minimum paid up capital injected into the joint venture company as before?	MoPF may in its discretion permit a company to withdraw or use the minimum paid-up capital injected as before.
15.	Annex B, Section III, Questions 4 & 5	Is the capital injection by the Foreign JV Partner required to be done: (a) in a lump sum or in tranches; (b) if in tranches, what the amount of capital which should initially be contributed; (c) all in cash, or can any or all part of the contribution be in-kind; and (d) in USD only?	There are no legal or regulatory restrictions on the manner in which capital injection by the foreign JV partner should be carried out so long as relevant approvals have been obtained.  However, it is important to note that the minimum capital requirements per the Myanmar Insurance Business Law and Rules must be complied with at all times.
16.	N/A	Are there any restrictions or requirements on the transfer of shares in the joint venture company (e.g. Option rights, pre-emptive right, requirement for written consent of the other shareholder, requirement for approval of the FRD, etc.)?	Any subsequent transfer of shares would be subject to the approval of the MoPF.



## RFCs FROM APPLICANTS, POTENTIAL FOREIGN JV PARTNERS AND MoPF'S REPLIES

Category E: Special Economic Zone

Sr. No.	Invitation Document reference no.	Clarifications Requested by the Applicants	MoPF's Reply to Applicants
1.	General Question	Can the existing license of representative office and SEZ license be affected by this EoI application?	If JV is successfully formed: SEZ license will be revoked. There will be a transition period for the SEZ licensee to continue servicing existing policyholders, but the existing SEZ business will turn into a closed book, i.e. no new business underwritten. All new business moving forward will be underwritten by the JV.
2.	Cover Letter, Paragraph 2	Can the Foreign JV Partner who has been issued an insurance business licence specifically for Thilawa Special Economic Zone continue to operate its insurance business within the Thilawa Special Economic Zone separately from the JV?	<p>Representative office will cease to exist.</p> <p>If JV is not successfully formed: SEZ license will be revoked. There will be a transition period for the SEZ licensee to continue servicing existing policyholders, but the existing SEZ business will turn into a closed book, i.e. no new business underwritten. MoPF will no longer issue any new SEZ license going forward.</p> <p>Representative office will carry on its activities.</p>

## RFCs FROM APPLICANTS, POTENTIAL FOREIGN JV PARTNERS AND MoPF'S REPLIES

Category F: Indicative Timeline

Sr. No.	Invitation Document reference no.	Clarifications Requested by the Applicants	MoPF's Reply to Applicants
1.	P.3 Indicative Timeline	Although the indicative timeline is clearly stated on EoI, is it possible to apply after the indicated deadline? (In case that the negotiation with the potential local partner is not confirmed by this timeline, will it be possible to submit the application after this deadline?)	<p>No. Submissions after the deadline will strictly not be considered.</p> <p>However, with reference to the explanatory notes: Applicants who do not have a foreign JV partner at the time of submission of this Form but wish to explore a JV with eligible foreign insurers (who have a local representative office registered for nonlife/composite insurance business as at 31 December 2018) must (i) submit this Form with the relevant information in Section I duly completed by 11 February 2019, 1200 hours local time; and (ii) submit a complete Form with the remainder of the sections duly completed by 26 April 2019, 1200 hours local time.</p>
2.	P.3 Indicative Timeline	Will the announcement date of shortlisted applicants be the same (17 <sup>th</sup> May), regardless of the timing of EOI submission date?	Yes, the announcement date is the same for all Applicants, regardless of the timing of the EOI submission date.
3.	Annex A, Section III	What is the consequence of the parties not being able to meet the timeframe stipulated in the EOI? For instance, does it mean that both the local insurer and the foreign insurer will not have a chance to form a joint venture at all?	Yes, the timeframe should be strictly adhered to. Late submissions will not be considered for the current round of applications.

## RFCs FROM APPLICANTS, POTENTIAL FOREIGN JV PARTNERS AND MoPF'S REPLIES

Category G: Others

Sr. No.	Invitation Document reference no.	Clarifications Requested by the Applicants	MoPF's Reply to Applicants
1.	P.3 Indicative Timeline	If we miss this timeline, how long will it take until the next application?	The timeline cannot be ascertained at this stage.
2.	P.3 Indicative Timeline	When can we receive MoPF's answers to our questions? (We would like to have the answers as soon as possible since the first EOI submission deadline is 11th Feb.)	Responses have been released.
3.	P.12 Section IV: Information On Proposed Myanmar Operations Item No. 3	Can you show us the plan or roadmap of liberalization of insurance products to local insurance companies? (Including liberalization of reinsurance)	This question is not applicable for the purposes of the current EOI submission.
4.	General Question	I would like to confirm the progress of revision of "Myanma Insurance law".	This question is not applicable for the purposes of the EOI submission.

## RFCs FROM APPLICANTS, POTENTIAL FOREIGN JV PARTNERS AND MoPF'S REPLIES

Category G: Others (cont'd)

Sr. No.	Invitation Document reference no.	Clarifications Requested by the Applicants	MoPF's Reply to Applicants
5.	Cover Letter, Paragraph 2	Will the FRD/MoPF be issuing any guidance or regulations on how the existing composite business of the local insurer should be split up into life and non-life insurance businesses respective, particularly with respect to: (a) classification of the various insurance products; (b) common or shared services or assets to be used between the life and non-life insurance companies within the same group of a local insurer; (c) separation of duties among the key management of the life and non-life insurance business companies and any holding company within the same group; and/or (d) dealing with the financial statements of the composite business?	This question is not applicable for the purposes of the EOI submission.
6.	N/A	Given the uncertainty of the line of products that a life or non-life insurance company will be permitted to carry currently, and also considering that health, medical and personal accident insurance, which are typically categorised as non-life insurance products, are categorised as life insurance products in Myanmar, will the authorities be issuing any regulations clarifying that health, medical and personal accident insurance can be written by non-life insurance companies? If not, will the authorities be issuing any regulations on non-life insurance companies collaborating with or providing marketing services to life insurance companies for health, medical and personal accident insurance products?	This question is not applicable for the purposes of the EOI submission.

## RFCs FROM APPLICANTS, POTENTIAL FOREIGN JV PARTNERS AND MoPF'S REPLIES

Category G: Others (cont'd)

Sr. No.	Invitation Document reference no.	Clarifications Requested by the Applicants	MoPF's Reply to Applicants
7.	Annex A, Section I	Is further liberalisation, which will permit the Foreign JV Partner to hold more than 35% in the future, anticipated or expected?	This question is not applicable for the purposes of the current EOI submission.
8.	Annex B, Section IV, Question 3	Will the FRD/MoPF be issuing any definitions or guidance on what constitutes "life insurance" and "non-life insurance" respectively? Alternatively, can the Applicant and Foreign JV Partner refer to the classification typically adopted in other jurisdictions for purposes submitting the Form?	No definitions or guidance will be issued at this point.
9.	Annex A, Section VI	What are the evaluation criteria for the information requested in the EOI regarding the Applicant, the Foreign JV Partner, and the proposed operations in Myanmar?	The evaluation criteria are kept confidential.
10.	Annex A, Section VI	When will the FRD begin issuing the final approvals for the joint venture? Will the non-life insurance business licence be issued concurrently with or subsequent to the final approval?	MoPF is unable to comment at this stage.

## RFCs FROM APPLICANTS, POTENTIAL FOREIGN JV PARTNERS AND MoPF'S REPLIES

Category G: Others (cont'd)

Sr. No.	Invitation Document reference no.	Clarifications Requested by the Applicants	MoPF's Reply to Applicants
11.	N/A	<p>(a) What is the expected timeline for submission of the Proposals after being shortlisted? Depending on the progress of discussions between the Applicant and the Foreign JV Partner, the parties may require time after being shortlisted before being able to officially submit the Request for Proposal. Would the deadline for the Request for Proposal differ depending on the intended date for commencement of operations of the joint venture company?</p> <p>(b) Please elaborate on the information which the FRD expects to see in the Proposal?</p> <p>(c) When will the FRD begin issuing the final approvals for the joint venture? Will the non-life insurance business licence be issued concurrently with or subsequent to the final approval?</p>	MoPF is unable to comment at this stage.
12.	N/A	In addition to the approval by FRD, will the joint venture require any approval from other regulatory authorities (e.g. an investment permit issued by the Myanmar Investment Commission) before it is permitted to commence insurance operations?	This question is not applicable for the purposes of the current EOI submission.

## RFCs FROM APPLICANTS, POTENTIAL FOREIGN JV PARTNERS AND MoPF'S REPLIES

Category G: Others (cont'd)

Sr. No.	Invitation Document reference no.	Clarifications Requested by the Applicants	MoPF's Reply to Applicants
13.	N/A	We understand that the new Insurance Business Law is currently being drafted to regulate the insurance operations in Myanmar. When are the law and its implementing rules (if any) expected to come into effect? Are there any other new laws and/or regulations in the pipeline (e.g. agent rules, bancassurance regulations, etc.), and if so, when are they expected to come into effect?	MoPF is unable to comment at this stage.
14.	N/A	We understand that the Agent Rules are still in draft form. Please clarify: (a) when the Agent Rules are expected to be finalised and announced; and (b) whether as of the date of the submission of the Form, should the Applicant and Foreign JV Partner assume that the current draft Agent Rules will apply?	MoPF is unable to comment at this stage.
15.	Annex B, Section IV, Question 4	We understand that regulations on bancassurance is currently being discussed within FRD. Please clarify when the bancassurance regulations are expected to be finalised and announced. As of the date of the submission of the Form, should the Applicant and Foreign JV Partner assume that the JV will be able to enter into an arrangement directly with a bank for the collaboration of insurance products?	MoPF is unable to comment at this stage.

## RFCs FROM APPLICANTS, POTENTIAL FOREIGN JV PARTNERS AND MoPF'S REPLIES

Category G: Others (cont'd)

Sr. No.	Invitation Document reference no.	Clarifications Requested by the Applicants	MoPF's Reply to Applicants
16.	Annex B, Section IV, Question 4	When are the details expected to be announced? What is the procedure for obtaining approval for a distribution channel which is not listed as one of the "Government approved product distribution channels"?	This question is not applicable for the purposes of the current EOI submission.