

[Translation]

Notification of the Insurance Commission

Re: Life Insurance Companies' Investments in other Businesses (No. 5)

B.E. 2564 (2021)

By virtue of Section 28 of the Life Insurance Act B.E. 2535 (1992) and Section 3 (2) of the Insurance Commission Act B.E. 2550 (2007), together with the resolutions of the Insurance Commission Meetings No. 13/2020 on 25 December 2020 and No. 1/2021 on 29 January 2021, the Insurance Commission hereby prescribes this Notification as follows:

Clause 1 This Notification shall be called the "Notification of the Insurance Commission Re: Life Insurance Companies' Investments in other Businesses (No. 5) B.E. 2564 (2021)."

Clause 2 This Notification shall take effect from the date of its publication onwards.

Clause 3 The provision of Clause 21 of the Notification of the Insurance Commission Re: Life Insurance Companies' Investments in other Businesses B.E. 2556 (2013) shall be repealed and replaced by the following:

"Clause 21 With respect to investments in debt instruments where the credit of each debt instrument's issuer or each debt instrument must be rated in accordance with this Notification, if subsequently the issuer rating or the issue rating becomes lower than investment grade under this Notification, the Company may continue to hold those debt instruments, provided that they must be calculated in the investment proportion by the issuers or the counterparties, the investment proportion by the class of assets, and the investment proportion by the issuers in accordance with the criteria and conditions specified in Clause 27, Clause 29, Clause 36, and Clause 38, as the case may be, and must also be included in computing the value of investment in the investment proportion as specified in Clause 37 (6)."

Clause 4 The provision of Clause 28 of the Notification of the Insurance Commission Re: Life Insurance Companies' Investments in other Businesses B.E. 2556 (2013) shall be repealed and replaced by the following:

“Clause 28 Computation of the investment proportion in investment units of a mutual fund shall include the value of the assets or index held by such mutual fund as of the computation date, in proportion to the value of mutual fund units in which the Company has invested, as specified in a report of the most recent accounting period. In the case where such report of the most recent accounting period is not available, the value as specified in the most recent fund fact sheet shall be considered together with the proportion of investment in assets or indices of the same classes as those in relation to the Company's investments or holdings, according to the investment proportion specified in this Chapter (look-through approach).”

Clause 5 The following provision shall be added as (6) and (7) of Clause 37 of the Notification of the Insurance Commission Re: Life Insurance Companies' Investments in other Businesses B.E. 2556 (2013), as amended by the Notification of the Insurance Commission Re: Life Insurance Companies' Investments in other Businesses (No.4) B.E. 2563 (2010):

“(6) Any debt instrument with the issuer rating or the issue rating that has become lower than an investment grade pursuant to Clause 21;

(7) Any non-investment grade or unrated debt instrument that is in the mutual fund under Clause 49 (3) or Clause 50 (7).”

Clause 6 The following provision shall be added as Clause 49 (3) of the Notification of the Insurance Commission Re: Life Insurance Companies' Investments in other Businesses B.E. 2556 (2013), as amended by the Notification of the Insurance Commission Re: Life Insurance Companies' Investments in other Businesses (No.4) B.E. 2563 (2010):

“(3) In the case of investment units of a mutual fund that invests in a debt instrument with a credit rating of non-investment grade or an unrated debt instrument, the mutual fund must have a policy to invest in such debt instrument in amount not exceeding ten percent of its net asset value. If the policy does not specify so, the investment proportion of the mutual fund stated in a report of the most recent accounting period shall apply. If the

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report of the most recent accounting period is not available, that specified in the most recent fund fact sheet shall apply.”

Clause 7 The following provision shall be added as (7) of Clause 50 of the Notification of the Insurance Commission Re: Life Insurance Companies’ Investment in other Businesses B.E. 2556 (2013)

“(7) In the case of investment units of a mutual fund that invests in a debt instrument with the credit rating of non-investment grade or an unrated debt instrument, the mutual fund must have a policy to invest in such debt instrument in an amount not exceeding ten percent of its net asset value. If the policy does not so specify, the investment proportion of the mutual fund stated in a report of the most recent accounting period shall apply. If the report of the most recent accounting period is not available, that specified in the most recent fund fact sheet shall apply.”

Notified on this 5th day of April B.E. 2564.

Krisada Chinavicharana

Permanent Secretary, Ministry of Finance

Chairman of the Insurance Commission