

**L.N. 262 of 2020**

**Insurance (Designation and Annual Fees for Designated Insurance Holding Companies) Regulation**

(Made by the Chief Executive in Council under section 128(1) of the Insurance Ordinance (Cap. 41) after consultation with the Insurance Authority)

**1. Commencement**

This Regulation comes into operation on 29 March 2021.

**2. Interpretation**

In this Regulation—

*annual fee* (年費) means a fee payable under section 95F(1)(b) of the Ordinance;

*date of designation* (指定當日) has the meaning given by section 95A(1) of the Ordinance;

*designation fee* (指定費) means the designation fee payable under section 95F(1)(a) of the Ordinance.

**3. Payment of designation and annual fees**

- (1) The designation fee payable by a designated insurance holding company must be paid within 60 days beginning on the date of designation of the company.
- (2) An annual fee payable by a designated insurance holding company—
  - (a) becomes payable on each 1 April (*relevant date*) after the date of designation of the company; and
  - (b) must be paid by the 31 May that follows the relevant date.

**4. Amounts of designation and annual fees**

- (1) Subject to subsection (2), the amount of the designation fee or an annual fee payable by a designated insurance holding company is—
  - (a) subject to paragraph (b), the amount calculated by multiplying the group insurance liabilities of the company by 0.0026% (*calculated amount*); or
  - (b) if the calculated amount is—
    - (i) less than \$10,000,000—\$10,000,000; or
    - (ii) more than \$60,000,000—\$60,000,000.
- (2) If the date of designation of a designated insurance holding company does not fall on 1 April of a year, the amount of the designation fee payable by the company is to be calculated in accordance with the following formula—

$$A \times \frac{B}{C}$$

- where:
- A means the amount of the designation fee calculated in accordance with subsection (1);
  - B means the number of days in the period that—
    - (a) begins on the date of designation; and
    - (b) ends at the beginning of the 1 April that follows the date of designation; and
  - C means the number of days in the period that—
    - (a) begins on the 1 April that precedes the date of designation; and

(b) ends at the beginning of the 1 April that follows the date of designation.

(3) In this section—

**group insurance liabilities** (集團保險負債), in relation to a designated insurance holding company, means an amount that—

- (a) is reported in a written return deposited by the company under section 95F(2) of the Ordinance; and
- (b) reflects the total insurance liabilities of the supervised group of the company as at the specified date;

**specified date** (指明日期), in relation to a designated insurance holding company, means—

- (a) for calculating the amount of the designation fee payable by the company—the end date of the last financial year of the company that ends before its date of designation; and
- (b) for calculating the amount of an annual fee payable by the company in a year—the end date of the last financial year of the company that ends before 1 April of that year.

Wendy LEUNG  
Clerk to the Executive Council

COUNCIL CHAMBER

8 December 2020

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### **Explanatory Note**

This Regulation prescribes the following matters in relation to the fees payable under section 95F(1) of the Insurance Ordinance (Cap. 41) by a designated insurance holding company on designation and at prescribed intervals—

- (a) the payment due dates;
- (b) the prescribed intervals; and
- (c) the amounts of such fees.