



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: 5th June 2019

Dear Sir,

REQUEST FOR PROPOSAL (RFP) TO FORM JOINT VENTURE (JV) TO CARRY ON NON-LIFE INSURANCE BUSINESS IN MYANMAR

Responses to Request For Clarification (RFC) No. 01

- 1 We refer to the abovementioned RFP 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 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 RFP remain unchanged.
- 4 The follow up submission closing date and time will remain as **21st June 2019 at 1200 hours local time.**

Yours faithfully,

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

RFCs FROM APPLICANTS, 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.

Part A: General Information

| S/N | RFP Document Reference No. | Clarifications Requested By The Applicants | MoPF's Reply To Applicants |
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| 1 | Section 7.8.2 | Is there any prescribed format for the Power of Attorney? | There is no prescribed format for the Power of Attorney. |
| 2 | Section 9.1.1 | Are there any additional conditions precedent other than those stated in Paragraph 9.1.1(a) to (c)? | Paragraphs 9.1.1(a) to (c) are not intended to be exhaustive. There may be other Conditions Precedent added. |
| 3 | Schedule 10 – Manpower | Are we required to include the number of employees of the Non-Life Insurance JV? | The Applicant is required to include the number of employees of the Non-Life Insurance JV. |
| 4 | Schedule 11 – Expenses | Are the items of expenses described in Schedule 11 merely illustrative, or do they need to be followed strictly by the Applicant and Foreign JV Partner? For instance: 1) can the item “Total claims settled” be revised to “Claim Expenses”? 2) can the items “Office rent”, “Related party expenses”, “Audit and other professional”, “Repairs and maintenance”, “Public utilities”, “Office equipment”, “License and Association”, and “Advertising and marketing” be combined into a single item named as “Other expenses”? | The items of expenses described in Schedule 11 need to be strictly followed by the Applicant and Foreign JV Partner. |
| 5 | General Question | What is the definition of “Related Party expenses”? Please provide some illustrations. | Related Party expenses are defined as any expenses arising from transactions with Related Parties as defined under Myanmar |

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| | | | Accounting Standard 24 Related Party Disclosures. |
| 6 | Schedule 11 - Year | In the financial projection, when should the financial year start / end? For example, does FY 2020 mean "from 1st October 2020 to 30th September 2021?" | A "financial year" refers to the period from 1st October 20xx to 30 September 20xx. (e.g. FY2020 covers the period from 1 October 2019 to 30 September 2020). |
| 7 | Schedule 11 – Currency | Is there any prescribed exchange rate for converting the relevant local currency (e.g. MMK) into USD? Can we adopt the exchange rate which Applicant and Foreign JV partner have agreed on? | Applicants should use the applicable spot exchange rates published by the Central Bank of Myanmar as at date of issuance of the RFP document (i.e. 17 May 2019). |
| 8 | Part A / 3.2 | What is the purpose of setting Validity Period of proposal? | This is essential to ensure that the Proposal is not open-ended. |
| 9 | Part A / 3.10 | Will the announcement be published on the FRD's website as well? | The announcement of Successful Applicants will be published on the FRD's website. |
| 10 | Part A / 4.11 | When will the details of the presentation be provided to the applicant? What is the expected key focus areas of the presentation? | More details will be shared closer to the date of the presentation. |
| 11 | Part A / 4.12 | Are we (Applicants or foreign JV partner) able to invite external advisor in presentations and interviews session scheduled in the week of 15th July? | More details will be shared closer to the date of the presentation. |
| 12 | Part A / 4.13 | Are there any requirements for attendees from applicant or foreign JV partner? | More details will be shared closer to the date of the presentation. |
| 13 | Part A / 5.1.1 | Please confirm the schedule after Formal announcement of Successful Applicants. | More details will be shared in due course. |
| 14 | Part A / 7.9. | Should each applicant determine the assumptions of the business plan? | All relevant assumptions applied should be included in the Proposal submission. |
| 15 | Part A / 7.9. | Is the business plan going to be monitored by FRD? | The FRD may, from time to time, engage the insurer to understand the latest developments |

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| 16 | Part A / 7.9.1.3 | How many years do foreign JV partner have to go back to the past JV exit history? | The Foreign JV Partner should provide the JV exit history for the past 10 years. |
| 17 | General Information | Will foreign JV partners with business in the Thiwala SEZ still be able to keep the Thiwala SEZ entity post formation of JV? | <p>If JV is successfully formed: SEZ insurance business license will be revoked. There will be a transition period for the SEZ insurance business licensee to continue servicing existing policyholders, but the existing insurance business in Thilawa SEZ will turn into a closed book, i.e. no new business underwritten. All new business moving forward will be underwritten by the JV.</p> <p>Representative office will cease to exist.</p> <p>If JV is not successfully formed: SEZ insurance business license will be revoked. There will be a transition period for the SEZ insurance business licensee to continue servicing existing policyholders, but the existing insurance business in Thilawa SEZ will turn into a closed book, i.e. no new business underwritten. MoPF will no longer issue any new SEZ insurance business license going forward.</p> <p>Representative office will carry on its activities.</p> |

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

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| 18 | Part A- Proposal Conditions, Section 3.1.6 | <p>Justification of our current approach to the joint venture</p> <p>1. Our preferred structure for the joint venture between [REDACTED] and [REDACTED] to conduct a general insurance business in Myanmar is premised on [REDACTED] purchasing thirty five (35) per cent of the issued shares of [REDACTED] held by [REDACTED] shareholder, [REDACTED] ("Option 1"), rather than through subscribing for new shares in [REDACTED]. Option 1 was developed in consultation with IBRB and reflects the commercial reality that [REDACTED] is adequately capitalised and there is no commercial basis for providing additional capital to [REDACTED] at this time. In response to question at Sr. No. 7 to the EOI dated 4 February 2019, it was stated that "subscription of shares" is a "preferred" option, but not a mandatory one. We also understood from the EOI that the minimum capital requirement for the general insurance business is MMK 40 Billion only. Accordingly, based on the confirmation received under the EOI and so that [REDACTED] is not in breach of the minimum capital requirements, both [REDACTED] and [REDACTED] procured approval from their shareholders and board for Option 1 in order for us to get the binding agreement to submit the RFP in time. At this stage, it will be extremely difficult to change from Option 1 since the minimum capital requirement is only MMK 40 Billion and the [REDACTED] is adequately capitalized. As already indicated in our email response dated 14</p> | As stated in Clause 3.1.6 of the RFP, the MoPF requires the method of investment to be in the form of the Foreign JV Partner subscribing for new shares in the Applicant. |
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| | | <p>May 2019, we wish to reiterate that both [redacted] and [redacted] are committed to the insurance business sector in Myanmar and if additional funds are required for the business of [redacted] in the future, based on commercial requirements and growth needs of [redacted], [redacted] and [redacted] would be prepared to provide additional funding to [redacted].</p> <p>In light of the aforesaid, please let us know if IBRB is in favour of allowing us to use Option 1?</p> <p><u>First alternative option</u></p> <p>2. If the IBRB requires that [redacted] must subscribe for new shares in [redacted], notwithstanding the reasons set out above, our proposal is to follow the minimum capital requirements and subscribe to new shares in [redacted] worth fourteen (14) billion Kyats (i.e. thirty five (35) percent of forty (40) billion Kyats) and to purchase a portion of the issued shares in [redacted] held by [redacted] ("Option 2"). Specifically, we propose that [redacted] would subscribe for fourteen (14) billion kyats worth of new shares from [redacted], amounting to thirty five (35) per cent of the minimum capital requirements under the Insurance Business Law. As [redacted] has invested in the insurance business for the last 7-8 years there will be asset and enterprise value that has been generated. The parties may jointly engage an actuarial valuer to come up with valuation of the business that is accepted to all the parties. In order to be fair to the Myanmar companies, such additional asset and enterprise value should be transferred to the Myanmar</p> | |
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| | | <p>companies by way of a share transfer. Accordingly, [REDACTED] would purchase an additional sum of shares from [REDACTED] in addition to the aforesaid share subscription for a consideration that will depend on the agreed valuation of [REDACTED]. In our view, if the IBRB is not open to Option 1, this Option 2 will satisfy the IBRB's requirement for the foreign investor ([REDACTED]) to subscribe for new shares up to the minimum required under the Insurance Business Law (that is, thirty five (35) per cent of forty (40) billion kyats).</p> <p>To be fair to the Myanmar companies which have invested in the business, the foreign investor ([REDACTED]) is agreeable to allow the non life insurance JV ([REDACTED]) to declare dividends to the Myanmar partner ([REDACTED]) in accordance with the provisions of the Myanmar Companies Law. Part or full amount of [REDACTED] investment of fourteen (14) billion kyats, will be used to declare and pay such dividend to [REDACTED].</p> <p>In light of the aforesaid, in the event IBRB is not in the favour of Option 1, we would like to proceed with Option 2</p> <p><u>Second Alternative option</u></p> <p>3. If the IBRB requires that [REDACTED] must subscribe for new shares in [REDACTED], notwithstanding the reasons set out above, our proposal is to follow the minimum capital requirements and subscribe to new shares in [REDACTED] worth fourteen (14) billion Kyats (i.e. thirty five (35) percent of forty (40) billion Kyats) and</p> | |
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| | | <p>to purchase a portion of the issued shares in held by ██████ (“Option 3”). Specifically, we propose that ██████ would subscribe for fourteen (14) billion kyats worth of new shares from ██████, amounting to thirty five (35) per cent of the minimum capital requirements under the Insurance Business Law. As ██████ has invested in the insurance business for the last 7-8 years there will be asset and enterprise value that has been generated. The parties may jointly engage an actuarial valuer to come up with valuation of the business that is accepted to all the parties. In order to be fair to the Myanmar companies, such additional asset and enterprise value should be transferred to the Myanmar companies by way of a share transfer. Accordingly, ██████ would purchase an additional sum of shares from in addition to the aforesaid share subscription for a consideration that will depend on the agreed valuation of ██████. In our view, if the IBRB is not open to Option 1 and Option 2, this Option 3 will satisfy the IBRB’s requirement for the foreign investor (██████) to subscribe for new shares up to the minimum required under the Insurance Business Law (that is, thirty five (35) per cent of forty (40) billion kyats).</p> <p>In light of the aforesaid, in the event IBRB is not in the favour of Option 1 and Option 2, we would like to proceed with Option 3.</p> | |
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| 19 | Part A-Proposal Conditions, Section 4.6 | i. Please confirm if the license will be granted to the Successful Applicant in Stage 5 (i.e. selection of the Successful Applicants) for allowing the Foreign JV Partner to make capital injection into the Non-Life Insurance JV. | The approval for allowing the Foreign JV Partner to make capital injection may be subject to certain Conditions Precedent imposed by the MoPF. |
| 20 | Part A-Proposal Conditions, Section 4.6 | ii. What is the earliest time for the Foreign JV Partner to make the capital injection into the Non-Life Insurance JV? | The earliest time for the Foreign JV Partner to make the capital injection into the Non-Life Insurance JV will be upon announcement of the Successful Applicants, subject to fulfilment of any Conditions Precedent imposed by the MoPF. |
| 21 | Part A-Proposal Conditions, Section 4.6 | iii. Can the capital injection be done in tranches and over what time frame should such capital injection be completed | The capital injection can be done in tranches. However, the share capital structure needs to be based on final Share Subscription Agreement submitted to the MoPF. Regarding the time frame, the Applicant should submit the proposed capital injection schedule for MoPF's consideration. |
| 22 | Part A-Proposal Conditions, Section 4.8.1 | Upon receiving the approval of the MoPF, we seek to clarify whether the Non-Life Insurance JV will be allowed to cede reinsurance to offshore entities. | This would depend on the relevant Myanmar laws, regulations and the policies of the Myanmar Government. |

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| 23 | Part A- Proposal Conditions, Section 4.8.1 | <p>In relation to the response to the request for clarifications on the Expression of Interest to form a joint venture to carry on non-life insurance business in Myanmar provided by the Financial Regulatory Department (reference: RFC No.1, Appendix 1, Category E, serial number 2) we understand:</p> <p>i) that the existing business (including renewal of ongoing policies) of the Thilawa SEZ license holder will be underwritten by the Non-Life Insurance JV</p> <p>ii) The Non Life Insurance JV will also start underwriting the new business of the Thilawa SEZ license holder once the JV is formed and hence the Thilawa SEZ license holder ceases the additional underwriting of the Thilawa SEZ Business.</p> <p>iii) In order to underwrite the existing Thilawa SEZ Business, the Non Life Insurance JV will need reinsurance and wider products. We will include these in our RFP and the business plan accordingly and assume that the approval will be obtained in order to undertake activities in point (i) and (ii) above.</p> <p>Please clarify if our understanding in relation to the points above is correct</p> | <p>i) It will be a commercial decision between the Applicant and Foreign JV Partner as to whether the existing business of the Thilawa SEZ insurance business license holder will continue to be serviced by the Foreign JV Partner, or will be transferred to the Non-Life Insurance JV for future policy servicing.</p> <p>ii) The SEZ insurance business license will be revoked and all new businesses moving forward will be underwritten by the Non-Life Insurance JV.</p> <p>iii) Applicants may include reinsurance plans in their Proposals for the MoPF's consideration.</p> |
| 24 | Section 7.6.1 | Are there any specific requirements to serve as the Foreign JV Partner POC and/or the Applicant POC? | There are no specific requirements to serve as the Foreign JV Partner POC and/or the Applicant POC. |

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| 25 | Part B- Objectives and Conditions Precedent, Section 9.1.1 | This Section requires Successful Applicants to fulfil a set of conditions prior to the Non-Life Insurance JV being granted an approval to carry out non-life insurance business in Myanmar. We seek to clarify: i) by which date is the Successful Applicant expected to fulfil all the conditions set out in Section-9.1.1 of the RFP as well any other conditions that may be furnished by the MoPF?; | Any required deadlines will be specified when MoPF issues the finalised list of Conditions Precedent. |
| 26 | Part B- Objectives and Conditions Precedent, Section 9.1.1 | This Section requires Successful Applicants to fulfil a set of conditions prior to the Non-Life Insurance JV being granted an approval to carry out non-life insurance business in Myanmar. We seek to clarify: ii) will the MoPF be issuing a letter of approval to the Non-Life Insurance JV or will a new license be issued to the Non-Life Insurance JV?; | A letter of approval will be issued to the Non-Life Insurance JV. If there are any name changes, the MoPF will issue an updated license to reflect the changes. |
| 27 | Part B- Objectives and Conditions Precedent, Section 9.1.1 | This Section requires Successful Applicants to fulfil a set of conditions prior to the Non-Life Insurance JV being granted an approval to carry out non-life insurance business in Myanmar. We seek to clarify: iii) we assume that the Non-Life Insurance JV company will be granted the approval letter of the RFP and the Non-Life Insurance JV can start operations upon receiving such approval letter. | The Non-Life Insurance JV can start operations upon receiving the final approval letter and upon fulfilment of any Conditions Precedent which are imposed. |
| 28 | Part B- Objectives and Conditions Precedent, Section 9.1.1 | v) similarly, with respect to the auditor's certificate certifying the amount of issued and paid up share capital of the proposed Non-Life Insurance JV" set out in Section 9.1.1.c we seek to clarify whether this refers to the issued and paid up capital of the Successful Applicant or that of the Non-Life Insurance JV itself?; and | Section 9.1.1 (c) of the RFP document refers to issued and paid-up capital of the Non-Life Insurance JV. |

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| 29 | Part B- Objectives and Conditions Precedent, Section 9.1.1 | vi) since, the Foreign JV Partner can only inject capital upon the Non-Life Insurance JV receiving the final approval and/or license, as such, items referred to in Sections 9.1.1.b and 9.1.1.c may not be administered during the conditional approval phase. We seek to clarify, whether FRD can consider giving its final approval and stipulate a timeframe for the new Non-Life Insurance JV to respond to any conditions imposed? | Limbs (b) and (c) of Clause 9.1.1 are intended to confirm the directors of the JV, the amount of issued/paid up shares of the JV and the shareholders and shareholding ratio in the JV. Once appointed, Successful Applicants will be able to commence capital injection and appoint the necessary directors. However, all the Conditions Precedent required by the MoPF will need to be fulfilled before the MoPF will issue a final approval for the JV. Upon receipt of the final approval from the MoPF, the JVs can then go to DICA to change the name of the local insurer to the JV name (if so desired), and commence operations in the name of the JV. More details will be subsequently shared with Successful Applicants. |
| 30 | Part C- Schedules, Schedule 4 | Please could you clarify the weightage assigned to each evaluation criteria? | The evaluation criteria is kept confidential. |
| 31 | Section 3.2.5 | For the Successful Applicants, is the valid period extended automatically once the extension notice is given to the Successful Applicants? Isn't there any way to disagree to the validity extension for the successful applicants? | As stated in the RFP, the Successful Applicants shall be deemed to have agreed to the extension once the extension notice is issued. |
| 32 | Schedule 5 | It is not clear that the confirmation slip is whether remittance confirmation slip or deposit confirmation slip. Please specify it. | The confirmation slip stated in Schedule 5 is referring to the remittance confirmation slip. |

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Part B: Key Appointments

| S/N | RFP Document Reference No. | Clarifications Requested By The Applicants | MoPF's Reply To Applicants |
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| 1 | 7.8.3(b) and Schedule 9 | Please confirm whether letters from the key executives illustrating their intention to accept their appointment upon approval of JV is necessary. | Letters from the key executives illustrating their intention to accept their appointment upon approval of JV are not necessary. |
| 2 | 7.8.3(b) and Schedule 10 | Please clarify the minimum documents (professional certifications and qualification) would be required to be submitted for each key executive, and the language in which it should be provided. | The minimum documents for each key executive include supporting certificates or equivalent documents for the academic and professional qualifications listed in the response to Schedule 9 of the RFP. These documents should be provided in English. |
| 3 | 7.8.3(b) and Schedule 11 | Are there any minimum qualification criteria for any of the key executives? | The MoPF will consider the qualifications of the key executives holistically. Minimum requirement of the proposed Certifying Actuary for the Non-Life Insurance JV is stated under Schedule 8 of the RFP. |
| 4 | Part C- Schedules, Schedule 9, Section 4(iv) | We seek to clarify whether the Successful Applicant is given an opportunity to update the regulator after the Closing Date should there be any changes to the Key Executives after such closing date? | The Successful Applicant will be given an opportunity to update the regulator after the Closing Date should there be any changes to the Key Executives after such Closing Date, but such changes would be subject to the MoPF's approval. |
| 5 | Section 7.8.3 (b) | If an appointment has not yet been made, can only be submitted by an appointed executive? | All proposed key executive appointments should be included within the submission. |

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| 6 | Schedule 8, S/N. 2 | Is there any timeline for the Non- Life Insurance JV to have a proposed certifying actuary who is a Fellow of any association recognized by the International Actuarial Association? | The duly qualified certifying actuary should be appointed on or before the Non-Life Insurance JV commences business operations as a JV. |
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Part C: Proposal Bond

| S/N | RFP Document Reference No. | Clarifications Requested By The Applicants | MoPF's Reply To Applicants |
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| 1 | 3.5, 3.6 and Schedule 2 | We note that the Proposal Bond is required to be furnished by the "Successful Applicants", whereas the commitment letter is required to be jointly obtained by the "Applicant and Foreign JV Partner". Please clarify whether it is permissible for the Applicant alone, the Foreign JV Partner alone, or the Applicant and the Foreign JV Partner jointly to arrange with the relevant bank/insurer for the Proposal Bond. | It is permissible for the Applicant alone, the Foreign JV Partner alone or for the Applicant and Foreign JV Partner to jointly arrange with the bank or insurer for the Proposal Bond. |
| 2 | Part A / 3.5.1 | Successful Applicants, which means Applicant and Foreign JV Partner, are supposed to prepare a proposal bond in RFP, but is it necessary to prepare proposal bond from both side (one from Applicant and another from foreign JV partner)? | There are no restrictions on which party should procure the Proposal Bond. |
| 3 | Part A / 3.5.2 | Can we understand that there are no restrictions for bank issuing proposal bond (local/foreign bank, rating, etc.)? | The regulated/licensed external bank or insurer must be reputable and of good standing, and must not be a related corporation to the Applicant/Foreign JV Partner. |
| 4 | Part A / 3.6.1 | What kind of document is the Commitment Letter and what is required as a description item? | The Commitment Letter is a letter from the relevant bank/insurer to confirm that they will issue the Proposal Bond in line with the requirements under the RFP. |
| 5 | Part C/ Schedule No.2 | Is one party responsible for putting up the proposal bond or is it the parties' own decision on the allocation? | The allocation of responsibilities in relation to the putting up of Proposal Bond is up to the parties' own decision |

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| 6 | Part A- Proposal Conditions, Section 3.5 | <p>In relation to the Proposal Bond required to be furnished by the Successful Applicants:</p> <p>i) will there be a list of “recognized banks or insurers” (as stated in Section 3.5.2) published by the MoPF;</p> <p>ii) in lieu of such a list stated in point i) above, will it be acceptable that the issuing bank for the Proposal Bond be any one of a) a foreign bank or insurer not established in Myanmar; b) a foreign bank established and licensed to operate in Myanmar; or c) local bank or insurer in Myanmar?;</p> <p>iii) will it be acceptable to furnish a Proposal Bond issued by a local bank with which a Successful Applicant proposes to enter into Bancassurance agreements?;</p> <p>iv) Please confirm if the proposal bond will be refunded after the approval is granted; and</p> <p>v) Can the Bond Commitment Letter and the subsequent provision of the Proposal Bond be from two separate “recognized” banks or insurers?</p> | <p>(i) There will not be a list of recognized banks or insurers published by the MoPF.</p> <p>(ii) The regulated/licensed external bank or insurer must be reputable and of good standing, and must not be a related corporation to the Applicant/Foreign JV Partner.</p> <p>(iii) It is acceptable to furnish a Proposal Bond issued by a local bank with which a Successful Applicant proposes to enter into a Bancassurance Agreement.</p> <p>(iv) The Proposal Bond may be cancelled or withdrawn after all Conditions Precedent have been fulfilled and the final approval is granted.</p> <p>(v) The Bond Commitment Letter and the subsequent provision of the Proposal Bond can be from two separate "recognized" banks or insurers in exceptional circumstances, subject to the MoPF's prior approval.</p> |
| 7 | Part A- Proposal Conditions, Section 3.6 | In relation to the issuance of a commitment letter for the provision of a Proposal Bond, please can you clarify the parameters you would use for classifying an issuing bank/insurer as acceptable? | The regulated/licensed external bank or insurer must be reputable and of good standing, and must not be a related corporation to the Applicant/Foreign JV Partner. |
| 8 | Section 3.4.1 | What would be additional charges to the application fee? and how much would it cost other than bank charges? | For the purpose of the RFP application, no additional charges will be imposed by the MoPF other than the application fee. |
| 9 | Section 3.5.4 | What does it mean by “all conditions precedent”? Would you be able to specify the “conditions precedent”? | The list of Conditions Precedent to be fulfilled will be provided to the Successful Applicants |

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| 10 | Section 3.5.5 | How do the Successful Applicants request for the withdrawal or cancellation of the Proposal Bond? Shall it be written request? If so, is there any standard or official form/document that MOPF offer? | Successful Applicants should request for the withdrawal or cancellation of the Proposal Bond via written request. There is no specified format required by the MoPF. |
| 11 | Section 3.5.5 | What is the criteria that MOPF approve the withdrawal of the Proposal Bond? | The Proposal Bond should remain valid until final approval is given by the MoPF on the commencement of insurance operations under the JV. |
| 12 | Section 3.5.5 | When can the Successful Applicants expect to request the withdrawal or cancellation of the Proposal Bond? Please specify the timeline. | The Proposal Bond should remain valid until final approval is given by the MoPF on the commencement of insurance operations under the JV. |
| 13 | Section 3.5.6 | How much does it cost for issuing and maintaining the Proposal Bond through its validity period? | All Applicants should check directly with the bank or insurer on the relevant requirements. |
| 14 | Section 3.5.7 | What does it mean by "the relevant conditions" stated in (a)? Please specify it. | "the relevant conditions" as stated in Section 3.5.7 (a) of the RFP document refers to any Conditions Precedent which are imposed by the MoPF. |
| 15 | Section 3.6.1 | What is the range of recognized bank? Does it include foreign banks doing business in Myanmar? | The regulated/licensed external bank or insurer must be reputable and of good standing, and must not be a related corporation to the Applicant/Foreign JV Partner. |
| 16 | Section 3.6.2 | Does a bank or insurer issue the commitment letter without actual money deposit for the Proposal Bond? | All Applicants should check directly with the bank or insurer on the relevant requirements. |

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Part D: Required Submissions

| S/N | RFP Document Reference No. | Clarifications Requested By The Applicants | MoPF's Reply To Applicants |
|-----|----------------------------|--|--|
| 1 | Section 7.8.3 (c) | To what extent can the draft JV Agreement, Subscription Agreement and/or Shareholders Agreement be amended after submission of the Proposal and/or after the announcement of Successful Applicants? Must the Applicant seek approval for any and all amendments? | <p>Proposal evaluation will only be carried out based on documents, including the finalised draft agreements, submitted as of the Closing Date. Amendments can be made to the finalised draft agreements by Successful Applicants for the sole purpose of fulfilling Conditions Precedent to approval by the MoPF.</p> <p>For minor grammatical or typographical amendments, no further approvals are required by the MoPF. As for more material amendments, these should be submitted to the MoPF for approval.</p> |
| 2 | Section 7.8.3(b)-(d) | Will the final approval of the Non-Life Insurance JV include approval of or any reference to the proposed appointments of the key executives and the finalised drafts of the JV Agreement or Shareholders Agreement, Share Subscription Agreement and Bancassurance Agreement which have been submitted as part of the Proposal? | <p>The final approval will include approval of the proposed appointments of the key executives.</p> <p>The final approval may come with conditions, and these conditions may vary from Applicant to Applicant depending on the document that has been submitted. The MoPF is not in a position to comment on what conditions would be imposed without first reviewing the said documents.</p> <p>However, the mere fact that a Proposal is approved does not mean that the MoPF has approved of the underlying agreements, the</p> |

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| | | | terms of the agreement or the transactions contemplated by such agreement. |
| 3 | Section 7.8.3(g) and Schedule 7 | Is it mandatory to submit Power of Attorney if the respective CEOs of the Applicant and the Foreign JV Partner are authorised by the Constitution or relevant applicable laws to sign the necessary documents? | In lieu of a Power of Attorney, the MoPF would accept a legal opinion issued by a licensed law firm or attorney confirming that the signatory has the requisite authority under the applicable laws to execute the document on behalf of the entity. |
| 4 | Section 7.9.1.2 and Schedule 12 | Please clarify the intention/purpose behind the information requested by Schedule 12 (Connected Party) so that we are able to identify the information that has been requested. | The MoPF requires information on all directors and individuals who will have executive authority in the Foreign JV Partner for the purposes of its review and evaluation of Proposals. |
| 5 | Section 7.9.1.2 and Schedule 13 | Is it sufficient for Foreign JV Partner to simply fill in each name of director at the table of "Name of Directors"? | It is sufficient for the Foreign JV Partner to fill in the full name of each director under the table of "Name of Directors". |
| 6 | Section 7.9.1.2 and Schedule 14 | Please also clarify the definition of "connected parties" and "executive authority". | The definition of "connected party" has already been provided in the RFP document under Schedule 12 - Information of Connected Party of the Foreign JV Partner. Executive authority refers to the authority to make decisions on behalf of the company. |
| 7 | Part A / 7.8.3 | It is stated that finalized versions of the SPA, SSA and BA will need to be submitted as part of RFP. Are the parties able to make further changes to the documents post submission (and if yes, to what extent)? Are draft documents be allowed with confirmation of major points while other minor items would be finalized post June 21? | Proposal evaluation will only be carried out based on documents, including the finalised draft agreements, submitted as of the Closing Date. Amendments can be made to the finalised draft agreements by Successful Applicants for the sole purpose of fulfilling the Conditions Precedent to approval by the MoPF. |

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

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| | | | For minor grammatical or typographical amendments, no further approvals are required by the MoPF. As for more material amendments, these should be submitted to the MoPF for approval. |
| 8 | Part A / 7.8.3 9 (C) | What is the definition of "finalised draft"? Is it acceptable to submit draft version as of submission date? | <p>Proposal evaluation will only be carried out based on documents, including the finalised draft agreements, submitted as of the Closing Date. Amendments can be made to the finalised draft agreements by Successful Applicants for the purposes of fulfilling the Conditions Precedent to approval by the MoPF.</p> <p>For minor grammatical or typographical amendments, no further approvals are required by the MoPF. As for more material amendments, these should be submitted to the MoPF for approval.</p> |
| 9 | Part A / 7.8.3 (d) | How should we understand the definition of "if available"? Can we understand that it is unnecessary to submit these documents (Share Subscription Agreement and Bancassurance Agreement) if we are still under negotiation? | A finalised draft of the Share Subscription Agreement should be submitted by the Closing Date. If the Applicant intends to submit a draft Bancassurance Agreement for the MoPF's consideration in the evaluation process, it should be submitted by the Closing Date. |
| 10 | Part B / 9.1.1 | Is it acceptable if the required documents described in this item differ from the Finalised Draft version which we are going to submit as our proposal? | Proposal evaluation will only be carried out based on documents, including the finalised draft agreements, submitted as of the Closing Date. Amendments can be made to the finalised draft agreements by Successful Applicants for the purposes of fulfilling the Conditions Precedent to approval by the MoPF. |

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

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| | | | For minor grammatical or typographical amendments, no further approvals are required by the MoPF. As for more material amendments, these should be submitted to the MoPF for approval. |
| 11 | Part A- Proposal Conditions, Section 4.2 | With respect to the issuance of the "RFP Documents" stated in this section, we would like to seek your clarification on whether any other documents will be issued by the MoPF in relation to the RFP. If yes, by when is MoPF expected to release such documents. | The complete set of RFP documents have been issued to successful Applicants via email. |
| 12 | Section 4.9.1 | Will any amendments or modifications that may be made by the MoPF to the RFP documents pursuant to the section 4.9.1 of the RFP be notified to the Applicant POC and the Foreign JV Partner POC via email respectively? | Any amendments or modifications made by the MoPF to the RFP documents will be notified to the Applicant POC and the Foreign JV Partner POC via email respectively. |
| 13 | Part A- Proposal Conditions, Section 7.8.3(d) | This Section requires the submission of a finalised draft of any share subscription agreement and Bancassurance agreement (if available). With respect to the Bancassurance agreement, we seek to clarify: i) whether such a Bancassurance agreement must be submitted to the MoPF by the Closing Date (i.e. 21 June 2019)?; and | A finalised draft of the Share Subscription Agreement should be submitted by the Closing Date. If the Applicant intends to submit a draft Bancassurance Agreement for the MoPF's consideration in the evaluation process, it should be submitted by the Closing Date |
| 14 | Part A- Proposal Conditions, Section 7.8.3(d) | This Section requires the submission of a finalised draft of any share subscription agreement and Bancassurance agreement (if available). With respect to the Bancassurance agreement, we seek to clarify: ii) subject to the response to the clarification sought out in i) above, if such a draft Bancassurance agreement is not available by the Closing Date, does the Applicant have the option of submitting a draft Bancassurance agreement after the closing date? If yes, what is the latest date by when the Applicant must submit the draft Bancassurance agreement? | A finalised draft of the Share Subscription Agreement should be submitted by the Closing Date. If the Applicant intends to submit a draft Bancassurance Agreement for the MoPF's consideration in the evaluation process, it should be submitted by the Closing Date |

RFCs FROM APPLICANTS, FOREIGN JV PARTNERS AND MOPF'S REPLIES

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| 15 | Part B- Objectives and Conditions Precedent, Section 9.1.1 | Please clarify: iv) with respect to the term “updated register of Directors” referred to in the Section 9.1.1.b we seek to clarify whether the updated list of directors refers to the Directors of the Successful Applicant or if this refers to the Directors of the Non-Life Insurance JV itself? | Section 9.1.1.(b) of the RFP document refers to Directors of the Non-Life Insurance JV. |
| 16 | Part C- Schedules, Schedule 12 | In relation to a “connected party” stated in Schedule 12 of the RFP we seek to clarify whether: i) the Foreign JV Partner is required to list all of the natural persons having executive authority over the Foreign JV Partner and all of the existing Directors of the Foreign JV Partner?; and | In relation to a “connected party” stated in Schedule 12 of the RFP, the Foreign JV Partner is required to list all of the natural persons having executive authority over the Foreign JV Partner and all of the existing Directors of the Foreign JV Partner. |
| 17 | Part C- Schedules, Schedule 12 | ii) if the definition of “Director” means the Director of the Non-Life Insurance JV or the Directors of the Foreign JV Partner? | “Director” as used in Schedule 12 refers to directors of the Foreign JV Partner. |
| 18 | Section 4.7.1 | To resolve any outstanding issues, how many days would be allowed? Is there any timeline that MOPF allows for the resolution of outstanding issues? | Any required timelines for resolution of outstanding issues will be informed to the Applicants subsequently at the point of announcement of Successful Applicants. |
| 19 | Section 7.8.3 (c) | Do both of the Applicant and the Foreign JV Partner need to sign on the draft? | It is not necessary for both of the Applicant and the Foreign JV Partner to sign on the draft of the JV Agreement or Shareholders Agreement. |
| 20 | Section 7.8.3 (c) | What if it is impossible to reach to the finalized version of draft of the JV Agreement or Shareholders Agreement or any equivalent agreement by the closing date? | Proposal evaluation will only be carried out based on documents, including the finalised draft agreements, submitted as of the Closing Date. |

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

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| 21 | Section 7.8.3 (c) | If the finalized draft of the JV Agreement or Shareholders Agreement is modified after the closing date, can the proposal bond be forfeited according to the statement 3.5.7 (c)? | <p>Proposal evaluation will only be carried out based on documents, including the finalised draft agreements, submitted as of the Closing Date. Amendments can be made to the finalised draft agreements by Successful Applicants for the sole purpose of fulfilling Conditions Precedent to approval by the MoPF.</p> <p>For minor grammatical or typographical amendments, no further approvals are required by the MoPF. As for more material amendments, these should be submitted to the MoPF for approval. Such amendments do not automatically fall under the Section 3.5.7 (c) of the RFP, and will be assessed on a case by case basis.</p> |
| 22 | Section 7.8.3 (d) | Do both of the Applicant and the Foreign JV Partner need to sign on the draft of any Share Subscription Agreement and Banc assurance Agreement? | It is not necessary for both of the Applicant and the Foreign JV Partner to sign on the draft of any Share Subscription Agreement and Bancassurance Agreement |
| 23 | Section 7.8.3 (d) | What if it is impossible to reach to the finalized version of draft of the Share Subscription Agreement or Banc assurance Agreement? | A finalised draft of the Share Subscription Agreement should be submitted by the Closing Date. If the Applicant intends to submit a draft Bancassurance Agreement for the MoPF's consideration in the evaluation process, it should be submitted by the Closing Date. |
| 24 | Section 9.1.1 | When is the due date for the Successful Applicants to provide the certified documents to meet the requirements? | The relevant due date has yet to be fixed. |

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

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| 25 | Schedule 12 Information Of Connected Party of the Foreign JV Partner | It is not clear what is the difference between "Name of Directors" and "Name of Natural Persons with Executive Authority". Please verify with difference. | <p>A Director is a Natural person. The two tables are meant to capture both Directors (executive and non-executive) and Natural Persons with executive authority (e.g. CEO or Managing Director).</p> <p>To cite the example given in the RFP document, the CEO of a company would typically have executive authority but need not also be a director of the company.</p> |
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RFCs FROM APPLICANTS, FOREIGN JV PARTNERS AND MoPF'S REPLIES

Part E: Others

| S/N | RFP Document Reference No. | Clarifications Requested By The Applicants | MoPF's Reply To Applicants |
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| 1 | Part A / 7.9.1.6 (b) (iii) | Are there any plans to revise policy reserve regulations in the future? | MoPF is unable to comment at this stage. |
| 2 | Part A / 7.9.1.6 (b) (iii) | Are there any plans to introduce solvency regulations in the future? | MoPF is unable to comment at this stage. |
| 3 | Part A – Proposal Conditions, Section 1.1.3 | Instead of forming a new joint venture and transferring all the assets to that new joint venture entity, the Foreign JV Partner will be investing in [REDACTED] i.e. the existing general insurance license holding entity (license issued on 1st April 2019) and this is reflected in the structure we have opted for in our Options 1, 2 and 3 (reference Clarification Question No. 2). Accordingly, [REDACTED] will become the joint venture entity and our intention is to change the name of [REDACTED] to [REDACTED] in accordance with the provisions of Section 25 of the Myanmar Companies Law without changing the legal status of [REDACTED] (i.e. the existing general insurance business license holder). | This is a statement, rather than a clarification question. No responses will be provided. |
| 4 | Section 9.1.1 | How long will it take for the final approval of the Non-Life Insurance JV to be issued after all the conditions precedent have been fulfilled? | MoPF is unable to comment at this stage. |